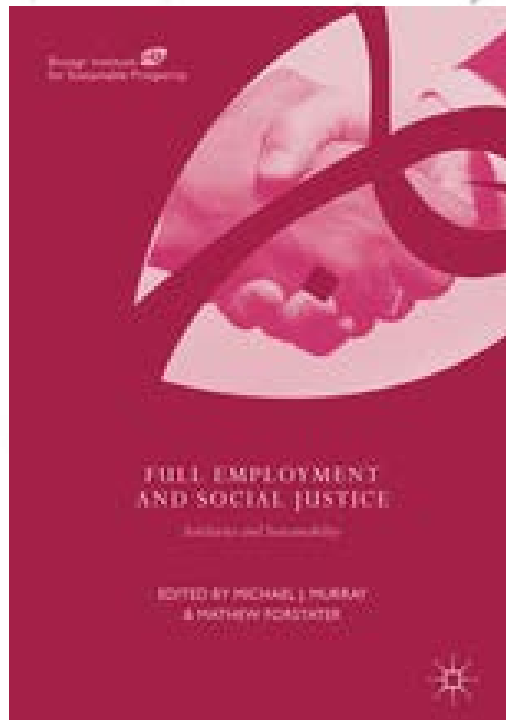


Michael J. Murray • Mathew Forstater
Editors

Full Employment and Social Justice

Solidarity and Sustainability



CHAPTER 9

Full Employment and the Job Guarantee: An All-American Idea

William Darity Jr and Darrick Hamilton

The idea of the provision of a federal job guarantee for all citizens actually is quite conventional in American politics. It is neither a flash in the pan nor a pie-in-the-sky policy proposal. It has a long and enduring presence on the American scene. It simply never has become law. Indeed, it has required a profound act of “historical amnesia” (Ginsburg 2012) to purge our memories of how frequently the idea has been considered (and considered seriously).

Widely vilified as a demagogue, tyrant, and dictator, Louisiana Senator, Huey Long (Long 1934), advanced a comprehensive plan to achieve greater economic equality in the United States. In a radio address delivered on February 23, 1934, in the midst of the Great Depression, Long proposed that all Americans receive a guaranteed annual income of \$2000—one third of the national average. He advocated placing a ceiling on personal fortunes at \$50 million and application of a graduated tax on

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wealth levels at \$1 million and above. The revenues gathered from the wealth taxes would be redistributed to provide a host of services and opportunities for the mass of Americans—Americans who, in the aftermath of the Occupy movement, we refer to as the 99 percent.

While Long's efforts to promote economic equity—particularly in his home state of Louisiana—predated the onset of the Great Depression, his "Share Our Wealth Plan" had a particular resonance in the downturn that put up to one-quarter of the American labor force out of work.

In his recent book, *A Long Dark Night*, historian J. Michael Martinez (2016, p. 149) dismisses Long as barely more than "one in a long series of southern clowns" and as a mere "footnote in history". But Long's plan fired the imagination of many Americans—so much so that Franklin Roosevelt displayed genuine nervousness about a Long candidacy for the Presidency. Indeed, at one point, Roosevelt described Long as "one of the two most dangerous men in America"; the other was General Douglas MacArthur.

At the behest of Roosevelt's campaign effort, the Democratic National Committee "commission[ed] a secret political poll (perhaps the first use of polling for this purpose) to gauge [Long's] appeal; it found that he could get as much as 11 percent of the vote if he ran as an independent in 1936" ("Huey Long" 2000).

The poll was taken well before the 1936 Presidential campaign was underway, so Long's national appeal was significant even before the chase for primary votes had begun for the Democratic Party's candidate. Apparently confident that he would be nominated again, Roosevelt was concerned about the impact on his re-election prospects if Long, as a failed nominee, chose to run as a third-party candidate. Long did, in fact, announce his candidacy for the 1936 presidential election in August 1935; he was assassinated in September 1935.

Many of Long's fundamental ideas actually appear to have been incorporated into Roosevelt's own evolving program for transforming America. While the Roosevelt administration never pursued a direct tax on *wealth*—neither has any American administration since then (see Bersanek 2013)—it did increase the bite of the progressive *income* tax on its trajectory toward peak marginal tax rates in the early 1950s. Roosevelt's (1944) ambitious "Economic Bill of Rights," also known as the "Second Bill of Rights," echoed many features of the Share Our Wealth Plan.

The Economic Bill of Rights declared the following conditions to be rights of citizenship in the United States:

The right to a useful and remunerative job in the industries or shops or farms or mines of the nation.

The right to earn enough to provide adequate food and clothing and recreation ...

The right of every family to a decent home.

The right to adequate medical care and the opportunity to achieve and enjoy good health.

The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment.

The right to a good education.

The first two rights can be combined and interpreted as a right to employment at wages above the poverty level. Roosevelt's Economic Bill of Rights was ambiguous about the mechanisms for insuring that everyone would have a job. Would the government provide direct employment as it had under Roosevelt's Works Progress Administration (WPA) and his Civil Conservation Corps (CCC)? Would the government subsidize the private sector to provide the full complement of jobs? Would full employment be maintained indirectly via macroeconomic stabilization policies that prompted adequate job creation by the private sector?

