

Welcome. You are listening to a UC Davis Center for Poverty Research Conference podcast. I'm the center's deputy director, Marianne Page. In January, 2014 the center hosted the War on Poverty Conference. The conference featured top poverty experts from across the country, discussed the US safety net on the 50 year anniversary of the War on Poverty.

In this presentation, Gavin Wright discusses Martha Bailey's paper, How We Fought The War On Poverty, A Quantitative History. Wright is the William Robertson Coe Professor of American Economic History at Stanford University, and a senior fellow at the Stanford Institute for Economic Policy Research.

>> Well, it's a great pleasure to be part of this impressive conference.

And a special pleas, a special pleasure to discuss this very fine paper. I I admire many things about it. I admire the data development which we didn't hear too much about. I admire the econometric analysis. I admire the taking up of the comparison between the War on Poverty and the New Deal, which I think is very promising.

And I especially admire the effort to take up as a serious research agenda, this question of historical memory. Usually we economic historians don't do that. We stick to the objective facts and refute the myths of, of this or that. I think in this case it really it really is appropriate that we do that.

Now I'm especially encouraged to hear, Martha's presentation and to hear that she is so, open minded and flexible and is actually rethinking the framing because, I actually don't agree, with the way the question is framed and with the tentative conclusions that are, ver, so, okay, let's, this is our chance.

I'll, I'll, I'll tell you what I think. Now it's true my comments, my slides, that is are as, I sent them in on Monday. And I learned a lot yesterday, I've learned a lot in the last hour, I haven't changed anything. And even though Martha has to some degree undercut me, and some of these are gonna be superseded.

That's really not a problem. It'll be worth it if we can. Now, here, here's my summary of what I think the paper says and you tell me. This is, it's, it's, it's it's stripped down over simplified, but I think it goes this way, and okay. Maybe but anyway this is the, the version of it, the reading of it, that I am taking on in my discussion.

The question is what drove the geographic distribution of poverty funding? I should be looking here so I don't turn my head away from you. Was it politics or economics, and by economics, that really means poverty. And the answer is it was mainly poverty plus race. And, the conclusion is that's why the war was lost.

Too much emphasis on the reality, and not enough on the politics. And, that's why its remembered as a failure. And this, now I, I suppose it is inappropriate and maybe bad manners for me to object to the particular specification, because I think that I may have been the one that started it.

>> Back in 1974. I thought it was kind of, cool to, observe why the South, the poorest region in the country, it got the lowest per capita allocation in New Deal Spending. And, what would be the reason? Well, the reason, is that the, the South was the solid South.

They were not in play politically. So, the priority in allocation was to areas that were swing states, particularly the West. Yeah, I thought that was kinda nifty, and the article continues to get, citations. But that was 40 years ago, and we have learned a bit since then. In my broad reading of what, has come out of it is that that little bit of analysis doesn't really count, for all that much.

Now, I see coming up on the next slide, I wanna take issue with one statement in the paper. And that is the statement on page 23 that says, this era, referring to the New Deal, is remembered as a success. Even neo-conservatives recount the New Deal's success. Not so.

>> This is.

>> A lot of liberals don't say that either.

>> Well, the point is, I mean I think this, this is a rare thing, a rarity in American history, an historical matter that people really care about. Because they think it has implications. So that, this is a, I could go on for slide after slide.

This literature saying the New Deal failed. And yes, of course there's Eric Rauchway is a very effective spokesman on the other side. So it, it, it's a running debate. They argue that New Deal, later policies slowed down recovery. And they also argue with a lot of legitimacy that the New Deal in the South was basically run by the planters and did a lot of damage on poor people of the South, especially blacks.

But this is only a minor quibble about that one sentence in the paper. I have to agree. I think broadly speaking the average literate American and politically thinkers agrees New Deal's success. And, and and and they certainly don't think the War on Poverty was a success as we've learned.

But what do the New Deal studies really show? See my, my analysis is couched in terms of state level spending. And the political calculation was very clear. If you're trying to carry the electoral college, you really care whether you get about whether you get above that 50.1% of the votes in a state.

