

THE WAR ON POVERTY

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I

THE PROBLEM

In today's America there is a paradox in the midst of plenty.

On the one hand we have the highest standard of living the world has ever known. Our standard of living keeps going up; income per capita keeps climbing. According to the Council of Economic Advisers the gross national product for 1964 was 628.7 billion dollars. The President's Economic Report for 1966 states that the gross national product increased by \$47 billion in 1965. The value of the nation's output of goods and services rose more than one-third from 1960 through 1965. The rate of unemployment dropped from 6.6 per cent in December 1960 to 4.1 per cent in December 1965 and is now below 4.0 per cent. During this last year corporate profits, after taxes, were twenty per cent above the 1964 level. 2.2 million people moved above the poverty line in 1965.

But there also exists what Michael Harrington has called "the other America"¹—an America in which one-fifth of our nation lives—an America in which 32,000,000 of our citizens live without adequate education, housing, or medical care.

Nearly fifteen million of those living in abject poverty are children. It is an America in which some of these children cannot go to school because they have neither clothes nor shoes; some, when they arrive in school, are crippled in performance by hunger, illness, or physical affliction, social deprivation, or racial discrimination.

It is an America of bewilderment, suspicion, depression, and despair.

For the first time in our history we have the ability to rid our society of this other America. In his State of the Union message in 1964 President Johnson stated, ". . . we have the power to strike away the barriers to full participation in our society. Having the power we have the duty . . ."

Because of the enormous productive capacity and current explosion of knowledge and research statistics, we have the resources to wage an all out war on poverty.

America has continually made attempts to improve the lot of its poor. In the recent past we have had the "New Deal" and the "Fair Deal." In nearly every generation we have had social reform legislation working to mitigate the harshness of poverty. Edgar May states in his book *The Wasted Americans*² that prior to the

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¹ MICHAEL HARRINGTON, *THE OTHER AMERICA* (1962).

² EDGAR MAY, *THE WASTED AMERICANS* (1964).

war on poverty the welfare programs of the past were basically outgrowths of two opposing views on poverty:³

The first one, "Go to the ant, thou sluggard, consider her ways and be wise." (*Proverbs* 6:6)

The second, "And if thy brother be waxen poor and fallen in decay with thee, then thou shalt relieve him. Yea, though he be a stranger or a sojourner, that he may live with thee." (*Leviticus* 25:35)

In America it has been the philosophy of the former rather than the latter that most often prevailed.

While Jeremy Bentham would have been comfortable in our own time, with his views on the necessity of houses of industry, insurance, education and health care, it was the ideas of the severe English Poor Laws which were imported and generally upheld by the colonists. The American Puritans regarded poverty as a sin, a sign of moral bankruptcy. Debtors' prisons and punitive workhouses reflected this philosophy of the causation of poverty.

But by the nineteenth century a growing number of people needed substantial and long term help. Factors were being injected into the equation of poverty which seriously limited an individual's control over his own destiny.

The concept of free agency—that is, freedom, within limits, to make those essential choices which will shape one's own life—has been basic to the American philosophy.

But by the Civil War, the factory was appearing throughout some sections of the country. This was to alter radically the degree to which many workers controlled their own destiny. In postwar years the factory system moved from textiles and consumer goods to heavy industry. With this came not only the unparalleled prosperity of our own time, but more immediately, the development of a large laboring class that lived so close to destitution that the slightest drop in employment brought mass suffering. For this growing industrial proletariat, life at best was marginal. And the impersonal nature of the forces that determined employment and wage levels seemed to inject a deterministic element into the workers' lives that robbed them of substantial control over their very existence.

These conditions motivated social reformers to instigate private charities and local and state welfare programs of uneven value. The "go to the ant" theory of the social Darwinists represented the opposite reaction to the same stimulus.

While social Darwinism is deservedly discredited today, in that we see poverty as a condition which might overwhelm anyone due to forces beyond his control, the national portrait of the poor is still that of the 1930s—middle class individuals lacking money.

But the poverty which we are combating today is not merely the lack of material goods. Poverty today is a culture, an institution, a way of life.

³ *Id.* at 2.

The impoverished man is the unskilled worker—the man whose job opportunities are shrinking. In the last four years, our economy has created over three times as many jobs for people in the field of education as it has for factory hands.

