

Poverty
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THE POLITICS OF POVERTY by MICHAEL HARRINGTON

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THE POLITICS OF POVERTY.

by MICHAEL HARRINGTON,

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Can poverty in the United States be abolished within the limits of the welfare state? Or does the present commitment to end the scandal of economic misery in the richest nation history has known require measures which will go beyond the present theories and practices of American society?

The answer is, I think, clear enough. The Johnson Administration's current "War on Poverty" is basically inadequate, a fact which can be demonstrated by the Government's own figures. The liberal-labor proposals for social investments which would both generate jobs and destroy the very physical environment of poverty represent a considerable advance over the present program and deserve vigorous support. But even these measures have implications which are considerably more radical than liberal reform. Understanding that the poor need a planned allocation of resources in their favor is but a first step toward the knowledge that a revolutionary technology is subverting some of the most cherished myths and principles of the entire society and demands fundamental changes in our economic and social structure.

In short, the goal announced in the Economic Opportunity Act is much more profound than its framers suspected. "It is, therefore, the policy of the United States," that law proclaims, "to eliminate the paradox of poverty in the midst of plenty in the Nation by opening to everyone the opportunity to live in decency and dignity." This sounds reassuring. It is the American rhetoric and the wisdom of the New Deal: the state intervenes to guarantee the citizen a fair chance in the private economy.

In fact, however, living up to these familiar goals is going to take unfamiliar action. For specific and historical reasons, the accumulated American knowledge about how to abolish poverty applies less and less each day. Unless there are profound changes in the American economy and society—new ways of allocating resources and distributing wealth—the economic underworld of the poor will not only persist but probably grow.

In saying these things, I do not want to dismiss the Johnson Administration's War on Poverty (or John F. Kennedy's tremendously important first steps in this direction). If it is necessary to point out considerable, and even basic, inadequacies in the Government's current programs, the very possibility of serious discussion is a gain which one owes in part to that program. But now that a start has been made, there is no point in fostering the illusion that a sort of Federal Community Chest is going to get together the men of good will, the Henry Fords and Walter Reuthers, Russell Longs and Martin Luther Kings, and by a little more generous welfare-ism do away with a national shame. The task is much more difficult than that; the remedies are much more radical.

In developing this analysis, one need not enter into any argument over the exact, statistical nature of poverty in the United States. A small library of books written in recent years has demonstrated the brutal fact that tens of millions of Americans are poor. For convenience, the definitions and figures used here will be those published by the Government in the Economic Reports of 1964 and 1965. We discuss, then, a misery which, in a most cautious and prudent statement, embraces thirty-five million Americans and particularly afflicts the aging, the young, the non-white, and certain categories of workers and farmers. (It should be noted that a recent study of the Social Security Administration is even grimmer than the Economic Reports. It finds "about fifty million Americans, one quarter of the population" who "live within the bleak circle of poverty or at least hover around its edge.")

How can these thirty-five-million—or perhaps even fifty million—be given "the opportunity to live in decency and dignity"?

To begin with, one must understand the obsolescence of much of the traditional American wisdom about abolishing poverty. The "old," pre-World War II poor, whose experiences dominate so much of our present thinking, were different kinds of people than the poor of the 1960s and they faced different problems.

The old poor lived at a time when economic opportunity was a trend of the economy itself. They suffered terribly, to be sure, and by statistical indices of living standard and life expectancy many were worse off than the impoverished of 1965. But they also participated in that incredible growth of American capitalism, a development which, in Colin Clark's figures, saw a 4500% increase in the net income from manufacturing between 1860 and 1953. The farmers came to the city in good times to better their luck. They were not driven into the metropolis as bewildered, despairing exiles, which is so often the case today.

And the insatiable manpower needs of mass production meant that there were jobs for grade school dropouts and for Eastern European immigrants who could hardly speak English.

There was objective, realistic reason for hope—and the old poor of the cities were hopeful. The immigrants, for instance, often brought a language or a culture with them. The resultant solidarity provided the basis for self-help institutions within the culture of poverty: for political machines, churches, social clubs and the like. In a good many instances, aspiration and a hunger for learning became a way of life.*

These internal resources of the old poor were used in the creation of the big city political machines, one of the first welfare systems in the United States. But they also provided the basis for something more than “self-help” and group benevolence. In the 1930s they played a role in a climactic moment of American social history. Millions of the old poor participated in the organization of unions, particularly the CIO, and in the political struggle for the New Deal. They—and their ethnic drives, their community hopes—became an important constituent of a new political coalition which translated into law many of the reforms advocated by liberals and socialists of an earlier generation—the Wagner Act, Social Security, Minimum Wage, etc.

