

Government Statistics as a Guide to Economic Policy: Food Stamps and the Spurious Increase in the Unemployment Rates

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President Carter recently signed a multi-billion dollar public works law designed to reduce unemployment by providing major public works jobs. Many of the supporters of this law pointed to the unprecedentedly high rates of unemployment that continued to exist despite the presence of rapidly improving economic conditions.¹ It is not surprising that these supporters use the rate of unemployment as a guideline for macroeconomic policy changes since the Employment Act of 1946 (as amended) explicitly requires the government to promote maximum employment.²

What is surprising is the nearly total lack of concern regarding the validity of official measures of unemployment despite warnings of significant biases from government officials and other sources. Significant biases in the unemployment statistics have been identified by a past Commission of Labor Statistics,³ the Council of Economic Advisors,⁴ and the current Special Advisor at the Bureau of Census,⁵ but policymakers continue to use the existing unreliable unemployment statistics.

This paper reports some additional findings of our research estimating the biases in existing unemployment statistics introduced by various work registration requirements for welfare recipients. It is our hypothesis that the high measured rates of unemployment of recent years can be explained in large part by a new class of individuals who are either largely unemployable or have no need or desire to work, but who, to

1. For an interesting discussion of the peculiar nature of the current recovery from the most recent recession, see Neil A. Stevens and James E. Turley, "Economic Pause — Some Perspective and Interpretation," Federal Reserve Bank of St. Louis, *Review*, December 1976, Vol. 58, No. 12, pp. 2-7.

2. The rate of unemployment is also used as a measure of welfare. See Stewart Schwab and John J. Seater, "The Unemployment Rate: Time to Give It a Rest?" Federal Reserve Bank of St. Louis, *Business Review*, May/June 1977, pp. 11-18.

3. See Geoffrey H. Moore, *How Full is Full Employment?* (Washington, D.C.: American Enterprise Institute), 1975, for a discussion of problems associated with sample surveys and interpretation of the component parts of the overall statistic.

4. See *Economic Report of the President*, (Washington, D.C.: U.S.G.P.O.), 1974 and 1976, pp. 171-173 and p. 99.

5. See *The New York Times*, October 27, 1975, Editorial Page.

qualify for various welfare benefits, must officially register for work. Thereby, these people, who previously were counted as essentially out of the labor force, are now counted in official unemployment statistics and are labelled unemployed. These welfare benefits include the food stamp program, aid to families with dependent children (AFDC), general state welfare assistance, railroad unemployment insurance, trade readjustment allowance, and other federal programs including general aid to Indians. Each of these programs contains an explicit work registration requirement as a condition of eligibility. We intend to show that recent upsurges in the official unemployment statistics are the result of the introduction of these work registration requirements. These requirements result in the inclusion of many individuals in the ranks of the unemployed who do not fit the traditional definition of unemployed persons, and account for a bias in the unemployment rate of approximately two percentage points.

Alternatively, the observation that reported unemployment in recent years has been at levels unprecedented in post-war history is thought to be the result of several other factors, including the change in the magnitude and duration of payments of unemployment compensation, higher levels of transfer payments for welfare programs, higher values of in-kind transfers, changes in the composition of the labor force, changes in the value of spending time searching for jobs, modifications in manpower programs, and changes in the definition of unemployed persons.⁶ Although each of these factors does contribute to the persisting high levels of measured unemployment, our preliminary findings indicate that the single most important factor is the change in certain welfare eligibility requirements.

As noted above, we are not alone in our efforts to uncover potential biases in unemployment statistics from work registra-

6. For a general discussion of many of the problems encountered in dealing with unemployment, see Martin S. Feldstein, "The Economics of the New Unemployment," *Public Interest*, No. 33, Fall 1973, pp. 3-42. Also see, Michael R. Darby, "Three-and-a-Half Million U.S. Employees Have Been Misled: Or, an Explanation of Unemployment, 1934-1941," *Journal of Political Economy*, Vol. 84, No. 1, February 1976, pp. 1-16; Martin S. Feldstein, "Unemployment Compensation: Adverse Incentives and Distributional Anomalies," *National Tax Journal*, Vol. 27, No. 2, June 1974, pp. 231-244; Daniel K. Benjamin and Levis A. Kochin, "Searching for an Explanation of Unemployment," unpublished paper, University of Washington, August 1976.