He is the skilled worker replaced by automation and cybernation.

He is the sick, the disabled, the aged.

He is the school dropout, the illiterate. While our statistics on housing and health have not shown conclusive correlation with poverty causation, the most basic and most substantiated factor is known. That is education. The factor most common to almost all the unemployed and under-employed is lack of basic education.⁴

He is the small farm owner, the tenant farmer, the farm worker, the migrant worker.

He is the victim of race prejudice.

He is the man who for reasons beyond his control cannot help himself.

He is the man engulfed by poverty, a vicious cycle out of which it is incredibly difficult for him, his children, and his grandchildren to escape.

A decent standard of living cannot be had without money; money is gained through employment; a job requires education; and education takes money. Lack of education means no employment; unemployment means lack of funds for education of the children of the unemployed. It also means living in conditions of social as well as physical deprivation, which too often result in children entering school with such crushing handicaps that their eventual failure is assured.

Hence poverty is passed on from generation to generation with almost genetic certainty.

But as the forces of government and private philanthropy try to break this cycle of tragedy, the elimination of one of the component parts seems to demand as a prerequisite the elimination of another.

The impoverished man is all too often one who for reasons beyond his control cannot help himself.

II

APPROACHES

A balanced attack on poverty must provide at least four somewhat distinct remedies: job creation, job preparation, transfer payments, and equal employment opportunity.

First, aggregate demand must be maintained at a high level. A downturn in our economic growth rate would undo all the other programs which might be conducted. Educating and training men for jobs that do not exist is futile.

Since passage of the Employment Act of 1946,⁵ it has been recognized explicitly

⁴ See Cohen, *A National Program for the Improvement of Welfare Services and the Reduction of Welfare Dependency*, in *POVERTY IN AMERICA* 279-80 (Gordon ed. 1965).

⁵ 60 Stat. 23, as amended, 15 U.S.C. §§ 1021-24 (1964).

that the federal government has a primary responsibility for maintaining aggregate demand. This act not only made mandatory the annual Economic Report of the President and created the powerful Council of Economic Advisers and the Joint Economic Committee of Congress, but also vested in the federal government specific responsibility for maintaining employment, production, and purchasing power. In the following discussion, it is a prerequisite that the economic growth rate remain at an acceptable level.

But economic growth, though essential, is not enough. It is no help to someone not in the labor market to have a booming economy; or if new jobs being created are of a technical nature for which one is not equipped; or if one is in a group which society would rather not have work (*e.g.*, the aged, or women with small children); or if one is sick or disabled; or if by reason of race or color one is denied a job for which he is qualified. Other basic approaches are needed to meet these types of problems.

The second approach in combating poverty focuses not upon the creation of jobs but upon the education and training of men for jobs. Such programs as the Job Corps,⁶ the Neighborhood Youth Corps,⁷ the Manpower Development and Training Act of 1962 (MDTA),⁸ and the Vocational Education Act of 1963⁹ are examples of this approach.

The third approach relies upon transfer payments to persons in need. Some groups will be out of work temporarily in the most healthy of economies; others will be unemployed for long periods; other groups society prefers to remain outside the labor force; others must have the effects of poverty ameliorated. Hence there exist transfer payments, *e.g.*, aid to the unemployed with children, hospital and doctor care for the aged, Social Security, and rent supplements.

Finally, even though a job may exist for one who is qualified, he might be forced into the ranks of the unemployed or made to hold a job beneath his qualifications or ability by discrimination on the basis of his race, color, religion, sex, or national origin. The Council of Economic Advisers reported in 1965 that if Negroes had received the same average pay as whites having the same education, the personal income of Negroes and of the nation would be \$12.8 billion higher. If Negroes had the same educational attainments as white workers, and earned the same pay and experienced the same unemployment as whites, their personal income—and that of the nation—would be \$20.6 billion higher. Finally, if Negroes were afforded the same educational benefits as whites and job discrimination ceased, the total gross national product would rise by an estimated \$23 billion.

⁶ Provided for by the Economic Opportunity Act of 1964, tit. I, pt. A., 78 Stat. 508, 42 U.S.C. §§ 2711-20 (1964).

⁷ 78 Stat. 512, 42 U.S.C. §§ 2731-36 (1964).