Naturally, the resultant welfare-ism was permeated by the experience and some of the assumptions of the old poor.

In Arthur Schlesinger, Jr.’s analysis of the Roosevelt years, there is a distinction between the “first” and “second” New Deals which is quite relevant at this point. The first New Deal was supported by very significant sectors of American business. It was dominated by the NRA, which gave legal recognition to an old corporate dream of the anti-anti-Trusters: that something like the European cartel could be given American citizenship. This was a period in which the Chamber of Commerce was talking about a planned economy—planned by business.

By the end of Roosevelt’s first term, this initial New Deal was breaking up. Parts of the labor movement were restive, millions were listening to demagogues like Huey Long, business was souring on FDR. The Supreme Court ended the NRA and Roosevelt turned, so to speak, toward his left. Paradoxically, he did so by moving away from the concept of planning and toward the “free market.” The result was the second New Deal which was *the* New Deal of the liberal nostalgia and, more importantly, the source of welfare theory and anti-poverty wisdom to this moment.

* The various national groups had different patterns of response and varying degrees of success. Some of these contrasting patterns are analyzed in *Beyond the Melting Pot* by Glazer and Moynihan and in *The Ghetto Game* by Dennis Clark.

The heart of the second New Deal was, of course, Keynesian. To be sure, some of the old pledges were redeemed: "floors" were provided for some of the aging and the workers in Social Security and minimum wage legislation; collective bargaining was recognized as a national policy (though it took several years of militant activity to make the promise real). *Still the American percentage of the Gross National Product devoted to direct social benefits has yet to achieve even half of the typical European contribution.* And the basic assumption of the second New Deal was that Government intervention should not plan, but stimulate, the economy and that the private sector and initiative would continue to be the mainspring of progress. Public works were thus a temporary expedient and, as the second New Deal went on, they shifted from planned social investments toward projects designed primarily to get money into the economy

The second New Deal did not succeed in its avowed aim of ending the Depression. That did not happen until the massive armaments spending of the War period. Nevertheless, Roosevelt did define the fundamentals of the American welfare state: modest contributions in direct welfare spending, a legal framework for the conflict between labor and management, and a Government commitment to stimulate, or brake, the private economy in the interest of orderly growth without depression.

After World War II, there was only one amendment in principle to the wisdom of the thirties. It centered around programs for training and retraining.

In 1956, for the first time in history, there were more white collar than blue collar workers in the United States. At the same time, unemployment, while well below Depression levels, was chronic and persisted even in the good years. The diagnosis of this situation made by the Kennedy Administration, and followed by President Johnson, had two main elements. Growth rates were lagging and the Government must therefore stimulate the economy by deficits even at a time of business prosperity; and certain individuals required special help if they were to survive in the labor market.

The training-retraining component was built into a series of laws: Area Redevelopment, Manpower Development and Training, Economic Opportunity and even the Federal Aid to Education Act of 1965. Some workers, it was acknowledged, were not participating in the general economic advance or were even being expelled from it by automation. They, and a growing number of high school dropouts, were denied economic opportunity because they lacked the right skills. The Government was to give them the training, or the retraining, which would change this

situation. At the same time, neo-Keynesian tax cuts were to spur the nation and create the employments which the training-retraining graduates would fill.

This general perspective is reflected in many pieces of current legislation. It is the foundation of the war on poverty and summarizes bitter experience and arduously acquired knowledge. It will certainly help some people and probably not hurt many and is, on balance, to the good. Still, this approach misses the fundamental problem of the poor today. To understand why, it is necessary to turn to the new poor.

The basic reason why the poor of today differ from those of a generation ago and therefore require radical measures if their poverty is to be abolished, is that the economy is so different from that of a generation ago. In absolute terms and objective indices, the impoverished today are better off than their predecessors in misery; but relatively speaking, in terms of hope and economic opportunity, their plight is much worse. Moreover, this economic fact has all kinds of social and psychological consequences for the poor and it therefore cannot be described in simple, statistical terms.

For instance, because of their peculiarly underprivileged place in history and the economy, the new poor have fewer internal resources with which to combat their degradation and to seize chances when they appear.

Perhaps the most terrible example of how contemporary poverty affects group psychology is found among American Negroes. Negroes, who make up 25% of the new poor, were systematically stripped of their African heritage under slavery. Every human institution—religion, the family, the tribe, or the community—was abolished as far as that was possible. After the Civil War, this terrible crime of white America against the very spirit of the Negro continued through indirect economic pressures rather than the overt coercion of slavery. The Negro male was often emasculated socially, i.e., not given the chance to earn a living, to be the real head of a family, to function as a father. The result was a matriarchal tendency in Negro life.