tion requirements. In the 1974 and the 1976 *Economic Report of the President*, it was suggested that AFDC work registration rules may have increased the unemployment rate. The potential biases of AFDC work registration were also identified in a *New York Times* article by Alfred Tella, Special Advisor at the Bureau of the Census. However, there has been no public identification of potential biases in the unemployment statistics arising from the food stamp work registration requirement despite the fact that the Department of Labor was aware of this problem at an earlier time. In a May 1975 report prepared by the Manpower Administration, it was suggested that the work requirement was not effective and probably should be eliminated.⁷

Factors Influencing Unemployment

One of the most common explanations of variations in the level of unemployment has to do with changes in unemployment compensation, including overall benefits and duration of payments. Feldstein, for example, has argued that increases in unemployment compensation can be directly related to higher levels of unemployment.⁸ Furthermore, his models show that extensions of unemployment benefits, such as those accompanying the Arab oil boycott in 1973, have also been associated with or identified as a major contributing factor to higher levels of unemployment.

Another common explanation of changes in unemployment is based upon changes in the composition of the labor force. Unemployment may be a reflection of changing characteristics of labor force participants, including marital status, age, sex, minority, or military positions. In particular, since unemployment is typically higher among teenagers, women, and older workers than it is for middle-age males, a higher level of unemployment could reflect a higher proportion of one or more

7. U.S. Department of Labor, Manpower Administration, "The Food Stamp Work Requirements in Perspective," unpublished working paper, May 1975, p. 42.

8. Feldstein estimated that in 1971: "The average U.I. (unemployment insurance) implied by the current law can account for about half of temporary layoff unemployment." Since temporary layoff unemployment was about 1.6 percent, his study suggests that 0.8 percentage points of measured unemployment was due to this one aspect of unemployment compensation. Martin Feldstein, "The Effect of Unemployment Insurance on Temporary Layoff Unemployment," Discussion Paper No. 520, Harvard Institute of Economic Research, Harvard University, Cambridge, Mass., November 1976, p. 33.

of these groups in the labor forces.⁹ An examination of the available evidence tends to reduce the probability that a major change in the composition of the labor force has been the contributing factor to the recent levels of unemployment.

Our estimates indicate that even under the most favorable assumptions, the change in the unemployment rate arising from the demographic change in female participation in the labor force could only account for 0.2 of one percentage point, which is less than 10 percent of the total amount we estimate to be attributable to the work registration requirements. The female population, ages 20 and over, from September 1972 (when the work requirements became effective) to September 1976, grew 7.19 percent.¹⁰ Hence, the natural growth of the population would increase the female labor force by 2,151,000.¹¹ The actual growth in the female labor force was 4,625,000.¹² Thus, 2,747,000 could be called growth in the female labor force not attributable to population changes. Since female unemployment in September 1976 was 7.6 percent, 188,024 would be subtracted from measured unemployment of 7,488,000 to account for the maximum possible impact on measured unemployment due to the increase in female participation in the labor force.¹³ This yields a correction of only 0.2 percentage points in the official 7.8 overall unemployment rate for that month.¹⁴

Total civilian and military employment has varied even less than female employment, reducing the probability that changes in available jobs are responsible for the recent upsurge in unemployment. Table 1, for example, shows that since 1947 civilian employment as a percentage of total population has remained relatively stable, varying approximately 1.7 percentage points in the last five years, or substantially less than the variability in measured unemployment. Military employment as a percentage of total population also has remained relatively stable since 1947 ranging from a high of 3.3 percent in 1952 to a low of 1.4 percent in 1976. Furthermore, the

9. These factors could result from changing labor saving devices in the home or changing views with respect to work, such as those due to "women's liberation."

10. $(73,286,000 - 86,369,000)/68,369,000 = 7.19$. Data from Bureau of Labor Statistics, *Employment and Earnings*, Tables A-6, A-29 and A-33.

11. $(29,915,000) (.0719) = 2,151,000$. Data, *supra* note 10.

12. $(34,540,000 - 29,915,000) = 4,625,000$.

13. $(2,474,000) (.076) = 188,024$.

