

Historical Amnesia: The Humphrey-Hawkins Act, Full Employment and Employment as a Right*

Helen Lachs Ginsburg

Published online: 7 December 2011
© Springer Science+Business Media, LLC 2011

Abstract Economist William A. Darity has proposed a federal job guarantee with decent wages for all job seekers, an idea with deep, but largely forgotten, roots in US history. The article briefly explores some New Deal job-creation efforts and President Franklin Roosevelt's proposal for an Economic Bill of Rights. It then focuses on two major attempts to secure full employment through legislation. The Full Employment Bill of 1945 was defeated; the compromise, the Employment Act of 1946 did not have full employment as its goal. After years of struggle, a much-weakened Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978 passed, but then was violated and virtually ignored. Full employment shifts power from capital to labor, so major opposition can be expected from efforts to obtain it. Proponents need more power and a strong movement, including at the grassroots level, pushing for jobs for all—not just jobs for me or my group. Publicizing the benefits of past job programs and reintroducing the idea of a decent-paying job as a right are suggested, as well as making decent jobs for all the center of economic policy. This requires a fundamental break with neoliberalism and reallocating political power away from big business and Wall Street toward middle and working-class people and the working- and non-working poor.

Keywords Full employment · Jobs proposals · The Humphrey-Hawkins act · New Deal job creation · The employment act of 1946 · Employment as a right · CETA

*This is a substantial expansion and revision of a presentation at the October 1, 2010 Howard University Economics Department Conference on Jobs and the Future of the US Economy: Possibilities and Limits. Parts of it draw from my book: *Full Employment and Public Policy: the United States and Sweden (1983)*. My thanks to Professor Haydar Kurban and graduate students at Howard University and to Professors Gertrude S. Goldberg of Adelphi University and Frank Stricker of California State University-Dominguez Hills for various forms of invaluable support.

I want to thank the organizers of this conference for bringing us together on a critical issue. Hopefully, the conference is just the beginning of a continuing dialogue among people striving to put the need for jobs and how to create them on center stage.

H. L. Ginsburg (✉)

Economics Department, Brooklyn College–City University, Brooklyn, NY 11210, USA
e-mail: helenginsburg@yahoo.com

Introduction

Though Wall Street was rescued by the federal government from a crisis that it helped to create, economist William Darity (2010) has noted that “it is stunning how cautious the response has been to the nation’s greatest economic crisis since the Great Depression of the 1930s.” The crisis is a disaster for tens of millions of American workers and their families. In January 2011, official unemployment averaged 9.0%—representing 13.9 million persons. However, persons working part time who would like full-time employment, as well as persons who want jobs but have not looked for work in the past 4 weeks, are not included by the Bureau of Labor Statistics in the official figures. Including them, as the National Jobs for All Coalition (NJFAC) does monthly on its website (NJFAC), brings the figure to 18.0%—28.7 million people. While all groups have seen sharp rises in unemployment, there are wide disparities. For white workers the jobless rate was 8.0%—but for African Americans it was a depression level of 15.7% and for black 16–to–19 year olds it was an astronomical 45.4%. In addition, in 2009 (the latest year available) 16.3 million people were working year-round full time, yet earned less than the inadequate official poverty level for a family of four (NJFAC).

Professor Darity (2010) laments “the failure to undertake or even to consider more daring and imaginative policies [than the stimulus of 2009] to produce a healthy and equitable economy.” And he proposes a “powerful transformative policy,” “a federal job guarantee that would insure that all persons willing to work would be able to obtain work” (see also, e.g., Harvey 1989 and 2000; Wray 1998). Darity (2010) also shows its economic feasibility, at a minimum annual salary of \$20,000 (a mean of \$40,000) plus \$10,000 in benefits, to provide jobs for all of those currently jobless. He spells out the extensive advantages that would accrue both to the unemployed, to workers and to society, including addressing the nation’s vast unmet physical and human infrastructure needs, security for workers, improved health, elimination of working poverty and a chance for former prisoners to become useful members of society. Professor Darity’s idea and variants of it have deep roots (Nixon 1973) and some of these roots are part of 20th century US history.

In this article I briefly explore some New Deal job creation efforts and President Franklin Roosevelt’s Economic Bill of Rights. The main focus is on two major attempts to secure full employment and the right to a job through legislation. In the 1940s, the ill-fated Full Employment Bill of 1945, failed to pass; the Employment Act of 1946, passed, but did not have full employment as its goal. The second major attempt, in the 1970s, led to passage of the weak Humphrey-Hawkins Full Employment Act of 1978, which has been virtually ignored.

In the article, I draw partly from my experience as a participant observer. In the 1970s, I was an academic economist and active participant in the struggle to attain strong full employment legislation in the United States. During that period, I wrote, consulted with many groups (mostly faith-based) provided testimony to Congress, and spoke extensively throughout the country on unemployment and the need for a federal government commitment to full employment. I am a co-founder and currently serve on the executive committee of the National Jobs for All Coalition (NJFAC), an organization that educates and advocates for a government policy of living-wage jobs for all who want to work.

Background

The Great Depression of the 1930s and World War II set in motion a major attempt to establish full employment and “the right to a job” as federal government responsibilities.