Sociologists like Franklin Frazier have documented this terrible history in detail. One aspect of their analysis is particularly important here. The high percentage of broken families within Negro life, and particularly in the Northern ghettos, makes it much more difficult to organize the black masses of the 1960s than the predominantly white masses who formed the CIO. On the other hand, there is a paradoxical sense in which the very virulence of American racism has given Negroes a certain minimal solidarity, based on color, which is denied to many

of the white poor. (Several years ago, Richard Russell, dean of the Senate Dixiecrats, lamented the fact that impoverished blacks had a civil rights movement while the whites did not.)

So it is that the other principal groups of the new poor also have tremendous problems built into the very structure of their life. The farm worker who comes to the city today is not drawn there by economic opportunity but driven there by the fact that he has been made obsolete by agricultural modernization. (In 1929, 25.1% of the population was engaged in farming; in 1964, 6.7%. And the latter figure underestimates the actual trend. If one spoke of those Americans engaged in *market* farming, i.e., the well-off rural people who are subsidized by the Government, they would number well under 5% of the population.) The result is exile colonies of the rural poor in cities like Cincinnati, St. Louis, Chicago.

In the depressed areas, the typical pattern is that those with viable skills, or youth and hope, leave. Those who stay behind tend to lack militancy and aggressiveness. Where the old spirit does remain, as among the miners of Hazard, Kentucky, they face the fact that so much of Federal depressed-areas legislation—the Appalachia Act, for instance—is constructed on a trickle-down theory. The Government, in keeping with the conventional, neo-Keynesian wisdom, makes public investments in the infrastructure by building roads and dams. And the first recipients of aid are the local business people. Their prosperity is supposed to eventually provide jobs for the poor people in the area. But, of course, it is precisely against this middle class that the most proud and aggressive of the miners have fought their battle. So the law which is supposed to help them may well be used to discipline them.

And there are white, urban workers caught in this downward spiral of pessimism. About half of the families of the poor are headed by an employed worker. These people work long, hard hours in jobs which are not covered by minimum wage law (17.6 million workers in private industry are not) and in which the minimum wage set by law is lower than the accepted poverty line. They are in the kinds of occupations—laundry workers, lowly service functions in restaurants and hotels, hospital orderlies, etc.—which in general are not organized by unions.

So the new poor are in a different, and much more difficult, position than the old poor. In saying this, I do not want to romanticize the misery and exploitation of the past, or to imply that the poverty-stricken of today somehow just don't possess the spirit of their predecessors and never will. There is no point in repeating the error of the artisans of the AFL who, in the 1930s, looked down upon the industrial workers and pre-

dicted that they would never organize into an effective union. But there are two reasons why the new poor do not have a *present* potential for militant action equal to that of auto and steel workers in the thirties. For one thing, they are not assembled together daily in huge and organizable units like the mass production factory. They live in chaotic slums and work at jobs which the union has never reached. But much more important, the new poor do not even have the economic hope which existed in 1936 and 1937, when the CIO emerged. Then, with a brief recessionary interlude, the economy was reviving, and the worker could believe that his job would be there tomorrow even if he joined and fought for the union. *But the new poor are the automation poor.* In fact, as will be made clear shortly, they have no reason to expect that present Government plans will provide them with something to do which will be both useful and decently paying. To the extent that they are demoralized, their attitude derives from an accurate perception of the future as well as from the terrible heritage of the past.

Several ideas follow from this initial analysis of the new poor. In the face of the massive, and in many ways unprecedented, indignities which they suffer, superficial liberals should stop telling them to pull themselves up by the bootstraps "like we did." And superficial radicals should stop thinking that the new poor will instinctively be more disciplined, cohesive and revolutionary than the workers of the CIO. But above all, and this point should emerge more plainly as I go on, this definition of the new poverty adds a crucial dimension to the demand that the Federal Government generate the jobs which will provide these people with economic hope. Such a program will not simply provide work for large numbers of individuals. It will, hopefully, provide the social setting in which entire groups of the poor will militantly organize themselves.

Having made this first definition of the new poverty, it is important to understand that it is, to an extraordinary degree, a youthful phenomenon. The problem of the poor is not automatically dying out with the older generation but is being most tenaciously posed by the youth.

In the 1964 Report of the Council of Economic Advisors, poverty was defined as an income of \$3,000 or less for a family. That was a bold way of putting the term and it gave a fair, if modest, estimate of the quantitative dimensions of our national scandal. But by omitting reference to family size and geographical location, the Administration was imprecise as to the exact qualitative composition of the problem. During 1964, the Social Security Administration refined the criteria and the new data became the basis for the 1965 Economic Report. The approximate number of the poor was not changed by these revisions. But, "most im-

portant, the estimated number of children in poverty rises by more than one third, from eleven million to fifteen million. That means that one-fourth of the nation's children live in families that are poor."

