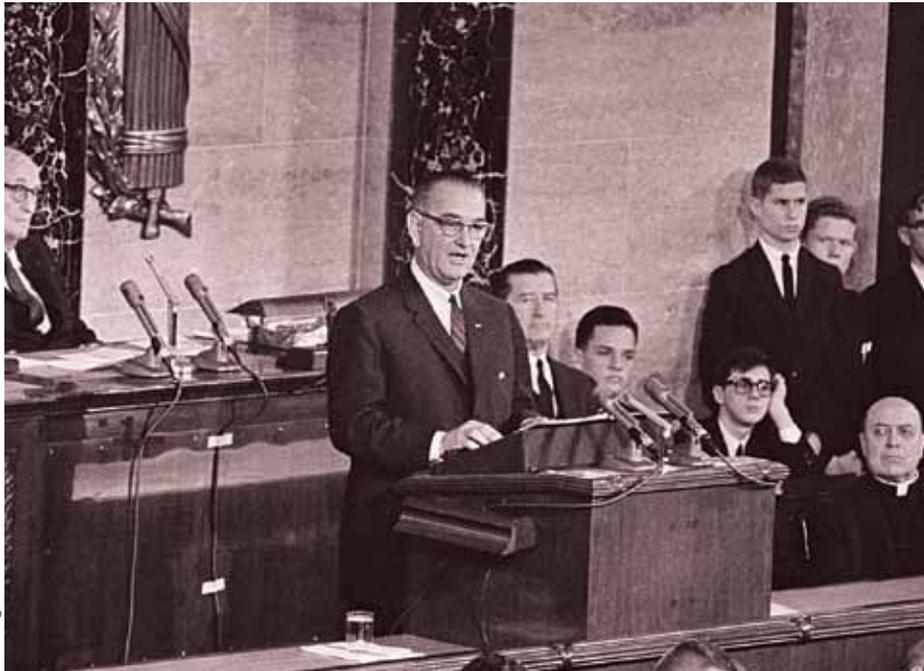


War on Poverty

Feeding the Growing Government

President Lyndon Johnson's War on Poverty had the goal of not merely alleviating poverty, but eliminating it. In truth, it has created a permanent dependent class.



AP Images

War is declared: President Lyndon Johnson declared the “unconditional war on poverty” to a joint session of Congress in his first State of the Union address, January 8, 1964.

by Jack Kenny

“This administration today, here and now, declares unconditional war on poverty.”

— President Lyndon B. Johnson, State of the Union, 1964

If we are to take the rhetoric seriously, the longest war in American history is not the war in Afghanistan, still ongoing in its 13th year. We have not had a formal declaration of war since World War II, but the metaphorical wars yet abound. President Johnson declared a “war against crime,” Presidents Nixon and Reagan each declared a “war on drugs,” and President Carter labeled his campaign against oil and gas companies the “moral equivalent

of war,” unintentionally creating the less-than-fearsome acronym “MEOW.”

But aside from the shooting war in Vietnam, the war that defined the Johnson presidency is the War on Poverty he declared 50 years ago this January. It was to be an “unconditional war,” a campaign “not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it.”

Lyndon Johnson is long gone, but both poverty and the war he declared against it live on in a vast array of duplicative and overlapping government programs that were supposed to lift the poor out of poverty and onto the high road of economic progress. Half a century later, the evidence continues to point to the inverse of Johnson's promise. While the programs have

in many cases alleviated the symptoms of poverty — hunger, homelessness, lack of income — they have combined to create a permanent underclass of dependent Americans for whom upward mobility is no longer even a dream. And in some cases the programs have lent themselves to predictable abuse, including the “waste and fraud” that politicians of both parties continually decry, even as they continue to fund the programs and tolerate the abuses.

The Immodest Proposals

No one could accuse Lyndon Baines Johnson of modesty when courting the nation with his vision for America. Johnson, who was well-versed in biblical imagery, could out-promise the Book of Revelation or offer to a grateful nation his blueprint for the blissful state that was Eden before the Fall. In the mundane world of politics, eye had not seen nor ear heard what Johnson had in store for America when he delivered his State of the Union address to a joint session of Congress on January 8, 1964. Here is but a short list of what the new president called on Congress to enact:

Let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined; as the session which enacted the most far-reaching tax cut of our time; as the session which declared all-out war on human poverty and unemployment in these United States; as the session which finally recognized the health needs of all our older citizens; as the session which reformed our tangled transportation and transit policies; as the session which achieved the most effective, efficient foreign aid program ever; and as the session which helped to build more homes, more schools, more libraries, and more hospitals than any single session of Congress in the history of our Republic.

