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Federal Grants and the Business Cycle

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PREFACE

This study is a byproduct of a plan developed in 1947 by the Conference on Research in Fiscal Policy for a study of federal-state fiscal relations in the United States. In 1948 the Council of Economic Advisers to the President indicated an interest in a study of federal grants-in-aid and provided the author with facilities for work and the advice of its staff. Work was begun in the summer of 1948 and continued in the summers of 1949-50.

The present manuscript has gained through suggestions and criticisms from many people. Chapter III owes most to George Bigge and Selma Muskin of the Federal Security Agency. Chapter IV took shape through the help of Robinson Newcomb of the Council of Economic Advisers and G. P. St. Clair of the Bureau of Public Roads. Chester Rightor of the Bureau of the Budget was chiefly responsible for compilation of a consistent series of grant expenditures back to 1929. Other persons in the federal service who were helpful include David Christian, Gerhard Colm, I. M. Labovitz, Hamilton Dearborn, Harry Sheftel. At the National Bureau of Economic Research Arthur F. Burns, Geoffrey H. Moore, Thor Hultgren, George E. Lent and Lawrence H. Seltzer made searching and constructive evaluations of my manuscript. Finally, I am indebted for advice to Clarence Heer, Harold M. Groves, Donald H. Wallace, Haskell Wald, Eugene Oakes, R. M. Haig, Dan T. Smith, P. E. Taylor and Byron L. Johnson.

Martha Anderson edited the manuscript and H. Irving Forman drew the charts.

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