In short, young people in America are "more" poor than the population as a whole. A fifth of the country, but a fourth of the youth, live in the other America. Of the thirty-five million defined as poor by the Council of Economic Advisors, over 40% are young people. And one of the terrible things we have learned about present day poverty—it was brilliantly documented in a Department of Labor Study of Selective Service Rejectees in 1964—is that it is tending to be hereditary. Almost all of the old poor were children of people with little education. But they lived in communities which often made education an important community value; and they worked in an economy which, in the long run, provided a market for uneducated muscle. Both of these advantages have been profoundly modified in the new poverty and in a good many places they don't exist at all. A quarter of the young men who take the draft exam fail because they are not educated enough to train as privates in the army (they are typically in their early twenties when they take the test). And they are, to a depressing degree, the children of the poor.

If all other things remain constant, one could then expect these 25% of the youth who are poor to become heads of families—or, more precisely, heads of large families, for that is one of the patterns of poverty. And this would mean that impoverishment has a great future in this country. However, it is now the express purpose of the Administration not to let all things remain constant. These young people have been made the very crux of the Economic Opportunity Act and of Federal aid to education. So the question remains: faced by a poverty which is peculiarly corrosive in its impact on individual psychology and the internal resources of the various sub-groups of the poor, can the present Government programs provide the millions of impoverished youth "economic opportunity" in a period of automation and cybernation?

The answer to this question involves a manpower revolution and the fact that, even with the various Administration measures, the poor youth are so unequipped to meet this change that there is no present prospect that the majority of them will enjoy economic opportunity.

First of all, there is the manpower revolution itself (the phrase is taken from the 1964 Majority Report of the Senate Subcommittee on Employment and Manpower, chaired by Senator Joseph Clark). Between 1957 and 1963, the Senate Subcommittee found, there were substantial increases in output and even new industries in the nonagricultural,

goods-producing sector of the economy—and yet employment in this sector decreased by 300,000 jobs. Indeed, the report continued, state and local governments provided approximately one-third of the increase in wage and salary employment. So that when one looked for those areas in which jobs were being generated, it turned out that the private, profit-making nonfarm economy had given rise to only 300,000 new jobs in the six-year period, virtually all in the non-goods-producing sector.

These developments were, of course, part of a long-range pattern. In 1956, 39.4% of the workers in the United States were white collar, 38.8% blue collar. By 1964, the proportion had reached 44.2% white collar, 36.3% blue collar. The assembly line, through automation and cybernation, was becoming more and more productive, capable of increasing output while decreasing employment or keeping it stable. The state and local governmental sector was growing because of the increasing complexity of urban life and an enormous increase in education brought about by the post-war baby boom. And the private service sector—private schools, hospitals, restaurants, hostelryes, etc.—was also burgeoning as a result of the general affluence.

The result of these trends was that chronic high rates of unemployment (above 5% on the official figures; nearer 10% when one computed in the workers “expelled” from the labor market, the part-time unemployed, and so on) often coexisted during this period with prosperity. And furthermore, the new jobs that were created tended in two contrary directions: occupations for the highly skilled with good pay; menial, janitorial employments at poverty or near-poverty pay.

In 1965, it seemed to some publicists that the 1957-63 figures described an aberration rather than a trend. From 1957 to 1962 they said, there had indeed been an average annual decline in blue-collar work of 120,000. But from 1962 to 1964, there had been a gain of 550,000 in this category. The crisis, they said, was over, and the manpower patterns of the late fifties constituted, not a revolution, but a temporary response to low growth rates. So the tax cut had done its proper work, and with some judicious training and retraining there would be work for the employable poor.

The President of the United States and the Department of Labor were not so optimistic. The 1965 Manpower Report noted that even with the extraordinary stimulus of the tax cut, goods-producing industries barely held their own as a percentage of total employment. And Mr. Johnson said, “In the long run, the need for semi-skilled production workers and for many types of unskilled workers will continue to shrink in relation to demand in other occupational fields . . . most of the em-

ployment rise and the greatest rates of increase in 1964 were not in goods-production industries but in trades, services, and state and local government activities."

In short, the blue-collar unskilled and semi-skilled jobs which had provided so many of the old poor their occupational exit from poverty are declining. Where there is an increasing demand for simple muscle power, in the public and private service industries, it is more often than not in low-paid janitorial or dishwashing occupations. This means that one of the most fundamental propositions of the old anti-poverty wisdom—that in the long run, the private economy will generate new, and better-paying, work—applies less and less every day. It is now possible to have prosperity and decreasing opportunity for the poor.

