

war buying is over, industry is provided with labor-saving devices, and the productivity of labor begins to rise more rapidly than consumer demand.

In the projections for 1945-50 (tables 5 and 6), economic difficulties in 1948 are marked by an interruption in the growth of the gross national product. The set-back would be much more serious if run-away inflation should develop in 1946-47. If that is avoided, a set-back in 1948 would be analogous to that in 1920-21, in that it would serve to liquidate certain maladjustments left by the war economy, but it would be less destructive and cause less unemployment.

The projections developed in this study suggest that the industrial expansion characteristic of postwar economy would probably be resumed after a brief spell of contraction. Its momentum will be determined by the

available reserves of productive forces and accumulated purchasing power. Such a trend does not preclude cyclical ups and downs. National policy will largely determine whether such fluctuations are kept within a narrow range or develop into a succession of violent booms and depressions.

The present projections are optimistic in the sense that they assume only a moderate advance in the expansive phase of the first postwar cycle. Under this assumption, a set-back that might occur at some time in the early 1950's would be comparatively mild, as in 1927 for example. The occurrence or timing of such a set-back is unpredictable, since developments will be determined by factors now nonexistent. In any event, if it occurred before, say, 1955, expansive forces generated by the war economy would not have been exhausted; housing construction al-

most certainly would be in full swing; the rebuilding and rezoning of cities will have gained momentum; probably only a small part of war savings would have been liquidated; the bulk of the war bonds would be reaching maturity, inviting holders to use their cash holdings for investment in durable goods. All these factors would accelerate revival. It seems more than probable that postwar expansion will last at least through another business cycle, probably to the end of the 1950's or to the beginning of the 1960's.

To sum up, the United States has a fair chance of winning the peace and enjoying a long spell of prosperity and full employment with only minor temporary set-backs if—and this is a big if—it keeps under control the inflationary forces that pave the way for deflationary collapse and major depressions.

The Employment Act of 1946

By Anne Scitovszky*

THE EMPLOYMENT ACT OF 1946—the final outcome of the various “full-employment” bills under consideration by Congress for more than a year—became law on February 20 (Public Law No. 304, 79th Cong.). In signing the act, the President declared: “In enacting this legislation the Congress and the President are responding to an overwhelming demand of the people. The legislation gives expression to a deep-seated desire for a conscious and positive attack upon the ever-recurring problems of mass unemployment and ruinous depression. . . .”

“Democratic government has the responsibility to use all its resources to create and maintain conditions under which free competitive enterprise can operate effectively—conditions under which there is an abundance of employment opportunity for those who are able, willing, and seeking to work.

“It is not the government's duty to supplant the efforts of private enterprise to find markets, or of individuals to find jobs. The people do expect the government, however, to create and

maintain conditions in which the individual businessman and the individual job seeker have a chance to succeed by their own efforts. That is the objective of the Employment Act of 1946. . . .”

“I am happy that the Senate adopted this legislation unanimously, the House of Representatives by a large majority. The result is not all I had hoped for, but I congratulate Members of both Houses and their leaders upon their constructive and fruitful efforts.

“The Employment Act of 1946 is not the end of the road, but rather the beginning. It is a commitment by the government to the people—a commitment to take any and all of the measures necessary for a healthy economy, one that provides opportunities for those able, willing, and seeking to work. . . .”

Provisions of the Act

The act begins with a “Declaration of Policy” (section 2), affirming that it is “the continuing policy and responsibility of the Federal Government . . . to coordinate and utilize all its plans, functions, and resources for the purpose of creating and main-

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

To carry out this policy, the President is directed (section 3) to transmit an “Economic Report” to the Congress at the beginning of each regular session starting with the year 1947. The report is to set forth (1) the levels of employment, production, and purchasing power obtaining in the United States and the levels necessary to carry out the declared policy; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and of economic conditions affecting employment in the United States during the preceding year and of their effect on employment, production, and purchasing power; and (4) a program for carrying out the policy, together with such recommendations for legislation as the President may deem necessary.