14. $(7,448,000 - 188,024)/(95,242,000 - 188,024) = .076$.

variation in military employment has been less than 0.4 percentage points in the last five years. An examination of the data also reveals no significant change in the number of teenagers in the labor force. The number of teenagers in the labor force has varied less than 1.3 percentage points between 1971 and 1976.¹⁵ This significantly reduces the probability that variations in the teenage labor force are responsible for the new high levels of unemployment.

Higher levels of unemployment might also be explained by a rapid change in the value of individual jobs, since it can be demonstrated that individuals will search longer, hence remain unemployed longer, if the value of the job is increasing or if more jobs become relatively more specialized, requiring more thorough searches.¹⁶ Individuals will search more often and for longer periods of time if the relative costs of job search decline. Since the value of welfare programs, such as food stamps, available to the unemployed has increased, the net loss or cost of being unemployed during job search has fallen. Expanded Congressional appropriations and automatic cost-of-living adjustments have made these programs more accessible and attractive.¹⁷

15. See Kenneth W. Clarkson and Roger E. Meiners, *Inflated Unemployment Statistics: The Effects of Welfare Work Registration Requirements*, (Coral Gables, Florida: Law and Economics Center, March 1977), Table 5.

16. See Armen A. Alchian, "Information Costs, Pricing, and Resource Unemployment," in *Microeconomic Foundations of Employment and Inflation Theory*, Edmund S. Phelps, ed., (New York: W.W. Norton & Co., 1970), pp. 27-52; and Steven A. Lippman and John J. McCall, "The Economics of Job Search: A Survey," *Economic Inquiry*, Vol. 14, No.3, September 1976, pp. 347-368.

17. It could also be argued that changing international characteristics, such as the oil cartel, have made employers more reluctant to hire individuals, hence contributing to longer periods of unemployment. Finally, immigration may have significantly increased during this period so that American workers have been replaced by foreigners, increases in the minimum wage may have constrained employers from hiring low-wage individuals, or the number of strikes, or individuals involved in work stoppages may have significantly increased.

The minimum wage has been shown to introduce substantial unemployment effects. See, for example, Marshall R. Colberg, "Minimum Wage Effects on Florida's Economic Development," *Journal of Law and Economics*, Vol. 3, October 1960, pp. 106-117. The recent increase in the minimum wage level, however, is highly unlikely to account for the new high levels of unemployment. Adjusted for changes in the consumer price index, the constant dollar (1976 = 100.0) minimum wage levels for 1974, 1975, and 1976 were \$2.19 (\$1.90/.866), \$2.12 (\$2.00/.945), and \$2.20. It is also unlikely that strikers are significantly altering the rate of unemployment. Calculations based upon Table 37 of the January 1977 issue of the *Monthly Labor Review* reveal that the weighted (by number of days lost) average number of strikers and work stoppages were 589 thousand in 1976 and 179 thousand in

Work Registration Requirements

The most important program with work registration requirements is the food stamp program, enacted in 1964 (P.L. 88-525) for the purpose of assisting low-income households to obtain better balanced and nutritious diets.¹⁸ The program was amended in 1971 (P.L. 91-671) to establish national standards and benefits, to extend the range of benefits, and to implement work registration requirements.¹⁹ Further amendments have broadened the range of eligible recipients and set the federal share of administrative expenses of the program at 50 percent.²⁰

By the terms of the 1971 amendment of the Food Stamp Act, each able-bodied person between the ages of 18 and 65, who is a member of a recipient household, shall register for employment at the time of application and at least once every six months thereafter except for:

- 1) mothers or other household members who have responsibility for the care of dependent children under 18 years of age or of incapacitated adults;
- 2) students enrolled at least half-time in any school or training program recognized by any federal, state or local governmental agency;
- 3) persons employed and working at least 30 hours per week;
- 4) any narcotics addict or alcoholic who regularly participates as a resident or nonresident in a drug or alcoholic treatment and rehabilitation program.²¹

As in the case of participants in the Work Incentive program (WIN), employment offered to the registrants must meet federal and state minimum wage standards, the work must not unreasonably impair the health and safety of the registrant, the individual must be physically and mentally fit to perform the

1975. Compared to the average of 663 thousand during 1970-1974, the changes in unemployment since that time clearly do not arise as a result of strikes and work stoppages.

