

[1964?]

## ECONOMICS OF EQUALITY

Tom Kahn

The civil rights organizations have produced no detailed studies of the Negro's economic plight as it relates to national trends. Not until the March on Washington did the movement project a clear set of economic demands. They were essentially correct, but sketchy, and have since been pretty much forgotten. They need to be revived and popularized.

Several of the organizations, notably SNCC and CORE, have begun to recruit numbers of working class and unemployed Negroes, many of them youths. Attracted by the militant direct-action of these organizations, the new recruits become restless when activity ebbs and often drift away. To a large extent, this will be a perennial problem. Still, more intensive internal social-educational programs will certainly polish some rough diamonds and yield high-level leadership with deep roots in the community.

The task is not easy; it would be a pioneering effort in many ways similar to the worker-education programs developed by the early labor movement. Occasional area conferences are not enough. In techniques (though presumably not subject matter,) the civil rights organizations might take their cues from some of the radical political sects. Infused with the spirit of the movement, continuous classes in politics, economics, Negro history, etc., might take on a meaning they never had in the formal classroom. They should be combined with practical training in leadership and organization skills (writing, speechmaking, stencil-cutting, mimeographing, etc.)

Again, the civil rights organizations will not ultimately be able to enlist and maintain the participation of the Negro masses on the basis of a middle-class integrationist ideology. Nor can they do so on the basis of abstract economic analysis. But such analysis can lead to -- must lead to -- the formulation of dramatic economic demands that express real needs, arouse popular support, and stimulate greater awareness of basic issues.

The civil rights movement, as a first step, should make its economic demands explicit. The March on Washington, I believe, points the way with its key demand for a massive federal works program to put all Americans back to work.

A number of proposals have been advanced to solve the problem of unemployment. While space does not permit extensive analysis of these proposals, the major criticisms of each may be briefly outlined as an argument for the massive federal works program.

1) The Administration's proposed \$11 billion tax-cut is the centerpiece of the Administration's program to reduce unemployment to ...4%! One fourth of the dollars involved go to the corporations to stimulate investment, the remainder go to individuals to stimulate consumption. But corporate profits are already at an all-time high; why assume that tax savings would be invested when available capital is not. Besides, the Council of Economic Advisors estimates that 70% of current business investment in plant and equipment is for modernization and replacement (read: automation) rather than expansion.

Professor Killingsworth makes a more profound criticism of the tax-cut in terms of the structural or class character of unemployment:

Despite a steady (but slow) improvement in the average educational level of the work force, the change in the pattern of demand for labor has created a large surplus of poorly-educated workers and serious shortages of certain kinds of highly-educated workers. Because of the new employment patterns in the economy, a general increase in spending for goods and services by consumers and an increase in investment by business firms -- which are the hoped-for effects of the proposed \$11 billion tax-cut -- would soon result in acute shortages of many kinds of highly educated workers without greatly reducing the present surplus of poorly-educated workers. The bottleneck in the supply of workers at the top of the educational ladder would seriously impede the continued economic expansion that is essential to reduce to tolerable levels the shocking rates of unemployment that we find today at the middle and bottom of the educational ladder.

Like Myrdal, Killingsworth emphasizes the need to improve the quality of the labor supply, and wryly observes that "while the Administration urgently presses for the \$11-billion tax cut, we are actually spending around \$100 million this year for manpower retraining."

2) Manpower retraining and education on a massive scale is indispensable to achieving and maintaining full employment in a technologically revolutionary society. But the immediate employment benefits of retraining are limited. Many blue-collar workers are beyond retraining, eg., miners, laborers and other unskilled workers over 40. Nor are educationally disadvantaged youth likely candidates for training in skilled jobs. And for what jobs do we retrain service personnel, who will soon feel the impact of cybernation? Before retraining could reach maximum effectiveness, the primary and secondary school systems will have to be radically improved. Even then, large numbers of marginal workers will not be able to make the necessary adjustments.