The Great Depression and the New Deal

The Great Depression, a traumatic event, was a turning point in US history. When Democratic President Franklin D. Roosevelt was swept into the White House in 1933, unemployment was 25%—up from 3% in 1929. Hopelessness and desperate poverty were rampant. But his predecessor, Republican President Herbert Hoover, had effused optimism and the view that “recovery was just around the corner,” even as unemployment rose precipitously under his watch [(Hession and Sardy 1969) p630]. The New Deal mostly—but not completely—broke with the prevailing orthodox neoclassical economic doctrine that saw capitalism as self-regulating and thus denied the possibility of involuntary unemployment or minimized its extent, except as a temporary phenomenon caused by wages that are too high. Traditional economics declared that the cure is lower wages; residual unemployment is deemed voluntary, thus putting the onus for unemployment on the individual, not the society. Typical policy prescriptions were belt-tightening—that is, cutting wages and government expenditures—and *laissez faire*.

It is well known that the noted British economist (Keynes 1936) challenged that theory, found no built-in mechanism in capitalism to overcome high unemployment and advocated large-scale government expenditures to stimulate sagging private-sector demand.¹ However, pragmatism more than theory influenced New Deal policies, which often, but not always, resembled those advocated by Keynes [(Bernstein 1985) Ch.4, (Leuchtenburg 1963) p243–250].

Spurred by myriad social movements, the New Deal stressed, among other things, large scale public investment and direct government job creation. The New Deal used indirect efforts to create private-sector employment through major publicly-financed projects, especially the Public Works Administration. The PWA built much of the nation’s infrastructure in the 1930s, including, among many examples, the Lincoln Tunnel and Triborough Bridge in New York, Oregon’s coastal highway, the Port of Brownsville, Texas, the overseas highway between the mainland and Key West, Florida and the majority of the era’s new schools, courthouses, city halls and sewage plants.

The New Deal also stressed direct job-creation programs for the unemployed with the government as the employer. Best known are the Civilian Conservation Corps (CCC) and the Works Progress Administration (WPA). The CCC [(Bernstein 1985) p155–160] was a conservation-oriented program that mostly served unemployed young men. Among its many accomplishments, CCC workers planted 2 billion trees, thinned 4 million acres of trees—some of them on burned-over landscapes—stocked streams with nearly a billion fish and left a legacy of land, water, forest preservation and recreation for future Americans, including ourselves. The WPA, perhaps the best remembered

¹ Karl Marx, writing in the 19th century, believed that unemployment was an inherent part of capitalism that helped to keep down wages—and that unemployment could only be ended with capitalism’s downfall. So Keynes was also implicitly challenging Marx’s view.

and most controversial of the direct job-creation programs, was established in 1935, when President Roosevelt proposed a program to provide work for every able-bodied jobless person. It peaked at 3.3 million workers, but never managed to give jobs to more than 31% of the unemployed (Ginsburg 1983).

Even a partial listing of WPA activities shows its scope and the variety of imaginative and useful projects—though the lion's share was in construction, which worked against job creation for women. WPA workers not only built or reconstructed 617,000 miles of roads, 124,000 bridges and viaducts, 120,000 public buildings and thousands of parks, playgrounds and athletic fields; they drained malarial swamps, organized nursery schools, and taught illiterate adults to read and write. WPA actors set up theaters throughout the land; WPA artists produced murals, sculptures and paintings, some of which still adorn our public buildings. The WPA helped to sustain the talents of writers like Saul Bellow, Studs Terkel and Richard Wright—as well as the dignity of millions of other people who otherwise would have been forced to remain idle.

New Deal programs literally changed the face of the nation and paved the way for future prosperity. They showed that the government could act swiftly to create large-scale productive employment. Nonetheless, as Mangum (1969) notes, the WPA was often charged by its opponents as mere “leaf-raking.” These were not perfect programs. WPA jobs, for instance, generally paid more than welfare but less than prevailing wages and were of limited duration. And there were various forms of discrimination against women—and against blacks, most of whom lived in the South. The distinguished black historian John Hope Franklin, trying to sum up one part of the WPA experience states, “under the WPA there was such a variation in policy from place to place as to make impossible any general statement with regard to the treatment of Negroes” [(Franklin 1969) p538].²

Continually attacked by conservatives and business as too large, New Deal expenditures were actually too small to end the Depression. (Had equally massive expenditures been made on domestic programs, it would not have taken a World War to end the Depression.) Unemployment was still 10% in 1941³ when the US entered World War II, but it fell rapidly to 2%, hitting an all-time low of 1.2% in 1944, effectively ending the Great Depression and ushering in several years of wartime full employment.

Wartime full employment

With a huge expansion of the armed forces plus millions of civilian war jobs to fill, severe labor shortages developed and people whose labor had previously been rejected or who had been out of the labor force became valuable workers. Among them were women, older and younger workers, disabled persons and blacks. Discrimination did not melt away, but given the tight labor market plus the threat by black labor leader A. Phillip Randolph of a protest March on Washington against employment discrimination, President Roosevelt issued an executive order that enabled black workers to make some breakthroughs in industry, though mostly as manual workers (Bernstein 1985; Franklin 1969; Marshall 1969; Randolph 1964). Low unemployment during World War II, according to James K. Galbraith [1998,

² For more information and discussion of the forms and extent of discrimination, see [(Bernstein 1985 p 156–157, 286–289; Franklin 1969 p 534–560; Rose 2009)].

³ Official unemployment statistics for the Depression era count people working on job-creation programs as unemployed. Unemployment rates would appear smaller if they had been counted as employed.

p16], “brought [wage] inequality down ... more than it had previously risen through the Great Depression [it] created all at once, the middle-class wage structure of the American mid-century.”

