

Addenda #1 – March 2024

Re: Ch. 8, Targeted Casualty: The Capitalist Economy (redistribution of political power and wealth)

The *War on Poverty* is the unofficial name for legislation first introduced by United States President Lyndon B. Johnson during his State of the Union address on January 8, 1964, to address the national poverty rate of 19.0%. The speech led the United States Congress to pass the Economic Opportunity Act (EOA), which established the Office of Economic Opportunity (OEO) to administer the local application of federal funds targeted against poverty. Forty programs established by the Act were collectively aimed at eliminating poverty by improving living conditions for residents of low-income neighborhoods and by helping the poor access economic opportunities long denied them.

This movement to eliminate poverty, was labeled *the Great Society*. Johnson believed that expanding the federal government's roles in education and health care would be sufficient to first reduce, then eliminate poverty. President Johnson stated, "Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it".

Note: These policies can also be seen as a continuation of Franklin D. Roosevelt's New Deal, which ran from 1933 to 1937, and Roosevelt's Four Freedoms of 1941.

In the ten years following the start of Johnsons 'Great Society', poverty in the U.S. dropped to the lowest level since records began in 1958. But this drop was not a reflection of the new federal spending, but a continuation of an ongoing reduction in overall poverty since 1950. Between 1950 and 1964, the U.S. poverty rate dropped from 32.2% to 17.3%, as the economy continued to grow and enrich millions. In the ten years that followed the E.O.A., the poverty rate continued to decline, bottoming at 11.1% in 1973.

The War on Poverty After 50 Years; The Heritage Foundation Report, September 15, 2014

Since 1972 however, the poverty rate in the U.S. has fluctuated two to three percent up and back down again, depending on how the economy has done. In 2022 the federal government spent over \$1.6 trillion on welfare programs, and the poverty rate was 11.5%, virtually the same level it was back in 1973. Fifty years ago. How can that be? (more on this later)

Figure 1.

Number in Poverty and Poverty Rate Using the Official Poverty Measure: 1959 to 2022



Progressive Democrats want you to believe that big corporations and the rich are stealing from the poor, making poverty in the United States an ever increasing problem.

“The War on Poverty Is Over. Rich People Won” – The Atlantic, May 14, 2023

In 1973, the number of people living below the poverty level was 22.97 million.

In 2022, the number of people living below the poverty level was 37.92 million.

In 1973 the total population of the U.S. was 207.6 million.

In 2022 the total population of the U.S. was 330.1 million.

Yes, the number of people living below the poverty level increased, but so did the total population. As a result, the percentage of the U.S. population living in poverty remains statistically the same as it was 48-years ago. Facts matter, to put everything into perspective! But is this just the result of corporate greed, powerful rich white people exploiting the masses, and our “implicit acceptance of racism” according to white, Ivy League sociologist Matthew Desmond?

Note: Desmond received a Ph.D. in sociology from the University of Madison-Wisconsin Department of Sociology in 2010.

Desmond went on to become a faculty member at Harvard University and then Princeton University, teaching about urban sociology, poverty and social theory to young impressionable minds.

Note: One of Desmond’s “influencers” at UM-W was Marxist research professor Erik Olin Wright. who wrote fifteen books and more than one hundred research papers on class and capitalism. Wright received his BA in social studies at Harvard and his Ph.D. in sociology at the University of California, Berkley, before joining the Department of Sociology at UWM in 1976.

Census data also shows three significant connections between life situations, and poverty.

1. Married couple families had the lowest rate of poverty (5.4%), while single female led households had the highest rate of poverty (24.7%).
2. Individuals with at least a college bachelor’s degree had the lowest rate of poverty (4.3%), while individuals that did not have even a high school diploma had the highest rate of poverty (25.2%).
3. Individuals who worked full-time, year round had the lowest rate of poverty (1.9%), while individuals that worked less than full-time had the highest rate of poverty (12.8%).

Those who did *not* work had an even higher rate of poverty (30.7%). Go figure!

