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Cover Story How Did The Problem Of Poverty Disappear? Solidarity America By John Funicello BC Columnist copied

The war on the poor seems to be going very well.

In the minds of the rich, the poor, even the working poor, seem to be at fault for most of our economic troubles, from the national debt, to the cost of government programs, the lack of adequate housing, to the obesity epidemic, to the staggering cost of the "war on drugs." They are even blamed by some for various ills like HIV and AIDS and the drug abuse "epidemic."

The incarceration rate of black and other minority young men that outstrips most other countries, just in general terms, has everything to do with poverty. The attitude is that, "if you're poor, you're going to jail." That's especially true if you're poor and African-American or Latino.

Anyone who had occasion to watch or hear the Republican candidates in the presidential primary campaign spout off on what is wrong with the American economy knows that the GOP view is that most of the problem stems from so many who don't pay any federal taxes. And, at the same time, they were militant against any source of new money (taxes) from the rich and corporations. They seemed prepared to protect them and their money and their accumulated wealth with their very lives.

As for protecting the most vulnerable, the poor and the working poor, they were not so inclined to protect them and their families from *anything* (including natural or economic disasters) much less give them a helping hand. If anything, they seemed to resolve to punish them for being vulnerable and quite powerless to defend themselves against the attacks of the Right Wing, no matter the party. For example, more IRS audits have been done on workers making between \$7,000 and \$25,000, than those who reported incomes of more than \$100,000, as much as eight times that of the affluent or rich.

Why would this be true? Why would the rich and powerful single out people who can't defend themselves? The answer: Because they can't defend themselves!

They don't have batteries of lawyers and accountants, advertising executives and copy writers, and, most of all, they don't have scores or hundreds of politicians whose very existence in politics depends on millions, even billions, of dollars that keep them in office. There are people who provide all of that and it isn't the poor.

There were GOP candidates who, during the primary season, declared that only about 53 percent pay federal income taxes, indicating that those pesky poor people and low-wage workers don't pay their fair share. This, of course, ignores all of the sales taxes, excise taxes, fees, and licensing costs, along with Social Security and Medicare (both of which are federal taxes). They pay much more of their income in taxes, fees, and other such costs than the average middle-income worker and they pay much more as a percentage of their income than the rich. That's why sales taxes and similar taxes are so popular with right-wing politicians: They eat at your substance quietly and in small doses.

The Social Security (payroll) tax is 6.2 percent. The Obama Administration has temporarily lowered that amount to 4.2 percent, as part of the stimulus package. Workers, no matter how much they are paid, pay this amount, as do those who are paid hundreds of thousands of dollars a year. The difference is that there is no Social Security tax on incomes of more than \$106,800, so those who are paid millions a year only pay the 6.2 percent (or, 4.2 percent) on a small fraction of their income. In addition, workers pay 1.45 percent for their Medicare tax. You can see how much more heavily these taxes fall on those of low income or modest middle income. The rich may pay only 2 percent of their income in these taxes.

An army of Republicans and others on the right have made it a career goal to keep the poor poor and help the rich stay rich, or get richer. Long gone are the days when politicians of every stripe were aware of the plight of the poor (many of them elderly, disabled, or disadvantaged in some other way), and they spoke of this national problem and tried to find solutions to poverty. Regularly, there was legislation introduced to try to relieve the burden of poverty, which brought with it inadequate housing, ignorance, ill health, and other evils of a deprived existence.

Michael Harrington's book, *The Other America: Poverty in the United States*, was said to have had an effect on President John F. Kennedy and had much to do with furthering President Lyndon Johnson's War on Poverty. There is little spoken in the modern era of eliminating poverty, certainly no "war on poverty." Rather, there seems to have been formulated a "war on the poor" in recent decades. And, politicians and corporate leaders across the country shamelessly ignore Article 1, Section 8 of the U.S. Constitution, which calls for raising revenues for the defense of the nation and its "general welfare." There has been an ongoing debate about what those two words mean, but it has been held to mean that the government will act in the best interests of the people.

