

The State of Justice

1948 and 1963 Revisited
A JOBS FIRST AGENDA for
2012,
A sure ticket to the White
House

This is the second article in a series of two articles on what we believe to be the compelling social “justice” issue of our times, which is also the most compelling economic issue—the availability for every American of “a decent job.”

The first article, which appeared in the August, 2010 issue of *The Commentaries* (*The State of Justice*), discussed the UN (and US) sponsored Universal Declaration of Rights of 1948, which heralded the then public aspiration of these United States (and much of the rest of the developed world) that a right to work at wages which would support a decent standard of living—what we will refer to as “living wage” jobs, as opposed to “minimum wage” jobs—should be a recognized as a “right” of every citizen, every bit as much as freedom of speech, or religion, or freedom to be secure in one’s person and property. This, the framers believed, is the surest way to promote a just society.

They believed that the best protection from an authoritarian or oligarchic government was to provide every citizen a means of

earning a decent standard of living—recognizing that peoples desperate for the means of survival will turn to revolutionary or reactionary action, putting their trust in demigods of the left or right who are able to convince them that their economic woes are the result of this or that “perceived enemy,” when in fact what they really want is not to demonize others, but the means of providing basic, human needs of survival and education for their family, i.e., a decent job.

Unfortunately, a hungry person does not think straight.

Apologists for our country’s refusal of a “job” as a “right” are fond of saying what we hold most dear in America is “freedom.” They claim that when we see popular uprisings around the world—the anti-Mubarak crowds in Egypt, the street protests in Tunisia, the demonstrations in Bahrain- they are all about people wanting more “freedom,” when in fact the protests are often mostly about economic injustice, the lack of jobs or prospects for the country’s desperate

citizens, the huge disparity between the rich and the poor.



It is much easier for our media (often to placate their own corporate interests) to discuss the “restlessness” across the

globe as solely being caused by a “lack of freedom,” certain dictators, presidents, labels, or political philosophies. Otherwise, the media would have to report on the demands of millions from around the globe for economic justice in a capitalistic system that continues to demand *laissez-faire* from its nation-state clients, but has developed its own caste system of economic winners and losers.

While we glibly tend to dismiss groups like the Tea Party as precursors of revolutionary politics (after all, the guns they have brought to the street have so far remained symbolic) their anger at economic injustice, whether articulated as anger at bailing out the banks, excessive government spending (as in bailing out the banks), belies a fundamental dissatisfaction with the status quo of economic “distributive

justice” as it relates to them, many of whom are unemployed or have felt the harsh sting of unemployment.

However muted, the call for economic justice in this country has occasionally erupted since 1948, as exemplified by the “Great March on Washington” that Martin Luther King and other civil rights leaders organized in 1963 (including Wheeling’s own native son Walter Reuther). This march was not only in support of racial equality, but economic justice for all Americans. Thus, when deciding how to convey the message of civil rights for all, the organizers agreed on the official name of the event as “The March on Washington for Jobs and Freedom!”

We believe that what is needed to restore economic justice is a JOBS FIRST AGENDA of sweeping tax incentives, banking regulation, and other incentivized policies for job growth in the private sector and the public sector, plus a re-direction of what is left of the welfare system to a modest public works program on the lines of the 1930’s Civilian Conservation Corporation. This will allow for those necessary public infrastructure improvements, or conservation and preservation projects that private businesses cannot, or will not provide.

If the private sector can be incentivized to make employment at a full or near full

level, it would greatly increase tax collections from all working Americans, naturally decrease the deficit, and allow for a modest, deficit-neutral public works project supplemental to a full or near full employed workforce in the private sector.

This, we maintain, can be done on a national level with a sweeping reform of the tax code, some minor regulation of the Federal Reserve System, and consideration of the AGENDA as a priority in the implementation of other federal policies. We refer to this as a JOBS FIRST AGENDA, and believe that such a change in the nation's tax code, banking system, and other policies would not only directly solve the nation's foremost economic problem of unemployment and underemployment, but also indirectly contribute to solving other systemic and chronic social and economic problems—the nation's budget deficit, the international trade deficit, our inexpensive and inequitable health care system, over dependence of fossil fuels, infrastructure deterioration, and environmental degradation of our nation's natural resources (these indirect results will be further studied as the subject of the WAL'S Second Annual Essay Contest, announced in this month's *Letter From*

the Editor).