Poverty in the United States: 2022; U.S. Census Bureau report, September 2023

[Reference: Ch. 2 Targeted Casualty: The Nuclear Family]

“The wealth of nations depends upon an infinite variety of causes”; Alexander Hamilton

Choices...

The choice to have a child out of wedlock or in a marriage between two committed partners.
The choice of a father to leave his pregnant girlfriend or to stay and help raise his child(ren).
The choice to drop out of high school or to stay and get a diploma, or at least a GED.
The choice to continue on to college or to say I've had enough, and enter the workforce.
The choice to opt for more leisure/fun time, or suck it up and work to support yourself and your family at a job you may not particularly enjoy.
Choices...

"The real problem of poverty is not a problem of "distribution" but of production. The poor are poor not because of something is being withheld from them but because, for whatever reason, they are not producing enough"; economist Henry Hazlitt

The poverty rate is actually lower than the 'official' 11.5% rate. That's because the Census Bureau does *not* count as income, all government means-tested spending on the poor. As a result, government statistics on the percentage of spending versus household income are artificially high, furthering the belief that there is continued wide spread income disparity between the poor and more affluent in society.

But none of these "facts" change the belief of the true Progressive-Marxist.

Richard Cloward and Francis Fox Piven were two activist Marxist sociologists and educators when President Johnson announced his war on poverty: Cloward as a faculty member at Columbia University's School of Social Work, Piven a political activist and member of the Democratic Socialists of America.

Energized by Johnson's Great Society agenda, Cloward and Piven collaborated on a strategy of their own, to *fundamentally change* the public welfare system in the U.S.

Where have we heard that slogan before... oh, right. Presidential candidate Barack Obama on October 30, 2008 stated: *"We are five days away from fundamentally transforming the United States of America."*

And, perhaps it's no coincidence that Obama received a B.A. from Columbia University in political science in 1983, during the same time when Cloward was a faculty member there. The same Columbia University where scholars relocated from the Marxist research center *Frankfurt School*, after Hitler came to power in Germany in the early 1930's.
But I digress...

Their strategy focused on overloading the United States public welfare system in order to precipitate a crisis, which would ultimately lead to replacing the welfare system with a national system of "a guaranteed annual income and thus an end to poverty". First published in the May 2nd 1966 issue of *The Nation* under the title – *The Weight of the Poor: A Strategy to End Poverty*, Cloward and Piven claimed that there were actually many more individuals living in poverty than official government statistics showed.

Note: All quotes are from Cloward and Piven, *The Weight of the Poor: A Strategy to End Poverty*

The discrepancy is not an accident stemming from bureaucratic inefficiency; rather, it is an integral feature of the welfare system which, if challenged, would precipitate a profound financial and political crisis. The force for that challenge, and the strategy we propose, is a massive drive to recruit the poor onto the welfare rolls.

Cloward and Piven wanted to overload the welfare rolls, creating a crisis in state and local governments that at that time funded welfare and social benefits. This crisis, would result in the federal government stepping in to take over the burden: the prerequisite of socialism in America.

A series of welfare drives in large cities would, we believe, impel action on a new federal program to distribute income, eliminating the present public welfare system and alleviating the abject poverty which it perpetrates. Widespread campaigns to register the eligible poor for welfare aid, and to help existing recipients obtain their full benefits, would produce bureaucratic disruption in welfare agencies and fiscal disruption in local and state governments.

These disruptions would generate severe political strains, and deepen existing divisions among elements in the big-city Democratic coalition: the remaining white middle class, the white working-class ethnic groups and the growing minority poor.

To avoid a further weakening of that historic coalition, a national Democratic administration would be con-strained to advance a federal solution to poverty that would override local welfare failures, local class and racial conflicts and local revenue dilemmas. By the internal disruption of local bureaucratic practices, by the furor over public welfare poverty, and by the collapse of current financing arrangements, powerful forces can be generated for major economic reforms at the national level.

Political commentator James McWhorter wrote in his 2006 book *Winning the Race: Beyond the Crisis in Black America*, that the rise in the welfare state after the 1960s could be attributed to the Cloward Piven strategy. He reported that the strategy unfortunately "created generations of black people for whom working for a living is an abstraction."

