



**Michael Dennis.** *The Full Employment Horizon in 20th-Century America.* London: Bloomsbury Academic, 2021. 296 pp. \$115.00, cloth, ISBN 978-1-350-17914-1.

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## Full Employment

Commenting on the Beveridge Plan in 1944, the British socialist theorist G. D. H. Cole warned that “a capitalistic country ... must always be faced by the danger of unemployment. It may be able to offset this danger by the right measures for stimulating either investment or consumption, or both at once; but the danger remains inherent in any system which depends on the profit-motive to bring about the employment of any considerable proportion of the total available supply of labour.”[1] According to Cole, the issue needed to be defined and understood in structural terms: “Unemployment is a disease of capitalism: it may be possible by a large of public enterprise and redistribution of incomes to reduce it to manageable dimensions without abolishing capitalism altogether; but it cannot be entirely eradicated except under a system which makes need, instead of profit, the criterion of the worthwhileness of production and employment over the entire economic field.”[2] Under these premises, it is hardly surprising that Cole—unlike most Labour Party economists—never fully came to terms with John Maynard Keynes’s prescriptions, despite acknowledging their theoretical as well as practical merits. “The Keynesian revolution in economic

thought is to be welcomed and accepted by Socialists up to a point,” he claimed in 1950, “but cannot be taken as a substitute for Socialism, or for a socialist economic theory which goes a long way beyond it. Keynesianism is after all, in the last analysis, a very elaborate mechanism for offsetting rather than curing certain glaring deficiencies in the working of a capitalist society.”[3] Ultimately, even the British postwar mixed economy, centered on a robust welfare state aimed at curbing the power of the private sector, fell short of fulfilling the goals of the libertarian, decentralized, pluralistic socialism he stood for.[4]

Cole’s argument about the irreconcilable tension between the underlying logic of capitalism and the pursuit of full employment would have struck a chord with the wide array of intellectuals and activists featured in Michael Dennis’s *The Full Employment Horizon in 20th-Century America: The Movement for Economic Democracy*. The unorthodox figures who broke with the pro-market consensus underpinning US politics felt that the concept of full employment “provided an arena for considering the outlines of a humanistic, cooperative society, one in which work was dignifying, meaningful, and compatible with the desire

for greater personal autonomy, community cohesion, workplace democracy, and material abundance” (p. 3). By repeatedly seeking to forge a broad-based working-class alliance open to “community organizers, labor activists, feminists, and a range of social observers,” they “had the audacity to imagine that the exploitation built into capitalism might be replaced by a society in which working people exercised control over the production process,” thus embracing at least some of the core tenets of democratic socialism (p. 12).

Dennis traces the origins of this vibrant yet understudied movement to those interwar champions of democratic planning who envisaged more far-reaching, vigorous forms of government intervention and regulation of the economy than the ones eventually adopted by the Roosevelt administration. Progressive New Dealers such as Stuart Chase, Rexford Tugwell, Alvin Hansen, and Mordecai Ezekiel, having questioned the generally prudent and piecemeal approach to social reform promoted by the Democratic Party in power throughout the 1930s, helped crystallize the belief that “the coordination of production and consumption could foster a more humane, egalitarian, and rational society” (p. 32). Although their institutional legacy was limited—for the boldest programs and bodies launched by Roosevelt, including the Civil Works Administration (CWA) and the National Resources Planning Board (NRPB), were soon targeted and defunded by conservative forces well represented in Congress—, their thinking informed a “vision of postwar economic democracy” that galvanized organized labor and a few legislators during the following decade (p. 58). In Washington, much of the impetus came from Senator James E. Murray (D-Montana), a spirited trustbuster whose Full Employment Bill, a watered-down version of which was finally approved in 1945, “became a key flashpoint in the class struggle of the 1940s” (p. 79). Alongside these congressional efforts, as Dennis points out, pressure from below was far from negligible in trying to force the federal government to commit itself to

economic planning and compensatory spending toward the end of the Second World War. The dynamism of the CIO’s Political Action Committee (CIO-PAC) and other civil society groups—most notably, the Union for Democratic Action (UDA)—allowed this and other legislative measures to gain traction but also stoke fears among employers that government-sponsored job creation would “reduce profit margins, influence investment patterns, and govern labor markets to the detriment of capitalist control” (p. 113).

