

"OVERSELL AND UNDERPERFORM": THE IMPACT OF GREAT SOCIETY ECONOMIC PROGRAMS UPON THE CITY OF DETROIT, 1964-1968

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This article provides a case study of the economic impact of the "Great Society" programs of the 1960s upon a major urban area: Detroit, Michigan. Mayor Cavanaugh enthusiastically believed that Detroit could serve as a model for other cities to follow with respect to implementing programs designed to move the nation toward the goals President Johnson first established at the 1964 University of Michigan commencement speech. This paper focuses upon two major economic objectives of the Great Society — enhancements to human capital and urban renewal. Consistent with accounts of the Great Society nationwide, the programs in Detroit did not deliver upon the political rhetoric put forth by the program's architects. Instead, the economic programs in Detroit illustrate the frequently cited law of unintended consequences.

"In your time we have the opportunity to move not only towards the rich society and the powerful society, but upward to the Great Society."¹ — President Lyndon B. Johnson speaking at the May 22, 1964 commencement speech at the University of Michigan in Ann Arbor.

"Economic policy can more than ever become the servant of our quest to make American society not only prosperous but progressive, not only affluent but humane, offering not only higher incomes but wider opportunities, its people enjoying not only full employment but fuller lives."² — President Lyndon B. Johnson from the 1965 Economic Report of the President.

The "Great Society" embodied numerous objectives and government programs that were executed nationwide during Lyndon B. Johnson's five-year presidency. Johnson appears to have perceived himself as one of the last foot soldiers of President Franklin Roosevelt's New Deal war against economic

affliction.³ On June 26, 1964, at a fundraising dinner in Detroit, Michigan — forty miles east of Ann Arbor where he first unveiled the Great Society idea — Johnson elaborated upon his vision, describing the intended Great Society as “a society of success without squalor, beauty without barrenness, works of genius without the wretchedness of poverty... fruitful labor and rewarding leisure, of open opportunity and close community.”⁴ A White House correspondent wrote that Johnson saw himself in the “image of a great popular leader something like Franklin Roosevelt, except more so, striding over the land and cupping the people in his hand molding a national unity that every president dreams about but none is able to achieve.”⁵

While President Johnson’s Great Society campaign was certainly a national one, it was to be carried out at the local level. A large literature exists detailing the impact of the Great Society at the national level; however, there is a dearth of studies that focus more narrowly upon the Great Society’s effectiveness in a specific geographic area. Detroit seems to be a particularly appropriate fit for such a study, for three reasons. First, although it is not clear whether this choice was a strategic one or simply coincidence, the greater Detroit area hosted Johnson’s initial speech that laid out the structure of Great Society programs. Second, Detroit’s Mayor, Jerry Cavanaugh, was a close acquaintance of President Johnson, and he became an early and strong advocate for Great Society initiatives in the city. In fact, Cavanaugh initially stated that Detroit would serve as a model for the rest of the nation to follow with respect to the program — a “Demonstration City U.S.A.”⁶ Finally, Detroit was second only to New York City in terms of aggregate funding for Great Society initiatives between 1964 and 1968.⁷ Hence, these three factors suggest that Detroit would be an interesting choice of cities to examine for evidence of whether the Great Society programs indeed made significant progress.

Although the Great Society broadly consisted of numerous initiatives such as civil rights, the arts, the environment, and health (Medicare and Medicaid most notably), this paper focuses more narrowly upon what were perhaps the two most important economic goals: (1) enhancing human capital in youth, a category that includes both K-12 education and job training (including on-the-job training via early employment) for young “at risk” adults; and (2) urban renewal. The paper begins with a brief review of the relevant literature, as well as some general background on the Great Society and its economic goals. The paper then assesses the effectiveness of specific Great Society initiatives in Detroit and concludes that Detroit’s Great Society programs failed to achieve the objectives that were set out with respect to urban renewal and enhancements to human capital. In fact, consistent with the findings of many national studies of the program, some aspects of Detroit’s Great Society programs illustrate the law of unintended consequences. For example, as will be discussed, the Great Society rhetoric in Detroit encouraged, and then dashed, many people’s hopes of better housing. After the razing of approximately eighteen thousand dwelling units between 1964 and 1967, officials replaced them with only a third of this

amount. At the same time, Detroit's young adults were the main target group for the Great Society's Job Corp program, but continued lack of economic skills and a dearth of job opportunities disillusioned many Detroit citizens. After the Detroit Riots of 1967, participants later blamed the eruption on such conditions as the persistent housing problem and their lack of economic skills and opportunities.

Literature Review

While this study focuses on the city level, a rich literature already explores the Great Society on a national scale. Irwin Unger views the Great Society as a collection of programs that aimed to destroy the "culture of poverty" and qualitatively improve America's social environment.⁸ Thus, in Unger's view, the Great Society was not so much an attempt to redistribute wealth as it was an effort to instill new values and behaviors. "It did not seek to alter the basic structure of American society, to create different winners and losers. Instead it sought to change the poor."⁹ The Great Society, in Unger's view, was an attempt to eradicate poverty at its roots.