While these factors may be important in their effects on the unemployment rate, individually and in total, they do not appear to be the causes of the current high rate of unemployment.

18. Kenneth W. Clarkson, *Food Stamps and Nutrition* (Washington, D.C.: American Enterprise Institute), 1975.

19. *Id.*

20. *Id.*

21. 7 U.S.C.S. § 2014 (c) (1976).

employment, and it must not be unreasonably distant from his residence.²²

As in the WIN program, food stamp work registrants who refuse suitable employment can be barred from receiving food stamps, following various administrative hearings and appeals. To prevent double registration of WIN registrants, any individual who has registered for participation in the WIN program shall be regarded by the Food and Nutrition Service as having fulfilled the food stamp work registration requirements.²³ If the recipient has a work application already on file, a copy of the registration form is placed in the applicant's file. If the work application is in the inactive files, it is reactivated upon receipt of the food stamp registration form and the applicant is placed with the other current job seekers.

To facilitate the registration process, the U.S. Department of Agriculture (USDA) elected to have the welfare agencies conduct the actual work registration as part of the overall food stamp application process. The Department of Labor's involvement with the food stamp program began in December 1972, after an interagency agreement was signed with USDA to carry out the statutory requirements. The Employment and Training Administration (Department of Labor), through the state employment service offices, assumed the responsibility of accepting from state welfare agencies the work registration forms of food stamp applicants not exempt from the work registration requirement.

Food stamp applicants who have registered for work are used to fill job requests in the same manner that other employment service applications for work are processed. Thus, applicants may be called in by the employment service for the purpose of specific services such as testing, counseling, referral to training programs for employment, or for the service to obtain additional information. The actual process is summarized in House Report 94-1460.²⁴

Total work registration of food stamp recipients has grown from approximately 1 million in fiscal year 1973 to 3.6 million in fiscal year 1976.²⁵ Part of this growth presumably is the

22. 7 C.F.R. § 271.3 (d) (1977).

23. U.S. Congress, House, *Food Stamp Act of 1976*, H.R. 94-1460, 94th Congress, 2nd Session, September 1, 1976, p. 187.

24. *Id.*, at 188.

25. U.S. Department of Labor, Employment and Training Administration,

result of the increased budgets for employment registration. In fiscal year 1972, for example, the federal portion of employment registration was \$8.5 million, increasing to \$27.2 million in fiscal year 1976.²⁶

The second major program with work registration requirements is Aid to Families with Dependent Children (AFDC). Title IV of the Social Security Act of 1935 establishes a federal program to subsidize states for cash grants and services to needy families with children and for child-welfare services.²⁷ The federal government bears most of the cost of transfer payments and social services for qualified persons who have been registered for AFDC by a state or local welfare agency.

The first Work Incentive (WIN) Program was authorized January 2, 1968 by Public Law 90-248, which amended the Social Security Act, Title IV, Part C, to provide training and employment services for AFDC recipients.²⁸ From its inception in August 1968 to the end of April 1970, 155,000 individuals enrolled in WIN across all 50 states.²⁹ WIN programs use a variety of techniques including on-the-job training, institutional training, work experience, and counseling to help prepare AFDC recipients for the job market. Various social services, such as child care, are provided to participants and many are given incentive payments of \$30 a month during training.³⁰ By April 30, 1972 over 385,000 persons had been enrolled in WIN programs at a total cost of \$456 million.³¹

In December 1971, Congress amended the WIN program (Public Law 92-223) and significantly altered the structure

unofficial statistics (1976).

26. U.S. Congress, Congressional Budget Office, "The Food Stamp Program: Income or Food Supplementation?", Budget Issue Paper, (Washington, D.C.: U.S.G.P.O.), 1977.

27. Social Security Act, Title IV, Grants to States for Aid and Services to Needy Families with Children and for Child-Welfare Services (42 U.S.C.S. § § 601-610, 620-626, 630-644). For a general discussion of the program, see *Handbook of Public Income Transfer Programs: 1975*, Paper No. 20, Studies in Public Welfare, Joint Economic Committee (Washington, D.C.: U.S.G.P.O.), 1974, pp. 140-170.

28. For the history of the WIN program, see *WIN in 76, The Work Incentive Program*, Seventh Annual Report to the Congress, U.S. Department of Labor, 1976, pp. 21-25.

