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THE RISE AND FALL OF FULL EMPLOYMENT.

Part I: An Uncertain Trumpet,

by *Bertram Gross*.

Editor's Note: Professor Gross, who teaches in Peace and Conflict Studies at U.C. Berkeley, was the key legislative coordinator of the Employment Act of 1946, who sought to preserve FDR's original concepts in that legislation. He was also a leader in efforts to enact a meaningful full employment program in the Humphrey-Hawkins legislation of 1978. He is currently working in support of efforts of Representatives Hayes and Hawkins to revive and update full employment and economic rights. His Fall 1988 course on "Human Rights: West, East, and South" (PACS 119.5) will consider these matters in the context of struggles for human rights throughout the world. Professor Gross has written a book on full employment which challenges the American labor movement to play a stronger role than ever before in creating an American labor movement in which all people have a chance to enjoy their human rights. This LCR series is being condensed from the draft of the book, so that trade unionists and U.C. faculty and students will have a chance to criticize each chapter before publication, and suggest any changes ranging from small improvements to large and virulent objections.

*If the trumpet give an uncertain sound, who shall
prepare himself to the battle?*

— *Apostle Paul*

As World War II got under way in Europe, adult Americans saw that it was the war, far more than the New Deal, that was conquering the Great Depression. "What happens when the war is won?" they asked in fear. "Will we return to the horrors of the Great Depression?"

Even before Pearl Harbor, President Roosevelt addressed this fear by unfurling the banner of a post-war world founded upon four essential human freedoms—the freedoms of speech and worship and the freedoms from fear and want. In January 1944, as victory in World War II seemed near, Roosevelt put flesh on the bones of "freedom from fear and want." Reviving the economic parts of an earlier proposal from a defunct planning board, he inserted them in a second "Bill of Rights" starting with "the right to a useful and remunerative job in the industries or shops or farms or mines of the Nation." He then campaigned for re-election with a trumpet call to battle on behalf of "jobs for all." This pushed his Republican opponent into crying "Me too" and helped accomplish the unprecedented feat of winning a fourth term in office.

In December, a few weeks after the election, Senator Harry Truman (now Vice-President elect) joined a colleague in proposing legislation to legalize these rights. Their Full Employment Bill sought to guarantee "the right to a useful and remunerative job" through a full employment economy, thus providing workers with more purchasing power, and the government with more revenue, so that both could finance the remaining rights. With the President's encouragement, the bill was formally introduced in both houses in January 1945—just a few weeks before Roosevelt's death. In September, after Japan's surrender, Harry Truman who was now President declared that the attainment of FDR's economic bill of rights should be "the essence of post-war American life." Toward this end, he sent Congress a 21-point post-war program, with the Full Employment Bill as its centerpiece.

Sounding Trumpet Calls in Peacetime

But now the war-time sense of high moral purpose was dissolving. Fierce squabbles erupted throughout the United States (as within and among most countries that had fought the Axis). Without Roosevelt, faith in the U.S. government fell. Turbulence all but capsized the Truman administration. "Sherman was wrong in saying war is hell," moaned Harry Truman after a few months in office. "I'm telling you I find peace hell."

Throughout America, business, academic and labor leaders sought to help an apparently helpless president. In scores of books, hundreds of articles and thousands of reports, they aired ideas for "winning the peace." These touched not only on broad

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foreign and domestic policy but even on the smallest details of demobilization and reconversion from war to peace. The air hummed with proposals ranging from the narrow, prosaic and technocratic to the brilliant, poetic, utopian or downright crackpot. The outcome was bedlam.

For a while Truman restored some sense of war-time purpose by bold new trumpet calls: the Brannan plan for agriculture, the Marshall Plan, the Fair Deal (premised on a full employment economy), the Point Four Program for assistance to underdeveloped countries—and above all, the “cold war” Truman doctrine. Other presidents followed suit with the Eisenhower, Nixon and Reagan Cold War doctrines, each a slight variation of the original Truman doctrine. At a higher level of rhetoric, Kennedy and Johnson offered visions of a New Frontier, a war on poverty, and a Great Society. Less flamboyantly came Nixon’s New Federalism, Carter’s “human rights” (in non-economic terms), and Reagan’s “winds of freedom.” New trumpeting summoned people to “wars” or “crusades” against poverty, inflation, hunger, crime, drugs, terrorism, the Sandinistas in Nicaragua, and communists at home and abroad.

All these trumpet calls have been ambiguous. At times this has been a strength. Apostle Paul’s rhetorical question has often been answered by different groups of Americans who plunged into different versions of uncertain post-war battles. In some areas—particularly civil rights, women’s rights, peace and environmentalism—genuine progress was made. Yet forward steps have often raised aspirations that triggered reactions and led directly to painful regress. Also, the stalemate in Korea, the fiasco at the Bay of Pigs, the retreat from Vietnam and later interventions in the Caribbean and Central America raised profound questions as to whether the purpose or conduct of these ventures justified the enormous loss of life and treasure. Outside the circles of true believers, the credibility of most trumpet calls has been short-lived, superficial or non-existent. Increasingly, the response has been one of skepticism.

Trumpet Calls for Full Employment

So it has been with full employment. For a while it lived as a popular political slogan, as a framework for other economic rights, and as a technical basis for federal budgeting and labor market analysis. But as the idea degenerated—with its good aspects forgotten and its bad parts expanded—skepticism set in. By the early 1970s the full employment vision had faded away. After 1973, when Representative Augustus Hawkins started a five-year effort to strengthen the 1946 law, a brief revival took place. Yet by the time full employment was inscribed in the statute books by the battered Full Employment and Balanced Growth Act of 1978, disillusionment was widespread.