In the end, a right-wing coalition between “big business, the Republican Party, and southern segregationists” succeeded in eradicating “the full employment idiom” from the compromise Employment Act of 1946, on which full employment advocates had initially pinned high hopes (p. 118). The strike wave of 1945-46, which aimed to extend “the de facto job guarantee into the postwar period and to contest managerial discipline from a position of power,” triggered a similar “reactionary backlash” which benefited from “the cooperation of President Truman, who increasingly considered organized labor a petulant child to be tamed” (pp. 130, 136). The passing of the Taft-Hartley Act in 1947, the mounting anticommunist hysteria, and many union leaders’ “acquiescence” to the restoration of the “primacy of private enterprise” ended up undermining the full employment drive (p. 139). Throughout the 1950s, “the famed prosperity of the period that accrued primarily to a white middle class and to the ranks of unionized workers blunted any criticism of an economic order predicated largely on military spending” but did not prevent marginalized, dissident voices from stressing “the connection between racial inequality and economic injustice” (pp. 146, 153).

As Dennis goes on to highlight, the 1960s-1970s marked the period in which full employment ideas penetrated the civil rights movement most forcefully. Prominent labor activists such as A. Philip Randolph and Bayard Rustin focused on “a comprehensive economic plan to

ameliorate black poverty and powerlessness” that gave birth to the Freedom Budget, a job guarantee manifesto that revived a progressive message harkening back to the 1940s (p. 156). Drawing inspiration from Dr. Martin Luther King Jr’s “dedication to interracial trade unionism and to a multiracial movement of the dispossessed” and the innovative policy proposals put forward by the African American economists running the *Review of Black Political Economy* and the Black Economic Research Center in Harlem, full employment activists clung to the belief that “a multiracial, cross-class alliance could challenge an economic system predicated on divisions” (pp. 167, 203). Compared to their predecessors, they showed greater awareness of gender inequalities and a stronger desire to take on Keynesian demand management, building on the insights of a new breed of public intellectuals, from feminist Irma Diamond to socialist Michael Harrington. Still, even this grassroots mobilization failed to get groundbreaking reforms approved, as the floundering of the Humphrey–Hawkins bill in 1977–78 painfully demonstrated: “the passage of the neutralized bill represented an almost total defeat for the idea of full employment. In the next two decades, it receded from public policy and public consciousness” (p. 229). Only in the aftermath of the 2008 financial crisis did the full employment discourse emerge once again from oblivion, challenging neoliberal economics and urging “a massive intervention in the labor market that would raise the social wage and change the stakes in the capitalist game” (p. 241). The book ends on a note of optimism, noting that “the renewed interest in cooperatives, the advent of a socialist insurgency supported by a wave of disenchanted young people, the expansion of environmental consciousness, and the growing recognition that racial and gender inequality cannot be resolved without attention to structural economic injustice” indicate the enduring vitality of this strand of thought in the United States, even though its

chances of success within the current political landscape remain unclear (p. 258).

A specialist on US labor history, Michael Dennis has written a rich, multifaceted, and thought-provoking history of a left-wing paradigm that never completely fit within the American liberal tradition culminating in the “New Deal order.”[5] Admittedly, many full employment advocates approached the topic of unemployment from an adamantly liberal position only to find out their own analyses pointed to the need for root-and-branch reforms no mainstream liberal politician had an appetite for. Especially interesting in this regard are the unusual trajectories of Leon Keyserling and Bertram Myron Gross, two distinguished economists and Washington insiders who fell out with fellow liberals due to the latter’s complacency and confidence in market-driven economic growth. Having grown tired of what Dennis calls the “comfortable commercial Keynesianism” of the postwar era, both went on to make substantive contributions to the full employment revival of the 1960s–70s (p. 3). Still, as Dennis is at pains to stress, the history of the movement transcends that of the relatively narrow, highbrow elite providing intellectual ballast to it: “the most progressive proponents of genuine full employment never believed that it could be achieved strictly by macroeconomic policy. Nor did they believe that bashing the specter of unemployment was a matter for economists and policymakers alone. Instead, they understood the close relationship between social movements and policy change, between social mobilization and political transformation” (p. 257). In one of the most enlightening chapters of the book, Dennis shows how ordinary American workers did not hesitate to take the streets during the massive uprisings of 1945–46 to turn the dream of economic democracy into reality, although their “persistent determination to transform the workplace along more democratic lines” was to remain “a shining but increasingly distant hope” (p. 138).