"In the late '60s, white leftist agitators changed welfare profoundly with poor black people in mind here in New York City. And as a result, just four years later, welfare was now a program where you could live on it forever. It didn't make anybody rich, but if you had a kid, then you could live on the government for the rest of your life, especially if you happened to have more children and no one cared whether you got a job, no one cared whether the father was around and able-bodied. The kind of welfare that we knew until 1996 didn't exist until the late '60s and it turned black America upside down."

"What really turned us upside down was misguided benevolence from whites who were under a new paradigm in the '60s, particularly with this change in welfare. So there's very little blaming the victim in "Winning the Race." I really do think that this was something that was started from the outside."

John McWhorter; January 3, 2006 npr interview

Fast forward to 2008 and now President Barack Obama's *fundamental transformation* of the United States...

The \$787 billion 2009 American Recovery and Reinvestment Act passed both houses of the Democrat controlled Congress on straight party line votes. The ARRA boosted benefits and suspended work requirements for able-bodied adults without dependents in order to receive food stamp benefits (SNAP), increasing the number of recipients by 12 million. Nine years after the “Great Recession” ended, SNAP still had 40.7 million recipients, a 55% increase from 2007. “Food Aid” under the eight years Obama was in office increased by 70.97%.

Obama also issued an Executive Order that waived work requirements for the Temporary Assistance for Needy Families (TANF) program. Never mind that he did not have the authority to do so, only Congress did. But the Democrat controlled House and Senate had no problem with their legislative authority being bypassed by *this* president.

The administration ran high-profile ad campaigns, encouraging people to sign up for food stamps and other welfare programs.

In order to generate a crisis, the poor must obtain benefits which they have forfeited.... Ignorance of welfare rights can be attacked through a massive educational campaign. Brochures describing benefits in simple, clear language, and urging people to seek their full entitlements, should be distributed door to door in tenements and public housing projects, and deposited in stores, schools, churches and civic centers. Advertisements should be placed in newspapers; spot announcements should be made on radio. Leaders of social, religious, fraternal and political groups in the slums should also be enlisted to recruit the eligible to the rolls. The fact that the campaign is intended to inform people of their legal rights under a government program, that it is a civic education drive, will lend it legitimacy.

Obama was “all in” on the Cloward-Piven strategy.

In 2010 both houses of the Democrat Congress passed the Affordable Care Act on party line votes. President Obamas signature legislation was initially an attempt to transition the U.S. to a single-payer, government run healthcare system, but the finished bill settled for setting up a federal health insurance exchange using existing health insurance companies, reimbursed by the government.

The ACA was to provide “low-cost” health insurance through the federal and state insurance exchanges, and “no cost” Medicaid and Children’s Health Insurance Program (CHIP) insurance for an estimated 48 million uninsured Americans.

The Congressional Budget Office initially projected enacting the ACA would result in a net cost of \$894 billion over the first ten years. This included an estimated \$1.055 trillion in subsidies to states for local insurance exchanges, and Medicaid and CHIP expansion.

According to the president, these taxpayer funded subsidies would be offset by revenues from those who did purchase insurance, plus collection of penalties from those who refused to comply with the law and purchase insurance. There was also an income tax surcharge on high-income individuals to help pay for the plan.

The ACA was promoted as giving Americans more choices for healthcare and “lowering insurance premiums by up to \$2,500 for a typical family per year.”

“Taxes” (don’t call them *penalties*) would be assessed to individuals that refused to comply with the law and purchase health plans, and employers who refused to offer plans to their employees. The taxes (*penalties*) started low in 2014; the greater of \$95 per individual and up to \$285 per family or 1% of income. By 2016 they would be the greater of \$695 per individual and up to \$2,085 per family or 2.5% of income.

The plan was to *force* people to purchase insurance from the exchanges, by making it too costly not to do so. The success of the plan depended on the healthy paying higher premiums to cover the sick and those receiving free coverage.