Thoroughgoing reliance on the private sector was embodied in the Employment Act of 1946, passed after Roosevelt's death in 1945 and after the defeat of the considerably stronger Full Employment Bill in 1945. The 1946 Act was a gutted version of the 1945 bill and used the language of "maximum employment" instead of "full employment" as the goal of the legislation; "maximum employment" was well understood not to mean a job for everyone wanting to work. Unlike the earlier bill, the 1946 Act had no provisions for the federal government to assure a job for all by filling the gap for job seekers if the private sector fell short of putting everyone to work at decent wages (Harvey 2005; Ginsburg 2012).

Roosevelt's successor, Harry Truman (1949), called his program for economic equity, the "Fair Deal". It repeated many of the themes of the Roosevelt program, including calls for universal health care and legislation to produce full employment. In an earlier 1947 speech before the NAACP, Truman ("Address") had said:

Every man should have the right to a decent home, the right to an education, the right to adequate medical care, the right to a worthwhile job, the right to an equal share in the making of public decisions through the ballot, and the right to a fair trial in a fair court.

But Truman was not specific about how “the right to a worthwhile job” was to be achieved, nor did he display his typical aggressiveness in pushing a resistant Congress to develop employment legislation with any teeth.

In contrast, Sadie Mosell Tanner Alexander, the first black recipient of a Ph.D. in economics in the USA, publicly stumped for a federal job guarantee. In a 1945 speech at Florida A&M University, fully in the spirit of Roosevelt’s “Second Bill of Rights”, Alexander (as quoted in Banks 2008, p. 154, emphasis added) observed:

Freedom from want and freedom from fear can not be attained at home, when hordes of unemployed men and women are pounding the city streets, and bargaining on street corners against each other for a chance to do a day’s work. I hold it the obligation of every American to remove those iniquities which have crept into our national life and caused men to fear want and to fear each other. Just as Congress and the courts have recognized the need to protect child labor, the ...[right of] workers to organize for the purposes of collective bargaining and to picket to enforce their contracts, with management, as well as the unfair economic treatment of women workers, *so too by act of the courts or by congressional act must the right to work in the Postwar World be guaranteed every able bodied man and woman in America, regardless of his race or religious beliefs.* Discrimination in employment because of race, color or religion is an abuse of a right as fundamental as denial [of] freedom of religion or freedom of speech.

Using a variant of under-consumption doctrine, Alexander prescribed an array of policies that would involve increased government spending to generate full employment in the post-World War II economy. Business excess profits should be taxed to finance a new public works program that would constitute the job guarantee; support slum clearance; raise literacy rates; ensure that every farm had access to electricity; redistribute income to strengthen social security, unemployment insurance, workers’ compensation; and increase the minimum wage (Banks 2008, p. 155). Alexander did not anticipate the possibility that the existence of a right to employment might eliminate the need for unemployment insurance or minimum wage laws.

What she did anticipate was a widely shared benefit of the job guarantee that would transcend the racial divide in claiming employment as a basic human right:

The right to work is not a black nor a white problem but a human problem ... Every man should be concerned that every other man is employed, for only in full employment is the individual laborer assured a job ... I need not state to you that full employment for all willing and able to work is also the solution of all our national difficulties. All our national and world problems stem from unemployment. (Banks 2008, p. 153)

Indeed, Alexander was persuaded that the establishment of conditions of full employment would address many of the factors sustaining racial inequality in the United States.

Alexander served on Truman’s Committee on Human Rights in 1946, which issued the report “To Secure These Rights”. The report, as Nina Banks (2008, p. 156) records, “... stated [under the heading of equal opportunity] that all Americans—regardless of race—should have the right to work, to rent/buy a house, and the right to education.” Alexander understood the report—clearly a prelude to Truman’s Fair Deal proposals—as forcefully “... stating that the right to work was a prerequisite for the right to live” (Banks 2008, p. 156).

Alexander was hardly unique among black intellectuals and activists in supporting an employment guarantee. Indeed, David Stein (2014) suggests that the explicit call for the state to ensure that all can have decently paid work, originates in the black movement for liberation. Stein (2014), citing W.E.B. DuBois’s discussion in *Black Reconstruction*, has indicated that southern Reconstruction era legislatures, routinely disparaged by Lost Cause enthusiasts as incompetent and corrupt, called for and took steps toward enacting the equivalent of a job guarantee.

The job guarantee proposal also was realized fully in the Freedom Budget crafted by Bayard Rustin, on behalf of the A. Philip Randolph Institute. The Freedom Budget, issued in January 1967, was a reaction to the limitations of Lyndon Johnson’s Great Society initiatives. One of the most pronounced limitations was the absence of a direct provision for assured employment. The Freedom Budget declared that federal tax revenues should be used “to provide jobs for all who can work and an adequate income of other types for those who cannot” (Rustin 1967, p. 11).

