

# LABOR CENTER REPORTER

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## "QUALITY OF LIFE ACTION: THE ROAD TO FULL EMPLOYMENT"

by Bruce Poyer

*Editor's Note: On the 40th anniversary of the Employment Act of 1946, a conference with the above title will be held at the South Berkeley Senior Center, 2939 Ellis Street, Berkeley, beginning with a dinner at 6:00 p.m. on Friday, February 21, and concluding on Saturday, February 22 with a 5-7 p.m. reception in honor of Rep. Augustus Hawkins. The conference sessions on Saturday, February 22 will include a noon workshop on "Jobs, Unions, and Economic Policies in California," and a 2:00-3:00 p.m. workshop on "Women, Poverty, and Jobs." Conference speakers will include Representatives Ron Dellums, George Miller, Sala Burton, Barbara Boxer, and Charles Hayes (the Congressional author of the national Income and Jobs Action Act--HR 1398); California Assemblyman Tom Bates; and Berkeley Mayor Gus Newport. There is no charge for the conference, but donations will be solicited from those who can afford to make them, to help defray conference expenses.*

*Labor representatives planning to attend the Feb. 21-22 conference should contact the Labor Center to receive the full conference agenda in advance.*

Representative Charles Hayes (D. Illinois), a former union official, now has 35 Congressional co-sponsors of his version of full employment planning, which would create two basic rights for all Americans: (1) the right to earn a living at decent wages for all those able to work for pay, and (2) the right to an adequate standard of living for those unable to work for pay. The scope of the Hayes bill goes beyond both the Employment Act of 1946 and the Humphrey-Hawkins Act of 1978, and owes much to Franklin D. Roosevelt--the real father of the idea that the federal government can and should take action to meet the most basic needs of the people.

**Background Of Full Employment Legislation**--The first Congressional attempt to require economic policies that could lead the nation toward full employment came just after FDR's time, at the end of World War II, when an onslaught of post-war unemployment was expected. The first printed draft of the Full Employment Act of 1945 began with these words: "The Congress hereby declares that every American able to work and willing to work has the right to a useful and remunerative job in the industries, or shops, or offices, or farms, or mines of the nation." Of course it was the government which was to be the employer of last resort, as it had been during the war, when unemployment was 1-2%.

Conservative opposition to any such role for the federal government quickly mounted, and pent-up wartime demand for consumer goods quickly led to greater concern about inflation and strikes. Thus what emerged from Congress was the weak Employment Act of 1946 (no longer even a "Full" Employment Act), providing for an annual report to Congress by the President on the state of the economy, and what was needed to make it healthier, and providing also for the Council of Economic Advisors as a permanent monitoring agency. Changes also began to occur in the rate of unemployment regarded as irreducible. In 1959, the Bureau of Labor Statistics still fixed the "full employment" rate of unemployment at 2.1%, and as late as 1972, the Congressional Joint Economic Committee validated a 2.5% unemployment rate as a realistic goal for the next decade. But unemployment rose continually in the 1950's, and both the Kennedy and Nixon administrations in the 1960's set "interim" goals of about 4% for unemployment. In the 1970's, the Ford and Carter administrations set unemployment target goals of 5% to 5.5%. By then, the definition of full employment had come to depend more on the fear of inflation than on the capacity of the economy. And economic policy came to depend more and more on the "trade-off" of higher unemployment as the "essential" cure for higher inflation.

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**Stagflation and Humphrey-Hawkins--**When oil prices quadrupled in the 1970's, it became clear that inflation and unemployment can co-exist at very high levels. It was this new experience with "stagflation" that led to the initial Humphrey-Hawkins full employment proposals in 1977. Starting with the 1945 New Deal idea that the government should be the guarantor of last resort of a job for everyone, Humphrey-Hawkins was watered down by Congress and by the Carter administration to the point where it mandated a 5 year goal of 4% overall unemployment (3% for those 20 or older). However, the goals were subject to alteration if the President and Congress saw fit. Nothing in the legislation required the administration to take any anti-inflation steps. Nowhere in the statute was there any guarantee of a job as anyone's "right."

In the Reagan administration, unemployment is regarded as a chosen or a natural condition. The view is that most people have the options of (1) searching out and accepting jobs that would make good use of their skills, or (2) forgoing such employment opportunities to enter or to remain in the unemployment pool until they decide to accept what the market has to offer. From this point of view, the measure and the proof of job availability lies in the numbers of columns of help wanted ads in the nation's papers. The concept of full employment thus becomes meaningless as an economic policy, when the clear implication and even the philosophical conviction of the policymakers is that the victims of unemployment have no one to blame but themselves. (Ref: Any recent annual Economic Report of the President. Unemployment of the young is treated somewhat differently; here the implication is that minimum wage standards are somehow to blame.)

**Hayes: The Integrated City-State-National Approach--**The approach of the Hayes bill is therefore aimed not at the Reagan administration, but at its successor. The bill also contains an essential new thrust toward encouragement of state and local government applications of its full employment planning goals and procedures. The bill calls for inclusive partnerships at the levels of neighborhoods, cities, counties, and states, and it encourages local applications to work out the full employment goals by seeking to meet those human needs which will never be met either by the federal government's military establishment, or by the economy of a corporate state.

The first local application of the Hayes full employment planning approach will likely be in Berkeley, where an ordinance entitled "The Quality of Life Action Act" is now being considered. It seeks to set goals (and makes plans to achieve them) not only for full employment but also for many other improvements in the quality of life, like housing, education, waste treatment, child care. It establishes a Berkeley City Bank and a Berkeley Quality of Life Council. And it calls for further local action (1) to pass similar Quality of Life legislation for the state of California, and (2) to pass the National Income and Jobs Action Act (Hayes).

A "Quality of Life" statute for the state of California, based on full-employment planning, has been proposed and will soon be introduced in Sacramento by Assemblyman Tom Bates (D, Berkeley). In addition to general employment and income goals, the state bill will include resource conservation and development, plant closing provisions, establishment of "opportunity zones" in areas of high unemployment, and establishment of a California Development Bank. It will establish a California Quality of Life Council as its chief planning mechanism, and will require a Joint Committee of the legislature to review the Quality of Life Plan which is to be submitted each year by the Governor. The California statute also commits the state to further cooperation with local plans and to further joint action to pass the National Income and Jobs Action Act (Hayes).

**Conclusion--**The integrated Berkeley and California plans for full employment are useful and important goal-defining programs, and they may prove to be essential to any further progress at the national level. While these experiments unfold, the Congressional co-sponsors of the Hayes bill need to consider how to incorporate inflation control measures--including the development of standby price/interest/wage controls--into the National Income and Jobs Action Act. Conservative and corporate and even military opposition to the expanded domestic role of government in a full employment economy certainly helped to kill both the 1946 and the 1978 experiments with full employment legislation. But so did inflation, which could and should be removed as a basic threat to a full employment future.

-- Bruce Poyer

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