And that was just in the first six months. Johnson, who had been president for all of six weeks, would be up for election that November. He was obviously in a hurry. “All this and more can be done. It can be done by this summer,” he said. What's more, it could be done on the cheap, with a frugality that would outdo Calvin

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Coolidge. Johnson’s first budget, he promised, would peg federal spending at \$97.9 billion, half a billion less than the previous year. It would achieve “a substantial reduction in federal employment” and cut the deficit — then a meager \$10 billion — in half. With savings to be found by “closing down obsolete installations, by curtailing less urgent programs,” Johnson would have both a “reduced budget” and “the most federal support in history for education, for health, for retraining the unemployed, and for helping the economically and the physically handicapped.”

Above all, he would wage war on poverty and wage it on every known or imaginable front. “It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war

is won.” It would begin in the chronically depressed area of Appalachia, where John F. Kennedy had campaigned in the West Virginia primary in 1960 and had been appalled at the living conditions he discovered. “Within days of Kennedy’s death,” wrote historian Robert Dallek, “some of his closest associates publicly revealed that he intended to attack the causes

of national poverty.” Johnson, who had inherited Kennedy’s agenda as well as his office, was eager to tackle the problem. “That’s my kind of program,” he told Walter Heller, chairman of the Council of Economic Advisors. “We should push ahead full-tilt on this project.”

“No Budget Slasher”

A Texan whose formative years in politics were spent as head of his state’s National Youth Administration in President Roosevelt’s New Deal, Johnson was eager to overcome the widespread perception that he was a Southern conservative picked as a running mate for the liberal Kennedy in 1960 to give a regional balance to the ticket and placate the South. He wanted to make it clear to Washington’s liberal es-

tablishment that he was not about to give in to “the economy bloc” in Congress.

“I want you to tell your friends — Arthur Schlesinger, [John Kenneth] Galbraith and other liberals that is not so,” he told Heller. His hosannas to frugality notwithstanding, “I’m no budget slasher,” he said. “If you look at my record, you would know that I’m a Roosevelt New Dealer. As a matter of fact, John F. Kennedy was a little too conservative for my taste.”

The nation would soon become familiar with Johnson’s taste in liberalism, for it bore his Texas brand. The War on Poverty, Dallek wrote, “was pure Johnson — bigger, bolder, grander than any reform proposal in the country’s history.” What the president called in his State of the Union address a “pinpointed attack” on behalf of the one-fifth of American families said to be living in poverty might better be described as a scattergun assault on virtually every problem of the human race. Johnson’s programs would produce, he predicted, the “better schools, better health, better homes, and better training, and better job opportunities” that would help young Americans, especially, escape “squalor and misery.” For the aged, he proposed hospital insurance under Social Security. For the young, the old, and everyone in between, he proposed almost everything. (Project Head Start for preschoolers would come a year later.) The size and scope of the legislative agenda he outlined to Congress that January day was staggering.

We must enact youth employment legislation, Johnson told Congress. We must enact a broader food stamp program. We must have a “high-level commission” to study automation to ensure it is “a boon and not a bane to humanity.” We must extend the coverage of minimum wage laws. “We must ... improve the quality of teaching, training, and counseling in our hardest hit areas.” We must revise urban renewal to help those displaced by it. “We must build more libraries ... and nursing homes ... and train more nurses to staff them.... We must help obtain more modern mass transit within our communities as well as low-cost transportation between them.” We must... We must... We must.

War on poverty officially began when President Johnson signed the Economic Opportunity Act on August 20, 1964.





AP Images

President and Mrs. Johnson in eastern Kentucky, where they visited the home of Tom Fletcher, a father of eight who had been out of work for nearly two years. Long-term unemployment remains a problem for many Americans today.

Johnson and his team packaged the anti-poverty proposals into a huge bill called the Economic Opportunity Act. It included proposals for the creation of a Job Corps and work-training and work-study programs, funding for a domestic version of the Peace Corps called Volunteers in Service to America (VISTA), a loan program to encourage businesses to hire the unemployed, and the creation of an Office of Economic Opportunity (OEO) to coordinate administration of the poverty program. Another feature, one that would later become a controversial portion of the anti-poverty effort, encouraged community organizers throughout the land to participate in Community Action Programs that would give local communities the opportunity to develop comprehensive plans to fight poverty in their own neighborhoods.

