

April 11, 1978

HUMPHREY - HAWKINS: AN UPDATE

STATUS

On March 16, 1978, the final version of the Full Employment and Balanced Growth Act passed the House of Representatives by a vote of 257 to 152. On April 10 the Subcommittee on Employment of the Senate Human Resources Committee will markup S. 2345 at 9:00 a.m., 1202 Dirksen Senate Office Building. On April 13 it will continue at 155 Russell Senate Office Building.

WRIGHT AMENDMENT

Although a large number of amendments to this bill were proposed, only three significant ones were passed. Because of a recent report that the present annualized inflation rate may be 13 percent, Representative Ronald Sarasin (R-Conn.) offered an amendment which would establish an interim five-year goal of no more than 3 percent inflation and at the same time prohibit wage and price controls. This proposal was replaced by a substitute amendment of Representative Jim Wright, the Democratic Majority Leader, which would require the President to include in his annual economic report goals for reasonable price stability, and to formulate policies to reduce inflation. The Wright Amendment passed 277 to 143.

Because of the specific inflation reduction goal of the Sarasin Amendment, it is expected that Senate members may propose a similar amendment when the Senate consider their version of the Humphrey-Hawkins bill.

JEFFORDS AMENDMENT

The second amendment that was passed, was proposed by Representative James Jeffords (R-Vt.). The vote was 239 to 177. It would require the President's economic report to distinguish between employment in the private and permanent public sector and employment in temporary public programs.

The object of this amendment was to prevent the federal government from reporting that it had achieved a 3 or 4 percent unemployment by using temporary public jobs first. This amendment would also call for two sets of employment statistics. One set would measure all employment and the other would count workers in public service employment programs as still looking for work. This would give the public an indication of whether the administration was using temporary job programs to meet the high-employment goals.

QUIE AMENDMENT

The third major amendment passed was that of Representative Al Quie (R-Minn.) by 264 to 150. Its purpose is to include maintenance of farm income at 100 percent of parity at the marketplace among the goals of the President's economic report. The President would be required to reevaluate federal policies which increase production and importation of foreign farm and beef products at the expense of American farmers. It is interesting to note that most of the votes against this amendment came from members who come from the more liberal end of the political spectrum, and represent urban districts or states.

ADDITIONAL AMENDMENTS

There were four other amendments in addition to the Sarasin Amendment, that although were defeated, were close enough that they will probably be offered in the Senate debate.

1. Jeffords Substitute to Sarasin Amendment Roll Call #126, March 9, 1978, defeated (198-223)

This substitute amendment would require the President, starting with the third year after passage of the bill, to include in his annual economic report goals for reasonable price stability, and to formulate policies for the reduction of inflation. It would also define reduction of inflation. It would also define reasonable price stability as reduction of inflation to 3 percent within five years of enactment.

The justification for this amendment was that since all people are affected by inflation, that this problem should be equally addressed along with unemployment.

2. Ashbrook Amendment Roll Call #152, March 15, 1978, defeated, (205-215)

This amendment would have required the President to balance the federal budget, and recommend policies and programs for the achievement of that end. This goal of a balanced budget would have to be accomplished within five years. The President made a campaign promise that the federal budget would be balanced by 1981; however, there are indications that this pledge will be difficult to keep.

3. Quie Amendment Roll Call #155, March 15, 1978, defeated (194-216)

This amendment would require that the medium goals in the President's first economic report include a reduction of individual income taxes by 10 percent in each of the succeeding three tax years; reduce by 1 percent of the income tax on corporations in each succeeding three tax years; increase the corporate surtax exemption to \$100,000.

The argument for this amendment, is that the tax burden on the American taxpayer is becoming larger and larger; therefore, some effort should be made to ease that burden. With government at all levels consuming 43 percent of total national income in 1978, economists are concerned about the dilatory affect this is having on savings, capital formation, productivity, and the thrift necessary for an industrial economy to survive and expand.

4. Pike Amendment Roll Call #156, March 16, 1978, defeated (199-204)

The purpose of this amendment was to exclude from the unemployment statistics, persons unemployed because of strikes, those who have been unemployed less than four weeks, those who have jobs waiting but for their own convenience are not ready to enter employment, those who are not seeking full-time work, and those who voluntarily left their last job.

Critics of the present unemployment system charge that the federal government treats all unemployed as the same without taking into consideration certain distinctions. One distinction is the difference between the breadwinner of the family (either male or female) looking for a job as compared to a teenager who looks for a job even though he may be living at home, and one or both of his parents are working. In Great Britain, only heads of families or emancipated single adults are included in the unemployment statistics. Obviously, there are differences between the needs of an adult and a teenager, but the federal government does not recognize them.

A second distinction amongst the unemployed is those that are without a job involuntarily, and those that are not working by choice. A person who goes on strike or changes jobs, obviously has a degree of economic independence not available to those who are

Vote Analysis (By Region)

Final Passage - Full Employment and Balanced Growth Act of 1978 (H.R.50)

New England:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
5	(20.0%)	19 (76.0%)	1 (4.0%)

Middle Atlantic:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
14	(17.5%)	64 (80.0%)	2 (2.5%)

E. N. Central:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
27	(31.4%)	55 (64.0%)	4 (4.7%)

W. N. Central:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
15	(42.9%)	18 (51.4%)	2 (5.7%)

Border:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
12	(36.4%)	19 (57.6%)	2 (6.1%)

South:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
49	(49.0%)	42 (42.0%)	9 (9.0%)

Mountain:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
12	(63.2%)	6 (31.6%)	1 (5.3%)

Pacific:

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
18	(33.3%)	33 (61.1%)	3 (5.6%)

Noncontinental

	<u>NO</u>	<u>YES</u>	<u>NOT VOTING</u>
0	(.0%)	1 (33.3%)	2 (66.7%)

STATES AND REGIONS

 NEW ENGLAND

 CONNECTICUT 1
 MAINE 1
 MASSACHUSETTS 1
 NEW HAMPSHIRE 1
 RHODE ISLAND 1
 VERMONT 1

 MIDDLE ATLANTIC

 DELAWARE 2
 NEW JERSEY 2
 NEW YORK 2
 PENNSYLVANIA 2

 EAST NORTH CENTRAL

 ILLINOIS 3
 INDIANA 3
 MICHIGAN 3
 OHIO 3
 WISCONSIN 3

 WEST NORTH CENTRAL

 IOWA 4
 KANSAS 4
 MINNESOTA 4
 MISSOURI 4
 NEBRASKA 4
 NORTH DAKOTA 4
 SOUTH DAKOTA 4

 BORDER STATES

 KENTUCKY 5
 MARYLAND 5
 OKLAHOMA 5
 TENNESSEE 5
 WEST VIRGINIA 5

 SOLID SOUTH

 ALABAMA 6
 ARKANSAS 6
 FLORIDA 6
 GEORGIA 6
 LOUISIANA 6
 MISSISSIPPI 6
 NORTH CAROLINA 6
 SOUTH CAROLINA 6
 TEXAS 6
 VIRGINIA 6

 MOUNTAIN STATES

 ARIZONA 7
 COLORADO 7
 IDAHO 7
 MONTANA 7
 NEVADA 7
 NEW MEXICO 7
 UTAH 7
 WYOMING 7

 PACIFIC STATES

 CALIFORNIA 8
 OREGON 8
 WASHINGTON 8

 NONCONTINENTAL

 ALASKA 9
 HAWAII 9