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Appendix to material in letter of June 14, 1945
to Senator Wagner on the subject of the Murray
Full Employment Bill.

After further consideration of the material in the fourth paragraph on Page 4, I feel that the ideas expressed therein need further amplification, which I have attempted in the following paragraphs.

"Problem" unemployment, whether of types of persons, specific communities or specific industries needs careful analysis to see whether it is amenable to remedy by general policies as are proposed in the Bill. Experience, I am sure, will show that a large part of this type of unemployment is not amenable and must be taken care of by specific measures, some of which may be national, and others State and local, depending on the circumstances of the case.

There is another well recognized element in unemployment which is voluntary, and is customarily called "frictional" unemployment. It is composed of certain hundreds of thousands or millions of people who have voluntarily given up a job and are in the process of looking for another, or who have decided on a vacation of greater or lesser length. While the number of people in this category may be relatively stable, its nature is such that its composition is constantly changing. If anyone is unemployed for an extended length of time, he or she does not come in this category of frictional unemployment.

The best estimate possible should be made of the amount of problem and frictional unemployment combined, and no attempt should be made by Federal means to push the number of jobs available into this area. Should the attempt be made, conditions will become inflationary, wage and price controls will have to be instituted and we would be back again to the conditions of war-time in which these controls are necessary.

To the above extent "full" employment should be considered as involving a total number of jobs which excludes a cushion of frictional and problem employment.

It would be well also to define the purpose of the Bill as being to "promote" full employment, rather than to "assure" it.

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