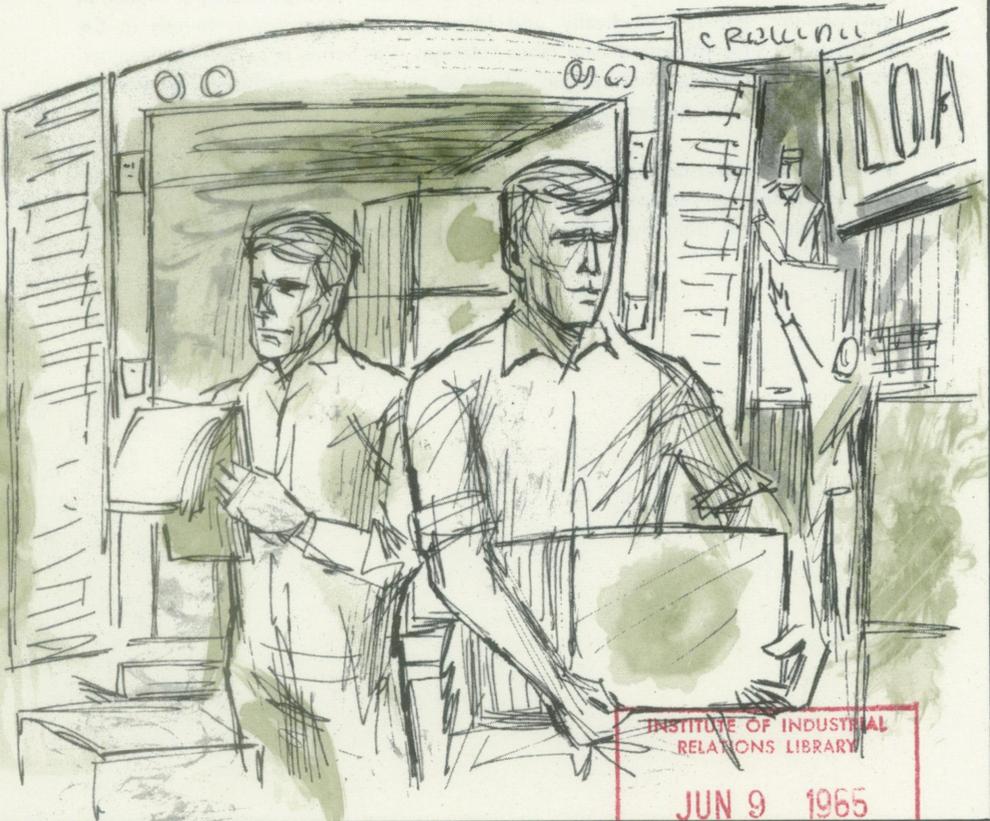


Poverty (1965)

Public Policy, Private Enterprise and the Reduction of Poverty

by Dr. Norton E. Long



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PREFATORY NOTE

Talk of poverty fills the air. The news media report on the latest activities and "programs" public and private; new organizations and old agencies daily advance their particular nostrums.

Some of these efforts have real potential for making inroads against the blight of poverty. Others unfortunately fall far short of the mark because they fail to recognize that *jobs* represent the core of every real advance on the problem. Only as we generate income can we make any real progress in reducing poverty.

The National Association of Manufacturers offers this manuscript by Dr. Norton E. Long as one of the most incisive analyses to date of the problem of the poor in our society. This theme appeared in abbreviated form in the Harvard Business Review, September-October 1964.

While Dr. Long's solutions are his personal views and do not represent NAM policy, we commend this provocative article to the reader's thoughtful consideration simply because there is need for all of us to be aroused about present attitudes toward welfare and unemployment. We hope that sincere and intelligent men will recognize the necessity for action.

Charles E. Stenicka
Director
Industrial Relations Division

ABOUT THE AUTHOR

Dr. Norton E. Long is distinguished as a political scientist, educator and author. He holds the James Gordon Chair of Community Government at Brandeis University and is a member of the Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University. He has held visiting professorships at Oberlin College, Universities of Michigan and Texas, as well as Harvard University. Dr. Long was a professor at Western Reserve University for eight years, at Michigan State for three and at Northwestern for six. He has frequently been called upon to advise high officials in government and has served the Governor of Illinois in the capacity of staff consultant.