Poverty “on the Run”

Johnson sent the bill to Congress on March 16, 1964. At the same time, he was going all-out for passage of the civil rights bill Kennedy had proposed the previous year. He was also trying to keep a lid on the turbulent events in South Vietnam, where the efforts to fight a communist insurgency were hampered by a series of coups that kept heads of state appearing and disappearing and sometimes reappearing as through a revolving door. Still, he was able

to devote considerable time and much of his formidable energy to a public relations campaign for the war to vanquish poverty. “For the first time in history, poverty is on the run,” he told the Society of Newspaper Editors in mid-April. In late April and May, he made two trips to Appalachia to underscore his intention to root out poverty among rural whites as well as inner-city blacks. “It is a struggle to give people a chance,” he had said in his message to Congress. “We do it also because helping some will increase the prosperity of all.”

The bill passed the Senate by a 2-1 margin in July. The House gave its approval, 226-184, in August. That followed Johnson’s July 2 signing of the Civil Rights Act, barring racial discrimination in housing, hiring, and public accommodations. Johnson’s triumphs with a closely divided Congress that had thwarted much of Kennedy’s agenda was, to say the least, impressive. It reflected in part a popular sentiment to honor the fallen president’s memory by honoring his agenda. But it was also a result of Johnson’s legendary talent for twisting arms and making deals, and his own and his advisors’ ability to frame issues to their opponents’ disadvantage. The Civil Rights Act involved a considerable expansion of federal powers in ways many believed to be unconstitutional. Yet to oppose the bill on consti-

tutional grounds was to risk the stigma of racism. The War on Poverty carried a similar connotation.

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“Guns and Butter”

The American public was not in favor of poverty, but it was doubtful of the president’s pronouncements on the subject. In a Gallup poll on the question of whether poverty in the United States would ever be eliminated, 83 percent said no, and only nine percent said yes. Experts thought they knew better, as experts usually do. A survey of social welfare experts at the University of Michigan had already predicted that poverty could be ended in America for a mere \$2 billion a year, or two percent of Gross National Product.

Johnson added less than \$1 billion for poverty programs in his first budget, though he fully expected that number to grow. As the war effort in Vietnam escalated in the next few years, the constant claim of Johnson’s critics on the Left, amplified by the liberal media, was that his obsession with the war in Asia was starving the War on Poverty at home. But the alleged cuts to programs by the “frugal” Johnson amounted to nothing more than the president opposing efforts in Congress to increase his own growing budget requests. By 1966, “Johnson was in fact crimping the war on poverty,” wrote Robert Dallek in his 1998 biography, *Flawed Giant*. In one passage, Dallek described a rather generous “crimping”:

For one, federal spending on the poor had increased in every relevant category — education and training, health, and cash benefits like social security and unemployment insurance — and government services provided by the OEO and the Community Action Program (CAP) had raised government outlays for the poor from nearly \$13 billion in 1963 to almost \$20 billion in 1966.

“Between 1960 and the early 1970’s,” wrote Dallek, “there was a four-fold increase in Aid to Families with Dependent Children.” At the same time, the number

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of people living in poverty was declining as a growing economy was creating more and better-paying jobs. Yet government spending was never enough for liberals with a bias against the private sector. “A billion or two extra invested in better training, education and housing — especially for the poor and the Negro — will give America a far bigger payoff than if we add that billion or two to an already swollen private consumption and investment,” Heller advised Johnson.

Johnson insisted the nation need not choose between fighting communism or poverty in the two “wars” that defined, and ultimately toppled, his presidency. “I believe we can continue the Great Society while we fight in Vietnam,” he said in his State of the Union address in 1966, making the case for what editorial writers and columnists dubbed a policy of “guns and butter.” So enamored was Johnson of the

political approach to economic development that he attempted to export it to Vietnam as a means of ending the war. He had, after all, spent much of his career bringing recalcitrant congressmen around by dangling money for projects in their states or districts, and he tried the same approach with Ho Chi Minh, the communist ruler of North Vietnam. In a nationally televised speech in April 1965, he coupled the determination to defend South Vietnam with a pledge of \$1 billion toward an economic development plan for the region.

“The vast Mekong River can provide food and water and power on a scale to dwarf even our own TVA,” the president said. “The wonders of modern medicine can be spread throughout villages where thousands die ever year from lack of care. Schools can be established to train people in the skills that are needed to manage the process of development.” Ho was unmoved by the offer, and the war went on for another 10 years.