⁸ 76 Stat. 23, as amended, 42 U.S.C. §§ 2571-2620 (1964).

⁹ 77 Stat. 411, as amended, 20 U.S.C. §§ 15aa, bb, aaa, 35-35n (1964).

In moral terms, discrimination is indefensible. In economic terms, its terrible cost hurts the entire nation.

We have then, the issues of job creation, job preparation, transfer payments, and job discrimination. Within these guidelines, some of the recent antipoverty programs should be reviewed before analyzing in more detail the Economic Opportunity Act of 1964.¹⁰

Due in part to the massive dislocation caused by the depression of the 1930s, efforts of the past centered primarily upon the device of transfer payments. And today these are essential to meet the needs of many groups within our society. But Social Security, unemployment compensation, public assistance, old age and medical benefits, while necessary, do not eliminate the root causes of poverty.

It should be observed parenthetically, however, that one measure of the past, the Servicemen's Readjustment Act of 1944¹¹—the "G.I. Bill"—by paying veterans to go to school, provides an interesting model for future programs aimed at other groups in our population.

The Area Redevelopment Act¹² in 1961 marked a turning point in our approach to poverty, since it focused upon the elimination of poverty rather than the amelioration of some of its effects. In this act, structural unemployment was attacked in a novel way. Loans, grants, and technical aid were extended to communities classified as depressed.

Two recent programs are patterned on this general idea. The Appalachian Regional Development Act of 1965¹³ is based on the notion that the states and the federal government should join as partners to encourage private industry to invest in an area of the country that has historically lagged behind the rest of the nation in economic development. The administration of the program is housed in a Commission which is composed of representatives of the governors of the eleven states that comprise the regional and federal representatives. While the federal government has a fifty-one per cent majority vote in the Commission, no program can be commenced in a state without the state's prior approval.

The aims of the program are to build nearly 3,500 miles of highway in Appalachia to promote mobility and commercial access, to establish health facilities, and to develop conservation of land, water, and timber resources. The Commission is also authorized to build community educational and health facilities which will then be operated with funds from the Office of Economic Opportunity.

The Manpower Development and Training Act of 1962 was again aimed at structural unemployment, but this time the focus was not upon job creation but job preparation. Here the impact of automation and other forces in the job market

¹⁰ 78 Stat. 508, 42 U.S.C. § 2701-981 (1964).

¹¹ Ch. 268, 58 Stat. 284 (now 38 U.S.C. §§ 1801-25 (1964)).

¹² 75 Stat. 47 (1961), as amended, 42 U.S.C. §§ 2501-25 (1964).

¹³ 79 Stat. 5, 40 U.S.C.A. App. A (Supp. 1965).

on young people and displaced older workers was ameliorated by vocational training and retraining.

The Vocational Education Act of 1963 is of a similar nature. Though not aimed at precisely the same group, it is designed to attack the problem of structural unemployment by providing vocational training for young people.

The Elementary and Secondary Education Act of 1965¹⁴ and the Higher Education Act of 1965¹⁵ are of great significance, not only because of the groups they immediately affect, but also in terms of the precedent set for federal aid to, and responsibility for, education. Under the former, the federal government is authorized to make grants to states which have school districts with large numbers of children from low-income families. Subject to the approval of state and federal educational agencies, grants may be used in any way the school district feels proper.

The Higher Education Act of 1965 authorizes federal scholarships for college students, federally guaranteed low interest loans, aid to small colleges and other community service programs, and special grants for college libraries.

In keeping with the dominant direction of recent antipoverty legislation, most attention has been paid those acts relating to job creation and job preparation rather than transfer payments. But one vitally needed form of transfer payment passed last year. Known popularly as medicare, this program is aimed at the rapidly increasing percentage of our population over sixty-five. Administered by the Social Security Administration, the act allows the federal government to cover most hospital and nursing home costs, diagnostic studies, and home health-care visits for those over sixty-five.

Special mention should be made of two laws not usually associated with poverty but which have a direct bearing upon the problem. The Civil Rights Act of 1964¹⁶ and the Voting Rights Act of 1965¹⁷ help to assure that all levels of government will be responsive to the needs of all groups in our society, and that there will be equal opportunity for jobs on the basis of merit rather than race, color, religion, sex, or national origin. Since the incidence of poverty falls with undeserved severity upon various minority groups, especially the Negro American, the discrimination in employment and lack of power over government which has caused this disparity in job opportunity must be ended. The Civil Rights Act of 1964 and the Voting Rights Act of 1965 do not guarantee this result but do establish these objectives as national policy and establish the framework of law whereby they can be realized.