To solve the problem of poverty, Great Society programs aimed to provide the impoverished with the necessary tools to lift themselves up. Sidney Milkis and Jerome Milruer highlight the interaction between the federal government and local community antipoverty programs.¹⁰ The Johnson Administration "conceived CAP's [Community Action Programs] as a local arm of the Office of Economic Opportunity, thus enabling [it] to bypass local governments."¹¹ The idea behind these links with local communities was to bypass the local and state establishments. However, Milkis and Milruer note that these programs quickly became overwhelmed by their own bureaucracies.¹² Patrick McGinn and Frederick Hess highlight a similar trend in Great Society programs targeted at education. While funds were often disbursed for educational programs, the authors show that there was very little legislative direction or oversight for these funds. This largely resulted in a mixed bag of spending that did not substantially improve educational opportunity.¹³

While money is not the sole means to improve the state of poverty, a recurring theme of existing literature is that the Great Society programs were left dramatically underfunded in part due to the Vietnam War. According to Jerome Milruer, "The war came to dominate 1967 and 1968. President Johnson chose to pursue a policy of guns and butter."¹⁴ Similarly, Jeffery Helsing notes that, by pursuing both a war in Vietnam and a war on poverty, the resources for funding both fronts became stretched too thin. "Johnson was avoiding trade-offs... He felt that he could do both: stopping the spread of communism and achieving a Great Society."¹⁵ However, according to Helsing, funding for domestic antipoverty programs fell far short of that which would have been required to realize the initial Great Society proposals. Whether it was a lack of funding or misguided planning, the existing literature largely views the Great

Society as an idea whose execution fell short of Johnson's grand political vision.

The field of economics is frequently useful for demonstrating that good intentions do not often result in their wished-for effects. Studies of the Great Society tend to illustrate this law of unintended consequences. Some have argued that, as the federal government tries to solve the problems of poverty, it actually augments the ranks of those impoverished. For instance, Thomas Sowell noted that, in 1992, more people fell within the official poverty rate than in 1964, when the war on poverty was first declared.¹⁶ Moreover, the number of welfare recipients doubled between 1960 and 1977.¹⁷ As Sowell notes, rather than reducing economic dependency, the Great Society increased federal welfare spending from 8 percent of GNP in 1960 to 16 percent by 1974.¹⁸

Urban renewal has often been used by economists as a primary example of the law of unintended consequences. While certainly well intended, the methods employed for urban renewal often aggravate the deterioration of housing for inner-city poor rather than improve conditions. Martin Anderson demonstrates that urban renewal destroyed four homes for every home built and that, ironically, those homes that were destroyed had been occupied by low-income blacks, while the ones built were subsequently occupied by middle- and upper-income whites.¹⁹ Milton and Rose Friedman further note, "The objectives have all been noble; the results, disappointing ... Public housing and urban renewal programs have subtracted from rather than added to the housing available to the poor."²⁰

The Economics of the Great Society, 1964–1968

At first glance, the Great Society appears to have been a social endeavor; however, at heart it utilized economic means to achieve its objectives. Joseph Califano, a domestic policy adviser to Johnson, noted, "The cornerstone of the Great Society was a robust economy. With that, the overwhelming majority of the people could get their fair share of America's prosperity."²¹ Unlike Franklin Roosevelt's New Deal thirty years earlier, however, Johnson's Great Society initiative was enacted during a time of relative macroeconomic affluence. While the 1960s are widely considered to be the high point in Keynesian economics — Keynes appeared twenty years posthumously on the December 31, 1965 cover of *Time Magazine* in celebration of his influence on the expanding economy—the Great Society programs were hardly Keynesian. Keynes had argued that governments should adopt countercyclical fiscal policies in order to maintain a stable economy. In other words, in times of economic hardship, government should stimulate the economy through deficits, and in times of economic boom, the government should pay down that debt by either raising taxes or cutting spending. Yet Johnson initiated the Great Society government programs during the middle of the second longest economic expansion of the 20th century (only the 1991–2001 expansion was longer). Moreover, by the mid 1960s, those who fell below the official poverty rate had already decreased by half the rate of 1950.²²

One could, in fact, argue that the Great Society initiatives were designed to be “supply-side” ones — to use a terminology developed a decade later — rather than of the Keynesian “demand-side.” In his August 20, 1964 remarks upon signing the Economic Opportunity Act (EOA) — the legislation that first enacted and funded the Great Society — Johnson claimed that the program would “strike at poverty’s roots” by taking young men and women off the streets and “put them into work training programs, to prepare them for productive lives, not wasted lives.”²³ Far from countercyclical policy, Johnson appears to have viewed the Great Society as a productivity-enhancing one. In that same speech, Johnson stated, “We are not content to accept the endless growth of relief rolls or welfare rolls. We want to offer the forgotten fifth of our people opportunity and not doles.”²⁴ In essence, Johnson proposed teaching men and women to become productive citizens so that they could assume economic responsibility for their own welfare. Finally, Johnson noted that these investments would “result in savings to the country and especially to the local taxpayers in the cost of crime, welfare, of health, and of policy protection.”²⁵

The three primary vehicles through which these objectives would be pursued were (1) education to give Americans the skills to break out of poverty, (2) employment, particularly for those 16-24 years of age so as to keep “at risk” individuals off the streets and learning new skills; and (3) urban renewal, under an assumption that unattractive slums fed into the cycle of poverty by sustaining a sense of hopelessness. These policies were designed to expand the nation’s production possibility frontier (supply-side) rather than Keynesian-style policies designed to get an economy far off the frontier closer to it (demand-side). Even other aspects of the Great Society, such as civil rights and health care, which go beyond this paper’s scope, appear to be largely related to the supply-side of the economy.