Meanwhile, Johnson faced another “guns and butter” problem in his Community Action Program. Established as a joint federal-local effort, CAP enlisted com-

munity organizers, who put the poor on poverty boards, and neighborhood service centers, where they frequently battled local school boards, welfare agencies, and housing authorities over services to poverty-ridden residents and neighborhoods. Soon local officials were letting their congressmen know how little they appreciated the use of taxpayers’ dollars to fund activists who were suing them, picketing them, or invading their offices for sit-in demonstrations — or worse. A report of an attack by CAP protesters on Democratic Party leaders in the District of Columbia further damaged the credibility of the program. The U.S. Conference of Mayors condemned CAP for promoting “class struggle.” One of the aims of the program was to draw ghetto youth away from street gangs and into some sort of community service. Essayist Tom Wolfe wrote for *New York* magazine in 1970 describing one such program in San Francisco:

There was one genius in the art of confrontation who had mau-mauing down to what you could term a laboratory science. He had it figured out so he didn’t even have to bring his boys downtown in person. He would just show up with a crocus sack full



First lady Lady Bird Johnson is shown reading to a group of youngsters in Project Head Start, one of the many programs begun in her husband’s “Great Society.”



AP Images

Food banks and soup kitchens have become permanent fixtures in many cities, offering visual evidence that after a half century of “war,” poverty is far from defeated.

of revolvers, ice picks, fish knives, switchblades, hatchets, blackjacks, gravity knives, straight razors, hand grenades, blow guns, bazookas, Molotov cocktails, tank rippers, unbelievable stuff, and he’d dump it all out on somebody’s shiny walnut conference table. He’d say “These are some of the things I took off my boys last night.... I don’t know, man.... Thirty minutes ago I talked a Panther out of busting up a cop.” And they would lay money on this man’s ghetto youth patrol like it was now or never.... The bureaucrats felt like it was all real. They’d say to themselves, “We’ve given jobs to a hundred of the toughest hard-core youth in Hunters Point. The problem is on the way to being solved.” They never inquired if the bloods they were giving the jobs [to] were the same ones who were causing the trouble.

War Without End

An expanding economy with a growing number of jobs would be the best anti-poverty program, but government fiscal, trade, and regulatory policies have contributed to a shrinking manufacturing base, while saddling the U.S. economy with a growing burden of debt. When President Johnson declared the war on poverty 50 years ago, he boasted of keeping his first an-

nual budget below the \$100 billion mark. Today federal spending on both military and domestic programs is nearly \$4 trillion a year, including \$228 billion just for interest on the national debt. Added to that burden are more than 174,000 pages of federal regulations, including 25,000 pages of environmental regulations. The world’s highest corporate tax rate (albeit with enough loopholes to keep armies of sharp-eyed accountants and tax lawyers employed by companies that can afford them) puts a damper on investments, while a series of trade agreements, starting with the North American Free Trade Agreement in 1994, has made it easier and more profitable for manufacturers to close their U.S. plants and ship jobs to low-wage nations. U.S. trade deficits have soared, and 5.7 million manufacturing jobs disappeared in the “lost decade” of 2000 to 2010.

Liberal immigration laws and lax enforcement of them have resulted in an estimated 30 million people entering the country, both legally and illegally, since 1970. An expanding labor force in a shrinking job market has had a depressing effect on wages. Government programs to increase home ownership for low- and moderate-income Americans contributed to a mortgage crisis that triggered the last recession. Despite record-setting bailouts and stimulus programs, there are still more

than 10 million Americans unemployed nearly five years after the recession was declared over. Many have been looking for jobs for 27 weeks or longer. Others have given up looking for work and go uncounted in the unemployment numbers.

There are now 47.4 million Americans, roughly 15 percent of the entire population, in the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. Estimates of spending on means-tested welfare programs over the past half century range from \$15 to \$20 trillion. But the costs can’t be measured in dollars alone. The growing number of single-parent households reflects the toll that welfare dependency has taken on family life, encouraging male heads of household to abdicate to the state the responsibility of providing for their children. The experience of the last 34 years has only validated the verdict George Gilder pronounced in his 1980 book, *Wealth and Poverty*: “In the time since the war on poverty was launched, the moral blight of dependency has been compounded and extended to future generations by a virtual plague of family dissolution.”

While poverty and unemployment remain a daily grind for millions of Americans, it remains an abstract “issue” within a government insulated from the consequences of its seemingly benevolent policies. While state and local governments have been laying off police, firefighters, and teachers, the number of federal workers, not counting postal employees, has risen to 2.1 million, according to the Bureau of Labor Statistics, up 3.2 percent since President Obama took office in 2009.

Despite an officially declared wage freeze, the average base salary for federal employees rose by 10 percent to \$78,467 between 2010 and 2012, due to guaranteed step increases. The growing legion of government employees and well-heeled lobbyists has given the District of Columbia a per capita income of \$74,710, far higher than that of any state. For those not employed in spending other people’s money, either for the government or for the corporate clients of K Street, poverty has proven to be a rather resilient survivor in Washington, where the Capital Area Food Bank feeds half a million D.C. residents a year.

Washington’s policymakers have surely not defeated poverty. But they have built a formidable wall around it. ■