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overty in the United States has become intolerable not because we have more of it than in the past or because we have more of it than other countries. Neither of these is the case. Poverty has become intolerable in this country because it is unnecessary. The question that confronts us is how best to get rid of it. We could do this by taxing ourselves a fraction of the defense budget. However, in solving poverty by handout, we would fail to solve poverty.

The essence of the problem is to provide income for those who cannot earn it. To do this we must provide jobs, education, and skills to gain and hold jobs for those now unemployed and under-employed who can work. In this, government can play an important role, but the private enterprise economy, if it is to deserve to survive, must play its role and a major one.

The continuing and increasing magnitude of large pockets of hard core unemployment and attendant poverty in what Professor Galbraith calls our "affluent society" is a danger to all of us. It is dangerous not just because of the cruel human tragedy of what has been called the "living death of long-term unemployment." It is dangerous because, as Hannah Arendt has so vividly pointed out, we are likely, when easy solutions fail, to come to regard the victims as we regard the stateless, as no longer people. And when any sizeable number of humans in a society lose their status as humans, not they alone but the rest of us are involved in their fate. Our inhumanity revenges itself upon us all. Europe had its Jews; we have our unemployed. It happens with us that, while not exclusively, for the most part our most grievously unemployed and impoverished are Negroes.

The induction of the poor into higher standards of living has been largely through the world of work. While the school has been credited with being the great socializer of the American culture, first place must really go to the job. Our present concern with dropouts is not because dropouts are a new or novel

phenomenon. Our concern is that, whereas in the past when Johnny dropped out of school Johnny went to work, today Johnny is on the streets, at best headed for casual employment and relief, at worst for the state-supported crime school.

The "slum of hope" and the "slum of despair" have been contrasted as polar types in modern society. In the "slum of hope" the inhabitants, while low men on the economic totem pole, are on the pole and on their way up. Discrimination and ill-usage do not amount to a barrier to upward mobility. The "slum of despair" is characterized by the isolation of its inhabitants from the economy. Not only in this country but in the "bidonvilles" of South America and all over the world stagnant pools of humanity cut off from the main stream of economic life are on the increase. Their existence and their growth is a health hazard of major proportions world-wide in extent.

America for the most part has been free of the "slum of despair." Where it has occurred it has largely been a rural phenomenon characterizing worn-out land, cut-over timber country, and run-down mining. Our most effective solutions have been boom time or war-induced demand for unskilled labor that siphoned off major fractions of locally surplus populations. Public policy, at least in agriculture, has been designed to assist the large, even corporate, farm while providing a subsistence income to the inhabitants of rural Congressmen's Indian reservations—in short to immobilize poverty.

The "slum of despair" has only recently become an urban phenomenon in America. As late as the war and early post-war period the market was strong and buoyant for uneducated and unskilled labor. Only a few short years ago the executive vice president of the Chicago Association of Commerce and Industry was urging Negro plantation refugees to come to Chicago to fill the then seemingly endless demand for unskilled labor.

Now all that has changed. Industry has become increasingly choosy. In a soft labor market it can and does select only the best, frequently demanding a level of skill and education substantially above the entering job's real requirements. However, given promotion from within, and union contracts, this makes but good sense. Labor-saving machinery and automation have hit hardest those very jobs that were most available to the uneducated. Isolation from the world of work is increasingly the fate of those who now constitute a drug on the American labor market. The "slum of despair" with its attendant dependency, violence and crime is becoming a common feature of our central cities.

While the victims of this change in the demand for labor include poor whites, Mexicans and Puerto Ricans, the most numerous casualty is the oldest among American citizens and the most recently urbanized, the American Negro.

Because of the color bar and its accompanying educational and social disabilities, the integration of the Negro into full participation in American life would have been difficult under the most favorable of economic circumstances.

It is little short of tragic that the expulsion and escape of the Negro from plantation peonage should have occurred so shortly before the revolutionary change in the demand for unskilled labor. Scarcely has the Negro, fleeing from the southern culture, made his way to the northern city with little time to profit from such superior advantages as were there available, than the portal to upward mobility closed to a crack. Virtually every minority entering the stream of American life has made its way by being sucked into the main stream through the constantly recurring surging demand for unskilled labor.