A Council of Economic Advisers is created (section 4) within the Executive Office of the President. This Council is to be composed of three members appointed by the President

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with the advice and consent of the Senate. Its functions are to assist and advise the President in the preparation of the Economic Report; to collect and analyze information concerning economic developments and economic trends for the purpose of determining whether these developments are interfering with the achievement of the policy of the Government, and to submit to the President studies relating to these developments and trends; to appraise the various programs and activities of the Federal Government for the purpose of determining the extent to which they are contributing to the achievement of the Government's policy; to develop and recommend to the President national economic policies to foster and promote free competitive enterprise, to avoid or diminish economic fluctuations, and to maintain a high level of employment, production, and purchasing power; and to prepare studies and recommendations concerning matters of Federal economic policy and legislation as the President may request. The Council is to make an annual report to the President in December of each year.

A Joint Committee on the Economic Report is established (section 5), to be composed of seven Members of the Senate and seven Members of the House of Representatives. The functions of this Committee are to make a continuing study of matters relating to the Economic Report; to study means of coordinating programs in order to further the policy of the act; and, as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, to file with the Senate and the House of Representatives by May 1 of every year a report containing the Committee's findings and recommendations with respect to each of the President's main recommendations in the Economic Report.

Development of the Legislation

The present act is the result of more than a year's deliberation by Congress to formulate a national policy on employment opportunities. Its origins go back to August 1944, when James Patton, President of the National Farmers Union, submitted to the War Contracts Subcommittee of the Senate Committee on Military Affairs a

proposal designed to have the Government guarantee a \$40 billion level of capital investment every year. The Chairman of the Subcommittee had this proposal printed in the form of an amendment to the pending war mobilization and reconversion legislation,¹ but made it clear that he did not intend to call for action upon it at that time. Copies of the proposal were sent to various executive agencies and departments for comment, and the letters received in reply expressed considerable sympathy with the objectives of the measure. Some of its specific proposals were criticized, however, particularly the \$40 billion figure for capital investment. The Subcommittee staff, instructed to draft a new measure which would meet most of the objections which had been raised, thereupon prepared an entirely new bill entitled the Full Employment Act of 1945 which was issued as a Subcommittee print on December 22, 1944.

In his message to Congress on January 6, 1945, President Roosevelt called, among other measures, for a national program to assure full employment, declaring that, of the rights set forth in the economic bill of rights in his last message on the state of the Union, the "right to a useful and remunerative job in the industries or shops or farms or mines of the Nation" was the most fundamental and one on which the fulfillment of the others depended to a large extent. "The Federal Government must see to it" the President said, "that these rights become realities—with the help of States, municipalities, business, labor, and agriculture . . .

"After the war we must maintain full employment with Government performing its peacetime functions. This means that we must achieve a level of demand and purchasing power by private consumers—farmers, businessmen, workers, professional men, housewives—which is sufficiently high to replace wartime Government demands; and it means also that we must greatly increase our export trade above the prewar levels.

"Our policy is, of course, to rely as

¹ War Mobilization and Reconversion Act of 1944, enacted October 3 (Public. No. 458, 78th Cong.). For a summary of that act and its legislative history, see the *Bulletin*, October 1944, pp. 10-15.

much as possible on private enterprise to provide jobs. But the American people will not accept mass unemployment or mere makeshift work. There will be need for the work of everyone willing and able to work—and that means close to 60 million jobs."

A few weeks later, on January 22, 1945, Senator Murray (for himself, Senator Wagner, Senator Thomas of Utah, and Senator O'Mahoney) introduced S. 380, "A bill to establish a national policy and program for assuring continuing full employment in a free competitive economy through the concerted efforts of industry, agriculture, labor, State and local governments, and the Federal Government." This bill was a considerably revised version of the one prepared by the staff of the War Contracts Subcommittee. A practically identical House bill—H. R. 2202—was introduced on February 15.