Note: This is also known as *income redistribution*, exactly what Cloward & Piven wanted.

The plan failed to work the way it was promoted however. Enough people did not sign up for coverage, then the Supreme Court ruled the *mandate* to purchase insurance as unconstitutional. Revenues were too low, healthy people refused to sign up and insurers lost millions treating just sick and non-paying patients. State by state, insurers left the market place, reducing the number of available insurers and plan options.

The CBO then revised its estimate of the “Obamacare” cost to \$1.7 trillion, and several new taxes were imposed on individuals, businesses and insurers to pay for the increased cost. This, is how government run programs, especially socialized medicine, really work.

Back to the beginning of the War on Poverty again...

From 1964 through 1966, Washington was controlled by the Democrat party. Lyndon Johnson was President from 1963 through 1969 and Democrats had a “supermajority” control of both the House of Representatives and Senate from 1963 to 1967.

Cloward and Piven saw a Democratic federal government taking over control of the countries welfare system, and with a little prodding, establishing a federal guaranteed annual income to end poverty in the U.S.

...a national Democratic administration would be con-strained to advance a federal solution to poverty.... The ultimate objective of this strategy--to wipe out poverty by establishing a guaranteed annual income--will be questioned by some. Because the ideal of individual social and economic mobility has deep roots, even activists seem reluctant to call for national programs to eliminate poverty by the outright redistribution of income. Instead, programs are demanded to enable people to become economically competitive. But such programs are of no use to millions of today's poor.... Individual mobility is no answer to the question of how to abolish the massive problem of poverty now.

Back in 1966, Cloward and Piven were already calling for a federally guaranteed annual income, as opposed to providing a level of temporary support to *enable people* to advance economically through their own efforts. Cloward & Piven didn’t believe in individuals rising to new levels of economic freedom by their own efforts. They didn’t believe in holding individuals at least partly responsible for their own efforts, or lack of.

Cloward & Piven were calling for equity of outcomes of whole groups of people, without individual accountability or responsibility, fifty years before that term became the rallying cry of social justice activists.

Because benefits are conditional under the present public welfare system, submission to arbitrary governmental power is regularly made the price of sustenance. People have been coerced into attending literacy classes or participating in medical or vocational rehabilitation regimes, on pain of having their benefits terminated. Men are forced into labor on virtually any terms lest they forfeit their welfare aid... Conditional benefits thus result in violations of civil liberties throughout the nation, and in a pervasive oppression of the poor.

In 1996, the 104th Congress passed welfare reform legislation requiring recipients to begin working after two years of receiving benefits and placing a lifetime limit of five years on benefits paid by federal funds.

In the House of Representatives, the bill passed 328 to 101 with all but 5 Republicans voting Yea and 98 of 198 Democrats voting Yea.

In the Senate, the bill passed 78 to 21 with all 53 Republicans and 25 Democrats voting Yea and 21 of 47 Democrats voting Nay.

Remember, in 1996 the Democrat party was run by liberals, not Progressives, as it is today. As a result of this legislation, the number of participants on welfare decreased drastically. In the five years that followed the 1996 reform, the poverty rate in the U.S. dropped from 13.7% to 11.7%.

In July 2012, the Obama administration issued an executive order overturning those work requirements, in direct violation of that Congressional legislation passed in 1996.

Fundamental transformation of the welfare system, just as Cloward & Piven had proposed.

Over the eight year Obama administration, spending on Medicaid and other Social Welfare programs increased by 78%. The percentage of federal spending on those programs increased from 19.3% of all government spending to 25.3% by the end of fiscal year 2017. A December 2012 Pew Research study found that 55% of all Americans have received government benefits from at least one of the six-best known Federal entitlement programs. Unemployment benefits, Social Security, Medicare, Food Stamps, Medicaid or other welfare benefits. 45% of those ages 30 to 49 received benefits.

A Bipartisan Nation of Beneficiaries; Pew Research Center report, December 18, 2022

The ultimate objective of this strategy--to wipe out poverty by establishing a guaranteed annual income...