Overview of Programs Designed to Promote Human Capital and Urban Renewal

Similar to the New Deal, the Great Society created many new federal “alphabet” programs, departments, and initiatives to fulfill its ambitious goals. The Office of Economic Opportunity (OEO), the national headquarters for the war against poverty, promoted “programs of community action, education, training, and work experience.”²⁶ Under its chief administrator, Sargent Shriver, the OEO served as a direct connection between communities and the President and the federal government. This office maintained an umbrella of Great Society agencies and was intended to prevent those policy lags that typically accompanied the process of wading through various layers of bureaucracy. In order to achieve higher levels of employment for young adults, the OEO established many new “combat” divisions mustered to attack the problem of poverty. One such brigade was Job Corps, broadly modeled on the New Deal’s Civilian Conservation Corps (CCC). Job Corps was designed both to educate America’s young people and to provide employment for them. It was

intended to enlist nearly 100,000 young men nationwide.²⁷ Furthermore, the Department of Labor was also supposed to provide employment for 200,000 young people between the ages of 16 and 21. These jobs were to be federally implemented in local communities by placing young people in part-time jobs so they would have a sense of direction and purpose. In addition, the Department of Health, Education, and Welfare was to use federal funds for the purpose of hiring 140,000 young Americans who did not go to college because they could not afford the cost of tuition.

These Great Society employment programs were intended to give young Americans an opportunity to be educated or employed with new skills so that they could avoid the so-called "poverty trap"—poverty leads to poor education and skills, which further leads to poverty, in a vicious circle. As Johnson said in a 1965 special message to Congress, "Poverty has many roots, but the tap root is ignorance."²⁸ Of course, from a macroeconomic perspective, a deepening of human capital today will enhance future economic growth. Finally, enhancements to education help create an upwardly mobile citizenry who are less economically entrenched.

Targeting young workers was but one prong of the Great Society's multifaceted approach. The program was also supposed to direct resources toward schools at all levels, from pre-kindergarten to college. Johnson, in that same 1965 speech, noted that \$150 million had been allocated toward preschool, since "The child from an urban or rural slum often misses his chance even before he begins school," as studies show he is already behind academically on day one of kindergarten. In addition, one billion dollars was allocated to aid low-income school districts at all levels nationwide. Furthermore, federal grants were issued to provide assistance in purchasing school library materials, creating supplemental education centers and services, and creating regional educational laboratories for the purpose of developing new teaching methods. The educational initiative also addressed higher education by providing nearly \$314 million to colleges and universities.

In the spirit of eliminating the root causes of economic disparity, Johnson also hoped to renew America's decaying cities. To undertake this urban renewal, the President created the new Department of Housing and Urban Development (HUD). This department had several objectives including the provision of adequate community centers, satisfactory housing for low-income families, and the rehabilitation of slum areas. Another aspect of renewing cities was local responsibility to develop community action programs. These were meant to be centers through which local communities could have close ties with the OEO. In essence, the idea of urban renewal was to clean up the broken windows of America so that citizens would take pride in their cities and be instilled with a new vigor to work toward economic prosperity.

The Great Society's Impact upon the City of Detroit

While policymakers described a magnificent vision for the Great Society, literature suggests that the actual programs fell far short of achieving their objectives at the national level. In the remainder of the paper, we tangibly measure the accomplishments of Great Society programs at the local level in Detroit. We begin with a brief overview of the economic and social conditions prevalent in the city just prior to the Great Society.

The year 1964 witnessed a period of rising confidence in the city of Detroit. On the social front, Dr. Martin Luther King, Jr. had just professed his dream in which whites and blacks were "walking together, hand in hand, free at last," to nearly twenty-five thousand Detroiters who packed Cobo Hall.²⁹ Furthermore, local economic conditions improved due to a national surge in automobile sales, which enhanced employment in the production of motor vehicles in Detroit (as well as the rest of the nation), as illustrated in Table 1. Motor vehicle and equipment employment rose 25.7 percent in Detroit between 1963 and 1969 (compared with a 21.5 percent rise in the rest of the nation). These conditions of prosperity and hope fostered an environment ripe with public support for programs meant to renew the social and economic landscape of America.

Table 1. Motor Vehicle and Equipment Employment

Year	Detroit	Percentage Change	U.S. Less Detroit	Percentage Change
1961	167,500	-	464,800	-
1962	177,200	5.79	514,500	10.69
1963	191,800	8.24	549,500	6.80
1964	207,900	8.39	545,000	- 0.82
1965	227,000	9.19	615,700	12.97
1966	236,400	4.14	625,200	1.54
1967	219,800	-7.02	596,100	- 4.65
1968	232,800	5.91	636,300	6.74
1969	241,200	3.61	667,600	4.92

Source: *Detroit Economic Fact Book*, May 1971, p. 23.