Rustin (pp. 12–13) was specific about the types of jobs that could be offered to meet public needs: build quality housing units to ensure that all have decent homes, assist with air and water pollution clean-up, contribute to the supply of adequate water and power services, build and maintain

public recreation facilities, design public and university classrooms, serve as public school teachers, and aid with hospital construction.

Shortly after George McGovern's ill-fated campaign for the Presidency, when he shifted his support from a basic income guarantee to a federal job guarantee (Alberti and Brown 2010–2014), the Caucus of Black Economists (1972), the coalition that preceded the formation of the National Economic Association, issued its own "Economic Bill of Rights". The Caucus (1972, p. 12) explicitly linked full employment to the government's role in delivering sufficient numbers of jobs, so that all seeking work could find work; their statement actually included an intentional rejection of the standard rhetorical description of the government as an employer of "last-resort":

In achieving the goal of creating more jobs, equal status must be achieved by government and private industry as a job creating institutions. The government must act as co-equal with the private sector as an "employer of first-resort." To an unemployed man seeking gainful employment, there is nothing inherently more desirable in private employment than in government. From this point of view of the economy, a dollar earned in government employment pays rent, buys groceries, and pays taxes just as well as a dollar earned in private industry.

In addition, the Caucus' (1972, p. 12) document included another brilliant suggestion for the range of jobs that could be offered for public sector employment—the development and maintenance of a national network "of child care facilities available at reasonable rates for working mothers". On this point, the Caucus (1972, p. 12) added:

Such facilities should not be merely custodial baby-sitting operations, but should provide a significant degree of training for child development. The staff of such centers will create many job opportunities for low income workers to assist qualified professionals. Full enforcement of existing legislation designed to end once and for all discrimination against women in employment is an absolute essential to any full-employment economy.

Notably, the existence of a federal job guarantee would provide all workers subjected to discrimination with an official promise employment. In addition to the types of jobs described by Rustin and the child care services introduced by the Caucus of Black Economists, other possibilities are rejuvenation of the postal service; construction and maintenance of roads,

bridges, and highways; as well as employment in a system of public banks and in community redevelopment projects (Tippett et al. 2014, pp. 25–27).

Bernard Anderson, a member of the Caucus of Black Economists and an economic advisor to the Carter administration, bridged the Caucus's "Economic Bill of Rights" with the Full Employment and Balanced Growth Act of 1978 (popularly known as the Humphrey-Hawkins Act). The 1978 Act duplicated some dimensions of the weak Employment Act of 1946. While the Humphrey-Hawkins Act was, in essence, an unfunded mandate, it explicitly called for the government to provide sufficient jobs to achieve full employment in the event that the private sector did not do so. If it had been implemented during the Great Recession, a major public sector jobs program would have been put into operation, paralleling the WPA and the CCC in the late 1930s.

Largely, there has been silence on the political front about a national job guarantee since the passage of the Humphrey-Hawkins bill. An exception that proves the rule is Representative John Conyers's effort to put teeth into Humphrey-Hawkins Act with House Resolution 1000, that he introduced in 2013 ("Text"). For the most part, it has been a scattered group of academics, primarily economists, who have kept the torch burning for the job guarantee. These include the late Nobel Laureate William Vickrey (Mitchell 2000); the late Hyman Minsky (1986, also see Papadimitriou and Randall Wray 1998); Philip Harvey (2005); and Trudy Goldberg and the National Jobs for all Coalition, L. Randall Wray, and Pavlina Tcherneva (2012).

It is vital to recognize that not only does the idea of a federal job guarantee have a lengthy American political history, it also has significant political support in the present moment. For example, the Black Youth Project 100's "Agenda to Build Black Futures" explicitly includes the charge that "All adults who want a job should have a right to employment through public or private opportunities through a federal jobs program" (2016).

In 2014, Jesse Myerson's article in *Rolling Stone* proposed five policies that should be supported by the millennial generation; one of them was a government employment guarantee. The other four were an expansion of Social Security to provide a minimum income for all (*de facto* a basic income guarantee), land value taxes, a sovereign wealth fund with state ownership of stocks and bonds, and a public bank in every state. When the *Huffington Post* commissioned a national survey to assess the degree of support for each of the five, the only one with substantial support was the job guarantee (Resnikoff 2014).

Overall a plurality of respondents, 47 percent, said that they favored the government providing jobs for all persons who could not find work with the private sector, versus 41 percent who said no, and 12 percent who had no opinion. Fifty-nine percent of households with incomes less than \$40,000 favored the job guarantee, while 36 percent of households with incomes greater than \$100,000 favored it. Forty-three percent of white respondents and 67 percent of black respondents supported the job guarantee, and the breakdown along party lines was as follows: 65 percent of Democrats, 39 percent of independents, and 35 percent of Republicans said that they favored a federal job guarantee (Swanson 2014).

It is odd that no major political actor has seized upon this information and put forward a platform that includes a commitment to a federal job guarantee. But perhaps the national act of forgetting is so powerful that even the survey data does not convince politicians that the policy is viable. Building support for a federal job guarantee will require penetration of the barrier posed by "historical amnesia". Hopefully, this essay can contribute to that process by helping to restore our historical memory.

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