In its Declaration of Policy, S. 380 took over substantially the "fundamental premise" of the Subcommittee bill—that every American has "the right to" a job. The declaration stated that "it is the policy of the United States to foster free competitive enterprise and the investment of private capital in trade and commerce and in the development of the natural resources of the United States"; and that "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 . . . freely to exercise this right." To achieve these goals, the bill declared it to be "the responsibility of the Federal Government to pursue such consistent and openly arrived at economic policies and programs as will stimulate and encourage the highest feasible levels of employment opportunities through private and other non-Federal investment and expenditure," and, to the extent that such measures are insufficient, "to provide such volume of Federal investment and expenditure as may be needed to assure continuing full employment."

The President was directed to transmit to Congress at the beginning of each regular session a Na-

tional Production and Employment Budget. This National Budget was to include estimates for the ensuing fiscal year of the size of the labor force; of the so-called "full-employment volume of production," that is, the aggregate volume of investment and expenditure "required to produce such volume of the gross national product, at the expected level of prices, as will be necessary to provide employment opportunities for such labor force"; and of the aggregate volume of prospective investment and expenditure. If the estimated volume of prospective investment and expenditure fell short of the full-employment volume of production, the President was to include in the National Budget a general program for encouraging increased non-Federal investment and expenditure to reduce this deficiency to the greatest possible extent. If the increased non-Federal investment and expenditure expected to result from this program should still be insufficient to assure a full-employment volume of production, he was to transmit in addition a general program for Federal investment and expenditure which would bring the aggregate volume of private and Government investment and expenditure up to the necessary level. Conversely, if the estimated volume of prospective investment and expenditure exceeded the full employment volume of production, the President was required to include in the National Budget a general program for preventing "inflationary economic dislocations."

The National Budget was to be prepared in the Executive Office of the President under the direction of the President and in consultation with the Cabinet members and other heads of departments and establishments. The President was also authorized to establish advisory boards composed of representatives of industry, agriculture, labor, and State and local governments to help in devising methods of achieving the objectives of the act.

The bill also provided for the establishment of a Joint Committee on the National Budget, to be composed of the Chairmen and ranking minority Members of the Senate Committees on Appropriations, Banking and Currency, Education and Labor, and Finance, and seven additional Members of the Senate; and the Chairmen and

ranking minority members of the House Committees on Appropriations, Banking and Currency, Labor, and Ways and Means, and seven additional Members of the House. The functions of this Committee were to study the National Budget transmitted to Congress by the President and to report to the Senate and House its findings and recommendations on the National Budget, together with a joint resolution setting forth a general policy on the Budget.

Other sections of the bill authorized the President to vary the rate of investment and expenditure to whatever extent he might deem necessary to assure continuing full employment; required the heads of departments and establishments to furnish congressional committees with whatever information on the National Budget they might request; and stated that nothing contained in the bill should be construed as calling for or authorizing the operation of productive facilities by the Federal Government, the use of compulsory measures in determining the allocation of manpower, any changes in existing procedures on appropriations, or "the carrying out of, or any appropriation for, any program set forth in the National Budget, unless such program shall have been authorized by provisions of law other than this act."

S. 380 was referred to the Senate Committee on Banking and Currency, which appointed a Full Employment Subcommittee to study its provisions and make recommendations. During July and August, extensive hearings were held on the bill, and after considerable deliberation by the Subcommittee and the full Committee the bill, containing an amendment in the form of a substitute, was reported in the Senate on September 22, 1945. The report accompanying the bill (S. Rept. 583) pointed out, however, that despite the changes, the revised version represented no changes in the basic principles of S. 380. The principal differences between the two versions lay in a rewording of the passage dealing with the "right" to employment, a considerable expansion of the declaration of policy, and a simplification of the section on the National Employment and Production Budget. Various minor sections were deleted.