Guaranteed annual income... now where have we heard *that* before? Most recently from entrepreneur turned presidential and NYC mayor candidate Andrew Yang, who advocated for a universal basic income program in 2020 and 2021.

Yangs \$12,000 annual “Freedom Dividend”, in addition to Medicare benefits and housing assistance, would be provided to *every* American after they turned 18, in addition to anything else they earned as income.

A federal program of income redistribution has become necessary to elevate the poor en masse from poverty.... First, adequate levels of income must be assured. Second, the right to income must be guaranteed, or the oppression of the welfare poor will not be eliminated....

Note: Andrew Yang majored in economics and political science at Brown University in 1996, and received a law degree from Columbia University in 1999.

Brown University has a reputation of being the most liberal Ivy League university, second only to Columbia University. And I’ve already noted Columbias reputation and historical background in Marxism. Looks like some of that Marxist influenced education definitely rubbed off on Yang.

The “great recession” of 2007-2017 resulted in more than 15 million home foreclosures, almost 12 million personal bankruptcy filings, and more than 8 million job losses, yet median household income grew at a 2.1% annual rate between 2015 to 2018 as the country recovered.

“Home ownership”, the most significant measure of wealth accumulation, fell from 69.2% in Q4 2004 to 62.9% in Q2 of 2016 before beginning to increase again.

The most striking characteristic of public welfare practice is that a great many people who appear to be eligible for assistance are not on the welfare rolls.

That’s because in 1961, the mentality of the working class was to be self-reliant and not to depend on the government for assistance. At one time in our history being on welfare was a mark of shame not something to be proud of. Remember, the poverty rate in the United States had been falling, and continued to fall for another thirteen years, until the mindset of the poor had been conditioned to believe welfare was not just acceptable, but a right, just as Cloward & Piven had wanted.

The *fundamental transformation* that began during the Obama administration was briefly halted during the first three years of the Trump administration. Corporate and personal tax cuts helped spur economic growth to continue recovery from the financial crisis and the *Great Recession*.

By 2019 the percentage of people living in poverty in the U.S. had dropped to 10.5%, the lowest rate since that statistic began in 1959. The number of families (8.5%) and single female households (24.3%) living below the poverty level also dropped to record low numbers.

Overall unemployment reached 3.5%, a fifty-year low. Unemployment for Blacks (5.4%) and Hispanics (3.9%) reached the lowest rates ever recorded.

Then came the 2020 Coronavirus pandemic, government business and school closures, and government stimulus spending.

The first two months of the pandemic recession resulted in a loss of more than 25.3 million jobs, hitting low-wage, less educated workers the hardest. A 2023 Federal Reserve survey showed that although median income and net worth increased by “double digits” from 2020-2022, the lowest-earning 20% of households saw a 2% decline in net worth despite federal spending.

In 2020, Congress and/or President Trump passed five major Coronavirus stimulus packages: the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Paycheck Protection Program (PPP), the Heroes Act, the Lost Wages Assistance (LWA) program and the Consolidated Appropriations Act. The combined spending under the Trump administration and the 116th Congress came to \$6.8 trillion to provide small businesses, corporations, state and local government and individuals with relief from pandemic closures and job losses.

But stimulus programs were doing their job. By December 2020, the number of people employed had increased by 16.4 million, and the unemployment rate had dropped from 14.8% to 6.7%. There was a vaccine for the virus, and while many states still had social distancing and mask mandates, most “stay-at-home” orders had been lifted and businesses were opened again.

In 2020, presidential candidate Joe Biden began pushing even more ambitious legislation agenda called the *Build Back Better Plan*. Biden sought the largest investment in social, infrastructure and environmental programs since Roosevelt's *New Deal*.

The American Rescue Plan (ARP), the last real Covid stimulus bill, the American Jobs Plan and the American Families Plan (Inflation Reduction Act), proposed spending of \$6.69 trillion. The 117th Congress eventually approved \$3.585 trillion in spending on the three bills between 2021 and 2022.

The American public became hooked on stimulus programs, and former Obama vice-president Biden, now in charge, continued to push that *fundamental transformation*.