The economy has educated all of us to the workaday culture of our society. The job has given us status and standing. And the economy has provided the means for both mobility and upward mobility—for parents and children. This has been the historic socializing force. There is no comparable other, and short of a socialist state there is no substitute. And even in a socialist state it would still be the economy of that state that in the main would have to do the job.

The trouble with the poor is quite simply that they are underemployed and that they are unemployed. Their tragedy is to be unwanted as things now stand and increasingly unwanted as things are likely to go. Their fate received a ghastly portrait in *Look Magazine's* narrative of welfare conditions in New York.* This unusually realistic account showed the poor packed into slum hovels under the charge of despairing social workers. Such public interest as emerged was that of keeping them out of sight. The slum landlord provided both the receptacle for society's unwanted and a usefully conspicuous scapegoat for the human misery with which he is associated. The welfare policy thus achieves two social objectives: it removes the eyesore of hopeless poverty from public view and provides a convenient, though irrelevant, devil on whom to unload society's sense of guilt.

We are in danger of drifting into a set of cosmetic cures designed to relieve middle class aesthetic sensibilities and guilt feelings rather than to attack the root causes of poverty. There are powerful forces that make this the likely drift of events. We already have the model for how an affluent society might deal with surplus people—the way we deal with surplus grain. What we do with the grain is store it and keep it off the market so it won't hurt the price. We do the same with the poor—we store them in slums and public housing and keep them off the labor market so they won't reduce wage rates or otherwise compete in the only way they can.

**The Grim State of Welfare*, J. Horowitz, March 26, 1963, p. 72.

The difference between people and grain, however, is that if you store grain it merely rots, if you store people they rot and reproduce, and the children that they reproduce are brought up and educated in conditions in which it is likely that many of them will rot too. The evil with the agricultural storage policy for dealing with people is thus not alone that of keeping needed resources from meeting human wants but of creating conditions by which the evil multiplies rather than diminishes. Keeping people off the labor market, unlike keeping grain off the grain market, not only harms the people but perpetuates the evil in its effects on their children. As a result, even if the parents die off, their misery is insured continued life in the built-in disabilities of their children.

An affluent society may be able to afford an agricultural storage program for surplus grain, but it cannot afford a storage program for surplus people. As Carlyle long ago remarked, the existence of the poor is brought home to the wealthy by the lack of class discrimination on the part of at least some diseases. But this is not the only way in which the poor announce their common humanity. In addition to the pain of taxation, the affluent society, which might well afford this, finds itself faced with the menace of demonstrations, the vote, and violence. The latter in Washington even penetrates Congressional consciousness though the lessons it teaches may not be such as to lead to any cure.

The plain fact of the matter is that, avoid it as we will, every problem confronting us is made easier of solution if there are jobs. Without jobs every problem becomes darker and more menacing. While the need for jobs is universally acknowledged, the acknowledgement pays little more than lip service to the fact and to what really needs doing. Fine phrases and human storage are the pseudo-action with which we deceive ourselves. The employment of the employable members of the poor—and this is the only solution for the problem of poverty—means an adequate demand for the presently available labor of the poor generated by private enterprise or government or both together. Anything that doesn't amount to this is self-deception or worse.

In classical economics long-run unemployment was thought to be impossible since an available supply of labor created its own demand at a price. The days of the Great Depression put a crimp in this theory, for in that sorry time neither labor nor capital could be sure of a market. But whatever limitations there are on the theory, it has a measure of truth. And surely in a time of high prosperity it is odd in otherwise booming cities to see willing people idle for months and even years on end. Automation and labor-saving machinery indeed account for some of this. But they do not account for all of it.

There are unfilled needs that could employ many of the idle who are willing and able to work. These needs are effective demands in the sense that

they are backed up by money and therefore could generate paying jobs. Their failure to result in jobs stems from what the economists call rigidities and frictions in the labor market. In plainer English, they stem from minimum wage restrictions and other protective devices, union pressure, government, employers, and the woeful lack of organization of the market for unskilled labor.