Even this analysis understates the problem. For the American economy labors under the pressure of increasing population. It is not simply that the poor are tragically youthful, but that the entire society is getting younger. And this could intensify some of these problematic manpower trends.

According to the Department of Labor, the United States will require over 101 million jobs by 1980. Between 1964 and 1970, the labor force will grow at a rate of one-and-a-half million a year. Just to accommodate this increase—and *without* reducing unemployment—would require job generation on a scale not even achieved during the Korean War. And if one adds in the absolutely reasonable goal (it should be axiomatic with the neo-Keynesians) of reducing unemployment, as officially defined, to 3% by 1969, that would take, according to AFL-CIO Research Director Nathaniel Goldfinger, 1.9 million new jobs a year.

The Government is extremely pessimistic about its ability to measure up to these extraordinary job quotas. In order to meet the 1964-1970 manpower requirements, Washington reports that an annual 4% increase in gross national product will be needed during the entire period. And it then says, "But at no time in our recent peacetime history have we been able to sustain a rate of increase in the gross national product of 4% for more than a brief period." That is to say, the welfare state and economic measures of the past are, by Administration admission, probably not equal to the labor force requirements of the future.

As in all things, this grim proposition will be truer for some people than for others: the poor, and the fifteen million poor youth among them in particular, will bear the brunt of the trend.

About a third of the American youth today drop out of education before they leave high school. They have an unemployment rate of 15% (and it is almost double that for Negro dropouts); of the 1963 dropouts

who did find employment, 45% wound up as laborers or as menials; and typically, these people, the Government tells us, do not upgrade their skills. This one-third of the youth includes a majority of the young poor. In a time of automation, they provide a reserve army for poverty.

But, someone might reply, this is precisely the reason for the considerable investments which the Government is now making in various education programs, from pre-school training under Community Action to post-school training under the Job Corps and retraining for middle-aged workers under Manpower Development and Training. This notion begs the question. For all of the training and retraining in the world cannot change the fact that the Government itself, in the 1965 Manpower Report, has no confidence that the requisite number of jobs will be generated.

The Department of Labor projections on the educational attainment of the work force in 1975 are even more revealing. In 1964, the Senate Subcommittee estimated that a young worker needed fourteen years of schooling—two years beyond high school—in order to have a really good chance for economic opportunity. But in 1975, when the skill requirements for the available decent jobs will presumably be much higher, more than one-fourth (26.6%) of the workers 25 to 34 years of age will be without a high school diploma. This society apparently plans that they will be either unemployed or janitors, i.e., poor.

Thus the newness of poverty, and the consequent obsolescence of so much of President Johnson's current program, can be defined in the following way. The decisive factor, the terrible novelty, of impoverishment today, is that it takes place in a time of automation. Under such circumstances, the systematically undereducated and undertrained (which is another way of saying, "the poor") are justifiably pessimistic. Thus far, the Government has offered them the possibility of further education and training but, at the same time, essentially says that it really doesn't expect to have enough decent jobs for its own graduates. All this reinforces the cynicism and resistance to organization which characterizes poor communities.

The situation is particularly acute for the fifteen million youth who are poor and the even larger number of young people (one in three) who are high school dropouts in the age of post-high-school technology. This is the "growth potential" of American poverty. There are liberal critics ("critical supporters" might be a better term) of the Administration's programs who have recognized many of these problems. They have consequently proposed what I would call a Third New Deal: that the nation politically allocate resources to the public sector (consciously directing,

rather than simply stimulating, at least a part of the economy) so as to create positive, useful jobs which would raise the quality of life of the entire society. These proposals are excellent as far as they go—but they do not go far enough. As a next, and a giant, step in American life, they are certainly worthy of support, but they raise issues and pose problems which have radical implications for the very structure of the society.

In brilliant testimony before the Joint Committee on the Economic Report in February 1965, John Kenneth Galbraith spoke of “reactionary Keynesianism.” This is the thesis that one promotes economic growth by expanding private, individual consumption through policies like the tax cut, but not by making planned investments in social consumption. “I am not quite sure what the advantage is,” Galbraith said, “in having a few more dollars to spend if the air is too dirty to breathe, the water too polluted to drink, the commuters are losing out in the struggle to get in and out of the city, the streets are filthy and the schools so bad that the young perhaps wisely stay away, and hoodlums roll citizens for some of the dollars they saved in the tax cut.”

Galbraith’s point is particularly relevant to the new poverty. When one cuts taxes and uses other methods to increase individual consumption, that allows individuals to choose how the public subsidy will be spent. Moreover, as Leon Keyserling demonstrated at length in regard to the 1964 cut, the rich will get the lion’s share of this decision-making power. The corporations will presumably spend their rebates on becoming more efficient, i.e., requiring fewer workers; and wealthy individuals will hardly invest theirs in slum clearance or public schools.