But a few years of full employment could not erase a pervasive fear of a return of the depression after the war. And there was also a strong feeling, especially in labor and liberal circles, that a nation that was capable of providing jobs for all during wartime could and should be able to do the same during peacetime. Thus, in 1944, while the war still raged, full employment and jobs for all emerged as a national issue.

Roosevelt’s Economic Bill of Rights

President Roosevelt (1944) in his January 1944 State of Union Message, proposed “a Second Bill of Rights under which a new basis of security and prosperity can be established for all—regardless of station, race or creed.” Unlike the original Bill of Rights, these were economic rights. First on list was “the right for all...to useful and remunerative jobs.” Roosevelt’s humanistic vision of employment as an economic right (along with, among others, the right to earn enough to provide adequate food, clothing and recreation, and the right to adequate housing, medical care, economic security and a good education) contrasts with a different and narrower concept of full employment presently embraced by many economists and others, which focuses solely on an unemployment rate or even, as explained later, on an inflation rate (Ginsburg 1991).

This broader human rights tradition is expressed, for example, not only in Roosevelt’s Economic Bill of Rights but also in the United Nations Charter, Article 23 of the Universal Declaration of Human Rights, and by the British economist, Sir William Beveridge (1945), whose influential book, *Full Employment in a Free Society*, clearly defined full employment in terms of human beings who are out of work and meant always having more vacant jobs than jobseekers [p18]. According to Beveridge, the message society sends to a worker unable to find a job is that you are useless. So, even if adequate income is provided from unemployment insurance, it is a “personal catastrophe” [p23]. This humanistic concept of full employment stresses the benefits of full employment: that greater utilization of human and other resources means rising living standards and—with some exceptions—for example women in some earlier conceptions based on the traditional homemaker role—no individual or group is left out (Ginsburg 1991; Goldberg 2000).

In the 1944 presidential election, full employment emerged as the major issue. Not only did the Democratic Party platform promise to “guarantee full employment.” But Thomas Dewey, the Republican presidential nominee, embraced support for full employment and even emphasized the government’s obligation to intervene in the economy to provide sufficient jobs, when necessary, to give “every man and woman a chance to earn a decent living” (Bailey 1950).

The Ill-fated Full Employment Bill of 1945⁴

In reality, however, conflicting interests and philosophies that persisted throughout the New Deal had not vanished. By 1945, political sentiment for full employment had

⁴ Much of what follows on the Full Employment Bill of 1945 and the Employment Act of 1946 relies heavily on the comprehensive legislative history of the Employment Act of 1946 by Bailey (1950).

entered the legislative arena. The Full Employment Bill of 1945 (S. 320 1950), as originally introduced by Senators Robert Wagner (D-NY) and James A. Murray (D-MT) in January 1945, seven months before the end of World War II, had a clear unambiguous goal. It called for a “national policy and programs for assuring full employment:”

All Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment. And it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans...to freely exercise this right [(S. 320 1950) p 243–248].

The Wagner-Murray bill spelled out the federal government’s role in assuring full employment. The President was to transmit an annual National Production and Employment Budget to the Congress. This would include estimates of the size of the labor force, total national production needed to provide jobs for the labor force, and the total production without special measures by the federal government. But if anticipated production was insufficient, the federal government was to encourage sufficient additional nonfederal investment and expenditures to stimulate creation of private-sector jobs; and, if necessary, federal expenditures were to close the remaining gap to assure full employment. It was an attempt to achieve full employment in the broad sense of jobs for all by using Keynesian techniques.

The Full Employment bill had the support of a broad group of labor, faith-based, civil rights, liberal, social welfare and other organizations. It was vehemently opposed by the National Association of Manufacturers, the American Farm Federation (representing large farmers who feared losing cheap labor), and the Chamber of Commerce.

The bill passed overwhelmingly in the more liberal Senate by 71–10 in September 1945, one month after the War had ended, only to be defeated in the more conservative House at the end of 1945. Conditions had changed. The expected postwar depression had failed to materialize; anti-labor feelings were fueled by postwar strikes; and conservative groups, especially big business, intensified their campaign against the bill. Some extreme conservatives who opposed the bill argued that we need depressions or a floating pool of the unemployed, but as Stephen Kemp Bailey points out, for obvious reasons, these were not widely publicized. Mostly, the public and Congress were told that the bill was totalitarian and un-American, destructive of free enterprise and its underlying economic theories were dangerous and impractical. While moderately conservative groups were willing to accept it with amendments, “the most powerful voices on the right wanted the bill destroyed or severely emasculated” (Bailey 1950).

The Employment Act of 1946

The Employment Act of 1946 (PL 304 1946) differs markedly from the Full Employment Bill of 1945. The 1946 Act was introduced by Rep. William Whittington (D-MS) and conservative Senator Robert A. Taft (R-OH). (Taft is also remembered for the anti-labor Taft-Hartley Act of 1947, passed only over the veto of President Harry Truman.) The 1946 Act explicitly rejected the goal of full employment and the federal

government's obligation to intervene in the economy to guarantee jobs for all. Instead there is an obligation:

to create conditions under which there will be afforded useful employment opportunities for those able, willing and seeking work, and to promote maximum employment, production and purchasing power.

The vaguer goal of “maximum employment” was substituted for full employment and the government's commitment was limited to “all practical means consistent with the needs and obligations of national policy.” Thus, employment was no longer the unambiguous priority. Nor did “impractical” means of attaining goals have to be used, thus leaving open the door to flexible interpretations—for example, that attaining the employment goal would be inconsistent with the goal of stable prices. Other changes were consistent with these. There was no National Production and Employment Budget or clearly stated pledge to use federal resources to assure full employment if the private sector did not do so; but it did require an annual economic report of the president and establishing a Council of Economic Advisers and the Joint Economic Committee of Congress, which remain with us.