What is difficult for us all to face up to is that we have had a growing gap between what one might call the "socially acceptable wage" and the "economic wage." In effect we say that anything less than, say, a dollar an hour will not support a socially minimally acceptable standard of life. Actually, of course, in many areas the effectively enforced minimum level is much higher.

Now the result of this is twofold. On the one hand we tell employers, "Unless you pay at least a dollar an hour—frequently much more of course—you can't hire a person." On the other we tell persons, "Unless some one will



pay you at least a dollar an hour—or unless like a farmer, you can employ yourself—you mustn't work at all." One should exempt from this general statement the politically potent agricultural area where minima have been resisted. Now these restrictions are supposed to be in the benevolent interest of the employee, and they would be if they didn't insure his more or less permanent unemployment.

It is treated as a matter of dogma that virtually no one can be worth less to a prospective employer than the socially acceptable wage. This dogma is the easier to sustain since its supporters never attempt to test it by investigating to determine whether or not in fact there are large numbers of people who are not worth the minimum wage. Be it quickly said they are not worth the minimum wage economically and this says nothing about their human worth. If it is the case that there are large numbers of people willing and able to work whose efforts are not worth the minimum wage, then our present restrictions condemn them to permanent unemployment. While the righteous will attack businessmen for not hiring these people at a loss, in the main they will not be hired. Indeed, some large businesses for public relations reasons will do some token featherbedding to show their good corporate citizenship. But all this will do is still further to assist us in avoiding the problem by deceiving ourselves.

The employment of the poor in a capitalist society depends on someone being able to make a profit from their employment. To pretend otherwise or to look askance at the necessity of someone's having at least to meet his costs is both self-defeating and intellectually dishonest. It does a disservice to the poor.

In a socialist society the state would employ the poor at a standard wage, absorb the cost, and distribute the burden over the rest of the society. In our own society we could at least do what we did in the New Deal, that is, put the poor to work on a W.P.A. instead of leaving them to rot in despised destitution on relief with soul-destroying consequences to them and to their children.

It is doubtful that our affluent society will be willing to do what our impoverished society did during the Great Depression. Because comparatively few of us are poor, and most of those who are poor are Negroes, we will look for "gimmicks" and cheap, easy "outs" that give us a feeling that something is being done to keep the poor out of our minds if not, as we would like it, out of our sight.

The W.P.A. remedy being unlikely, there is just a chance that we might be able to do something more effective and with more promise of long-term success. There is just a chance that this society could be induced to use constructively its private enterprise potential for the solution of our present hard core of unemployment and poverty. Any candid examination of the nation's economic history will provide evidence that this has always been our most efficient method for introducing and upgrading marginal members to and in the labor force.

The search for a profit has been the motive behind the socializing of peasant laborers drawn to the United States from Europe, Asia, Africa and Latin America to the requirements of an industrial society. In the past it has frequently not been a pretty process but it did the job. Nothing else has, and nothing else the society is politically prepared to do, will. The alternative to a private enterprise solution to poverty is the storage of people, some limited educational efforts, and a few low budget Hollywood spectacles to salve our conscience with the appearance of action.

Nothing that is likely to be undertaken will be massive enough or powerful enough to make a dent on the real problem. We can expect a ratio of means to ends even less impressive than in our efforts to improve the housing of the poor. This might be a blessing since the net effect of a some \$3 billion expenditure on urban renewal has been to reduce substantially the housing available to the poor, particularly the Negroes.

The most powerful force in our society as presently organized, with the possible exception of war, is in fact the search for profit. When at the end of World War II the G.I.'s were returning to an overcrowded housing market, F.H.A. and V.A. insured loans spurred an unparalleled level of housing construction. When during World War II directives couldn't produce fractional horsepower motors and the thousands of needed war materials, profitable contracts produced effective organization almost overnight. The memory of the feat of World War II's production, the basic source of victory, is fading and the fact that it was powered by profit (as well as patriotism) tends to be forgotten. A major job requires a major source of power. If we are serious in our intent to reduce or drive out poverty we can't be squeamish about using the major means at our disposal.