As Galbraith testified with considerable wit, this approach is, in the long run, disastrous even from the point of view of the well-off. For a “prosperity” which leaves slums and race ghettos standing and which creates a desperate generation of uneducated youth will be threatened, not by revolution, but by constant outbreaks of individual, nihilistic violence. In addition to discomfiting the good citizenry, such a situation costs them money. The announced initial cost of Mayor Wagner’s “war on crime” in New York City is greater than the first investment in his “war on poverty.”

But beyond this middle-class cost accountancy, the poor themselves are deeply involved in this matter. The Community Action Programs under Title II of the Economic Opportunity Act propose to ameliorate the educational, familial, and psychological ravages of slum life. But no one has yet proposed the most crucial and obvious thing: to do away with the slums altogether. The poor are, by income definition, not in the “free” housing market (I use the quotation marks because, as Herb Gans

pointed out, private residential construction—for the middle class and the rich—is subsidized by an extraordinary array of Governmental programs). There are not enough low-rent public housing units and those which do exist, while an advance over a crowded, rat-infested tenement, tend to be segregated by class and race and to have other disadvantages.

Thus, there is no reason to expect that the slums will disappear by the “natural” workings of the economy. Yet so long as they persist, Community Action will have a first aid, rather than a surgical, quality. And obviously, doing away with the slums will take a whole range of public responses: creating new towns, breaking the class and race barriers which block off the suburbs, rehabilitating structurally sound housing (but this project, which is sometimes put forward as a panacea, requires moving—and housing—three-quarters of the people who live in the present charming but miserable units), and so on.

As the poor themselves have understood in several “urban renewal” battles, such an undertaking requires that the new, low-cost housing be supplied first and that demolition take place only after the site-dwellers have been rehoused. In any case, all of these new departures are theoretically possible. The only, and enormous, obstacle in their way is political. Now, one more argument can be advanced in their favor: that if the Community Action program of the War on Poverty is to work, a new environment for community has to be created. And that is a positive job-generating way of investing resources in social consumption as contrasted to priming the pump with tax cuts.

This one instance of housing points in the general direction of how the United States must go beyond the notion that poverty can be abolished by tax cuts and various new forms of vocational training. There must be a conscious governmental creation of a labor market in which the poor can find economic opportunity, and this can only be done by social investments which will also attack the very environmental structure of poverty itself. There must be, in short, a planned expansion of the public sector of the economy, particularly with regard to housing, education and transportation.

Such a program can be found on the democratic left wing of American liberalism. It is, in one form or another, professed by the AFL-CIO, Leon Keyserling’s Conference on Economic Progress, the ADA, and many other groups, and it was the subject of Myrdal’s *Challenge to Affluence*. It is, therefore, politically possible, a giant step forward in American life—and still this side of radicalism.

Essentially, this social investment approach would involve the adoption of some kind of indicative national economic planning. As far back

as 1945, the Democrats argued, in the Full Employment Bill of 1945, that the gross national product was too important a determinant of economic and social life to be left to the fates or the so-called free market. But their proposals were reduced to the statements of intent in the Employment Act of 1946. Now, there are once more serious proposals to catch up with what we almost knew as a nation twenty years ago. The Clark Subcommittee of 1964 thus favored giving the President and the Council of Economic Advisors the responsibility of developing a national budget for all sectors of the economy, public and private, of estimating the GNP and unemployment which would result from this projection, and if the figures pointed to a jobless level of 3% or more, coming in with programs to create a GNP big enough to fit the employment needs of the society. The Subcommittee further put forward an immediate proposal to reduce unemployment to below 3% by 1968 through annual increments of \$5 billion in social spending.

This tack was not taken by the Johnson Administration. With a strange fatalism, Washington in 1965 clearly implied that it had no confidence that its economic policies would reduce unemployment even to the 4% "interim" acceptable level; and, as noted earlier, the White House and the Department of Labor do not think that our current capacities and development will meet the needs of the manpower revolution during the next half decade. With ingenuity and brilliance we have predicted chronic high unemployment. And leaving that prophecy to come true, we propose to abolish poverty at the same time.

The nation need not passively accept such a contradictory perspective. Instead, we could move toward a more radical liberalism by means of programs and policies which are now advocated by the labor and liberal movements. In so doing, the United States would undertake its Third New Deal.