While being unreservedly sympathetic to full employment activists, Dennis has not fallen into the trap of whitewashing their record. For instance, while underscoring that the movement evolved into a more egalitarian and inclusive direction over time, he admits that, in its early decades at least, ethnic minorities struggled to be heard, despite the fact that full employment had “become the horizon of possibility for African Americans” by the mid-1940s (p. 95). Similarly, he concedes that in crucial moments some well-placed supporters of full employment “continued to operate in the grip of the dominant gender ideology” whenever the role and agency of female workers were discussed (p. 102).

The book is arguably less successful, however, in explaining why the remarkable intellectual dynamism of the full employment movement did not translate into a comparable degree of political influence. In accounting for its little impact, Dennis—leaving aside the almost invariably antagonistic business community and its pundits—seems to put most of the blame on “liberal policymakers” who failed to grasp “the vital importance of popular mobilization along class lines” as well as other “weak-kneed progressives” eager to find middle ground with conservatives at the cost of undercutting the “radical vigor” of full employment legislation (pp. 98, 118). Even worse, George Meany and the AFL-CIO top brass are accused of “anti-democratic sensibility” for having hindered “a regenerated social movement” that would have threatened “the interests of hierarchical, male-dominated, racially regressive labor unions” (p. 193). Dennis’s otherwise subtle interpretation, however, suggests that the movement was also crippled by several internal weaknesses and shortfalls, three of which can be briefly mentioned here.

First, it appears that full employment advocates wrestled with at least one major theoretical issue: how to reconcile their calls for a stronger, more interventionist federal government capable

of countering big business and seizing the commanding heights of the economy with their long-standing support for small-scale planning councils as a viable method to empower the working class. Very much like their British counterpart Cole and their forebear Norman Thomas, they yearned for “local, community-level, democratic participation,” but exactly for that reason, they could hardly rejoice at the prospect of centralizing, enlarging, and emboldening the administrative state, if only to keep private bureaucracies in check (p. 105). All in all, one is left wondering whether this heartfelt, almost instinctive yet somewhat quixotic anti-statism—which presumably further heightened their animosity toward the technocratic class and the “depoliticized system of Keynesian demand management”—served their practical programs and policy initiatives well (p. 144).[6]

Second, it seems plausible that full employment activists underestimated the extent to which burgeoning anticommunism would inhibit liberals and energize opponents of social reform in the mid-1940s to early 1950s.[7] Overall, the conservative contraction of the early Cold War period owed less to Friedrich von Hayek’s all-out attack on economic planning than to widespread disenchantment with the USSR, a country whose democratic virtues many left-wing intellectuals had once extolled.[8] Still, even though not all full employment advocates had idealized or flirted with communism, Stalin’s brutalities as well as Soviet expansionism brought grist to the mill of those who had equated the New Deal and full employment bills with creeping totalitarianism.[9] Within that climate of opinion, it is unsurprising that some full employment advocates steered clear of any talk about democratic socialism out of caution.[10] Others quite possibly softened their stance and played down their ambitions having witnessed the dismal fate of the Progressive and unreconstructed New Dealer Henry A. Wallace, who performed disastrously in his 1948 presidential bid—a landmark event in the history of the

American Left that Dennis strangely overlooks. [11]

Third, while the movement for full employment deserves credit for periodically rising from the ashes against all odds, its poor level of institutionalization, anti-establishment bias, and chronic difficulties in dealing with the Democratic Party machine had their downsides. Interestingly, Dennis observes that, in recent years, full employment economists like Robert Pollin have turned their attention to the postwar “Swedish model” (p. 249). It may be worth noting that no model as such would have developed without a hierarchical, well-structured, highly disciplined social democratic party capable of winning nearly half of the popular vote: exactly the kind of political organization that some full employment advocates—one may think—would have dismissed as hopelessly bureaucratic, mildly authoritarian, and ideologically elusive. [12] An overreliance on single-issue campaigns vis-à-vis the more tedious but sometimes more fruitful engagement in party management and electoral politics may have similarly impaired the movement’s ability to leave a mark on US politics. [13]

These limitations notwithstanding, *The Full Employment Horizon in 20th-Century America* delivers an insightful and captivating account of a radical tradition that has never ceased to raise unsettling questions about the realities of free-market capitalism by denouncing the persistence of involuntary unemployment in Western societies. In the light of the intellectual stature of several full employment supporters examined in the book, one can only hope future generations of activists will be able to keep an equally sharp outlook in scrutinizing the socioeconomic challenges of their times.