Quite simply we have to face up to creating the conditions under which the employment of the poor can be profitable. This certainly means, among other things as Professor Galbraith has pointed out, a willingness to make a major investment in the poor—to give them at least the threshold skills that are a requisite to employability. People who wish well for their country will try to make this educational investment more than a pittance and a well-publicized gesture. One need not be an incurable pessimist to doubt that strapped cities, penurious state legislatures, and a national government deeply divided and in a budget-balancing mood will offer the opportunity for massive, effective action on the educational front. Even if by a miracle more than a token effort is forthcoming, it will take us time to get our schools in shape to use added resources effectively. The Army reject figures are not a function of per capita pupil expenditures, as even a cursory state-by-state comparison will show. Beyond this, much of our problem is already with us in the form of the adult unemployed, the dropouts, passouts and pushouts of our school system and the home conditions generated by long-term unemployment and dependency that destroy even the motivation to learn on the part of the young.

Organized labor's approach to this problem has been largely confined to (a) calling for further restriction of the work week and (b) further protection from the competition of the unemployed. The New York electricians have so reduced their work week as to create a bottleneck that held down employment in the other trades, and then shut out employees in their own industry.

There is a tendency on the part of government to look to big industry as a source of jobs. This is where the quality jobs are. This is also the highly-unionized sector. This is where you have prominent public relations-conscious executives who can be put on the spot to provide jobs. It is tempting to call the heads of big industry together and say, "You solve the problem." In this direction lies the possibility of token jobs and featherbedding, plus some ritualistic "do-gooding" that can be publicized in the media as showing everybody's good intentions.

The sad fact, however, is that in big industry we will be lucky to hold even on the job front. For example, we know that in steel and autos we can now produce more and better with fewer. It is also in big industry that (if we don't want to hamstring ourselves in meeting foreign competition) we had better resist any temptation to extensive featherbedding. The plain fact is that the place Washington is most likely to turn for help in providing the jobs for an attack on poverty, is the place from which the least real help is likely to come.

Where the poor are initially likely to get most of their jobs is from marginal employers in marginal enterprises who see a chance to make a buck from the employment of cheap labor. It has to be faced that much of the labor of the unskilled and uneducated poor has to come cheap if anybody is to use it profitably. It has to make up in low cost for its lack of productivity. This sounds heartless, but it is even more heartless to store these people outside of the labor market and leave them and their children to rot in the "slum of despair." And it need not be as heartless as at first glance it seems.

As a society we need the broadest and most intensive search process to find jobs that our unskilled, uneducated young and old can perform—jobs that someone, somewhere will be willing to pay them to do. We must recognize that charity jobs will never be numerous enough to do the trick. We must face these fundamental facts.

First, having a job for young and old is, in most cases, the necessary prelude to the willingness and motivation requisite to undertaking the education necessary to a better job. Secondly, a home where the source of support has the dignity and social respect of employment is a near "must" to provide the environment in which children can be motivated to learn despite all the handicaps of the slum. So the jobs are essential.

Now none of the people in Washington or the heads of large corporations are equipped to nose out, to find and to dream up, the myriads of different bits and pieces of employment that the present poor could undertake which alone offer real hope of substantial employment in the present and near future. Some of the ablest entrepreneurs for this kind of thing are vilified by our society since their job is to make money by the employment of the miserable. Like the slum landlord, they are identified as the source of the misery of those with whom they are linked. Oddly enough the maids from the south side of Chicago, wending their way northward to employers, liberal and conservative alike, convey no such stigma on their employers.

Clearly if we really mean business about reducing poverty (and this can only mean finding jobs that the poor, as now equipped, will be paid to perform), we need to set in motion a massive search to unearth and even to create these jobs. The most effective way is not the altruism of the good but the profit motives of the hungry. The services of a Manpower Incorporated which has matched varied capabilities and part-time job needs all over the country and the world, are the kind of thing that would be most useful to assist in organizing the fragmented job market for the unskilled.



Among its other burdens, metropolitan disorganization has separated the poor from those who could most easily use such services as they have to sell. The irate heart case in Winnetka denies that anyone on the south side is willing to work, since no one automatically appears to shovel the snow off his roof or tend his lawn.