In the context of the time, the difference between “full employment” and “maximum employment” was not merely semantic and insignificant. According to the Conference Report of the Congress, these represented important philosophical differences about the employment objective and extent and role of government's involvement in the economy:

The House substitute declared that...the function of Government is to promote and not assure or guarantee employment....the term “full employment” is rejected, and the term maximum employment is the objective... the words or terms “full,” “guarantee,” “assure,” “investment”, and “expenditures,” do not occur. The goal is maximum or high levels of employment. The emphasis on expenditures and disbursements is omitted [Cited in 11 p16–17].

The Employment Act of 1946 was landmark legislation. But its goal was not to guarantee employment or bring full employment in the sense of a job for everyone who wants to work. Rather, its objective was to prevent mass unemployment.

The post world war II era

The post-war era did not see a return of the Great Depression or mass unemployment, but unemployment never returned to the lows of the World War II years. There were recurrent recessions and chronic unemployment persisted, even in good times, and it was easier to ignore than mass unemployment. Although most of the jobless were always whites, blacks were harder hit. Official black unemployment was generally double that of whites (Ginsburg 1975).

For good reason, the historic 1963 March on Washington was officially named the March on Washington for Jobs and Freedom. Further, as Mathew Forstater notes, “the theme of job creation runs through Dr. King's writing (Forstater 2002) and Dr. King reiterated over and over again that ...“government [should] become an employer of last resort.” “We need an economic bill of rights. This would guarantee a job to all people who want to work” [cited in (Forstater 2002) p 48].

During this era, full employment came to be defined as an unemployment rate—often 4 to 5%—higher than the 2 to 3% used in the early postwar era. Later, in 1977, Herbert Stein, who had earlier been head of President Richard Nixon’s Council of Economic Advisers, called 7% unemployment—the rate at the time—“full employment” and some economists today think 6% unemployment is “full employment.”

In the second half of the 1960s—all Vietnam War years—unemployment dipped somewhat below 4% for the first time since the Korean War years. From 1966 to 1969 it averaged 3.7% and many thought that full employment had arrived. However, a 1966 Labor Department special survey of slums and ghettos cast doubt on the usefulness of official unemployment figures in those places. Massive disparities were found between the national unemployment rates and unemployment and underemployment in such areas (U. S. Department of Labor 1967). During an era of supposedly full employment, there were also widespread urban riots throughout the United States. A high-level commission, appointed by President Lyndon Johnson and headed by Governor Otto Kerner of Illinois to investigate why the civil disorders happened, concluded that depression-levels of unemployment, underemployment and poverty wages in the nation’s ghettos were major causes. It called for the creation of two million more jobs in 3 years, an action that was not taken (U. S. National Advisory Commission on Civil Disorders 1968).

During the post-war era, in many circles the definition of full employment shifted from people to prices, as did public policy. Shortly before the Kerner Commission released its findings, conservative free-market advocate Milton Friedman (1969) gave the presidential address to the American Economic Association. At the time of Friedman’s talk, the so-called trade-off theory was in vogue. It posited an inverse relationship between unemployment and inflation [(Ginsburg 1975) part 2, 11 p22–29]. (The trade-off theory was used extensively by opponents of the Humphrey-Hawkins Act (Schantz and Schmidt 1980)) Friedman went even further. He contended that there is a “natural” rate of unemployment consistent with a constant rate of inflation—and warned that attempts to achieve unemployment rates that are too low—that is, below the “natural” rate—not only were fruitless but would lead to accelerating inflation. The Non-Accelerating Inflation Rate of Unemployment—the NAIRU—became a standard economic concept and soon full employment was often used to mean an unemployment rate below which it was thought inflation would accelerate. But that did not happen when unemployment in the late 1990s and 2000 dipped below the rate many economists had considered the NAIRU (Bernstein and Baker 2003).

The Comprehensive Employment and Training Act of 1973

Job creation programs were not a hallmark of the postwar years. In the 1960s, the focus was on education and training programs but in 1971 a small job-creation program was signed into law. In 1973, the Comprehensive Employment and Training Act consolidated and decentralized most programs. The largest jobs program (including training components) since the 1930s, CETA used states and local communities, not federal administrators, as prime sponsors.

CETA originally served mostly the chronically unemployed and the poor. But with the onset of a very deep recession in the mid-1970s—with unemployment higher than any time since the 1930s—the very poor were competing with jobless “regular” workers in an economy that didn’t provide enough jobs for either. In 1978, CETA was reauthorized by

Congress so that it was largely for the poor, which added to its political woes. Labor economists Ray Marshall (Secretary of Labor at the time) and Vernon Briggs [(1989) p597] note that “given limited resources, it made sense to target the most needy, but from a political standpoint the change meant that CETA had little to offer the vast number of unemployed who had had incomes above the poverty level,” and it was perceived of as a program just for the poor. CETA was first cut by the Carter administration, and then eliminated completely by the Reagan administration in the midst of a deep recession with double-digit unemployment.