Trying to translate that analysis into the county level, it's not clear that it really makes a lot of sense. Now, and what comes out from the analysis is the most powerful variable in my political productivity index which I was so proud of. It's electro-votes for, per capita. The fact that these western states, yes it's a great inequity in American politics that we kinda take for granted that the average citizen of say Montana or Wyoming is actually getting a lot more per capita.

And yeah, that's, there's a political dimension to that, but it really is nothing special in, it's a feature of the federalist system. So in the present paper when they go after the politics at the county level, the, the summary is, and I understand, Martha said, they're really just trying to give maximum potential weight, but they're conflating three very different things.

One is the presidential motive of trying to carry the next presidential election. The other is trying to build up representation in, in, in the Congress which was not A, that was not really LBJ's problem. But B doing that at the county level doesn't make a lot of sense.

I know you would've liked to do it at the congressional district level. And that's just a, a problem with the data. And then the third one is the are you getting some direct influence from committee chairs in, in Congress and Senate? And the answer is no and that is a very interesting finding indeed.

But that would be a completely different political logic from the, certainly from the top down way of thinking that I started out with back in 74. Now these citations I assume will probably make it into the final draft, but I do think that the New Deal literature is moving towards.

So that, not to talk about tweaking of these formulas and policies for short term political gain, but to talk about the impact on long term coalition formation. And I do think this has a lot to hear. Two articles in the most recent issue of, Explorations in Economic History, and that's exactly what they do, especially the one that places a coauthor here.

They're looking at the effects of New Deal spending in the 30s on political outcomes decades on into the future. And they're finding you know, you have to get it right today. Some things had lasting effects and some did not. But there was an important shaping of a winning coalition over decades to come, and that's a big contrast.

What would a political ruling poverty approach have look like? Some of this I guess I've already mentioned. State local political strategy is quite clear. I feel uncomfortable saying B and D here. The the, the author's list of political vars is mixed, so that I would say as small as these results are, if anything they're an upper bound.

Because I think some of those oh you know, something like, it's not too hard to understand why an emerging Democratic majority in a particular district might coincide with areas that that were in, in line to get a lot of New Deal.

A lot of federal spending, but that might not be a particular political calculation.

So in, in other words, I'm willing to accept the broad conclusion of the paper, that you weren't getting a lot of tweaking of the formulas. That Johnson didn't say to Shriver, go out there get me some votes for the next election. The overholds of Congressional Committees, but this is short term vote mongering and not long term coalition building.

Now, you know, usually, there's a feature of this paper which makes my life doubly difficult, as a discussant. Usually, I've done this many, many times. No matter what the paper is saying my response is gonna be the same. Yes, but not in the South.

>> You, you might try Googling that phrase.

>> And you know what will come up? Not my name, but Stephen Potter. Some of you are old enough to remember the Gamesmanship books. You're trying to deflate some blowhard who's going on and on and you wait for a lapse in the monologue, and you say yes, but not in the South.

And it really doesn't matter what country, what century you know, it's almost always so the point is I can't do that. In the case you've already known it. I don't think anticipating that I would be your discussant, but because it was the right thing to do. And sure enough you get a totally different relationship between North and South.

So now I do want to take some issue with this statement. It's a very interesting finding in Table One where you do a state level analysis, and you get negative coefficients, significant in two of the four years for the South. But that is in a regression which is, controls for the index, and the index has poverty rates.

And poverty rates were far higher in the South than elsewhere as well as non white population rate. So I think it was not like, this is what I meant at Price, it's like I don't think it was like the 30s where the South in some sense was underfunded.

And, certainly if you look not just at this form of spending but at the whole package as you urge us to do, the South was in the federal money begging competing, business, in the 1950s and 1960s. And if you look at not just how much money, but how much money relative to how much taxes they're spending.

They were really not being shut out of the gravy train at all. Here's the graph on poverty rates. I know the index is inadequate, but I actually think it's appropriate to use at that time, because those were the indices that were being used. And in effect there in eh, so yes this dramatic fall was very largely a southern regional, not exclusively but very largely.