The bill as reported to the full Committee by the Subcommittee declared that "all Americans able to work and desiring to work have the right to an opportunity for useful, remunerative, regular, and full-time employment." In the full Committee the words "have the right" were changed to "are entitled." No change, however, was made in the section immediately following this statement, which still began with the words, "In order to assure the free exercise of the right to an opportunity for employment set forth above. . ."

The full scope of the Federal Government's full-employment program was spelled out in more detail. As the report accompanying the bill (S. Rept. 583) pointed out, the revised version explicitly emphasized "the fact, implicit in the original bill, that the Federal Government shall have a consistent and carefully planned economic program." The list of the various fields that might be included in this program was expanded. Among other things, explicit recognition was given to the role of State and local governments; it was made clear that Federal investment and expenditure could include not only public works but also outlays "for public services, for assistance to business, agriculture, home owners, veterans, or consumers"; and a paragraph was added to the effect that the Government's economic policy shall "provide for an income for the aged sufficient to enable them to maintain a decent and healthful standard of living, and promote the retirement from the labor force of the older citizens." Another amendment asserted that the United States would carry out its full-employment program "in such a manner as will contribute to an expanding exchange of goods and services among nations and without resort to measures and programs that would contribute to economic warfare among nations."

The description of the National Production and Employment Budget contained in the original bill was simplified somewhat. The contents of the Budget, however, remained substantially unchanged, except that the reference to a "deficiency" was eliminated. At the request of farm groups, a provision was added specifying that the National Budget should

also include the amount of the national income and its distribution among agriculture, industry, labor, and other groups.

In addition, various other minor changes were made. Consultation of the President with industry, agriculture, labor, and other groups was made mandatory, references to the various Senate and House committees to be represented on the Joint Committee on the National Budget were deleted, and sections dealing with the rate of Federal investment and the duties of heads of departments to furnish congressional committees with data on the National Budget were omitted.

The members of the Committee differed considerably over the provisions contained in the revised version of the bill, the report indicated, and various other changes proposed in committee had been rejected. The main controversies arose over the "right" to an opportunity for employment and the Federal Government's responsibility to "assure" continuing full employment, the contents of the National Budget, and the policy on Federal investment and expenditure.

Several amendments were offered to delete the concept of "right" to employment opportunity. Others were suggested which would have deleted or qualified the Federal Government's responsibility to assure continuing full employment. One of these, for example, proposed that the Government should, consistent with its needs, obligations, and other activities, encourage action that would help achieve the objective of full employment. It was rejected by the Committee because "such an amendment would provide merely a weak and pious hope that full employment be attained. It would cripple the commitment contained in the bill."

An amendment was also proposed to delete from the section on the National Budget the references to the submission of economic goals and to require only a report on the extent of current unemployment, instead of the appraisal of current and prospective trends. The Committee rejected this amendment also, on the grounds that it "runs counter to the advice of responsible business leaders and Government officials" and would "seriously weaken the bill."

Of the several amendments proposed to modify the section dealing with Federal investment and expenditure, one proposed that the section be replaced by a provision for the mere acceleration of public works when private employment declined. The Committee insisted on retaining the original provision, however, on the grounds that the bill, by providing for Federal expenditure as well as for public works, was "broad enough to meet any conceivable emergency" and showed that the Government really "means business." The provision for Federal investment and expenditure contained in the bill, the Committee emphasized, "provides the basis for confidence in sustained markets and will make it possible to achieve full employment with a minimum of Federal investment and expenditure. If it is stricken, the costs to the Government will be incalculably greater."

Another proposed amendment would have eliminated the entire section of the bill dealing with the Government's policy to assure full employment and would have substituted instead a long list of specific policies in many different fields of action. To this the Committee objected on the grounds that "it would bog the bill down in endless controversy as to the merits of the specific policies enunciated in the specific fields" and would "tend to frustrate the basic purposes of the bill by writing specific programs into a measure which is designed to establish a general policy and procedure for the subsequent development of specific programs in tune with changing needs and changing conditions."