Leading Detroit in a charge against local poverty was Mayor Jerry Cavanaugh, a friend and political ally of President Johnson. To make Detroit an example for the rest of the nation, Cavanaugh helped encourage the formation of community action centers under the Total Action Against Poverty (TAP) program. For organizational purposes, TAP divided the inner city into four target areas where the problem of poverty was most acute. *The Detroit Free Press* reported, "[TAP] calls for Community Action Centers — command posts — in the four areas and trained personnel who will attack such problems as unemployment, lack of education, delinquency, social disorganization and health

deficiencies.”³⁰ These community action centers were designed to help direct the local ground troops in carrying out Great Society programs throughout the inner city of Detroit. Moreover, Robert P. Rosselle, the director of Cavanaugh’s Committee for Community Renewal, envisioned that these centers would “assist people in becoming self-sufficient and socially responsible citizens.”³¹

On November 23, 1964, Detroit received its first federal grant of \$2.8 million, and a few weeks later Cavanaugh declared, “We stand on the threshold of being Demonstration City, U.S.A.”³² To sufficiently fund ambitions for making Detroit a model city in the Great Society, an initial budget proposal was submitted by Cavanaugh’s office in December 1965. This proposal, which was solely related to programs that would help physically renew the city — water and sewer facilities, freeways, slum clearance — requested \$982 million dollars over ten years from the federal government.³³ However, on January 26, 1966, President Johnson gave a message to Congress requesting only \$2.4 billion dollars for such improvements, which would be distributed to sixty cities over a six-year period. With its request amounting to over 40 percent of the overall budget, it became clear that Detroit would not receive anywhere near the funding that the Cavanaugh Administration deemed necessary to accomplish the vision Johnson initially had laid out in Ann Arbor and Detroit.

Employment and Education in Detroit 1964–1968.

In describing the importance of urban employment, the April 1968 *Progress Report* of The New Detroit Committee—a committee formed shortly after the Detroit riots of July 1967—wrote, “A steadily employed individual ... is able to obtain adequate housing; he is not likely to commit a crime; he can afford necessary medical care.”³⁴ At first glance, Great Society programs seem to have had some success in attacking the problem of unemployment. Between 1964 and 1969, the unemployment rate in Detroit was between 3.6 and 4.1 percent, which was approximately a half percentage point below the national rate during the time period.³⁵ One contributing factor to this steady rate of low unemployment was a significant increase in government employment in Detroit. Both 1965 and 1966 witnessed a nearly 10 percent annual increase in government employment. In fact, by 1969, as the Great Society programs came to full fruition, Detroit had experienced a 40 percent increase in government employment since 1964, compared to an increase of 27 percent nationwide.³⁶

While government employment helped to maintain the low unemployment rate, two additional factors certainly contributed significantly to this trend — the aforementioned automobile boom and the Vietnam War. It is a challenge to separate these effects from gains directly attributable to Great Society programs. Still, it is worth noting that 1966 had the lowest unemployment rate in Detroit in the decade, 3.6 percent, and this was preceded by three straight years in which automobile manufacturing employment rose more than 8 percent (Table 1). The auto boom was chiefly a result of domestic companies racing to build up a stock of compact cars and the impact of large consumer demand due

employment in Detroit, shown in Table 2, witnessed substantial gains during the Great Society. In fact, the city's growth in nonmanufacturing employment outpaced gains nationwide.

However, the various employment data described above, which refer to workers of all ages, is not the best source from which to evaluate the success or failure of the Great Society. This is because the government programs under consideration were mainly targeting employment gains to a small subsector — distressed youth. Therefore, it would be ideal to examine employment of 16 to 24 year olds in Detroit across the 1960s, but such data were not readily available at the city level. National teenage (16 to 19 years old, civilian) employment data suggest some success. In 1964, 4,516,000 teens were employed, and the corresponding teenage unemployment rate was 16.2 percent. By 1969, 6,117,000 teens were employed, and the unemployment rate decreased to 12.2 percent. During the same time period, teens' labor force participation rate rose from 44.5 to 49.4 percent.³⁷ Certainly, the Vietnam War caused major distortions in these data; yet, civilian teenage employment increased by over 33 percent in just five years. This seems to have supported the Great Society's goal of keeping youth off the streets and having them learn skills via early employment.

Table 2. Nonmanufacturing Employment

Year	Detroit	Percentage Change	U.S. Less Detroit	Percentage Change
1961	538,000	--	28,584,000	--
1962	548,000	1.86	29,305,000	2.52
1963	563,000	2.74	29,919,000	2.10
1964	591,000	4.97	30,870,000	3.18
1965	626,000	5.92	32,053,000	3.83
1966	660,000	5.43	33,289,000	3.86
1967	686,000	3.94	34,326,000	3.12
1968	670,000	-2.33	35,619,000	3.77
1969	727,000	8.51	37,174,000	4.37

Source: *Detroit Economic Fact Book*, May 1971, p. 25.