In the process, a change in national policies, through restructurings of the tax system and other incentives, could also rejuvenate a moribund educational system by giving direction to the challenge of achieving a full-opportunity society that an economically secure future for every American would promise.

A JOBS FIRST AGENDA would demand of our legislators at both the state and federal level that their tax codes be substantially amended to eliminate all deductions and subsidies heretofore determined to be a matter of "policy," such as the oil-depletion allowance, favorable treatment for fossil fuels production, credits for taxes on internationally earned income of American based corporations who have shipped jobs overseas, i.e., all or most of the special interest loopholes in the present tax code, those things that have been euphemistically referred to as "corporate welfare."

But to be fully successful in accomplishing full employment goals, it could not stop with the tax code. Federal regulation could require the Federal Reserve System, when it issues bonds (prints new money, as in "quantitative easing") and lends that money to banks at the low federal rate (most recently at 0% interest), to require those banks (for the privilege

of borrowing money at such a low rate) to use a certain substantial percentage of said funds to invest in, or supply credit to businesses that employ individuals at the living wage level, without favoritism to large or small businesses, based only upon a formula as to the proportion of gross revenues of said companies go to paying for wages and benefits at the living wage level. This would not only allow for credit easing for businesses that actually provide necessary goods and services to the national economy, but would prevent banks from utilizing low interest money solely to subsidize more speculative investments on their own account. The present system, which allows banks to borrow at 0% interest, yet withhold credit to small businesses and individuals except at exorbitantly high credit-card rates of interest, is unconscionable.

Corporations, newly recognized in *Citizens United* as persons for Constitutional First Amendment purposes, should recognize that the demise of "corporate welfare" is a necessary corollary where the "equal protection clause" should ultimately be found to keep corporations from receiving favorable tax credit or borrowing privileges not enjoyed by small businesses or working Americans.

As to reform of the tax code, it can be legislatively mandated that in place of the many special interest deductions and subsidies, over and above the usual ordinary and necessary business expenses, the only deduction would be an incentivized deduction or credit (maybe a direct tax credit) based on a proportion of the number of employees hired to total revenues who are being paid at living wage levels. Entitlement to such deductions or credits could be structured in a business friendly way so that particularly employee-friendly businesses (such as Microsoft) might be relieved (on some sliding scale basis) from paying any income taxes at all depending on the percentage of their earned income distributed to employees as living wage compensation. Think of it—Exxon Mobil may still be able to avoid paying significant income taxes, but only if it adopts the incentivized, favorable employment practices envisioned by such an agenda—not because of some anachronistic tax policy that favors depletion of fossil fuels.

The ideas that would provide the details of how to achieve a tax code or banking regulation that would create an incentive for job creation, though not simple, are already in the public domain.

Studies have already identified countless examples of "corporate welfare" that can be eliminated without effect on most Americans or small businesses that are still the backbone of the American economy. Other studies have shown how the implementation of a flat-rate tax

would greatly simplify the present tax system, but special interest subsidies have largely stymied this reasonable and often non-partisan idea for future reform. A JOBS FIRST AGENDA, in eliminating all those special interest subsidies, might embrace it as the best solution for a 21st century tax revenue system.

Studies have indicated that the bulk of tax revenues come from working Americans and small businesses. In addition, nearly all economists agree that these tax revenues would balloon with relatively full employment at good paying jobs.

What amount of money would constitute a “living wage” has already been quantified by a number of NGOs. It would only be a matter of a political will that mandates those amounts, not as part of the always contentious argument over the “minimum wage,” but as an ideal (an incentive) to allow for the creation of “living wage” jobs. Businesses will still be allowed to hire at the minimum wage to save money, and will still get their usual deduction from income tax for these expenditures, but if they really want to benefit from the incentives built into the new tax code, most may find that voluntarily

paying their employees at the “living wage” rate the easiest way to achieve that goal.