CETA had problems but its workers performed many useful jobs, e.g., in social services, food coops, weatherization, senior care, conservation, and as teachers’ aides (Marshall and Briggs 1989; Rose 2009). It was unfairly maligned with some of the same charges as the 1930s programs, e. g., “make-work” as well as new ones—often the result of conflicting goals set by Congress (Bullock 1981; Ginsburg 1985; Rose 2009). Obstacles notwithstanding, Bullock (1981), in his study, concludes that CETA’s overall accomplishments were very positive and Marshall (1984) shows that despite the conventional wisdom, the overwhelming evidence supported the view that CETA was a good investment for society. CETA peaked in 1978, with roughly 750,000 workers. At the time 6 million people were officially unemployed. CETA was not designed to be a full employment program to provide decent work for anyone who wants it. Nor has any other program. Still, the dream of jobs for all did emerge again in the 1970s, as the struggle for the Humphrey-Hawkins Act shows.

The Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978

Despite the persistence of unemployment in the postwar years, full employment did not emerge again as a major public policy issue until the mid 1970s, in a struggle that led to passage of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978, (PL 523 1978) which is still a US law.

In June 1974, an early version of this legislation, the Equal Opportunity and Full Employment Act of 1974 (H.R. 15476 1974), was introduced into Congress by the principal author, Rep. Augustus Hawkins (D-CA), co-sponsored by Henry Reuss (D-WI). Shortly thereafter, liberal Senator Hubert Humphrey (D-MN), who had been Vice President under Lyndon Johnson, introduced an identical bill in the Senate. Hawkins, an influential member of the Congressional Black Caucus (and one of its founders), who died in 2007 at age 100, had played a major role in drafting the Civil Rights Act of 1964, especially Title VII. Deeply committed to equality for all people and to a broad interpretation of full employment as a human right, Hawkins did not see the bill as simply an anti-recession measure or another jobs program. Indeed, the economy was not in recession when the legislation was in its formative stage, but he represented the Watts ghetto of Los Angeles, a district haunted by endemic poverty and depression levels of joblessness even in so-called “good times.”

Hawkins, however, strongly believed that full employment would not simply benefit the ghettos. The whole society would gain. In his view, full employment had a double goal: to provide jobs for all and, by utilizing the labor of the jobless, to fulfill unmet social and human needs. It was not a panacea; it would not alone solve every problem; but it was an important key to reducing poverty, inequality, discrimination, and crime, and to improving living standards and the quality of life of all people.

Significantly, Robert Browne, founder of the Review of Black Political Economy and the Black Economic Research Center, was one of Hawkins' advisers on the bill and helped to shape the early version, which Anderson [(2008) p95] has called "the boldest employment policy initiative ever introduced in the Congress." The goal of the first version was a job for everyone who wanted to work and was able to work—including persons not in the labor force as it is traditionally measured. So *all* meant just that: women, older and younger people, physically and mentally handicapped people, members of racial, ethnic, national or religious minorities, veterans, ex-drug addicts, and former prisoners. The strategy was to create most jobs through federal economic policies geared toward increasing the overall demand for labor. An integral back up component of the policy required the government to create an adequate number of jobs for everyone still out of work. Federally funded reservoirs of public and private projects to meet community needs were to be developed in all labor markets and Job Guarantee Offices were to refer jobseekers to suitable private or public employment, or, if need be, to temporary employment in a Standby Job Corps. Anybody who applied for work at a Job Office, including handicapped persons, was to be considered "prima facie 'willing and able' to work" [(H.R. 15476 1974), Sec 5(g), p13].

The core of the bill—the most controversial part that differentiated it even from the ill-fated Full Employment Bill of 1945—was the inclusion of a legal, enforceable right to employment. Someone who felt unfairly deprived of his or her job rights was entitled to an administrative appeal and, if necessary, could go to court and sue the government. Interestingly, no target unemployment rate was specified because the goal was simply to have enough jobs for everyone who wanted to work, including, as previously mentioned, those not customarily counted as part of the labor force. Full implementation was to take five years.

Support for the original version of the law, the Equal Opportunity and Full Employment Bill, as Anderson [(2008) p95] points out, was "underwhelming." But in March 1975, only 9 months after its introduction, the official rate of unemployment rose rapidly—from 5.2% to 8.7%—and was still climbing. That prompted the introduction of a new version, (H. R. 50 1975) meant to acknowledge the immediate crisis as well the chronic crisis. The new version set an unemployment rate target of 3%, to be attained within 18 months, as well as other measures which did not alter the philosophy or final goal of real full employment with a job guarantee.

Consciousness about full employment was starting to increase and two groups to work for full employment were formed: The National Committee for Full Employment and its legislative arm, the Full Employment Action Council, both initially co-chaired by Coretta Scott King, widow of Dr. Martin Luther King, Jr., and labor leader Murray Finley, head of the Amalgamated Clothing and Textile Workers Union.

A very large group of leaders was brought together from groups with a direct stake in full employment or a belief that it was a major societal need. They represented faith-based, women's, civil rights, ethnic, native American, labor and liberal groups, seniors, and others. However, the bill itself lacked support from the AFL-CIO, and without it, it could go nowhere in Congress. The AFL-CIO strongly opposed the legal enforceable right to a job as impractical and unnecessary, a charge

denied by the legal department of the United Auto Workers, which supported the bill and was not part of the AFL-CIO at the time. UAW lawyers claimed that without the private right to sue, which exists in many federal and state programs—for example unemployment benefits—the right would not be enforceable.

Why the opposition from organized labor? Speculation about other possible reasons heard by the author at the time, included a fear of flooding the labor market with job seekers; not having a high priority because unemployment didn't affect union members directly; and the racism of some unions, particularly in the building trades, where minorities were pushing for affirmative action.