Despite Detroit's generally low unemployment rates, Conot, in his comprehensive history of the city, notes that it was still the case that one out of four Detroit families was receiving public assistance in the late 1960s, and he suggests that far more than this percent earned below the income eligibility threshold for welfare aid.³⁸ Furthermore, Conot notes a strong correlation in Detroit between low income and health, commenting that "the lack of medical

care, the lack of employment, and the lack of income was to impose a life sentence of deprivation upon children before they were born."³⁹ Clearly, Great Society programs were intended to break this cycle, not just by providing employment opportunities, but also by providing skills that would allow productivity — and hence, income — to rise.

Job Corps was supposed to be the Great Society's key program to help disadvantaged youth. In fact, it was considered a principal aspect of the EOA; Secretary of Defense Robert S. McNamara described it as "a social engineering solution that's got to work."⁴⁰ In Detroit, Job Corps was meant to help poor and disadvantaged youths by providing vocational training to prepare them for meaningful jobs. However, Conot details the disappointing results brought about by Job Corps in the city. According to Conot, the program cost between seven and ten thousand dollars per enrollee in Detroit — as much as the cost of attending a U.S. college for four years.⁴¹ While its goal was to help those youths considered to be in the most extreme levels of poverty, the structure of the Detroit Job Corps was extremely ill equipped for the youths it was meant to assist.

As part of the program, youths from inner city Detroit were transported to various work camps in rural Michigan, such as Fort Custer, near Battle Creek. Many participants were troubled youths who needed rigorous disciplinary enforcement. In fact, Unger estimates that half of the first Job Corps participants at the national level had criminal records.⁴² Camp order was not vigorously imposed, and the laidback environment for youths from Detroit was not helpful; as Conot explained, "The camp's approach was to 'let them do their thing' and 'don't push them.'" This was very different from the former CCC camps, which Frank Ernest Hill describes as being characterized by a military-like atmosphere.⁴³ Moreover, the lack of disciplinary enforcement in Job Corps camps resulted in difficulties between camp participants and the communities in which the camps were located. In fact, one of the worst camp riots took place in Kalamazoo, Michigan. The incident occurred as Job Corps participants from Fort Custer were taken to the city for a field trip. As they waited to depart for home, they "brawled with local youths and broke windows and damaged buildings in the downtown area."⁴⁴ Incidents such as this quickly made perhaps the most important program of the Great Society one of the most unpopular.

Furthermore, Job Corps abandoned the largely successful educational methods of its New Deal predecessor. During the 1930s, the CCC attempted to educate participants with practical skills such as cooking, forestry, and carpentry. In describing a night of extracurricular education at a CCC camp, historian Robert Waller writes, "Seven professors taught one-hour classes each Tuesday evening on such subjects as etiquette, social problems, public speaking, current events, and movies."⁴⁵ The successes of the CCC emanated greatly from the fact that the program was structured around the character of its participants. Yet in the case of Job Corps, the match between its participants and educational curricula could be compared with trying to fit square pegs into round holes.

For instance, despite the fact that (according to the OEO) one-third of all Job Corps participants were illiterate, Job Corps educational programs nevertheless provided training in such advanced areas as "The Dynamic Molecular Structure of All States of Matter" and "The Principles and Theories of Atomic Energy." The educational structure of the Youth Job Corps therefore appears not to have fit the character of its targeted participants. Rather than equipping distressed youths for life as productive citizens, Job Corps inadvertently furnished a distasteful environment for profound boredom. Many Detroit youths in Job Corps camps simply ditched program activities. Noting that absenteeism in the Job Corps classes was 20 percent higher than it was in the Detroit inner city schools, Conot concluded that nearly two thirds of Job Corps enrollees gained little benefit from this misdirected employment program.⁴⁶ Overall, for the city of Detroit, it is clear that a star program of the Great Society failed. Perhaps Job Corps would have achieved better results if it had reworked successes from the CCC's structure.

Educational programs within Detroit also appear to have been not positively affected by Great Society programs. According to a 1968 report by The New Detroit Committee, nearly 60 percent of all students in the Detroit public school system were considered "educationally disadvantaged" four years after the Great Society programs began.⁴⁷ The monetary resources that would have been required to help Detroit would have been tremendous — and such massive funding was never realized. In fact, as the committee lamented, in the 1967-1968 academic year, federal funding reached only 31 percent of the city's educationally disadvantaged children. In addition, while certain portions of federal aid were supposed to be targeted toward educational cultural enrichment experiences, funds received were not nearly sufficient to cover the \$3,000 estimated necessary for compensatory education per pupil. These large financial discrepancies may have exacerbated the dropout rate of nearly eight thousand students each year.