Yet another amendment would have restrained the Federal Government from engaging in activities competing with private enterprise. The Committee held that this amendment was "exceedingly dangerous, since the line of demarcation between the sphere of private enterprise and the legitimate sphere of public enterprise cannot be drawn without reference to specific situations."

It was also proposed that the Federal Government's program of investment and expenditure be accompanied by a program of taxation which would prevent any net increase in the public debt over a 6 or 10-year period. The Committee rejected this

amendment because it believed that, by thus "tying the hands of the Government," it would defeat its own purpose. The Committee "refused to accept the idea that a balanced Federal Budget in any specific period is more important than a balanced economy."

In a minority report issued on September 24, 1945, the dissenting members of the Committee reaffirmed their objections, particularly those directed against the policy on Federal investment and expenditure proposed in the bill, and recommended the adoption of two amendments incorporating some of the rejected points. The first provided that, to further the objective of full employment, "the Federal Government shall, consistent with its needs, obligations, and other essential considerations of national policy, proceed with a comprehensive program of public works and other expenditures so planned that they can be speeded up and enlarged when other employment decreases and retarded when full employment is otherwise provided." The second provided that the Government's economic program be accompanied by "a program of taxation designed and calculated to prevent any net increase in the national debt (other than debt incurred for self-liquidating projects and other reimbursable expenditures) over a period comprising the year in question and the ensuing 9 years, without interfering with the goal of full employment."

The Senate debate centered around these points, and both amendments were finally accepted in a somewhat modified form. Of the first, only the so-called "consistent clause" was adopted, while the passage immediately following, dealing with Federal investment and expenditure, was left as it stood in the Committee version of the bill. The other amendment, calling for a tax program to accompany the Government's economic policy, was adopted virtually unchanged, except that the Budget was to be balanced over a "reasonable number of years" instead of a 10-year period. With these amendments and a number of other relatively minor changes, the bill passed the Senate on September 28, 1945, by a vote of 71 to 10, with 15 not voting.

House Debate

While the bill was being debated in the Senate, the House Committee on Expenditures in the Executive Departments, on September 25, 1945, began hearings on H. R. 2202 and on H. R. 4181, a slightly different version of the original Senate full-employment bill introduced in the House on that day. When the Senate bill had been passed and referred to the House Committee on October 1, 1945, it was added to the two bills on which hearings were then being held. At the conclusion of the hearings in November, a subcommittee was appointed to consider all three bills and instructed to prepare a substitute. The substitute subcommittee bill, somewhat amended by the full Committee, was reported in the House on December 5, 1945.

The House substitute was called the Employment-Production Act of 1945, "An act to declare a continuing national policy and program to promote high levels of employment, production, and purchasing power in a free competitive economy." Its Declaration of Policy and provisions for an Economic Report differed substantially from the corresponding provisions of the earlier versions of the full-employment bill. The House substitute declared it to be the continuing policy of the United States to attain and maintain a high level of employment, production, and purchasing power by creating the maximum opportunity for employment. This goal was to be achieved by preserving and encouraging free competitive enterprise and promoting the investment of private capital; by fostering economic conditions favorable to stimulating new business, especially small business; by encouraging individual initiative; by avoiding competition of Government with private enterprise; and by adopting sound fiscal policies and maintaining the credit of the United States.

A second continuing policy of the United States was to make provision for diminishing fluctuations in the economy and for preventing their causes. Furthermore, the bill declared, the United States would stimulate private enterprise in periods when widespread unemployment existed or threatened, "so as to stimu-

late and promote employment (including self-employment), production, and purchasing power in a free competitive economy, thereby aiding and assisting employables . . . in such periods to secure employment, and to aid in removing or preventing inflationary or deflationary conditions in periods in which such conditions exist or threaten." To achieve these aims, the Federal Government was to encourage State and local governments to plan sound public works programs, which could be accelerated when unemployment existed or threatened and curtailed during inflationary periods; to plan loans consistent with sound fiscal policy, for use in times of widespread unemployment; and to plan public works consistent with sound fiscal policy that could be accelerated and reduced as economic conditions might require.