However, rising unemployment—even among union members—did put pressure on AFL-CIO leadership. Eventually the bill was redrafted and given a new title: The Full Employment and Balanced Growth Act (H.R. 50 1976), which was heavily influenced by Senator Humphrey and the AFL-CIO, which gave it its endorsement and promised all-out support. As its new name implies, the emphasis on equal opportunity was gone and the bill incorporated some features of an earlier planning bill sponsored by Humphrey and Senator Jacob Javits (R-NY). More comprehensive in its methods, it was far more modest in its goals, including limiting the size of the job reservoirs. And, most significantly, it entirely eliminated the right to sue for a job and thus dropped the job guarantee.

The basics of this version of the bill became part of the Democratic Party platform in 1976. However, Senator Humphrey, a leading candidate in the presidential primary, withdrew because of failing health. Other leading primary candidates were early supporters of the bill, but not Jimmy Carter. Eventually, he reluctantly endorsed the bill's goals but not the bill. Only after winning the primary did he finally endorse the bill itself—one that had been rewritten and weakened to meet his objections.

From 1976 until its passage in 1978, absent a strong counter pressure in the country calling for a stronger bill, Humphrey-Hawkins' full employment orientation was successively weakened. Unemployment, too, declined and that weakened support. In a decade characterized by "stagflation,"—inflation as well as unemployment—inflation became a larger issue. Influential business groups, not surprisingly, opposed the bill; but some liberals deemphasized unemployment and creating employment and shifted their emphasis to fighting inflation. Indeed, Charles Schultze, head of President Carter's Council of Economic Advisers argued that inflation took precedence over job creation and that specific targets for unemployment and creation of public-sector jobs were a threat to price stability and should be removed from the bill [(Goldberg and Collins 2001) p161]. Some supporters wondered whether this reflected an anti-poor bias and a desire to keep low wages low [(Ginsburg 1983) p71]. And, among many, the bill came to be seen as a "black issue".

According to Harvey L. Schantz and Richard H. Schmidt (1980), the strategy of opponents to alter the bill through adding specific goals was partly successful, since there was great difficulty in maintaining full employment as the purpose of the bill.

The Humphrey Hawkins Full Employment and Balanced Growth Act of 1978 (PL 523 1978) was signed into law by President Jimmy Carter on October 27, 1978. A complicated law, its stated purpose is "to translate into practical reality the right of all Americans who are able, willing and seeking to work to full opportunity for

useful paid employment at fair rates of compensation.” There are multiple goals: “full employment, production and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability.”

However, there are only two numerical goals: unemployment, which was supposed to be reduced to 4% within 5 years—by 1983. It is not widely recognized that this was clearly stated as an *interim* not a final goal—which is to further reduce unemployment until full employment—which is nowhere defined in the law—is reached. Thus, it implicitly rejected the idea that 4% unemployment is full employment. Also, an ultimate employment goal is the removal of disparities between unemployment rates of certain groups such as youth, minorities, and women and the overall rate. (In that era, women’s unemployment rates exceeded those of men.)

The other numerical target was inflation, which was to be reduced to 3% by 1983 and to 0% by 1988. But the supporters of the act succeeded in retaining the priority of reducing unemployment, since “policies and programs for reducing the rate of inflation, shall be designed so as not to impede achievements of the goals and timetables for reducing unemployment.” The law contains many other features—some that would be useful in attaining full employment with decent wages. But it lacked teeth and thus was virtually violated and then ignored almost immediately.⁵

It was obvious, right from the start, that economic policies were not going to be redirected towards meeting even the modest 4% *interim* unemployment rate goal. Inflation was President Carter’s main concern when he sent his Economic Report to Congress in January 1979. Though unemployment was 5.8%, goals of 6.2% were projected for 1979 and 1980! Under the law, the Congress—Democratic at the time—had the right to challenge the President—by setting different goals. But it did not. Representative Hawkins charged the President and the Congress with violating the act, to no avail. In 1983, five years after its passage, during the presidency of Ronald Reagan, unemployment averaged 9.6% and during most of the 1980s, unemployment was higher than when the act was passed in 1978. It took two decades after the law’s passage to briefly attain 4% unemployment and then not by design. Implementation of the mandate to reach an *interim* goal of 4% and then reduce it further, and to make the fight against unemployment a national priority, had vanished and remains nowhere in sight.

Concluding thoughts

The focus of the Jobs Conference held at Howard University on October 1, 2010 was mostly on the present jobs crisis. But we do not start from a historical vacuum. Looking at the past should give us some insights into the present and the future. However, not all of the past has been positive.

⁵ Under the Humphrey-Hawkins Act, the Federal Reserve System must explain to Congress semiannually how it is gearing its policies to further the goals of full employment and reasonable price stability. The Chairman of the “Fed” is currently questioned twice a year at Congressional hearings.

Is there anything we can learn from the failure of the efforts in the 1940s and a similar scenario three decades later? An obvious lesson is the need for more power and a strong movement pushing for jobs for all, including at the grassroots level. In the case of Humphrey-Hawkins, with which I am personally familiar, most of the focus was in Washington and involved leadership of groups. There were some attempts at grassroots organizational efforts, mostly spurred by the National Council of Churches [(Ginsburg 1983) p77]. But these efforts were far too microscopic in size to counter the opposition. Full employment—and even low unemployment—shifts power from capital to workers, so, we can anticipate major opposition—at least until there is a major political and economic shift.