Another initiative that promoted youth education in Detroit was the Youth Employment Project. Mayor Cavanaugh helped designed a program to provide vocational training for high school graduates who could not find work. The program placed applicants in city departments for on-the-job training. In a 1967 presentation to the United States Conference of Mayors, Cavanaugh highlighted some of the successes of the Great Society in the city. He claimed that nearly 400,000 Detroiters had been assisted toward enhancing their skills through his On-The-Job Training Programs. Cavanaugh listed numerous examples of the benefits garnered from these educational programs, one being the Neighborhood Youth Corps program, whose alumni allegedly were earning an aggregate of \$10,500,000 annually. However the program's successes were somewhat overstated, as the agency was not given enough monetary resources to properly train its participants. Revealingly, six months after the program's completion, only one-fifth of the students remained employed.⁴⁸ Nationally, problems of job training reflected the case in Detroit, as one study concluded

that "progress in the first three years in developing a comprehensive program of vocational education was very slow."⁴⁹

Urban Renewal in Detroit 1964-1968. A key component to the Great Society was reinvigorating America's urban landscape by visibly renewing its cities. An earlier initiative to do this had been the Area Redevelopment Act of 1961. In trying to renew Detroit's economic base, it had helped to build various projects such as a hotel, museum, library, and motel facilities. The year 1964 began with the successful erection of three new buildings to the Detroit skyline, including the Pontchartrain Hotel, the Michigan Consolidated Gas Company headquarters, and the National Bank of Detroit building.⁵⁰ Such accomplishments indicated some progress toward urban renewal.

Ironically, however, once the Great Society programs began, this progress largely halted. For example, although, in 1965, HUD had ensured \$8 million dollars in federal aid for a Forest Park renewal project, by 1968, the project remained little more than a plan on the drawing board. A proposed Wayne State University federal urban renewal project suffered a similar outcome. A major reason for this lack of progress was that, under the Great Society infrastructure, each renewal project had to go through numerous steps and agencies before ground could be broken. Consistent with the national findings of Milkis and Mileur, as well as McGinn and Hess, one of the major factors impeding urban renewal in Detroit was a lack of coordination among various governmental departments. These included such entities as the Detroit City Planning and Housing Commissions and the city's Departments of Health, Parks and Recreation, Streets and Traffic, and Public Works. As a result, sparse funds were spread thin over competing departmental visions. The problem of bureaucratic departmentalization meant that only \$45 million of the \$133 million in federal aid from HUD was ever spent on Detroit urban renewal projects. This result is fairly consistent with national data, which indicate that HUD only dispersed \$2.13 billion of the \$6.25 billion that had been reserved for urban renewal projects.⁵¹

Similar to the revitalization of the downtown skyline, private sector residential construction in Detroit experienced large gains in the early 1960s — according to the 1971 *Detroit Economic Fact Book*, between 1960 and 1965, residential construction rose 147 percent, from \$235 million to \$580 million. In comparison, private residential construction in the nation as a whole increased only 41 percent. But, once again, when the Great Society urban renewal programs began, private sector construction fell in Detroit. Strikingly, the *Detroit Economic Fact Book* of 1971 reported that in 1969, Detroit had 32 percent *less* residential construction spending than in 1965, while nationally this spending measure rose by 19 percent between 1965 and 1969. Given these statistics, urban renewal appears to have been one of the least fruitful endeavors of the Great Society in Detroit. In 1968, The New Detroit Committee stated, "Bad housing is one of the most pervasive of inner city grievances. Beyond its direct effect, it magnifies and intensifies the effect of other dissatisfaction."⁵² In

the inability to deliver on the promises for additional homes kindled the fire for future crisis.

Table 3. New Building Permits and Total Demolitions in Detroit, 1961–1969

Year	New Building Permits (Number of Dwelling Units)	Total Demolitions (Number of Dwelling Units)
1961	1,601	2,704
1962	3,128	3,831
1963	2,197	2,498
1964	2,321	3,060
1965	1,751	7,176
1966	1,478	3,645
1967	1,710	4,294
1968	2,163	4,228
1969	1,708	3,009

Source: *Detroit Economic Fact Book*, May 1971, p. 39.

Table 3, which reports both the number of new building permits and total demolitions in Detroit between 1961 and 1969, markedly illustrates the often cited complaint about urban renewal in the 1960s — far more dwelling units were razed than built. Between 1965 and 1968, there were 19,343 demolitions in Detroit and only 7,102 new building permits granted. Moreover, by 1967, there had not been a single new public housing project built. This added to the city’s inability to provide homes for already cramped urban dwellers. These numbers are largely consistent with Anderson’s nationwide finding of a four-to-one ratio in houses razed to built. By the late 1960s, one of the largest problems Detroit faced was that so many low-income homes had been torn down to make room for urban renewal projects that never appeared. This packed residents into largely overcrowded residential buildings. The Great Society largely failed to create new homes in Detroit.

Detroit Ablaze: The Riot of 1967

The Detroit Riots of 1967 present an inimical problem to demonstrating success of the Great Society. The continuing dearth of opportunities for disaffected youths, as well as inadequate housing, combined to create a stifling atmosphere in the city of Detroit. Citizens demanded results from promises made by the

government. These unfulfilled expectations lit a fuse for the worst riot in Detroit history on the night of July 22, 1967. The initial spark came from a police raid on an illegal gambling establishment located on Twelfth Street. Approximately 7,200 people were arrested in connection with the riots, 43 percent of whom were between the ages of 17 and 24 — the very age group so many of the Great Society programs targeted. In addition to the mass arrests, there was approximately \$100 million in damages to the city. The Detroit riots stand as a testament to the lack of success in alleviating the problems of poverty. In the riot's aftermath, when The New Detroit Committee questioned riot participants about their motives, the respondents listed three primary reasons: poor housing, lack of jobs, and poverty.⁵³ These were the very problems that Great Society economic initiatives were supposed to cure.