III

THE ECONOMIC OPPORTUNITY ACT OF 1964

The legislation which most clearly reflects the philosophical trend of present

¹⁴ 79 Stat. 27 (codified in scattered sections of 20 U.S.C.A. (Supp. 1965)).

¹⁵ 79 Stat. 1219, 20 U.S.C.A. §§ 1001-144 (Supp. 1965).

¹⁶ 78 Stat. 241, 42 U.S.C. §§ 1971, 1975a-d, 2000a to h-6 (1964).

¹⁷ 79 Stat. 437, 42 U.S.C.A. §§ 1971, 1973-73P (Supp. 1965).

thinking—*i.e.*, achieving the proper balance between job preparation, job creation, and transfer payments—is the Economic Opportunity Act of 1964.¹⁸ Here, the older dominance of transfer payments is modified by an increased emphasis upon job preparation and, to a lesser extent, job creation.

The objective of the Economic Opportunity Act of 1964 is to further the policy of this country in eliminating “the paradox of poverty in the midst of plenty . . . by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity.”¹⁹

While the budget given the Office of Economic Opportunity in fiscal 1966 only amounts to a little over \$1.5 billion, as opposed to the many billions of dollars spent on poverty in other federal programs, the Economic Opportunity Act charges the Director of the Office of Economic Opportunity with overall responsibility for advising the President on the total war on poverty. As a result, the impact of the institutions created by the Economic Opportunity Act upon the philosophy of the total war on poverty will be greater than its budget, when compared with budgets of the 200-odd other federal programs, would indicate. To aid in this coordination, the act also created the Economic Opportunity Council.

An Information Center to help in the effective coordination of the various anti-poverty programs has been established. The Center collects, analyzes, correlates, and makes available in one place to public officials and interested private institutions current information on the program.

To eliminate poverty, quite obviously something more than a bigger relief check is needed. A far-sighted remedial approach to exterminate the conditions which cause poverty is required if its deadly cycle is to be broken.

A basic cause of poverty is lack of proper education.

A student who leaves school before receiving a high school diploma will be in serious trouble in obtaining and keeping adequate employment. Several reasons result in a student's leaving school. One important reason is that our school program has all too often failed to prepare our young people in the primary grades with those tools necessary to continue in school at secondary and college levels.

Due in part to our increased knowledge of intelligence and intelligence testing, we now know that the intelligence quotient is not the completely static thing we once thought, but is at least somewhat elastic and can be especially affected by proper stimulation before a child is six. Children who come from culturally deprived families often have no familiarity with pencils, crayons, writing paper, books, or complete sentences. These children are in serious trouble before they enter the first grade. The chance to provide that vital stimulation which may be necessary to ensure their eventual graduation from high schools may be irrevocably lost before the student ever reaches school, the way our educational system is now established.

¹⁸ 78 Stat. 508, 42 U.S.C. §§ 2701-981 (1964).

¹⁹ Economic Opportunity Act of 1964, § 2, 78 Stat. 508, 42 U.S.C. § 2701 (1964).

To help correct this deficiency, Operation Head Start was launched last summer by the Office of Economic Opportunity. Special programs were developed to provide enough background for pre-school children from culturally deprived homes to permit them to enter first grade at least on a closer level of equality with their classmates than would have been the case without the program. Head Start will now operate year round, and will involve the parents of the participating children so that all the growth of the children will not be negated by poor home environment.

During fiscal years 1965 and 1966, there were 371 Head Start programs involving 149,028 children at a cost to OEO of \$61,135,185.

Many youngsters have not been able to stay in school for financial reasons. With a lack of education and lack of job skills these youngsters soon become a statistic in the unemployment figures. To help these young people between the ages of sixteen and twenty-two the Economic Opportunity Act of 1964 established the Job Corps.

There are three types of Job Corps centers. First, the conservation centers, which are located in our national parks and forests. These Corpsmen divide their time between conservation work and basic academic instruction. They also receive counseling in work attitudes and general, psychological guidance.