In the 1940s, interest in the original legislation waned when the immediate threat of a postwar Great Depression abated, and in the 1970s, declining unemployment seemed to have a similar impact. Accordingly what is needed is a strong sense of solidarity and long-run as well as short-run goals. This means a continued recognition of the need for decent jobs for all—not just a job for me or for my group.

Not everything in the past has been dismal. But much of the positive side is forgotten or unknown to many Americans, especially awareness that, when pressured by social movements, the government can act, and can create useful jobs that meet social needs. There have been constant ideological campaigns to discredit and reduce the role of government and major political efforts to slash government budgets except for military expenditures. But the United States has a rich tradition of government job creation programs, such as the WPA, and their accomplishments should be widely publicized. (Students, for example, can research what the WPA did in their city or state. Mine were astonished and impressed to learn that some parts of Brooklyn College were built by the WPA.) Past programs (in the 1930s and 1970s) were not perfect—but we can learn from their strengths and avoid their weaknesses. The idea—if we get the power—is not to replicate but to refashion decent-paying jobs with a broad range of skill-levels and occupations for the needs of the early 21st century (Rose 2009; Harvey 2011).

History also tells us that recognition of the government's role in job creation was once so widespread that even a Republican presidential candidate emphasized its need to intervene in the economy to provide sufficient jobs for all; and that the right to a decent-paying job is not crazy talk (Cowie 2010) but was proposed by Franklin Roosevelt and embraced by the Rev. Martin Luther King, Jr. and Augustus Hawkins, among others. The right to a job—and other economic rights—is a visionary concept and can be empowering. It can help counter the American ethos of individualism that has been pushed to the extreme in recent decades. It can help us forge links with others, such as universal health care and housing rights advocates.

It can also be used to counter the tendency of even some progressive economists to define full employment as 4% unemployment. Compared to right now, that level would be like Nirvana, and all efforts should be made to reduce unemployment as quickly as possible. If the recent past is a guide, getting to 4% unemployment would counter the deteriorating working conditions and wage stagnation of employed workers and mean a lot less unemployment—even among those at the bottom of the labor market (Bernstein and Baker 2003). However, is it adequate to set *our goal* as getting back to the “good old days?” Even in 2000, the last time we had 4% unemployment, the jobless rate was 7.6% among blacks and 24.5% among black

teens; 5.7 million were officially unemployed and millions more were uncoun­ted hidden unemployed. What about their right to a job? That’s a question Augustus Hawkins had in mind in his original bill. He should be honored for his vision—perhaps a conference on his ideas could help to ignite interest in them. The Humphrey-Hawkins Act is still the nation’s policy dictum on full employment (Anderson 2008), and it actually says we don’t stop at 4%. Living wage jobs as a right may seem unrealistic but so once did the right of all children to go to school, the right of women to vote and the abolition of slavery.

Decent jobs for all needs to be made the centerpiece of economic policy. In addition to Darity’s proposal, in recent years, some others have suggested various paths to large-scale job creation. Some proposals are similar to Darity’s—others are complementary. Some were proposed even before the onset of the Great Recession because there has been a chronic problem as well as the immediate crisis—and the deficit in human and physical infrastructure is not a new one. These proposals (e.g., Baiman et al. 2009; Bell et al. 2007; Ginsburg and Goldberg 2008; Pollin 2010; Harvey 2011) would help get us on the road to real full employment. But that’s not the direction we’re going in now. The road to real full employment is not paved with tax breaks for billionaires, nor with austerity budgets. Nor is it paved with the unfettered rights of capital and the trampled rights of workers, nor with cutting back on the public sector, nor with the other negative trends filling today’s landscape.

Economist (Pollin 2011) points out that making full employment the centerpiece of economic policy requires a fundamental break with neoliberalism and “an epoch-defining reallocation of political power away from the interests of big business and Wall Street and toward the middle class, working people and the poor.” He recognizes the need for a financial regulatory regime to channel private funding towards productive, employment-generating activities and much more but highlights two fundamental points. “Full employment remains a moral imperative for creating a decent society,” and its achievement is a matter of political will. “Is there the political will...to fight for something as basic as the right to a decent job,” he asks, “as we struggle our way out of the Great Recession?”

We must strive to make that answer, “yes.” The task will not be easy but it must be done.

References

- Anderson BE. Robert Browne and full employment. *Review Black Polit Econ*. 2008;35:91–101.
- Bailey SK. Congress makes a law: the story behind the employment act of 1946. New York: Vintage; 1950.
- Baiman R, Barclay W, Hollander S, Persky J, Redmond E, Rothenberg M. A permanent jobs program for the U.S.: Economy. Restructuring to meet human needs. Chicago: Chicago Political Economy Group; February 2009. <www.cpegonline.org>.
- Bell C, Ginsburg HL, Goldberg GS, Harvey P, Zaccane. Shared prosperity and the drive for decent work. New York: National Jobs for All Coalition; 2007.
- Bernstein I. A caring society: the New Deal, the worker and the Great Depression. Boston: Houghton Mifflin; 1985.
- Bernstein J, Baker D. The benefits of full employment: when markets work for people. Washington, D. C.: Economic Policy Institute; 2003.
- Beveridge WH. Full employment in a free society. New York: W. W. Norton; 1945.