The centerpiece of the first New Deal was the business-dominated planning of the NRA and of the second New Deal, Keynesian intervention to stimulate the private economy. "Now," John Kenneth Galbraith has written, "Keynesian policies are the new orthodoxy. Economists are everywhere to be seen enjoying their new and pleasantly uncontroversial role. Like their predecessors who averted their eyes from unemployment, many are now able to ignore . . . the new problem, which is an atrocious allocation of resources between private wants and public needs, especially those of our cities. (In a sense, *the Keynesian success has brought back an older problem of economics, that of resource allocation, in a new form.*") (Italics mine.) I would add only one comment to Galbraith's analysis. So long as the present situation persists, the poor will be the most

terrible victims of America's atrocious allocation of resources; and the moment something is done, they will be the first beneficiaries, both in terms of finding decent employment and of building a new environment for themselves.

In short, the essence of the Third New Deal is social investment, a conscious and political allocation of resources to meet public needs. Such a program can obviously be carried out within the general limits of the welfare state, i.e., it does not propose any basic change in the ownership of American industry. Yet it is also clear that the business wing of the Johnson coalition would be extremely hostile to a Third New Deal. Even more important than Henry Ford's reaction is the fact that a Third New Deal would pose radical questions about the nation's economy and social structure, which could signify both a culmination of liberalism and a most important point of departure for radicalism. I want to labor this point a bit, because it has implications for the political strategy of a real war on poverty, pointing up the necessity for the mobilization of a new and militant coalition which will include, but not be confined to, the poor.

The social investment approach assumes that the gross national product is not an economic fate played out on the free market, but a subject for political debate and determination. In the Clark Subcommittee proposals, for instance, if a projected GNP does not fit the nation's social aims, then the Government goes out and creates a new, more appropriate, GNP. A major instrument of such a policy is the expansion of the public sector. There are two arguments for such a tack: the private, goods-producing sector will not create jobs for the poor, so there must be a conscious generation of work in the public sector; in the course of providing the needed quantity of jobs through the public sector, we will be able to transform the quality of American life.

Now all this is compatible with the corporate ownership of American industry. And yet, the social investment approach takes liberalism to the junction with radicalism. It goes beyond Lyndon Johnson, of course; but more than that, it points toward the other side of the welfare state itself.

To begin with, this approach proposes a modest allocation of economic resources on the basis of social usefulness rather than private profit. As the Clark subcommittee and others have put it, this would still leave the great mass of the economy in private hands. Yet it is a most important opening wedge for establishing a principle which could be extended until there is democratic control of major economic decisions. As one socialist French planner said of the situation in his own country,

it opens up the possibility that the legislature could become the stockholders' meeting of the entire national economy.

But there is another possibility, and here the French present rather than its possible future is the model. If the big corporations were to be shrewd about all this and to join wholeheartedly in indicative planning, they could shape it to *their* collective ends rather than to those of the society. Thus, under Gaullist planning in France, there has been a redistribution of income in favor of the rich. The entire French economy has become more efficient and, in the absence of effective counteraction by the democratic left, the chief beneficiaries have been the largest shareholders. If there is a "reactionary Keynesianism," there is also "reactionary planning." If this is to be avoided, it can only be through the power of an organized popular movement against the political power and interest of the corporations. And this I regard as a radical undertaking.

It is in this context that one must place the importance of the self-organization of the poor and their participation in a larger coalition. The point of community organization today is not, as too many seem to think, "self-help," neighborhood uplift. In Harlem, Kenneth Clark points out in his *Dark Ghetto*, people on a block organized to clean up the street. That, Clark says, was a wrong thing to do, for it implied acceptance of the theory that the street was litter-strewn because its Negro inhabitants were at fault. In point of fact, the real culprit was the city administration which, in this instance, as in practically every other, provides inferior public services for Negro areas. And the real demand, Clark concludes, should have been political organization to force the city to give the street its due.

At the 1965 Conference of Mayors, various metropolitan chief executives understood these political implications of community organization, even if they were a bit hysterical in the doing. The right of the poor to participate in the war on poverty was, some of them said, "Marxism," the class struggle. This was an incredible overstatement of the present state of affairs but it at least had the virtue of understanding what might happen if the poor were no longer welfare dependent but militant activists.

Such militant activism among the poor cannot be wished into existence. If the argument of this essay is correct, one of the consequences of a liberal program for the generation of new jobs would be that it might well create the economic setting for a radical movement of self-organization among the poor. Such a mobilization could take place in two main areas: around the indignities of daily life in the slum in the form of community unions, tenants' councils, and the like; and through the pen-

etration of the labor movement into the American economic underworld in the form of unionizing and transforming poverty jobs. In any case, such new institutions of the poor would have an important place in the national (liberal-labor-religious-radical) coalition which would be required to make planning an instrument of the popular will rather than of the corporation.