That might have something to do with a memory question. Here's another table from my book about showing just the extent to which these rates, especially for blacks in the South, were much higher. And here is a map of percentage black alone by county 2008 because I couldn't get an earlier one in a handy way.

But it would look pretty much the same, despite all the migration, if you had one for 1960 and 1970. Race and region, the finding is that the county level model does not fit the South at all. But in the paper it says, maybe that's because LBJ knew that he had given away the South by signing the Civil Rights Bill and therefore, he didn't care that much about politics.

That's the part I don't wanna buy into. So let me refer you to and Alice O'Connor was talking about this last night, this interesting, it's gonna have a slide about the southern origins of the War on Poverty. This very important predecessor was the North Carolina Fund which got big time funding from the Ford Foundation.

And it, much of the drafting of the legislation itself, and certainly the modeling for the CAP, and Vista Volunteers, and other things came out and now I'm short on time. I was gonna ask you a trivia question. Instead I'll just have to give you the answer. Everyone knows who the first director of OEO was, but what was the short list of three?

There were three candidates. You don't know. A room full of poverty experts. The other two were Mayor Richard C. Lee of New Haven. You may not have heard of him but, occasionally used to teach at Rich, Richard C. Lee High School. He was a national hero, showing that you're not gonna have any trouble if you really run a city right.

The other was Terry Sanford governor of North Carolina. And an active consultant in the whole drafting. So my-
>> Cuz there was a New Haven.

>> Very good, very good. So, yes in this, the radicalized version of what they were trying to do create an interracial coalition of the poor.

I do think that that failed pretty quickly within a couple of years, and yes, for the reasons you give. It upset the local power structure. So you've got this is the amendments with the phrase bosses and boll weevil basically restoring a lot of local control. So if you could possibly look into asking whether that had an effect, whether it had an effect.

I don't know if you can break down the time period. But I argue, just to escalate the raise the ante a little bit, not only was there a political purpose behind LBJ's strategy, but it was successful. Here's what I need. I'll be very quick. You've got this dramatic change in black voter registration.

Yes, it was a voting rights act, but that's part of the package. And yes, he cared. I'll believe that, but he also thought these were gonna be Democratic voters. And that was a lot of the conversations between Martin Luther King and Lyndon Johnson were precisely that. Said Mr. President, you lost a handful of Southern states in the last election.

You might have carried them if negroes could vote. And you may say that's well that was short-sighted. You didn't, underestimated the backlash, maybe so. But I argue it was successful over a longer time horizon. Here is the rise of black elected officials in the South compared to the non South.

I don't think he gave away the South to the Republican party for a generation. I think it ushered an era of competitive two party politics. These are just handy back of the envelope indicators. Here's senators and here are governors. But I think a more sophisticated measure of competitiveness would confirm this.

There's the governors. And it had positive effects on policy outcomes in the southern states which had always under spent on public education for years. They began to move towards the, in almost all southern states towards a national norm even in national presidential electoral politics. So here's my quiz.

What year is this electoral college map in the presidential election?

>> 76! Okay!

>> I heard the answer. There's only one possibility. This is presidential election now. He said yes, a coalition of democrats, and of course it was Jimmy Carter. So we asked why, you know, why is this poor Jimmy Carter?

One of the finest individuals that we ever had in office, but he's gone down in history as a kind of feckless, hapless guy because events were just beyond his his control. Bill Clinton, I guess, is considered a real star. Well, but the, that particular geographic coalition had, even with another Southerner had begun to slip away.

So basically that's what I mean when I say it was a success. I'm talking about the South. You might say something very different about trying to give you a few concluding suggestions, but I think I've conveyed most of them and we can talk further. So, see you.

>> I'm Ann Stevens, the Director of the Center for Poverty Research at UC Davis, and I want to thank you for listening.

The Center is one of three federally designated poverty research centers in the United States. Our mission is to facilitate nonpartisan academic research on domestic poverty, to disseminate this research, and to train the next generation of poverty scholars. Core funding comes from the US Department of Health and Human services.

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