Second, the men's urban centers, varying in size from 1,000 to nearly 3,000 students. Here Corpsmen receive academic instruction and vocational training. At Camp Kilmer, New Jersey, for example, courses are offered in such fields as retail merchandising and health services. At Camp Parks, in California, Corpsmen are receiving instruction in such diverse fields as welding, electronics, office management, culinary arts, and television production.

Third, the women's centers, accommodating about three hundred young women each are located in urban areas. The women receive academic and vocational training along with instruction in home management skills and child care.

As of January 1966 there were 17,190 youths in eighty-four Job Corps centers.

To help young people between the ages of sixteen and twenty-two who remain at home, the Economic Opportunity Act of 1964 established the Neighborhood Youth Corps, administered by the Department of Labor. Those enrollees who are in school spend a maximum of fifteen hours per week in the program. Those that have dropped out of school or who have finished school spend as much as thirty-two hours per week in the program and are limited to an enrollment period of six months. If they return to school, however, they may continue in the Corps. Enrollees receive specialized academic instruction, vocational guidance and counselling in an effort to help them understand the need for proper work attitudes.

In fiscal year 1965, 642 projects were approved for 278,426 participants; in fiscal 1966, 798 projects were approved for 238,805 participants at a cost of \$153,502,759.

For those high school students who show promise of an ability to do advanced work, but do not have the necessary achievement level or skills to gain admission

to college, the Office of Economic Opportunity developed and administers Upward Bound as part of the Community Action Program (CAP).

There are two programs for those who are in college or are working toward graduate degrees. One, the Work Study program, established by the Economic Opportunity Act of 1964, provides job opportunities for those college students who need a source of income in order to continue their education. The Higher Education Act of 1965, mentioned previously, is a second source of assistance for college students.

Other approaches to the elimination of poverty have been instituted by the Economic Opportunity Act of 1964.

Under this act, rural families may obtain loans which enable them to refinance their farms and improve their homesites. In fiscal 1965, 11,104 loans were made to individuals totalling \$18,733,800. To date, fiscal 1966 has seen 6,537 loans totalling \$11,057,747.

To assist the very small businessman, the act established a Small Business Loan program, aimed generally at those businessmen whose operations are too small or whose credit is not sufficient to meet the demands of the usual small business loan. Not only is the businessman aided by the loan, but it is hoped that it will enable him to expand and create new jobs for the community's unemployed. In fiscal 1965 through January 1966, 832 loans totalling \$10,174,269 have been made.

For heads of families who are out of work the act established the Work Experience program. Although this does not give the high level of technical training that is offered by the MDTA program, it does enable participants to qualify for income-producing jobs. From this point the individual may wish to enter the MDTA program for advanced training. In fiscal year 1965 through January 1966, 218 projects had been approved for 107,162 participants, at a cost of \$150,705,612.

The Economic Opportunity Act of 1964 also created VISTA, a domestic Peace Corps, to help communities combat poverty. There are now 2,073 volunteers working at sixty urban and 153 rural projects, including work with migrants, Indians, the mentally retarded, and the Job Corps, in Appalachia and in urban areas.

Finally, the act created the Community Action Program, funded and directed by the Office of Economic Opportunity. This program represents a departure from previous methods of coping with the problem. It is the so-called "umbrella approach," in which all antipoverty social welfare programs (hopefully, both state and federal) are administered on a community-wide basis by a single agency. This agency is composed of all elements to be formed within the community—the social welfare agencies, the elected officials, the business leaders, and most important of all, the members of the target groups.

The typical community action program might include a vocational education program, Head Start for pre-school children, literacy training, social work, a Foster Grandparents project, and part-time work for needy college students. There are 872

grantees, including 623 community action agencies, 130 state and 119 university community action organizations. Some grantees have a contract which provides for only one service, such as Head Start, or perhaps a literacy program with an Indian tribe. Others include a battery of operations under the community action umbrella.

Over the last two years, the 872 grantees have received 1,703 grants totalling \$313,568,566—\$152,110,309 in fiscal 1965, and \$161,458,257 in fiscal 1966. These figures include grants to twenty-seven institutions for administration of Upward Bound projects at a cost of \$3,236,634 to OEO. It also includes twenty projects to provide legal services to the poor at a cost of \$1,481,436; twenty-two Foster Grandparents projects funded at a cost of \$2,800,000; and the operating cost of Head Start, quoted above.