#### Notes

[1]. G. D. H. Cole, *How to Obtain Full Employment* (London: Odhams Press, 1944), 20.

[2]. Cole, *How to Obtain Full Employment*. For an extended discussion of the Report, see G. D. H.

Cole, *The Means to Full Employment* (London: Gollancz, 1943).

[3]. G. D. H. Cole, “The Socialists and the Keynesians,” in *Socialist Economics* (1950; London: Routledge, 2010), 24.

[4]. See, for example, G. D. H. Cole, *Is This Socialism?* (London: New Statesman & Nation/Fabian Society, 1954). On Cole, see Margaret Cole, *The Life of G. D. H. Cole* (London: Macmillan, 1971); Luther P. Carpenter, *G. D. H. Cole: An Intellectual Biography* (Cambridge: Cambridge University Press, 1973).

[5]. See Steve Fraser and Gary Gerstle, eds., *The Rise and Fall of the New Deal Order, 1930-1980* (Princeton, NJ: Princeton University Press, 1989). On the uncertain boundaries of American liberalism, Louis Hartz’s *The Liberal Tradition in America: An Interpretation of American Political Thought since the Revolution* (New York: Harcourt Brace, 1955) is still worth reading.

[6]. A similar tension was experienced by Thomas: “At the same time that we have been learning to guard against statism as an expression of socialism, we have learned that it has been possible, to a degree not anticipated by most earlier socialists, to impose desirable social controls on privately owned enterprises by the development of social planning, by proper taxation and labor legislation, and by the growth of powerful labor organizations.” Norman Thomas, *Democratic Socialism: A New Appraisal* (New York: League for Industrial Democracy, 1953), 7. Nevertheless, a key conviction of Thomas was that “there are more bureaucratic evils inherent in our existing variety of regulated capitalism than there would be in socialism.” Murray Seidler, “The Social Theory of Norman Thomas,” *Southwestern Social Science Quarterly* 38, no. 4 (March 1958): 356-70, quotation on 369.

[7]. See, for example, Jonathan Bell, *The Liberal State on Trial: The Cold War and American Politics in the Truman Years* (New York: Columbia University Press, 2004); and Landon R. Y. Storrs,

*The Second Red Scare and the Unmaking of the New Deal Left* (Princeton, NJ: Princeton University Press, 2013).

[8]. See, for example, John Patrick Diggins, *The American Left in the Twentieth Century* (New York: Harcourt Brace Jovanovich 1973); and Harvey Klehr, *The Heyday of American Communism: The Depression Decade* (New York: Basic Books, 1984).

[9]. See, among the many, John T. Flynn, *As We Go Marching* (Garden City, NY: Doubleday, Doran, and Co., 1944).

[10]. One of them was Dr. Martin Luther King Jr, who, throughout the 1950s, seems to have believed that coming out as a democratic socialist would have alienated middle-class Americans and endangered the civil rights struggle. See, for example, Gary Dorrien, *Breaking White Supremacy: Martin Luther King and the Black Social Gospel* (New Haven, CT: Yale University Press, 2018), 310-11, 443-44.

[11]. On the Wallace campaign, see Thomas W. Devine, *Henry Wallace's 1948 Presidential Campaign and the Future of Postwar Liberalism* (Chapel Hill: University of North Carolina Press, 2013). Wallace declared his unflinching support for a full employment policy in his book, *Sixty Million Jobs* (New York: Simon & Schuster, 1945).

[12]. On Swedish social democracy, see Klaus Misgeld, Karl Molin, and Klas Amark, *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden* (University Park: Pennsylvania State University Press, 1992); Francis Sejersted, *The Age of Social Democracy: Norway and Sweden in the Twentieth Century* (Princeton NJ: Princeton University Press, 2011).

[13]. To be sure, some full employment activists had joined the Socialist Party of America (SPA), Thomas's fringe organization that never recovered from several splits occurring during the 1930s and finally disbanded in 1972. One suspects that these disappointing experiences informed

their skeptical view of party politics. On the SPA, see Jack Ross, *The Socialist Party of America: A Complete History* (Lincoln, NE: Potomac Books, 2015).

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