

MAJOR ISSUES ON THE FULL EMPLOYMENT BILL

The twin objectives of the Bill are (1) full employment opportunity, (2) in a free competitive economy. These are inseparable. Free competitive enterprise can survive only if there is adequate purchasing power. There will be adequate purchasing power only if full employment opportunity is maintained. Full employment opportunity must be maintained through free enterprise if we are to preserve the American way of life.

What are the major issues on the Full Employment Bill?

1. Some people really do not want "full employment opportunity" or a "Free competitive economy."

Objections

Answers

(a) "Depressions are good for the soul. The fear of destitution keeps the moral fiber strong. Depressions provide opportunity for able men to gain advantage over weaker competitors."

(a) This is the law of the jungle, not of civilized society. The prospect of reward, the hope of gain or profit is a better and stronger motive than fear of destitution. We must restrain and not assist strong and unscrupulous men who profit by depression.

(b) "Recurrent depression is essential for a sound economy and prosperity."

(b) It is impossible to demonstrate that depression contributes to prosperity. In any case, the price in human misery is too high.

(c) "We do not need the services of all who are able and willing to work."

(c) Decent standards of living call for all the output we can get.

(d) "Business needs a pool of unemployed to regulate wages and keep labor efficient."

(d) An unemployment pool would be too expensive, in money and in misery. It would be a kind of slavery distinctly out of keeping with the American spirit. And there is the danger that it could not be kept within bounds but would cumulate into mass unemployment.

(e) "Free private enterprise has outlived its usefulness and should be supplanted."

(e) Private enterprise is not dead. It needs steady markets, protection from its own abuses of restriction and monopoly, protection from the shock of boom-and-bust.

2. Some people say that Federal Government action toward full employment would be undesirable or dangerous.

Objections

Answers

(a) "It would be self-defeating; Government intervention would discourage enterprise."

(a) Assurance of markets through steady employment would stimulate real free enterprise, not discourage it.

(b) "It would be too expensive to fill the gap."

(b) Timely action to maintain employment and markets would be less expensive than doles or made-work.

(2. con't)

Objections

Answers

(c) "Business and other groups will not cooperate."

(c) It is to the interests of private groups to cooperate for more income and production.

(d) "Such action would be too dangerous to individual freedom, would lead to regimentation."

(d) "The road to serfdom" and to regimentation is the road of weakness, inaction and ineptitude; not the road of prudent, timely action. The Full Employment Bill is the road to freedom . . . and to lasting peace.

(e) "Such a Bill would conflict with the Constitutional separation of power between House and Senate. It would encroach upon the special prerogatives of the House and of various standing committees."

(e) The Bill would strengthen Congress; would increase the effectiveness of the bicameral system; would strengthen the standing committees to make bearable their responsibilities.

(f) "Such legislation would confer too much power or would impose an impossible task on the President."

(f) The Bill confers no new powers whatever on the President. It does provide for a badly needed systematic procedure to help coordinate the work of the Executive Branch. The budgetary approach is the approach of modern business management. It is the only approach that makes the job manageable.

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3. Some people object to this Bill (or to any such legislation) on the ground that it is unnecessary, even though they agree with the objectives. (Those who do not agree with the objectives, however, often do not admit it but attack the Bill on lesser grounds.)

Objections

Answers

(a) "We are going to have continued prosperity anyway."

(a) A postwar boom will have within itself the seeds of destruction, as in the 1920's. It is foolhardy to expect continued prosperity in the absence of foresight and deliberate action.

(b) "Congress will deal with crises when they arise; do not need the Bill."

(b) We dare not wait until the crises come. To preserve our institutions we must prevent disaster, not merely care for its victims. We must be prepared in advance.

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4. Some say that this Bill goes too far.

Objections

Answers

(a) "The objectives are too high. We should aim at avoiding mass unemployment, not at maintaining 'full employment.'"

(a) The objectives are perhaps lower than should be, but definitely not too high. The people will not tolerate as goals either the dole or made-work.

(b) "Government should not 'assure' full employment opportunity; it should only promote and assist private enterprise toward this end."

(b) It is precisely the assurance that is needed. This assurance would maintain confidence and avoid crises that would compel more drastic measures. Action that is less than adequate may well fail completely.

(4. con't)

Objections

Answers

(c) "We cannot forecast economic events in a free society; we must wait until they happen."

(c) We have to forecast economic events. We do it implicitly in almost every piece of legislation.

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5. Others take the opposite view: the Bill does not go far enough.

Objections

Answers

(a) "Should not exclude housewives."

(a) The Bill is not intended to exclude housewives whose household responsibilities permit outside activities.

(b) "Should deal with working conditions."

(b) Improving conditions of work is desirable and should be an objective of specific programs developed under the Bill; but the basic legislation should not contain implementing programs. The most powerful force toward better working conditions is a healthy demand for workers.

(c) "Should provide for increasing standards of living."

(c) Similarly, better standards of living should be the objective of specific programs. Sustained markets will automatically produce continued improvement, in a free competitive economy.

(d) "Should institute more direct economic controls over monopolies and over basic industries."

(d) These would be specific action programs; if they are necessary, they should be separately considered with a realization of their consequences as provided for in the Bill.

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In addition to these fundamental issues, a number of objections have been raised that are based on misconceptions of the full employment proposals. These are questions of fact. A careful examination of the text makes it clear that:

The Bill does not call for 60 million jobs and any other specific amount of employment in any given year. It does provide that the President and the Congress should make an annual appraisal of the number of jobs needed for full employment.

The Bill does not propose to guarantee specific jobs to anyone. It does prevent a definition of full employment in terms of employment opportunity for all who are able to work and seeking work.

The Bill does not call for made-work or leaf-raking. It requires that any program of public works must be through private contract, and must contribute to national wealth.

The Bill does not provide for the Government to set production quotas for any industry. It does aim at the maintenance of sufficient overall demand and the preservation of our market economy.

The Bill does not authorize unlimited Government spending and deficit financing. It does set forth a policy aimed at controlling Federal expenditures and subordinating them to non-Federal expenditures.

The Bill does not authorize either the continuation of wartime controls or the imposition of new economic controls. It does establish policies and procedures under which we can work more effectively toward minimizing the need for economic controls by the Government.

The Bill does not set forth any specific set of programs for maintaining full employment. It does recognize the fact that our economic needs are ever-changing. It does establish a framework within which all of the various specific programs that may be proposed by various parties, various economic groups, and various individuals, may be more carefully appraised in terms of their total effect upon production and employment.

The Bill does not give the government complete responsibility for maintaining full employment opportunity. It does attempt to provide for joint responsibility by business, agriculture, labor, state and local governments and the Federal government.