- \$2.1 trillion in additional proposed pandemic stimulus spending,
- \$905 billion in Climate Change and Green Energy program spending,
- \$685 thousand in government spending on welfare and social services programs,
- expanded Medicaid coverage,
- \$138 billion (and counting) in student debt loan forgiveness

Despite all this spending, the poverty rate is virtually the same as it was in the mid 1970's.

In 1965, the monthly average of persons receiving cash assistance in New York was 490,000, at a total cost of \$440 million; the rolls have now risen above 500,000, so that costs will exceed \$500 million in 1966. An increase in the rolls of a mere 20 per cent would cost an already overburdened municipality some \$100 million.... In order to generate a crisis, the poor must obtain benefits which they have forfeited.

With the U.S. National Debt is closing in on \$34.5 trillion, President Bidens FY2025 Federal Budget proposed \$7.091 trillion in spending, a \$2.345 trillion increase over the last pre-pandemic FY2020 budget. That is a 49% increase in annual federal spending in just five years.

President Bidens FY2024 budget projected deficit spending of \$17.054 trillion over the next ten years. The FY2025 budget projects deficit spending of \$16.297 trillion over the next ten years, which would increase the National Debt to \$50.8 trillion by 2034. This, is definitely setting the stage for a major financial crisis!

We ordinarily think of major legislation as taking form only through established electoral processes. We tend to overlook the force of crisis in precipitating legislative reform... By crisis, we mean a publicly visible disruption in some institutional sphere. Crisis can occur spontaneously (e.g., riots) or as the intended result of tactics of demonstration and protest which either generate institutional disruption or bring unrecognized disruption to public attention.

This, is the call for “radical transformation” (sound familiar?) that Marx envisioned in his Communist Manifesto: When people have become aware of their loss, of their alienation, as a universal nonhuman situation, it will be possible for them to proceed to a radical transformation of their situation by a revolution.

“Somebody asked once, would you have liked to have served a third term if you could? And I say you know, I wouldn’t have wanted to be out front, but if somebody had said you can sit in your basement in your sweats, and there’s somebody else who’s playing the president with a microphone in his ear, and you can just kind of give suggestions and policy, then I might have enjoyed doing that.”

Former President Barack Obama; *The Current* radio interview, November, 2017



“Pay no attention to that man behind the curtain!”



Summary:

The Cloward-Piven strategy is an 8-step plan designed in 1966 by hardcore anti-America Marxist sociologists Richard Cloward and Frances Fox Piven that called for overloading the U.S. public welfare system in order to precipitate a crisis that would lead to a replacement of the welfare system with a new national system. The steps of their plan were...

1. Healthcare– Control healthcare and you control the people. HAPPENING NOW
2. Poverty – Increase the Poverty level as high as possible, poor people are easier to control and will not fight back if you are providing everything for them to live. HAPPENING NOW
3. Debt – Increase the debt to an unsustainable level. That way you are able to increase taxes, and this will produce more poverty. HAPPENING NOW
4. Gun Control – Remove the ability to defend themselves from the Government. That way you are able to create a police state. HAPPENING NOW
5. Welfare – Take control of every aspect of their lives, make them dependent on big government. (Food, Housing, and Income) DONE!
6. Education - Take control of what people read and listen to us“ take control of what children learn in school. DONE!
7. Religion - Remove the belief in the God from the Government and schools. DONE!
8. Class Warfare - Divide the people into the wealthy and the poor. This will cause more discontent and it will be easier to take (Tax) the wealthy with the support of the poor. HAPPENING NOW

“Economic and social progress, whether among individuals, groups, or nations, depends on both tangible and intangible factors. The tangible factors would include geography and existing physical wealth as a foundation for economic growth. The key intangible is human capital, and among the varieties of human capital is what has been aptly called “the radius of trust” within which individuals and groups cooperate in social and economic endeavors. Attitudes towards work and attitudes toward progress itself are also among the intangibles...”

Wealth, Poverty and Politics - George Sowell