That is the last thing on the minds of the rich and powerful in America today. Rather, what is on their minds is to remove any semblance of support from the poor, low-wage workers, the elderly, the disabled, and unemployed middle-income workers (all of those who are vulnerable to the vagaries of their precious "market" which they seem to be able to manipulate according to their own whims).

To do this, they have been busy cutting budgets and slashing programs that benefit these most vulnerable, at the federal and state levels of government. Of course, local governments, tied as they are to dispersal of money from the national budget, are left standing in their streets and wringing their hands, wondering what to do.

At the same time, there is plenty that corporations are doing to push along this destructive trend. They not only lobby for these program cuts through their politicians, but they have systems of their own to exploit the poor. In his 2003 book, *Perfectly Legal*, David Cay Johnston, has a chapter in his book entitled, "Preying on the Working Poor," in which he describes the IRS auditing 397,000 of the millions

of working poor, who had applied for the earned income tax credit (EITC), a small benefit for those who do the tough work of the nation.

That number was eight times the number of IRS audits done on taxpayers who made \$100,000 or more. Johnston noted that, when Newt Gingrich became Speaker of the House, President Clinton, fearing that the Republican majority would gut the EITC program, made a deal: He would provide the IRS with \$100 million additional funds to audit those who participated in the program. The EITC is a program that provides a big income boost (from a few hundred dollars for some, to \$4,140 maximum for others), and represents a relatively minor expense item in the federal budget that brings some relief to working families. Even so, there were vociferous detractors. Then-Senator Don Nickles, an Oklahoma Republican, denounced the program as welfare and "an income redistribution program." He and others would have ended the program, since it is the kind of program that the Right Wing wants to end now, at all levels of government. Since he retired from the Senate in 2004, his firm, the Nickles Group, has been a consultant to corporations and trade groups, exploiting his connections to lawmakers and government agencies.

Johnston also explains the kind of industry that is not unique, which uses the poor as a cash cow: The tax preparation and quick-loan industry, which can charge interests that amount to (in one of the more outrageous examples Johnston cites) a 2000 percent annual rate, although a rate of 222 percent is more typical. This is criminal, of course, but it is perfectly legal and, since it is the poor who are being exploited, politicians have saved their outrage for those who would ask the rich to pay more in taxes to help balance the nation's books.

Although Johnston's book is not the first to point out the exploitation of the poor, it is one of the most recent that so explicitly does so. Since it was published in the last decade, it doesn't seem to have made a difference in the attitude of the powerful, as Harrington's book did. There is no rush to find solutions to the misery and suffering of poverty (note the lack of interest in providing universal health care), on the part of any of the 1 percent. There is very little discussion on the floor of either house of the Congress and that attitude trickles down to the state legislatures and their members and functionaries. When there *is* a discussion about poverty and its ills, usually it is before an empty house and it's just to get it into the record.

What has happened is that there is no agitation from the people for the nation to rise up against poverty and the specter that it raises for this generation of youngsters, who are wandering the cities, wondering when they might find a job. Many of their parents are wondering the same thing. Unemployment is unyielding in America, especially since the manufacturing base has been sent elsewhere and we have become a service economy. We have wars that never end and Corporate America has a pipeline into the national coffers that politicians support, literally pouring the economic substance of the country from the people to the rich.

The powerful rich complain about the poor, the working poor, and the young. They complain that they are not willing to work hard, while they themselves sit in air-conditioned offices manipulating the system to maintain the status quo. The working poor do more work in a week than the rich do in a year. If hard work automatically brings a worker the "American Dream," there should be tens of millions more of the working poor sharing that dream, right now. This picture is turned upside down.

It has been a long time since the Poor People's Campaign, organized by Martin Luther King Jr. And the Southern Christian Leadership Conference, back in the late 1960s, in an effort to stop the Vietnam war and end racism and poverty. Goals that they sought then are the same as now: Stop the wars, end racism, end poverty. A few more can be added for this time in our history: Provide free public education, decent housing, and give the nation true universal healthcare for all.

It's time for renewed and expanded Poor Peoples' Campaign!

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