Conclusion

In Detroit and nationwide, Great Society programs fell far short of President Johnson's stated goal to "eradicate poverty from the face of this earth." Still, there were modest achievements, such as declines in the official level of poverty during this period. In fact, at the start of 1960, the level of those who fell below the official poverty level was 22.2 percent, but by 1969, this rate had fallen to 12.1 percent.⁵⁴ Furthermore, black family income rose between 1965 and 1969 from 54 to 60 percent of white family income.⁵⁵ However, as has been demonstrated, this may not have been chiefly the result of Great Society programs, but the outcome of greater economic prosperity.

In assessing Great Society programs, it should be noted that a chief goal of economic initiatives had been to eliminate economic dependence upon government in the long run via improvements to human capital. Interestingly, although the Great Society is often viewed as a demonstration of Keynesian economics, one of its core philosophies followed a productivity-enhancing "supply-side" attitude. This is reflected in important Great Society programs that provided opportunities to learn and improve professional skills, rather than simply doling out federal welfare. While this approach seems to have been the chief goal of Great Society initiatives, its programs do not appear to have met the goal of reducing economic dependency. In fact, rather than eliminating the culture of poverty, the effect of the Great Society programs was to augment the ranks of those dependent upon government welfare programs.⁵⁶

It could be argued that a cause of setbacks in the Great Society was that most programs, to function correctly, required a far larger monetary amount than was provided. Looking back to Detroit, during a period of five years, it received a total of \$230 million in federal grants.⁵⁷ This is less than a quarter of the \$989 million that Mayor Cavanaugh had outlined in December 1964 as necessary for *physical improvements alone* in the city. Moreover, due to immense bureaucracy that formed in these programs, many of these funds never made it to targeted citizens. Certainly, a significant factor that limited potential federal

spending was the Vietnam War, which cost \$30 billion annually. A *Detroit Free Press* column stated that “[Johnson] thought that [America] could do anything and everything at the same time — wage war in Vietnam, and in the cities... It was a glorious but presumptuous concept.”⁵⁸ Essentially, as Jeffery Helsing proposed, the guns of war left less butter for the Great Society.

The Great Society resulted in some modest successes, but it mostly wrought great failures. The Johnson Administration made grandiose promises with the best of intentions, yet most of these remained nothing more than rhetoric. This fits the conventional stereotype that political rhetoric pledges far more than it can deliver. In fact, Daniel Patrick Moynihan, Assistant Secretary of Labor under Johnson and a chief architect of the early Great Society programs, claimed that the Administration tended to “oversell and underperform” when it came to the war on poverty.⁵⁹ Consistent with this, historian William Henry Chafe notes:

In the end, instead of being “an unconditional war,” the antipoverty effort was more like a *Sitzkrieg* or “phony” war. ... Lyndon Johnson proposed to do everything [but] four years later the “total commitment” seemed more to describe the press releases and brochures about antipoverty than the programs designed to do the job.⁶⁰

Perhaps the chief lesson to be learned from Johnson’s well-intentioned fight against economic disparity is that massive federal plans to promote economic prosperity are unlikely to achieve the results they promise. Resource constraints are certainly one important factor in this conclusion, but many of the projects that may have helped the nation work toward Johnson’s Great Society vision never left the drawing board, not only because of a lack of funding, but also because the funds that were allotted became caught in a bureaucratic maze.

Our examination of the Great Society in Detroit effectively demonstrates at the local level the law of unintended consequences, which has often been cited in relation to these programs at the national level. For instance, we have demonstrated that nearly three times as many buildings were razed as were built in Detroit between 1965 and 1968, turning what was already a significant low-income housing shortage into a crisis in the late 1960s. Economic factors such as these might have been forces that helped lead to the notorious 1967 riots in Detroit. Interestingly, in 1964, 21 percent of Michigan’s population lived in Detroit, yet, by 1972, this had dropped to 17 percent.⁶¹ This decline has only continued, as only 11 percent of the state’s population resides in Detroit today. While many factors can be attributed to the decline of Detroit, our paper suggests that a contributing factor to this decline was, quite ironically, the Great Society. It is clear that Johnson’s dream of attaining “a life beyond the realm of our experience, almost beyond the bounds of our imagination” was never realized.⁶²