If the poor are to have the dignity and the education of employment, artificial restrictions which, like protective tariffs, wall them off from the labor market, must be overcome. Mayor Daley had to override the objections of the common laborers' union to permit the poor to shovel snow. School principals have mourned that they were prevented from having their charges earn legitimate money by washing down factory walls for sums as attractive as a dollar an hour. Housing officials have been dismayed when they found that they couldn't put the children of the poor to picking up broken glass and trash in conservation areas without having the children's earnings deducted from their mothers' relief checks. One wonders whether there really is a desire to have the poor work rather than rot—if they would only rot quietly.

The most immediately valuable task the federal government could undertake is an exhaustive market analysis of the potential jobs in the nation's urban areas. At the present time we all have a strong hunch, and more than a hunch, that the major growing edge of new jobs relevant to the poor is in the service area. An affluent society can and will pay for leisure.

Concretely this means that if you can get your windows washed competently and at a price, you will have it done. Even if you use the supermarket, you will be willing to pay for pick-up and delivery. If you use the coin laundry, you will still be happy to have someone baby-sit your clothes, just as you are to have them baby-sit your children. The market for services is no longer confined to the wealthy and the upper-middle class. That it is big and growing we have every reason to suspect. The tourist industry is now the biggest industry in dollar volume in the nation. While it is difficult to find with precision how many customers exist potentially for what services, for how many hours, and at what rates, it should not be an insuperable problem to evaluate the potential market in a meaningful way.

None of the people who will largely populate this area with small (though in some cases potentially large) business is in a position to do the job of market analysis that needs doing. The discovery of the general areas where the jobs are, and the markets that could be developed, would provide a major stimulus to further exploitation of the service area. We have little idea of the demand that could be developed for handymen, cleaning, gardening, repair and minor maintenance, pick-up and delivery, and the like if its dimensions were known and assistance provided for its exploitation.

One of our greatest shortages for the development of the service area is the lack of competent small businessmen. The top executives who can be mobilized by the Chambers of Commerce are not accustomed to run a small business. Our business culture and our educational system have been unfavorable to the encouragement and development of the small entrepreneur.

Small business loans, while helpful, will not by themselves do the job. The Chicago Association of Commerce and Industry has recognized this fact and is busily engaged in recruiting able small businessmen and women to help develop and train others. One woman and her daughter, who a few short years ago were cleaning apartments themselves, are now employing a number of others in what has become a prosperous business. Just as the scarcity of entrepreneurial ability is a handicap in the underdeveloped countries, so it is here too in the employment of our poor.

Large businesses and Chambers of Commerce have a stake and a role to play in developing small business talent that can perform the vital task of bringing marginal labor and marginal jobs into effective supply and effective demand. Government has a lot to do with making this possible both by market analysis of potential demand and by reducing, to the extent possible, the inevitable risks of development.

Since many of the poor have not the productivity to earn a humanly decent minimum wage, it has been suggested that the government should subsidize their employment to permit them to earn part of their keep with dignity, as well as to reduce total outlay. Many employers will object to having their competition subsidized, and unions too may look on this with a jaundiced eye. However, in areas where the subsidized employment is designed to upgrade people to the possession of a marketable skill, little objection has been raised. Thus, programs to train cab drivers and filling station attendants have been undertaken with marked success.

There are, in all probability, many similar areas where it would pay to have government, in effect, subsidize the poor and a segment of industry to equip—by on-the-job or apprentice-type education—those now unemployed or underemployed for a more promising avenue of stable employment.

It should be recognized that there is an element of the poor who cannot be profitably employed by private enterprise and whose employment would require a continuing subsidy. These are either too old to learn, too disturbed, or too deprived. The importance of having them do such useful work as is possible, rather than rot on indoor relief, is not only for the sake of their humanity—and ours—but for its effect on the future of their families. Dignified employment for heads of households is essential to providing the environment in which the young can avoid being trapped in the culture of poverty.

While it is important to use the private sector of the economy as much as possible to solve the problem of poverty. It is clear that a major source of new jobs both now and in the future will be in the public and mixed public-and-private sector.