The bill required the President to submit to Congress, at the beginning of each session, a report on economic conditions affecting employment, the extent to which the policies of the bill were or were not being achieved, and the extent to which the various programs of the Federal Government were or were not contributing to the achievement of such policies. If employment, production, and purchasing power were not being maintained, or if widespread unemployment existed or threatened, the President was to include in his report an analysis of the causes of unemployment, a statement of the extent to which existing legislation might be used to improve the situation, and recommendations for further legislation. Such recommendations could include proposals for outlays in addition to loans and public works and had to include recommendations for financing the proposed legislation. If, on the other hand, inflationary tendencies or conditions prevailed, the report was to include a statement on their causes, a statement on the extent to which existing legislation could alleviate them, and recommendations for further necessary legislation.

The bill created in the Executive Office of the President a Council of Economic Advisers appointed by the President; the duties of the three members were to be substantially those outlined in the act as it became law. The bill also established a

Joint Committee on the Economic Report similar to that provided by the Senate bill.

In the report accompanying the bill (H. Rept. 1334), the Committee stated its reasons for rejecting the previous House and Senate bills and for reporting the substitute. The Committee's objection was primarily that the other bills declared it to be the "responsibility" of the Federal Government to assure "full" employment, which would represent a committal to Federal expenditures. Under Federal "responsibility," the Committee held, employment through private enterprise would become perfunctory, and the Government would be committed to continued deficit spending. It asserted that, "unless the slogan 'full employment' is deceptive . . . 'full employment' never has been and never will be maintained under our system of free competitive enterprise except in wartime under huge deficits."

The Committee report also contained the dissenting views of four members who objected to the substitute bill because it was "not a bill designed to create a single job"; because "at its best, the bill can only be construed as a planning measure, a new version of the discarded National Resources Planning Board"; because the President already has all the authorities the bill provided; because the Economic Council would duplicate existing services at the disposal of the President; and because agencies already in existence could do all the planning necessary for the spending of Federal funds.

Four other members of the Committee declared that they had voted to report the substitute bill to the House with reservations. They expressed their belief that "the obligation of the Federal Government to defeat disintegration within our Nation is as positive and inescapable as its obligation to defeat aggression from without," and their objection to the bill was that it failed "to give to the obligations of the Government adequate recognition and expression."

The substitute bill was discussed in the House on December 13 and 14 and passed without amendments by a vote of 255 to 126, after an amendment proposing the substitution of H. F.

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1945. 8 pp. (Bulletin of the Russell Sage Foundation Library, No. 163.) 10 cents.

PENNSYLVANIA SCHOOL OF SOCIAL WORK. *The Role of the Baby in the Placement Process.* Philadelphia: The School, 1946. 113 pp. 85 cents.

Discusses the placement process with special reference to the needs of the individual child.

"Recipients Out of State." *Public Welfare in South Dakota*, Pierre, Vol. 8, Nov.-Dec. 1945, pp. 1-5. Processed.

A survey of out-of-state recipients, as of November 1, 1945, showing why they moved.

RUSSELL SAGE FOUNDATION. *Definitions of Terms and Instructions for Reporting Monthly Statistics of Family Casework.* New York: The Foundation, 1946. 26 pp. 1946 edition. 20 cents.

Health and Medical Care

BECKER, HARRY J. "Pending Health Legislation." *American Journal of Nursing*, New York, Vol. 46, Jan. 1946, pp. 11-16. 35 cents.

Reviews pending legislation on medical service and hospital construction,

with emphasis on the Wagner-Murray-Dingell bill.

BOAS, ERNST P. *Why Do We Need National Health Insurance.* New York: New York Society for Ethical Culture, 1945. 22 pp. 10 cents.