NOTES

1. *Public Papers of the Presidents of the United States, Lyndon B. Johnson, 1963-1964*, (Washington D.C.: Federal Register Division, National Archives and Records Service, General Services Administration), 704.
2. Economic Report of the President 1965, United States, FRASER, <http://fraser.stlouisfed.org/publications/ERP/issue/1200/> (1965) p. 27.
3. In 1935, at age 27, Johnson received his first political appointment when President Roosevelt named him to head the National Youth Administration in Texas. http://www.lbjlib.utexas.edu/johnson/archives.hom/biographys.hom/lbj_bio.asp.
4. *Public Papers of the Presidents*, 822.
5. William Henry Chafe, *The Unfinished Journey: America Since World War I*, 5th ed. (Oxford: Oxford University Press, 2003), 239.
6. Robert Conot, *American Odyssey* (New York: William Morrow & Company, 1974), 492. The "demonstration" or "model" city idea was that the administration would funnel extra resources to certain cities in order to best highlight the potential gains Great Society programs could have.
7. Henry J. Pratt, *Churches and Urban Government: Detroit and New York, 1895-1994* (New York: Wayne State University Press, 2004), 62.
8. Irwin Unger, *Best of Intentions: The Triumphs and Failures of the Great Society under Kennedy, Johnson, and Nixon* (New York: Doubleday, 1996), 84.
9. *Ibid.*, 84.
10. Sidney Milkis and Jerome Milner, eds., *Great Society and the High Tide of Liberalism*, (Amherst: University of Massachusetts Press, 2005).
11. Milkis and Milner, 29.
12. *Ibid.*
13. Patrick McGinn and Frederick Hess, *Great Society and the High Tide of Liberalism*, ed. Sidney Milkis and Jerome Milner (Amherst: University of Massachusetts Press, 2005), 299.
14. Jerome Milner, *Great Society and the High Tide of Liberalism*, ed. Sidney Milkis and Jerome Milner (Amherst: University of Massachusetts Press, 2005), 443.
15. Jeffrey W. Helsing, *Johnson's War/Johnson's Great Society: The Guns and Butter Trap* (Westport, CT: Praeger, 2000), 9.
16. Sowell 13.
17. *Ibid.*
18. *Ibid.*
19. Martin Anderson, *Welfare* (Stanford, CA: Hoover Institution, 1978), 91.
20. Milton and Rose Friedman, *Free to Choose* (New York: Harcourt Brace Jovanovich, 1980), 96.
21. Bruce J. Schulman, *Lyndon B. Johnson and American Liberalism: A Brief Biography with Documents* (New York: Palgrave Macmillan Limited, 1995), 179.
22. Thomas Sowell, *The Vision of the Anointed* (New York: Basic Books, 1995), 14.
23. John T. Woolley and Gerhard Peters, *The American Presidency Project* [online]. Santa Barbara, CA: University of California (hosted), Gerhard Peters (database). <http://www.presidency.ucsb.edu/ws/?pid=26452>.

24. In fact, a chief slogan of the Great Society was "Give a hand, not a handout." See *Economic Report of the President 1964*, United States, FRASER, <http://fraser.stlouisfed.org/publications/erp/issue/1208/> (1964), p. 10.
25. Woolley and Peters, <http://www.presidency.ucsb.edu/ws/?pid=26452>.
26. *Economic Report of the President 1965*, United States, FRASER, <http://fraser.stlouisfed.org/publications/ERP/issue/1200/> (1965), p. 17.
27. *The War on Poverty: The Economic Opportunity Act of 1964*, Senate Document No. 86 (Washington D.C.: GPO, 1964).
28. Woolley and Peters, <http://www.presidency.ucsb.edu/ws/index.php?pid=27448>.
29. King's Detroit speech was delivered on June 23, 1963. In August, King would give his more famous "I have a dream" speech in Washington, D.C. King biographer David Levering notes that "the seeds of Dr. Martin Luther King, Jr.'s dream were planted in Michigan — in Detroit's Cobo Hall." See http://www.michigan.gov/hal/0,1607,7-160-15481_19271_19357-205425--00.html.
30. Frank Beckman, "City Groups Mobilize for War on Poverty." *Detroit Free Press* 9 June 1964, sec. A:3.
31. Beckman, *Detroit Free Press*, 9 June 1964.
32. Conot, 487, 492.
33. Conot, 492.
34. The New Detroit Committee, *Progress Report* (Detroit: Metropolitan Fund, Inc, 1968).
35. *Detroit Economic Fact Book* (Detroit: Detroit Economic Council, 1971).
36. Ibid.
37. Data were accessed from the Bureau of Labor Statistics website, www.bls.gov.
38. Conot, 482.
39. Ibid, 483. The author also notes that children in 22 percent of Detroit households had behavioral problems.
40. Milkis, 121.
41. Conot, 516.
42. Unger, 175.
43. Frank Ernest Hill, "The CCC Marches Toward a New Destiny," *New York Times Magazine*, 21 February 1937.
44. Unger, 176.
45. Robert A. Waller, "Happy days and the civilian conservation corps in South Carolina, 1933-1942," *The Historian* 64. no. 1 (Fall 2001): 39.
46. Conot, 517.
47. The New Detroit Committee, 15.
48. Conot, 508-509.
49. Eli Ginzberg and Robert M. Solow, *The Great Society: Lessons for the Future* (New York: Basic Books, Inc., 1974), 121.
50. Conot, 491.
51. Ibid., 556.
52. The New Detroit Committee, 41.
53. Ibid., 17.
54. Hyman, 191.

55. Chafe 236.
56. Friedman and Friedman, 96.
57. Conot, 543.
58. James Reston, "LBJ's Reach Went Beyond Our Grasp," *Detroit Free Press*, 1 January 1969.
59. "An Indictment of the War on Poverty by a Man Who Helped to Plan It," *Time Magazine*, 27 December 1968.
60. Chafe, 237.
61. U.S. Decennial Censuses of the Population, 1930-90 (Washington, D.C.: Government Printing Office).
62. *Public Papers of Presidents* 706.