"FREEDOM BUDGET"

FOR

ALL AMERICANS

A Summary

A. PHILIP RANDOLPH INSTITUTE
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FOREWORD

After many years of intense struggle in the courts, in legislative halls, and on the streets, we have achieved a number of important victories. We have come far in our quest for respect and dignity. But we have far to go.

The long journey ahead requires that we emphasize the needs of all America’s poor, for there is no way merely to find work, or adequate housing, or quality-integrated schools for Negroes alone. We shall eliminate slums for Negroes when we destroy ghettos and build new cities for all. We shall eliminate unemployment for Negroes when we demand full and fair employment for all. We shall produce an educated and skilled Negro mass when we achieve a twentieth century educational system for all.

This human rights emphasis is an integral part of the Freedom Budget and sets, I believe, a new and creative tone for the great challenge we yet face.

The Southern Christian Leadership Conference fully endorses the Freedom Budget and plans to expend great energy and time in working for its implementation.

It is not enough to project the Freedom Budget. We must dedicate ourselves to the legislative task to see that it is immediately and fully achieved. I pledge myself to this task and will urge all others to do likewise. The Freedom Budget is essential if the Negro people are to make further progress. It is essential if we are to maintain social peace. It is a political necessity. It is a moral commitment to the fundamental principles on which this nation was founded.

October 26, 1966

Martin Luther King Jr.
A "FREEDOM BUDGET" FOR ALL AMERICANS

The Freedom Budget is a practical, step-by-step plan for wiping out poverty in America during the next 10 years. It will mean more money in your pocket. It will mean better schools for your children. It will mean better homes for you and your neighbors. It will mean clean air to breathe and comfortable cities to live in. It will mean adequate medical care when you are sick.

So where does the "Freedom" come in?

For the first time, everyone in America who is fit and able to work will have a job. For the first time, everyone who can't work, or shouldn't be working, will have an income adequate to live in comfort and dignity. And that is freedom. For freedom from want is the basic freedom from which all others flow.

This nation has learned that it must provide freedom for all if any of us is to be free. We have learned that half-measures are not enough. We know that continued unfair treatment of part of our people breeds misery and waste that are both morally indefensible and a threat to all who are better off.
INTRODUCTION

I believe, and profoundly hope, that from this day forth the opponents of social progress can take comfort no longer, for not since the March on Washington has there been such broad sponsorship and enthusiastic support for any undertaking as has been mobilized on behalf of "The Freedom Budget for All Americans."

These forces have not come together to demand help for the Negro. Rather, we meet on a common ground of determination that in this, the richest and most productive society ever known to man, the scourge of poverty can and must be abolished—not in some distant future, not in this generation, but within the next ten years!

The tragedy is that the workings of our economy so often pit the white poor and the black poor against each other at the bottom of society. The tragedy is that groups only one generation removed from poverty themselves, haunted by the memory of scarcity and fearful of slipping back, step on the fingers of those struggling up the ladder.

And the tragedy is that not only the poor, the nearly poor, and the once poor, but all Americans, are the victims of our failure as a nation to distribute democratically the fruits of our abundance. For, directly or indirectly, not one of us is untouched by the steady spread of slums, the decay of our cities, the segregation and overcrowding of our public schools, the shocking deterioration of our hospitals, the violence and chaos in our streets, the idleness of able-bodied
men deprived of work, and the anguished demoralization of our youth.

For better or worse, we are one nation and one people. We shall solve our problems together or together we shall enter a new era of social disorder and disintegration.

What we need is an overall plan of attack.

This is what the "Freedom Budget" is. It is not visionary or utopian. It is feasible. It is concrete. It is specific. It is quantitative. It talks dollars and cents. It sets goals and priorities. It tells how these can be achieved. And it places the responsibility for leadership with the Federal Government, which alone has the resources equal to the task.

The "Freedom Budget" is not a call for a handout. It is a challenge to the best traditions and possibilities of America. It is a call to those who have grown weary of slogans and gestures to rededicate themselves to the cause of social reconstruction. It is a plea to men of good will to give tangible substance to long-proclaimed ideals.

President,

A. Philip Randolph Institute

October 26, 1966
As A. Philip Randolph put it: "Here in these United States, where there can be no economic or technical excuse for it, poverty is not only a private tragedy but, in a sense, a public crime. It is above all a challenge to our morality."

The Freedom Budget would make that challenge the lever we can grasp to wipe out poverty in a decade.

Pie in the sky?