A commission of leading bipartisan (or better yet, non-partisan) economists, tax policy specialists, and other social-policy workers should be immediately mandated to study how best to implement such a JOBS FIRST AGENDA incentive system that would lead to meaningful tax system and banking reform, with all options on the table.

This recommended Commission should be charged with one issue: A JOBS FIRST AGENDA, for coming up with a revolutionary change in the tax code and other federal policies to promote jobs creation, not jobs elimination as our current tax code and other national policies promote. Such a commission should not be asked to study “whether or not” a JOBS FIRST AGENDA should be implemented, but “how” to implement it.

In all regards, it should be viewed as an incentive program, not a system of governmental compulsion, or penalties. For example, such an agenda might allow any such incentives to apply to all American businesses, or foreign businesses who earn income in America, whether they hire domestically or internationally, so long as they pay their foreign employees a living wage as well. Such a policy would not only raise international standards of employment, it would decrease the incentive of

allowing American businesses to ship American jobs overseas for the sole purpose of exploiting cheap labor.

Such a Commission is the type that the present administration should set up; not one, as recently announced, to be chaired by of head of GE, which is charged with coming up with recommendations for job creation. It is not hard to expect recommendations for “business as usual” from such a commission, when a review of the last ten years of annual shareholder reports of GE demonstrate that it has been a corporate leader in shipping American jobs overseas.

No, Mr. President. Not that kind of Commission.

Furthermore, such a Commission should be set up immediately, with its results mandated far in advance of the 2012 election, to allow a JOBS FIRST AGENDA to be defined as the most pressing issue for the 2012 election.

We further maintain that the President would be assured re-election, or his challenger given a green light to the White House, by a sincere and unqualified embrace of a JOBS FIRST AGENDA such as outlined here.

In fact, we believe that not only is full-employment (or nearly full employment) at living wage levels in the private sector possible under our capitalistic system, but that to the extent that any lingering unemployment may have to be met by employment on public works projects offered by federal, state or local government, the cost of such would be offset not by a massive new public works project, but by increased tax revenues from working Americans in the private sector and a substitution of what’s left of the current welfare system (to the extent practicable) to a “work-for-compensation” system, reminiscence of the Civilian Conservation Corps of the 1930s.

Most professional people and small businesses in this country still provide goods and services to working people who pay (one way or the other) their fees. These are the same people who pay the bulk of our government taxes, buy consumer goods, and keep the economy humming. Whether you are a doctor, lawyer, broker, car salesman, dealership owner, provider of goods or services in a retail setting, or operate any other small business, it is nearly always working consumers upon whom you must depend to buy your goods and services.

Working Americans (and those who wish to be

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working Americans) will respond to such a JOBS FIRST AGENDA because the idea is consistent with American values of a fair day's wages for a fair day's work. Indeed, Working Americans care about their jobs and do them well if they fairly and adequately support their families.

Before the critics suggest that associating a "right" to the concept of holding a decent paying job would lead to inefficiency and "featherbedding," we suggest that the legal "right" to a decent job could be implemented not as an "entitlement" program, (i.e., a right of everyone to a "guaranteed" job), but as a modification to the "employee-at-will" doctrine, i.e., a statutory rule that once employed, an employee retains his or her job unless there is "good cause" to terminate them. No employer will be "forced" to give anyone a job; it would rather be the workings of the "incentive" policies that would encourage full or near full employment.

So defined, this "right" would be expressly coupled with a "responsibility." Each American (whether in the public or private sector) would be required to do their job well. If you don't do your job, you lose your right to remain

employed. Think of it as a right for which each of us will be "accountable," for a real change. This is hardly a revolutionary idea. A small portion of Americans who belong to unions and are subject to collective bargaining (about 12% of the workforce), already have such a right, and such a responsibility.

There is no reason to believe that patriotic businessmen and women would not also be inclined to such an agenda, and that given proper incentives, such a system could benefit not only working people but all businesses as well. In the final analysis, Americans can't go shopping, or buy services offered by businesses if they haven't the money to buy anything of value.

We have lived in a country when in a time of national crisis our President requested of its citizens to do their part by "going shopping." Wouldn't it be a far greater society, in this time of economic national crisis, for our President to be able to say: "My fellow Americans, we need you all to go out there, and do your jobs well! It's what makes the economy and our country strong!"