Hospitals are an important example of a service area that is already receiving subsidy of one kind or another practically across the board. The heavy needs of relatively low-skilled service work in this area argues for its use as an avenue for subsidized employment and upgrading of the under-employed poor. It is important however that the government's interest in the process of upgrading be definite and forceful.

Another major area of potential employment and great need is the schools. In many slum, and even better area schools, a major portion of the teacher's time is spent in custodial work. Pupils can be used to supervise and even to help teach and add to family incomes where now needed. Adults too can be used in the school, and subsidized employment here would raise problems neither with industry nor labor. To the extent people from the neighborhood could be effectively used, some helpful bridge might be built between the school, composed largely of non-residents and the neighborhood.

We need to recognize and commit ourselves to the value of work and useful employment as essential to human dignity and to the building of character. Nowhere is this more tragically misunderstood than in our policies with respect to those on relief. Instead of providing incentives for relief recipients to fend for themselves and secure employment, we discourage them by allowing so small a margin over their relief check as to all but remove incentive to seek work. Where this is not the result, most frequently a battle of wits develops between social worker and case to discover and conceal employment. The result is a colossal waste of social worker time that could go into constructive human problem-solving rather than paper shuffling and police work. What is worse, it frequently results in removing any incentive to try to work. We ought to make it a cardinal principle that work is therapeutic and should be encouraged, not discouraged.

Impediments to the employment of the unskilled and uneducated will have to be removed if they are to work at the only jobs for which they are currently fitted. This does not mean that every facility should not be provided and every effort made to educate and upgrade young and old to higher levels of employability. It emphatically does not mean abandoning the poor to the tender mercies of those who would ruthlessly exploit their misery and defenselessness.

It does mean, however, that the present level of productivity of the poor has to be faced. If we mean business we cannot refuse to look realistically at what their present skills are worth on the labor market—quite simply, what an employer can afford to pay for them. If, as will frequently be the case, what an employer can afford to pay is less than what we consider a humane minimum wage our alternatives are to compel the poor to work for the economic wage, to store them off the labor market as we now do, or, as would be more humane and sensible, to face up to the need for a wage subsidy to bridge the gap between the economic wage and the humane minimum.

There are many reasons in favor of a scheme to make up the difference between what the poor can now make as an economic wage and what society considers a humane minimum. *First* and foremost among these is that the dignity of employment in our society is essential to people's souls and to their children's. This is why work relief of the W.P.A. type has such wide appeal, even though it is more costly than home relief. Any long term unemployment



cripples the person unemployed and in doing that is all too likely to create a crippling environment for children. *Second*, a wage subsidy, unlike the W.P.A., would be cheaper than our present relief program since the efforts of the poor would contribute at least to their partial support. *Third*, unlike the W.P.A., employment would not be expensive make-work, but real jobs needing to be done for which people are prepared to pay. *Fourth*, the stimulus of the search process for ways to profitably employ redundant labor is critically needed if we are to find and develop the new jobs needed to clear the labor market. We know these jobs will not be forthcoming from large scale industry and must come from service trades and services involving small scale employers and personal employment.

Organized labor will have legitimate fears that a program of wage subsidies could undercut valid labor standards. This can be guarded against by providing wage subsidies only in areas that are non-competitive with union labor employment. If the "lump of labor" theory is advanced, there can of course, be no solution except the present policy of storing the poor off the labor market.

Industry as well as labor may fear that some competitors might gain an undue advantage by having their labor costs subsidized. However, since the employment would be open there would be a fair field with no favorites. Abuses would naturally need to be guarded against. They seem no more insuperable than those involved in G.I. education. The gains from the productive employment of the unemployed poor would seem to infinitely outweigh such risks as would need to be run.

The problem of the poor is massive and pressing. Our racially split cities seethe with it. *With jobs*, every problem that we now face in race tensions, juvenile delinquency, slums—the whole stock of human ills bound up with poverty—become easier of solution. *Without jobs*, everything becomes more dark and menacing.

It would be a pity if, after the splendid performance of our economy in winning a war against external enemies, that same economy were denied the chance to destroy the enemy at home. The late Professor Schumpeter prophesied that we would march into socialism not because free enterprise could not solve the problem of poverty but because it would not be permitted to do so. This prophecy need not, but can, come true.

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