Not on your life. Just simple recognition of the fact that we as a nation never had it so good. That we have the ability and the means to provide adequately for everyone. That simple justice requires us to see that everyone—white or black; in the city or on the farm; fisherman or mountaineer—may have his share in our national wealth.

The moral case for the Freedom Budget is compelling. In a time of unparalleled prosperity, there are 34 million Americans living in poverty. Another 28 million live
just on the edge, with income so low that any unexpected expense or loss of income could thrust them into poverty.

Almost one-third of our nation lives in poverty or want. They are not getting their just share of our national wealth.

Just as compelling, this massive lump of despair stands as a threat to our future prosperity. Poverty and want breed crime, disease and social unrest. We need the potential purchasing and productive power the poor would achieve, if we are to continue to grow and prosper.

In short, for good times to continue—and get better—we must embark immediately on a program that will fairly and indiscriminately provide a decent living for all Americans.

The Freedom Budget provides seven basic objectives, which taken together will achieve this great goal within 10 years. They are:

1. To provide full employment for all who are willing and able to work, including those who need education or training to make them willing and able.
2. To assure decent and adequate wages to all who work.
3. To assure a decent living standard to those who cannot or should not work.
4. To wipe out slum ghettos and provide decent homes for all Americans.
5. To provide decent medical care and adequate educational opportunities to all Americans, at a cost they can afford.
6. To purify our air and water and develop our transportation and natural resources on a scale suitable to our growing needs.
7. To unite sustained full employment with sustained full production and high economic growth.
The Freedom Budget shows how to do all this without a raise in taxes and without a single make-work job—by planning prudently NOW to use the economic growth of the future, and with adequate attention to our international commitments.

The key is jobs.

We can all recognize that the major cause of poverty could be eliminated, if enough decently paying jobs were available for everyone willing and able to work. And we can also recognize that, with enough jobs for all, a basic cause of discrimination among job-seekers would automatically disappear.

What we must also recognize is that we now have the means of achieving complete employment—at no increased cost, with no radical change in our economic system, and at no cost to our present national goals—if we are willing to commit ourselves totally to this achievement.
That is what the Freedom Budget is all about.

It asks that we unite in insisting that the nation plan now to use part of its expected economic growth to eliminate poverty.

Where will the jobs come from? What will we use for money?

If all our nation's wealth were divided equally among all us Americans, each share would be worth roughly $3,500. Of this, we grant to the Federal government a slice equal to roughly $500 in the form of taxes, leaving us an average of about $3,000 to spend on our other needs.

If our nation's productivity continues growing at the same rate as in recent years—and it will if the Freedom Budget is adopted—each share will grow to about $5,000. Thus, the Federal government's slice will grow to $700, with the present Federal tax structure, and we will still have $4,300 left for our other needs.

What the Freedom Budget proposes is this: Budget a fraction of the $200 increase in Federal tax revenues to provide jobs for all who can work and adequate incomes of other types for those who cannot.
No doles. No skimping on national defense. No tampering with private supply and demand.

Just an enlightened self-interest, using what we have in the best possible way.

By giving the poor a chance to become dignified wage earners, we will be generating the money to finance the improvements we all need—rich and poor alike. And we would be doing it by making new jobs with new money, so that no one who is now earning his own living would suffer.

The Freedom Budget recognizes that the Federal government must take the lead in attaining the eradication of poverty.

The Federal government alone represents all 200 million American individuals. It alone has the resources for a comprehensive job. And it has the responsibility for fulfilling the needs which are the basis for the Freedom Budget plan.

First, here's where the jobs would be coming from:

—Right now, the nation should begin budgeting to replace the 9.3 million "seriously deficient" housing units that make living in them a misery and form slums that are a blight upon our land.
The housing program contained in the Freedom Budget would have practically all Americans decently housed by 1975—while providing a wide range of jobs for the unemployed in housing construction and urban redevelopment.

—Critical shortages of water and power persist in many highly populated areas. Air and waters remain polluted. Recreation facilities are unavailable for those who need them most.

The Freedom Budget proposes the creation of millions of jobs in a program that will correct these pressing problems.

—We need, at a conservative estimate, 100,000 new public classrooms a year for the next six years, as well as considerable expansion of our institutions of higher learning.

Only the Federal government can meet the largest share of these needs, as well as providing for the hundreds of thousands of new teachers who also will be needed.

—We must double our rate of hospital construction if we are to keep up with our minimum requirements in this field, and we must expand rehabilitation and outpatient facilities.
As these and other programs swell the number of productive workers, cut down unemployment and increase consumption, the private sector of our national economy will inevitably grow also.