- Bullock P. CETA at the crossroads: employment policy and politics. Los Angeles: University of California: Institute of Industrial Relations. 1981.
- Cowie J. The ghost of full employment. The American prospect; 2010; September 29 (web only). Accessed 10/18/2010. www.prospect.org/cs/articles?article=the_ghost_of_full_employment
- Darity Jr W. A direct route to full employment. Rev Black Polit Econ. 2010;37:179–81.
- Forstater M. “Jobs for all”: another dream of the Rev. Dr. Martin Luther King, Jr., Forum for social economics”: (2002 Spring) 31(2).
- Franklin JH. From slavery to freedom: a history of Negro-Americans. New York: Random House; 1969.
- Friedman M. The role of monetary policy. Presidential address. Am Econ Rev. 1968;58:1–17.
- Galbraith JK. Created Unequal: the crisis in American pay. New York: The Free Press; 1998.
- Ginsburg H. Unemployment, subemployment and public policy. New York: New York University School of Social Work, Center for Income Maintenance Policy; 1975.
- Ginsburg H. Full employment and public policy: the United States and Sweden. Lexington: Lexington Books; 1983.
- Ginsburg H. Down and out: public policies toward the jobless and the disabled. Policy Stud Rev. 1985;4:753–7.
- Ginsburg H. Changing concepts of full employment: divergent concepts, divergent goals. Int J Sociol Soc Policy. 1991;11:11–28.
- Ginsburg HL, Goldberg GS. Decent work and public investment: a proposal. New labor forum. 2008;7(1):122–33.
- Goldberg GS. Full employment and the future of the welfare state. In: Warner A, Forstater M, Rosen S, editors. Commitment to full employment: the economics and social policy of William Vickrey. Armonk: M E Sharpe; 2000. p. 95–113.
- Goldberg GS, Collins SD. Washington's new poor law: welfare "reform" and the roads not taken, 1935 to the present. New York: Apex; 2001.
- Harvey P. Learning from the New Deal. Camden: Rutgers, School of Law; 2011.
- Harvey P. Securing the right to employment: social welfare policy and the unemployed in the United States. Princeton: Princeton University Press; 1989.
- Harvey P. Direct job creation. In: Warner A, Forstater M, Rosen S, editors. Commitment to full employment: the economics and social policy of William S. Vickrey. Armonk: M.E. Sharpe; 2000. p. 35–54.
- Harvey P. Back to work: A public jobs proposal for economic recovery. New York: Demos www.demos.org; 2011.
- Hession C, Sardy H. Ascent to affluence: a history of American economic development. Boston: Allyn and Bacon; 1969.
- H.R. 50, 94th Cong., 1st Sess. (1975) Committee on Education and Labor. Subcommittee on Equal Opportunities. Print with Amendments. March 20 1975.
- H.R. 15476, 93rd Cong. 2nd sess. (1974). the Equal Opportunity and Full Employment Act of 1974, House Committee on Education and Labor, June 19. 1974.
- H.R. 50, 94th Cong., 2nd Sess (1976). The Full Employment and Balanced Growth Act of 1976, House Committee on Education and Labor, March 10, 1976.
- Keynes JM. The general theory of employment, interest and money. New York: Harcourt, Brace and World; 1936.
- Leuchtenburg WE, Franklin D. Roosevelt and the New Deal, 1932–1940. New York: Harper and Row; 1963.
- Mangum G. The emergence of manpower policy. New York: Holt, Rinehart and Winston; 1969.
- Marshall R. The Negro worker. New York: Holt, Rinehart and Winston; 1969.
- Marshall R. Selective employment programs and economic policies. J Econ Issues. 1984;44(1):117–41.
- Marshall R, Briggs Jr V. Labor economics: theory, institutions and public policy. 7th ed. Homewood: Irwin; 1989.
- NJFAC website www.njfac.org
- Nixon RA. The historical development of the conception and implementation of full employment as economic policy. In: Gartner A, Nixon RA, Riessman F, editors. Public service employment: an analysis of its history, problems and prospects. New York: Praeger; 1973. p. 9–27.
- PL 304, the Employment Act of 1946, 79th Cong., 2d sess. 1946.
- PL 523, the Full Employment and Balanced Growth Act of 1978, 95th Cong., 1978.
- Pollin R. 18 million jobs by 2012. The nation, March 8, 2010.
- Pollin R. Back to full employment: New Democracy Forum. Boston review.net 2011 (Jan/Feb) 13–18. <http://bostonreview.net/BR36.1/pollin.php>.

- Randolph AP. "Why should we march?" Survey graphic, Nov. 1942:488–489. In: Wish H, editor. *The Negro since emancipation*. Englewood Cliffs: Prentice Hall; 1964. p. 158–62.
- Roosevelt FD. State of the union message. January 11, 1944.
- Rose NE. *Put to work: the WPA and public employment in the Great Depression*. 2nd ed. New York: Monthly Review; 2009.
- S. 320 The Full Employment Bill of 1945, as originally introduced. 79th Cong., 1st sess. Cited in Bailey S K. *Congress makes a law*. New York: Vintage; 1950. p. 243–248.
- Schantz HH, Schmidt RL. In: Bulmer C, Carmichael Jr JL, editors. *Politics and policy: the Humphrey Hawkins story*. Lexington: Lexington Books; 1980. p. 25–39.
- U. S. Department of Labor. *A sharper look at unemployment in U.S. cities and slums*. Washington, D. C.: Government Printing Office; 1967.
- U. S. National Advisory Commission on Civil Disorders. *Report of the national advisory commission on civil disorders*. New York: Bantam Books; 1968.
- Wray LR. *Understanding modern money: the key to full employment and price stability*. Cheltenham: Edward Elgar; 1998.

Copyright of Review of Black Political Economy is the property of Springer Science & Business Media B.V. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.