Written by <u>Sam Blumenfeld</u> on May 2, 2011



### Who Won the War on Poverty?

The Johnson administration's War on Poverty was a very expensive exercise in futility, for the simple reason that poverty can never be permanently eliminated by giving wealth away. It might be eliminated temporarily by giving every individual in America \$100,000 and an investment counselor to help him or her assemble a decent portfolio of common stocks. But some of these people would wind up squandering every last dime of their federal "inheritance" and revert to poverty in short order.



The only sensible way to eliminate poverty is by creating more wealth, not redistributing wealth already created; and the only way to accelerate the creation of new wealth is to deregulate the economy, repeal the income tax or lower taxes significantly, reduce the size of government so that it doesn't become a monkey on the back of every citizen, and establish as completely capitalistic a system as possible.

So much wealth would be produced as a result that poverty would be almost completely swallowed up in the process. There would be so many fortunes made, so many millionaires, so many private philanthropies, that the only persons who would remain in a state of poverty would be the neurotically indolent who actually enjoy living their lives without interference from anyone.

This has been the lesson of history. Economic freedom permits human beings to work for themselves and keep the fruits of their labor. They win their own war on poverty quickly and efficiently. Almost everybody wants to be rich. The vast majority of them want to become rich honestly, and they are willing to invent, work, build, sell, and promote in order to create their fortunes. They create wealth, and their activity makes it possible for the poor to survive.

The early capitalists of the mid-19th century are accused by Marxists of having exploited women and children in the mills of New England. Yet, judging from the diaries that have come down to us by those who worked in the mills, they enjoyed their work and the money they earned. Indeed, how many of these women and children would have survived had they not had the jobs which permitted them have food and a roof over their heads?

Today, after 150 years of technological advancement and capital accumulation and investment, the situation is quite different. We live in a post-industrial civilization where the potential to create wealth is virtually unlimited. Mark Zuckerberg, the founder of Facebook, became a billionaire in less than 10 years just on the basis of an idea and skill as a computer programmer. Google, YouTube, and Ebay have brought enormous new wealth to their creators simply because such Internet enterprises are not regulated by government.

However, federal government restrictions placed on the economy, and on small business in particular, are making it impossible for such entrepreneurs to realize the potential in wealth their enterprises would have without such stifling interference. People with superior ability and the energy needed to create and sustain a profitable small business are actually penalized by the present system and are permitted to retain only a small percentage of the fruits of their labor. Most of the wealth they create is

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devoured by a government that has grown so large, so voracious, and so intrusive, that becoming rich has become a very steep uphill climb. Yet, with all of the government's trillions of dollars in giveaways to the poor, poverty persists.

What exactly is poverty, anyway? It is not the lack of money. There are plenty of Americans who live from paycheck to paycheck but do not consider themselves poor. They use their credit cards to buy whatever they want on the belief that future earnings will allow them to pay off whatever they owe. We live in a consumer economy where everyone is persuaded that you are doing the right thing by borrowing as much money as the banks and lenders will let you have at low interest rates. And so, if wealth is measured by how much of the material goodies you've accumulated that fill your home or apartment, there is no such thing as poverty in America.

And if you actually go broke, there are ways of climbing out of the hole by drumming up some little business, or selling a product made by someone else. And if you are computer savvy, you might be able to create something on the Internet that even Obama's socialist economics can't stop you from doing.

No man in America need remain in a paralyzed state of unemployment and starve to death. No man with two arms and two legs need sit at home and feel sorry for himself because he has lost his job. He can sell something from door to door, wash cars, cut grass, shovel snow, or perform any other useful service in our society for which people will usually pay a fair price.

Saul Alinsky called the poor in America the "Have-Nots." But the poor in America generally own cars, color TVs, live in subsidized housing, have lots of clothes, appliances, food stamps, telephones, cell-phones, medical care, access to free education, and more. The American Have-Nots have more than any other poor population on the planet. And of course they have the greatest gift of all, which makes them the envy of the world: U.S. citizenship.

So, in a sense, we've won the war on poverty. But there are people who, through a variety of circumstances, find themselves in great economic difficulty and require the assistance of others. In a free society a person in such difficulty would first go to his or her relatives or friends, or to their church, or, as a last resort, a local private charity or social service. Long before there was government assistance available, private charities took care of the poor and disabled in America. A Christian people knew what their duty was in caring for the poor.

In truth, a state of poverty is more psychological than economic. We are all familiar with the homeless who are that way because of a mental problem. In America today, because of so many home foreclosures, many families are technically homeless. Some of them may live in their cars or vans for weeks or months before being able to relocate themselves into more permanent housing. But that is a temporary situation which any family might face in similar circumstances. We don't consider them as members of the Have-Nots.

Back when President Johnson launched the War on Poverty, he observed in his message to Congress on March 14, 1967:

In the 1960's, we have begun to devise a total strategy against poverty. We have recognized that public housing, minimum wages and welfare services could not, standing alone, change the bleak environment of deprivation for millions of poor families.

A successful strategy requires a breakthrough on many fronts: education, health, jobs and job training, housing, public assistance, transportation, recreation, clean air, and adequate water supplies. The basic condition of life for the poor must, and can, be changed....

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I have recommended \$25.6 billion for the programs directly aiding the poor — a \$3.6 billion increase over fiscal 1967.

Somehow, government largesse was going to alter the "bleak environment of deprivation for millions of poor families." Such generalities with little meaning were enough to convince Congress to spend more of the taxpayers' money for a supposedly noble cause.

Actually, the primary beneficiaries of the War on Poverty, of course, were the dispensers of these government gifts, the army of social workers "fighting poverty." Their salaries then and now are a lot better than the salaries of the draftees who were, at the time, fighting communism in Vietnam. But evidently it was much harder fighting poverty than communism.

The General whom Johnson appointed to fight the War on Poverty was Robert Kennedy's brother-in-law, Sargent Shriver. His little Pentagon was called the Office of Economic Opportunity — which sounds like something out of Ayn Rand's *Atlas Shrugged*. The troops on the battlefield were organized in "community action agencies," an Alinsky-sounding idea. They became the local dispensers of the poverty funds. According to Johnson:

Each agency analyzes the problems its community faces and develops a strategy for its antipoverty self-help effort. This strategy may include any combination of Federal, State, and local programs which will assist the poor in their fight against poverty.

Forty-four years later, the Democrats are still trying to redistribute the wealth from the Haves to the Have Nots. Will it ever end? Not until our federal government gets back to its original purpose as stated in the Declaration of Independence: to secure the unalienable rights of its citizens to life, liberty, and the pursuit of happiness. Even the poor have a right to pursue their own concept of happiness without government interference. What makes one person happy does not necessarily make anyone else happy.

But the Warriors on Poverty seemed to think that they knew what would alleviate the "bleak environment of deprivation" afflicting the poor. The solution? How about season tickets to a National or American League ballpark? Frequent attendance at Broadway shows, at government expense. Trips to Disney World. That ought to alleviate the "bleak environment of deprivation."



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