The Freedom Budget recognizes that full employment by itself is not enough to eradicate poverty. Therefore, it also proposes — and budgets for — a $2-an-hour Federal minimum wage covering everyone within Federal jurisdiction; a new farm program to provide adequate income to the 43 per cent of farm families who now live in poverty; and immediate improvements in Social Security, welfare, unemployment compensation, workmen's compensation and other programs designed to support those who cannot or should not work.

Where will the money come from?

The Freedom Budget recognizes that we cannot spend what we do not produce. It also recognizes that we must spend wisely what we do produce.

It proposes that a portion of our future growth—one thirteenth of what can reasonably be expected to be available — be earmarked for the eradication of poverty. The Freedom Budget proposed outlay of $185 billion in 10 years sounds like a great deal of money, and it is a great deal of money.

But it will come from the expansion of our economy that will in part be the result of wise use of that very $185 billion. It will build homes and schools, provide recreation areas and hospitals. It will train teachers and nurses.

It will provide adequate incomes to millions who now do not have them. And those millions will in turn buy goods they cannot now buy.

So the wage-earner of today will benefit as well. His earnings will go up and his enjoyment of life will be increased. The opportunities for private enterprise will increase.

The breeding grounds of crime and discontent will be diminished in the same way that draining a swamp cuts down
the breeding of mosquitoes, and the causes of discrimination will be considerably reduced.

But the Freedom Budget cannot become reality without a national effort. It requires a concentrated commitment by all the people of America, expressed in concrete goals and programs of the Federal Government. These goals and programs must encourage to the utmost the efforts of state and local governments and private enterprise.

It is not lack of good will that has prevented the achievement of these great goals in the past. All of us, 200 million strong, are united in our willingness to share the abundance of America in equal impartiality with our fellows, and to grant equal opportunities to all.

What we must do—and what the Freedom Budget provides—is to express that will in the most direct, quickest and fairest way.

The Freedom Budget, then, is a new call to arms for a final assault on injustice. It is a rallying cry we cannot fail to heed.
THE "FREEDOM BUDGET":

QUESTIONS AND ANSWERS

1. Aren't We Making Progress in Eliminating Poverty Through the Kind of Sharp Economic Growth We've Had in the Past Two Years? What New Dimensions Does the "Freedom Budget" Add?

There is no evidence that the economic growth of the last two years has significantly dented poverty. Economic growth is a precondition for abolishing poverty, but it is not sufficient by itself. To it must be added programs that reach toward a more equitable distribution of our abundance. This is the dimension added by the "Freedom Budget."

2. Will Programs to Help the Poor Really Enable Them to Break the Cycle of Poverty?

Of course. The overwhelming majority of the poor don't want to be poor. They have been kept in poverty, in some cases for two or more generations. They are the victims of technological changes, of wrong-headed economic policies, of political powerlessness, of discrimination of the environment of poverty itself. Their despair and demoralization can be dispelled only by the opening of genuine economic opportunity. When such opportunity is provided, along the lines suggested in the "Freedom Budget," the cycle of poverty can and will be broken.
3. How Many of the People in Poverty Are Capable of Handling Jobs and How Many Would Take Jobs if They Were Offered?

First of all, 20% of those in poverty are in families whose breadwinners already work full-time but at wages below the poverty level. Another 40% are victims of unemployment or underemployment; their problem is not unwillingness to work but the absence of jobs. Thus, fully 60% of the poverty problem could be eliminated if we achieved full employment at decent wages.

The remaining 40% of those in poverty either cannot or should not be working. Included are the physically disabled, the elderly, women with young children, etc. For them the “Freedom Budget” demands improved public assistance, social security and other payments, culminating in a guaranteed annual income.

Our past experience shows that federal programs such as the progressive income tax, social security, protection of collective bargaining and others have raised the income level of millions of people.

4. Won’t the Spending of So Much Money Mean the Creation of More Government Agencies and Just Expand Bureaucracy?

The expansion of bureaucracy results from the effort to solve problems in a haphazard, piecemeal way. A coordinated, national plan, such as the “Freedom Budget” does not call for new agencies; it calls for new levels of economic performance. People who are fully employed at decent wages do not need bureaucracies; the poor and disadvantaged do.