Finally, there are in these liberal proposals for social investments radical implications which relate to the quality of American life. The issue is not simply providing a given quantity of work, important as that is to the new poor. It is also one of providing the right kind of socially useful work. And this will require that new occupational categories be consciously created. The middle class has defined some new pursuits for its children already: the occupation of graduate student as a first career; the foundation industry with its fellowships and consultantships; Peace Corps and Vista volunteer; and so on. And now, under the impetus of the war on poverty, there are tentative new definitions of work for the poor themselves.

The "indigenous" neighborhood worker—the slum dweller recruited for paid social work because of his existential training in poverty—is already appearing in various community action programs. Other possibilities are being explored: teacher's aide, community organizer, research assistant. Significantly, these new occupations tend to appear in the public and "human care" sector of the economy. This trend owes at least as much to technological necessity as to the popular conscience. For it is the private and goods-producing part of the economy which automates; and it is in the service, and particularly the public service, sector that new needs and opportunities appear.

But here again, the political dimension is extremely important. Governmental support of the indigenous neighborhood worker could turn into an excellent way of recruiting the best leaders of the poor into an apparatus controlled by City Hall. This would not be the case if a coalition were activated between the poor and other movements for social change. One of the important functions of such a coalition would be precisely to provide a financial base so that indigenous community organizers could be completely independent of government, and thus responsive only to their own constituents.

In short, a program of social investments in the public sector is a liberal, politically possible proposal with radical implications. At the outset, it leaves the corporate domination of the economy intact, but it also introduces the counter-principle of social usefulness into our economic affairs. Whether or not this principle will develop into the basis

of fundamental economic decision is a political question. It depends, above all, on the emergence of a new coalition which will see to it not only that planning and social investment are extended, but that they be extended in a democratic way. And these implications of the liberal proposals are clearly radical.

In considering the problem of poverty, then, I suggest that we raise the issue of the future of society itself.

The poor were, as noted before, the first part of the American population to cross the frontier of automation. Tragically, for them it meant entry into the new poverty. But these problems will not stop at a \$3,000 income line or be confined to thirty-five, or even fifty million Americans. For these trends point to the possibility that entire areas of work—union-organized work, clerical work, executive work, as well as poverty work—will be abolished. The Administration has been skeptical of such prophecies, but in the 1965 transmission of the Manpower Report, President Johnson implied that the real argument is not whether, but when, extraordinary transformations will take place. “New technology,” the President said, “will not *soon* curtail need for human labor.” (*Italics mine.*) In short, *someday* new technology could curtail need for human labor.

If this is the case, then the program outlined in this paper points deeper than reform and well beyond poverty. The problem is not simply the massive one of liberating thirty-five to fifty million people from their misery and providing useful occupations for fifteen million youngsters. This undertaking is but the first installment in the redefinition of work for the society as a whole. And the economy of the future will thus have to allocate resources and plan for an unprecedented situation in which work, as traditionally defined, will no longer be the main fact about human life.

There are glimpses of this futurism in current, and sober, proposals. There are now bills providing benefits which would allow workers to exit earlier from the economy into retirement (this is necessary because the new technology cannot read the Social Security fine print about aging starting for a man at sixty-five) and to permit young workers to enter it later (by providing everyone with at least fourteen years of free public education). These are not simply fragments of change; they could be steps toward redefining the working lifetime of society.

Thus, the immediate and politically possible need in the war against poverty is for a Third New Deal, a radical liberalism. This would involve the assignment of planning responsibilities to the Council of Economic Advisors, massive social investments, the creation of a new human care sector of the economy which would employ college graduates and high

school dropouts. To one degree or another, the considerable political forces of the labor, civil rights, and liberal movements are committed to taking this path. Radicals should join with them.

But at the same time, it is the unique vocation of the radical to point out that even a Third New Deal is not enough. The thoroughgoing reforms which the new poor need today if they are even to begin to catch up with automation merely anticipate the basic transformations which the entire society will require tomorrow if it is to make its revolutionary technology humane. For more and more resources will have to be allocated to education, to leisure, to the "non-productive" and socially useful sector.

The plight of the new poor is radical. To help these tens of millions out of their present misery demands at least a Third New Deal. And in achieving that, the society will be forced to think about, and to embark upon, a far more fundamental restructuring. Such a development will not occur automatically. There are now reactionary Keynesians, and there will be reactionary Third New Dealers who will want to use the new social techniques to maintain the old social subordinations. If they are to be defeated, the war against poverty will not be based simply on economic models and blueprints for change. Its driving force will be a new political coalition—the poor, the unions, the best of the religious movements, the liberals, the radicals—everyone whose aim will be the democratization of economic and social power.

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