Yet our present national priorities and policies have made it so that certain professions and businesses can make an obscene amount of money, not by proving goods and services to working people, but by exploiting them, by speculating with their life

savings, by charging excessive fees to administer what wealth they do possess, by using their final illness to legitimately transfer the rest of their accumulated wealth to a profit-driven health care system, or by otherwise economically squeezing the very people who our country has counted on to support our professions, businesses, and government from the start of the republic until this very day.

While such historic practices and policies may encourage high profits for a limited number of professionals and businesses in the short run, it cannot be sustained for the long run, and we all know it. A system that allows most people to have to work hard at one and sometimes multiple jobs just to make ends meet, while a few make millions and even billions a year, sooner or later will cause those of more desperate fortunes to be out in the streets as well, breaking windows, identifying scapegoats, looking for justice they could not find in the present economic system.

We knew it in 1948. We knew it in 1963. We know it now.

But there is still time. A JOBS FIRST AGENDA would be a public relations bonanza for the politicians and political parties, willing to embrace it—a short hand way for all Americans, Tea

Partiers, center-minded Americans, and disgruntled leftists to come together for a unifying political goal for the common good—a non-partisan Agenda that in any event has since 1948 supposedly been the aspiration of the United States—to provide every American with a decent paying job.

Such a unifying goal could be heard throughout the country on every issue, for every bill that gets introduced in Congress. Is this a JOBS FIRST reform of the tax code? How about a JOBS FIRST reform of banking? Of America's trade policies? How about a JOBS FIRST international economic summit? Our guess would be you would not need the usual over-blown security for such an economic summit if citizens of the world actually believed you were trying to implement policies to promote decent jobs FIRST and FOREMOST (i.e., economic justice) throughout the world.


But of course, it could not be *just* about public relations, about more labels, as in the recently proposed bill to overturn the new health care law, i.e., "The Bill to Repeal the 'Job-Killing' Health Care Law." It would have to be based on a unifying moral principle, a sincere acceptance

of the proposition that every American has a right to a decent paying job, and lead to real reform.

Such an effort would be so compelling as to be the first issue where our President could without fear of political repercussion use his “bully pulpit” for the first time, to go directly to the American people to buy into the JOBS FIRST AGENDA, to invite all Americans to Washington, D.C. to lend their voices, their support, and their insistence that their Congressional representatives from whatever party support the Agenda, to name names of those representatives who don’t (in order to ensure sustained grass-roots political pressure), and to unify the country to respond to that great call of 1948 to keep every form of fascism or totalitarian government at bay; and to respond to the unfinished business of that Great March on Washington of 1963 when Dr. King delivered his “I have A Dream Speech” and hoped that some day we would as a people be able to say, “Free at Last, Free at Last, Thank God Almighty, We Are Free at Last,” by which he meant not just a nation free of racial injustice, but also free of economic injustice.

But that was then. Now, we are approaching a big year

for determining what direction our country will take in 2012 with the same issue of economic justice boiling just beneath the surface of an electorate still desperate for real “change.” We have seen just last week the incredible scene of public employees of our own country demonstrating and filling the Capitol in Wisconsin in their own attempt at “economic justice.” Let us also keep in mind that poll after poll says that what most Americans are concerned about today is “jobs, jobs, jobs.”

Our political leaders would do well to decide that in 2012, the election will mostly be about jobs, and that though we have yet to learn the lessons of 1948 and 1963, it may be just about time to do so; and that that time should be now. 

Letter from the Editor

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“problem,” based on the “problem” issue of most interest to them.

Although formal notices of the essay will be sent only to local high schools and universities who have participated in other WALS programs, any high school or university student living elsewhere is welcome to submit an entry, which will be treated and judged the same as any from the local area.

As in the case of last year, the author of the winning essay will receive a \$1,000.00 scholarship from WALS and the author, the author’s parents and their favorite “teacher” will be invited to attend the WALS Annual Awards Banquet in December of 2011, at which time the winning presentation will be announced.

We hope you enjoy tonight’s program, with Geoff Schoolar demonstrating his culinary skills, and a little after dinner dancing of the “Cha, Cha, Cha.”

Cheers!