5. Will Taxes Have to be Raised to Provide the Money to Implement the Freedom Budget Programs?

Our current tax structure is very responsive to economic growth. If total output expands—and it will if Freedom Budget proposals are enacted—revenues to the federal government will rise by $10 billion each year. For the ten years the cumulative effect will be to add in excess of $400 billion to our present tax revenue.
From what the "Freedom Budget" calls the "economic growth dividend." If we put all of our resources to work, the country's total production will jump from $663 billion in 1965 to roughly $1.2 trillion in 1975. To reach this figure, the gross national product would rise each year by an average of $244 billion. Thus, over a ten-year period, the aggregate increase in the gross national product would be $2.4 trillion higher than if the economy remained at its present level. (See graph, p. 10) This is what is meant by "economic growth dividend." At present tax rates, such a dividend would result in an additional $400 billion or more in Federal revenues over the next decade. It is from these additional revenues that the "Freedom Budget" proposes the allocation of $185 billion to meet our critical social needs.

7. Aren't We Asking the American Public to Devote a Tremendous Amount of Money to Help Just a Small Group Within Our Society?

While it is true that poverty afflicts only a minority of Americans, it reflects a malfunctioning of our national economy which affects all Americans. The persistence of unemployment and underuse of resources detract from our total wealth. Had there been maximum employment and production between 1953-65, as would have been achieved under programs such as those proposed in the Freedom Budget, our gross national product would have been $550 billion higher, total private consumption would have been $364 billion higher, and public revenues would have been $135 billion higher. All Americans would have shared in this greater abundance.

Thus, we have all been deprived of the contribution the poor can make, as producers and consumers, to our economy. Moreover, nobody is untouched by the spread of slums, the decay of social services, and the human waste that lead to violence, crime and chaos. Every American suffers from outdated urban transit, air and water pollution, inadequate schools and hospitals.

This is a "Freedom Budget" for all Americans.
8. Would Not a $2.00 Minimum Wage Reduce the Number of Jobs?

This is a standard argument against higher minimum wages, but it has no basis in fact. There was no increase in unemployment when minimum wages were raised in 1961 and again in 1963. On the contrary, because a $2.00 minimum wage would boost consumer purchasing power, total employment would probably rise.

Government programs should be established to help small enterprises achieve greater efficiency and to ride them over while they are adjusting to payment of a living wage.

9. Won't $185 Billion More in Spending Create Such a High Demand for Goods and Services That Sharp Inflation Will Be Inevitable?

There is no evidence of serious shortages in goods at present. Should such shortages develop, however, or if tendencies toward inflation threaten, the “Freedom Budget” contends that the Federal Government has sufficient fiscal and monetary tools to deal with the problem, without scuttling our commitment to abolish poverty.


No. For national defense, space technology and all international outlays, the federal budget in 1967 was $64.6 billion. The “Freedom Budget” assumes this figure would rise to $87.5 billion in 1975.

In making this estimate, the Freedom Budget neither endorses nor condemns present military spending policies. It relies on the judgment of informed experts. Obviously, if the international situation improves and a reduction in military spending is in order, so much more money will be available for social needs. But even if military spending increases faster than now envisioned, the Freedom Budget proves that we can afford to carry out the necessary programs. But the abolition of poverty is too precious a goal to be made contingent on such a reduction.
WHAT YOU CAN DO

1. The objectives outlined in the "Freedom Budget for All Americans," can only be achieved when all those who advocate its adoption are registered voters. Carry on a voter registration campaign in your area and demand that candidates for office tell you where they stand on the Freedom Budget.

2. Order copies of this summary for members of your club, trade union, neighborhood association, fraternal and religious groups.

3. Order copies of the expanded, "A Freedom Budget for All Americans," for your local public and school libraries, keep several on hand for reference work.

4. Hold meeting for the general public about the Freedom Budget.

5. Set-up small study groups to relate the demands of the Freedom Budget to the needs of your community.

6. Write to the Randolph Institute if you need help in planning meetings, if you need a speaker, or if you would like a field secretary help you organize activities in behalf of the Budget.

7. Write to your congressmen and senators and let them know that you support the Budget; ask them to introduce legislation incorporating the proposals in the Budget.

8. Contact your city and state officials to let them know the needs of your community; demand that they pressure Washington for its enactment.

9. Contact youth groups and involve them in work in behalf of the Budget.

10. Please send copies of your correspondence, replies from government officials and other material to the Randolph Institute, 217 West 125th Street, New York, New York 10027.
The "Freedom Budget" embodies a fundamental approach to the elimination of poverty for all Americans, regardless of color, and has other essential purposes. While not necessarily endorsing every detail, I am in broad agreement with its basic objectives and broad outlines.
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