Disillusionment began when the first Council of Economic Advisors foolishly deserted our earlier idealism. We ignored the Atlantic Charter’s concept of freedom from want and freedom from fear. We retreated from the U.N. Charter’s idea of full

employment planning based on the “inherent dignity and the equal and inalienable rights of all members of the human family.” We even tried to forget FDR’s 1944 Economic Bill of Rights, which was to be implemented by flexible budgeting for the healthy growth of the entire economy. We ignored the historic 1948 Universal Declaration of Human Rights.

Despite some good intentions, “full employment” soon became an economic argument against reducing paid working time. “We need all the output we can get” became the idea for maximum mobilization, and it side-tracked one of the great ideals in human history: expanding voluntary leisure for everyone, not merely the idle rich. Liberal full employment economists argued for rapid growth in GNP without reference to its composition or distribution, ignored the inflationary dangers inherent in both military spending and rapid growth, and overemphasized fiscal and monetary policies.

Technologists played with the definitions of unemployment, and forgot to include part-timers seeking full-time work, or those too discouraged to seek any work, or the many varieties of underemployment. The technicians even failed to expose the undercount of the employed through the so-called “underground economy,” and also neglected the many kinds of overemployment: moonlighting to help make ends meet, mandatory overtime on the job, and the enormous after-the-job, underpaid and under-valued “women’s work” at home.

Conservatives began to refer to a “natural rate of unemployment,” below which inflation would inevitably result. But in real life, full employment came to mean the highest level of unemployment that was politically tolerable. The idea of full employment as a comprehensive policy of economic health faded away. In its place came “job programs” to provide some last resort, underpaid work targeted at the “hard core” jobless or welfare mothers, as in the generally unfair work of “workfare.” With such programs identified as full employment, it was no wonder that many able progressives—Francis Piven, Richard Cloward, Fred Block, Stanley Aronowitz—attacked “full employment” on some sound grounds. In this they were joined by reactionaries who opposed full employment at decent wages because they knew it would strengthen organized labor and thought it would lessen the privileges and entitlements of the privileged and the idle rich.

Under attack from both left, middle and right, the idea of planning for a full employment society faded. Full employment budgeting, still extant in some formal budget documents, withered away. The high ground of moral vision was yielded to technocratic disputation. Corporate lobbyists and their richly endowed think-tank colleagues exaggerated widely about the inflationary tendencies in full employment and, under cover of “fighting inflation,” used restrictive monetary policy to nurture recurring recessions and long-term joblessness as union-busting strategies.

Since 1984, Representatives Charles Hayes and Augustus Hawkins (now Chair of the House Labor and Education Committee) have tried to revive and update both full employment and economic rights, with but little success. The goal of a full employment society seems to have been deserted by labor unions, liberals and radicals—and it is even attacked by some of them. “Full employment,” in the words of a practical staff member of a liberal Congressional committee, “is a NO NO!” For public policy, it has become the dirty four letter word beginning with f---, and has even been debased to “fool” employment.

Trumpet Calls for Economic Rights

On economic rights, the situation is paradoxically different. Economic rights have been very much alive (though unwell) on a vast range of single issues. Many people have long been advocating the specific rights of women, minorities, labor, part-timers, the jobless, older people, children, the disabled, the handicapped, consumers, families, single persons, teachers, students, the homeless, the dislocated, gays and lesbians, family farmers, small business, taxpayers, tenants, crime victims, defendants, prisoners, and soldiers. The rights of all people to housing, health care, a clean environment, information, privacy, social security, and welfare have been separately pursued.

The only right that has been abandoned is the “right to a useful and remunerative job.” Yet this is the one right which used to be regarded as a precondition for attaining most other economic rights. Each separate right has thus been undermined by the absence of the sustained full employment necessary for adequate funding. Faced with this kind of budgetary problem, the proponents of most other rights have been preparing themselves again and again for lost battles or symbolic victories. They seem to have forgotten about—or never heard of—any comprehensive bill of rights. What was once heralded as “the essence of American life” has all but disappeared from American life.

How Did All This Happen?

Is this history a product of the cold war, or of an irresistible rightward drift or drive in American culture? When the conser-

vatives shy away from full employment, how come liberals became the “Me too-ers?” If it is a radical idea, why do many radicals oppose it? Do communist governments really have full employment? And what ever happened to the full employment budget? Why has it been dropped from the language of fiscal and monetary policy? Above all, is it possible that we can use the old ideals, and reshape them in the light of new conditions, and build a new-style full employment movement to strengthen the American economy and the U.S. role in a world beyond war?

In this *LCR* series I will try to put these questions in historical perspective. The next installment explores past efforts to place the rights of more and more men, women and children above the ancient rule that **might (or money) makes right**. This leads to the “second bill of rights” proposed by FDR’s planners, and FDR’s “economic bill of rights.” I will then review the bloody battles over the original Full Employment Bill until its passage in the form of the Employment Act of 1946. The next two chapters tell the paradoxical story of “economic containment” under the Act—that is, how America has contained both mass depression and full employment from the late ‘40s to the present. I will then focus on the valiant efforts during the 1970s and the last few years to revive full employment and economic rights—and why they have failed. The last chapter poses problems for the future.

Since personal involvement in these matters has at times made me an original source, I will occasionally ignore convention and use the first person singular. I have learned two lessons from my involvement in full employment struggles in this country and my study of other countries. One is the enormous difficulty of translating high ideals into genuine progress. Another is the indispensable role of organized labor in defending and extending all human rights. The future of full employment and economic rights—indeed, the future of civil liberties in the U.S.—depends in very large degree on the future of American labor.

That is why I hope that labor people will use this *LCR* series as an opportunity to reflect on how best to sound a new trumpet call on behalf of the freedoms from fear and want.

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