3) A shorter workweek has been advocated by the labor movement, on the grounds that rising productivity means that fewer manhours are required to create ever greater abundance of goods and services. Andrew J. Biemiller, director of the AFL-CIO Department of Legislation, has estimated by purely arithmetical calculation that another million jobs would result from each hour cut from the standard workweek; hence, a cut to 35-hours would produce five million new jobs.

The problem is that "purely arithmetical calculations" are wide of the mark since manhours are not exactly interchangeable units. There are skilled manhours and unskilled manhours. How does the shortening of the workweek of an automobile worker create a job for a displaced miner? It could, in fact, create a job for a machine. In his study on cybernation for the Center for the Study of Democratic Institutions, Donald N. Michael writes that the shorter workweek approach

is intended to maintain the ability of workers to consume the products of cybernation and, in the case of blue-collar workers, to maintain the strength of unions. This would retain the consumer purchasing power capacity for x workers in those situations where the nature of the cybernation process is such that x men would do essentially the same work as x plus y men used to do. But when the task itself is eliminated or new tasks are developed that need different talents, shorter shifts clearly will not solve the problem. The latter conditions are then more likely ones as cybernation becomes more sophisticated.

The shorter workweek will doubtless be a concomitant or result of full employment, not the cause. Walter Reuther and other labor leaders most prominently associated with the shorter workweek demand before it loomed so large in official AFL-CIO policy have indicated that they do not consider

Page Five

it a full-employment panacea, but see it as part of a program including a tax cut, public spending, and a liberal monetary policy. Nonetheless, so long as the shorter workweek remains the labor movement's key demand, the AFL-CIO will be suspect of protective unionism and indifference to the plight of masses of unemployed workers.

By contrast, the demand for a massive federal works program can be a natural rallying point for virtually all the unemployed. Such a program would do what others cannot--abolish class unemployment by providing job opportunities even for unskilled and semi-skilled workers.

Says Mr. Michael,

If our understanding of the direction of cybernation is correct, the government will probably be faced for the indefinite future with the need to support part of the population through public works. There is no dearth of public work to be done, and it is not impossible that so much would continue to be needed that an appropriately organized public works program could stimulate the economy to the point that a substantial portion of the work force could be re-absorbed into the private sector. That is, although the proportion of workers needed for any particular tasks will be reduced through the use of cybernation the total number of tasks that need to be done could equal or exceed the absolute number of people available to do them.

The civil rights movement should have a special interest in massive federal works program because it can provide jobs and additional purchasing power for the unskilled and semi-skilled categories in which Negroes are so heavily concentrated. No less important, Negroes will especially benefit from the fruits of public works: slum clearance, school and hospital construction, decongestant highway and road construction, new parks and playgrounds, carefully-planned public housing, etc. We can at least begin the rational reorganization and decentralization of our cities.

Page Six

Some economists object that a public works program would have an air of "make-work" or "handout" that would demoralize workers. This need not be true. It depends upon the value society assigns to the work being performed. Certainly a public works program carried out by the guardians of the status quo -- who regard poverty as a moral flaw and those on relief as chiselers -- would have the predicted results. But under new political leadership genuinely committed to "getting America moving again," such a program could be cast in radically different terms: not as a "make-work," not even merely as an assault on unemployment, but as a historic crusade for the physical and social reconstruction, literally the rebuilding, of the nation. If unemployment did not exist, a national face-lifting would still be needed if our social services, our very patterns of life, are to catch up with Twentieth Century technology. In a rational and humane society, conscious of its own developing needs, participants in a reconstruction program would be accorded the respect reserved in the past for the financially successful.

To achieve its economic and social goals, a public works program would require democratic central planning. Which public projects, in which locations, will maximize employment? What kinds of financial control should be devised to assure independence from private banks and insurance companies? Prospective public housing tenants must have a way in determining where their new homes will be and what they will look like. Only intelligent planning can create neighborhoods that are racially, culturally, educationally and economically integrated.

Fair and full employment through a massive federal works program -- this is a civil rights demand. Vigorous agitation and direct action around it should become central for the movement.