The impoverished, as stated in the Economic Opportunity Act of 1964,²⁰ must have as large a voice in the program as is feasible. The statutory requirement of participation by the poor has been criticized at both extremes.

On the one hand, critics have said that the poor would not respond, would not participate. The most recent facts belie this. A recent analysis of the New York, Washington, Atlanta, Chicago, Austin, Kansas City, and San Francisco boards, representing sixty-two per cent of all grantees, indicates that 27.5 per cent of board members are poor.

On the other hand, conservative critics have feared that participation of the poor was an invitation to anarchy. This too has been disproved by time, with harmonious relations generally existing between all elements on the various boards.

The poor get into board positions in a wide variety of ways, demonstrating the flexibility and range of choice OEO wisely leaves to the local community action agencies. Of course some get there by ordinary, routine appointment processes. But for others the road to a share in community power is more interesting.

For example, in Philadelphia, the first step for a poor person to become one of the twelve on the thirty-one-member Philadelphia Anti-Poverty Action Committee (PAAC) is to run for office in his neighborhood, just as he would if he were running for political office. Twelve poverty neighborhoods each elect twelve-member community action councils, with all residents eligible to vote. One of the twelve elected leaders of each council is then named to the PAAC Board.

In Detroit, each of the four poverty areas has an advisory council which elects four persons to the city's governing board. The sixteen so chosen join with twenty-three representatives of private and public agencies (including the mayor), religious organizations, minority groups, business and unions to run the community action agency.

In Louisiana, the thirteen representatives of the poor on the twenty-seven-member board of the six-parish Acadiana Neuf, Inc., are elected at "town meetings" in the poverty pockets.

²⁰ Sec. 202(a)(3), 78 Stat. 516, 42 U.S.C. § 2782(a)(3) (1964).

In Taney County, Missouri, poor persons on the board were elected by mailed ballots.

These examples show the local imagination and creativity which OEO deliberately encourages. As more and more of the expected total of 2,000 community action agencies come into being, there is likely to be more and more experimentation. The administrators of OEO want it to continue because they believe that neither their experts nor the leaders of any local community have found (or can find) the one best way to give power to the poor which will be best for all communities.

The administration's "war on poverty" has had its critics. Some of the criticism is justified. We have learned much by wide-ranging programs, some of which were frankly experimental. Mistakes have been made. We must now benefit by those mistakes and heed those critics whose criticism has been constructive.

However, much of the criticism has not been of this variety. Some would abolish the "war on poverty" because a simple solution to the problem has not been found in the year following passage of the Economic Opportunity Act of 1964. It would be as logical, and as constructive, to propose that all research on cancer be discontinued since a complete cure or preventive has not yet been found, in spite of the millions of dollars spent on research.

Industry, labor, the universities, and all levels of government must push on in our attempt to fashion new weapons to destroy an old adversary.

A generation ago, the American author Thomas Wolfe expressed the goal for which we work: "To every man his chance, to every man regardless of his birth, his shining golden opportunity—to every man the right to live, to work, to be himself and to become whatever thing his manhood and his vision can combine to make him—this . . . is the promise of America."

For that part of our population which needs direct aid—the aged, mothers who head families, the sick, the unemployed—increased transfer payments adequate to permit them to carry on decent lives for themselves and their families.

For children, adequate preparation that will permit them to participate in school with their classmates on the basis of equality.

For young people who have dropped out of school and too often out of society, basic education and vocational training coupled with personal guidance to bring them back.

For everyone, an education limited only by one's ability to learn.

For the worker automated out of a job, retraining and possible relocation.

For the rural poor, regional development to provide jobs and training to permit their realization.

For all minority groups, the right to an education which will permit them to compete for jobs on an equal basis with anyone; the right to participate in all levels of government to ensure that its powers will be fairly used; the right to be able to

spend one's income on adequate housing of his choice; the right to fulfillment rather than the right only to opportunity made unreachable by factors beyond an individual's control.

For all the people, a relationship between government and private industry which ensures a vibrantly growing economy which can provide not only the goods and services, but also the jobs necessary to permit all to share in the abundance of this land.

These are the goals of the "war on poverty."