Discusses the inequalities in distribution of medical service and shows why the Government must participate in a national health program.

DAVIS, MICHAEL M. "Putting Teeth Into Health." *Survey Graphic*, New York, Vol. 35, Jan. 1946, pp. 27 ff. 30 cents.

Comments on the need for more and better dental service.

"First Annual Conference of Presidents and Other Officers of State Medical Societies, Chicago, December 2, 1945." *The Journal of the Michigan State Medical Society*, St. Paul, Minn., Vol. 44, Dec. 1945, 20-page insert facing p. 1344. 50 cents.

The papers presented at the conference included: How Can We Assure Adequate Health Service for All the People?, by Arthur J. Altmeyer; Expansion of Voluntary Group Health Care Programs, by Joseph H. Howard; Health Legislation Beneficial to the People, by Philip K. Gilman; Modern Medical Public Relations, by O. O.

Miller; Formation of a National Health Congress, by John F. Hunt.

GREAT BRITAIN. MINISTRY OF HEALTH. *Summary Report for the Year Ended 31st March 1945.* London: H. M. Stationery Office, 1945. 84 pp. (Cmd. 6710.) 1s. 6d.

Information on national health insurance, the state of the public health, maternal and child welfare, housing, and special wartime activities.

"Postwar Outlook for Physicians." *Monthly Labor Review*, Washington, Vol. 61, Dec. 1945, pp. 1094-1111. 30 cents.

A study prepared by Judith Grunfel of the number and geographical distribution of physicians in relation to population.

ROREM, C. RUFUS. "President Truman's Proposed National Health Program in Perspective." *Hospitals*, Chicago, Vol. 20, Jan. 1946, pp. 42-44. 30 cents.

Reviews the President's proposals in relation to the Blue Cross Plan program.

"Should America Have Compulsory Health Insurance? Altmeyer Says: Yes. Mannix Says: No." *Modern Hospital*, Chicago, Vol. 66, Jan. 1946, pp. 66-72. 35 cents.

(Continued from page 29)

2202 for the House substitute had been rejected. On December 15 the Senate expressed its disagreement with the House bill and asked for a conference. The conference report (H. Rept. 1520) was reported out by the House conferees on February 5 and submitted to the House on the following day.

Conference Committee Report

The principal differences between the Senate and House bills and the conference substitute were summarized in the conference report.

"The Senate bill declared that it is the responsibility of the Federal Government to maintain full employment and to assure at all times sufficient opportunities for employment to enable all Americans able and willing to work to exercise their right to continued full employment.

"The House substitute declared that it is the continuing policy of the United States to promote employment, production, and purchasing

power under the system of free competitive enterprise, and that the function of the Government is to promote and not to assure or guarantee employment . . .

"The conference agreement adopted the view and declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means in a manner calculated to foster and promote free competitive enterprise for the purpose of creating and maintaining conditions under which there will be afforded opportunities for those able, willing, and seeking to work, and conditions to promote maximum employment, production, and purchasing power. The term 'full employment' is rejected, and the term 'maximum employment' is the objective to be promoted . . .

"The words or terms 'full', 'guarantee', 'assure', 'investment', and 'expenditure' do not occur in the conference agreement. The goal is maximum or high levels of employment. The emphasis on spending, expenditures, and disbursements is omitted

from the conference agreement.

"The Senate bill provided for a production and employment budget. A budget contemplates previous authorizations and commitments. There are no authorizations in the conference agreement. The House substitute provided for an economic report by the President instead of a budget. The report was to be made on economic conditions affecting employment in the United States and the extent to which the programs and activities of the Government were contributing to the achievement of the declared policy.

"The conference agreement adopts substantially the economic report of the House substitute. Mention of public works and loans is omitted. The President is to transmit a review of economic conditions and his program for carrying out the policy declared."

The conference report was accepted by the House on February 6, by a vote of 320 to 84. It was agreed to unanimously by the Senate on February 8, and became law on February 20.