29. *The Work Incentive Program*, First Annual Report to the Congress, U.S. Department of Labor, June 1970, p. 16.

30. *The Work Incentive Program*, Fifth Annual Report to the Congress, U.S. Department of Labor, 1975, p. 5.

31. *The Work Incentive Program*, Third Annual Report to the Congress, U.S. Department of Labor, June 1972, p. 18.

and operation of the program.³² The new version of the WIN program changed the emphasis of the program from manpower training to direct placements in jobs and on-the-job training. It also required mandatory registration of AFDC applicants for employment or training with the local manpower agency, unless they were legally exempt.

Although there have been numerous administrative changes in the program, the basic structure of the program has not changed since 1972. However, in March 1976, a potentially important change occurred in the consolidated Department of Labor and Department of Health, Education, and Welfare WIN program regulations.³³ These regulations transferred responsibility for registration in the WIN program from the local welfare agency to the WIN program sponsor, usually the state employment service. This change was intended to provide registrants with immediate exposure to labor market information and job opportunities.

According to the 1976 regulations covering the WIN program, each AFDC applicant and recipient shall register for manpower services, training and employment as a condition of eligibility for AFDC unless the applicant is:

- 1) under age 16;
- 2) regularly attending school and age 16 but not yet 21 years;
- 3) ill (requiring medical evidence);
- 4) incapacitated (requiring medical evidence);
- 5) 65 years of age or older;
- 6) too remote from a WIN office;
- 7) a caretaker in the home of another member of the household requiring the individual's presence in the home (verified);
- 8) a mother or caretaker relative of a child under age 6; or
- 9) a mother or other female caretaker of a child, when the nonexempt father or other nonexempt adult male relative in the home is registered and has not refused to participate in the program or to accept employment without good cause.³⁴

Individuals who refuse to comply with the regulations can

32. *Supra* note 28, at 22.

33. 29 C.F.R. §56 (1976).

34. 29 C.F.R. §56.20 (1976).

be denied AFDC, after an administrative appeals process. Individuals who must register for the WIN program are required to take part in training activities if they are selected for such (for which they are frequently paid extra), and must accept assignment to employment. All job and training assignments must be within the scope of an individual's employability plan and must be related to the capability of the individual to perform the task assigned.³⁵

One of the primary impacts of the WIN program has been the registration with the employment service of a large number of AFDC recipients. Through fiscal year 1976, a total of 2.1 million have been registered, including 1.2 million registrants carried forward from prior years.³⁶ Approximately 10 percent of the total WIN work registrants entered full-time employment during the fiscal year 1976, and another 7 percent were enrolled in governmentally-funded employment and training programs.³⁷ Consequently, most WIN work-registrants are not temporarily unemployed.

It is interesting to note that at the initiation of the current regulations there were some criticisms expressed of the job search process for WIN registrants. These included concerns that some of the registrants were unemployable, so that registration for employment would have no effect, and that there were insufficient supportive services for registrants, presumably meaning job counseling, job training, and other job assisting skills.³⁸ Similar criticisms were expressed in an evaluation of the WIN program prepared for the Employment and Training Administration by private consultants. That study noted that "WIN participants were no *more* likely, on average, to leave welfare than non-participating registrants with similar characteristics."³⁹

The majority of federal cash and in-kind transfer programs, whether or not they have income tests, do not have work requirements. Several states have their own work requirements

35. *Id.*;

36. *Supra* note 28, at 6-7.

37. *Id.*

38. 40 Fed. Reg. 43170 (1975).

39. Pacific Consultants, Camil Associates, and Ketron, Incorporated "The Impact of WIN II: A Longitudinal Evaluation of the Work Incentive Program (WIN)," Summary of Report MEL 76-96, prepared for the Office of Policy, Evaluation and Research, Employment and Training Administration, U.S. Department of Labor, September 1976, p. 5.

for AFDC and general assistance recipients. However, state work requirements for AFDC recipients cannot conflict with the federal WIN program requirements.⁴⁰ In addition, there are work requirements for the General Aid to Indians and Trade Readjustment Allowances programs, but these programs are numerically insignificant compared to the AFDC and food stamp programs' work registrants. Finally, federal and state unemployment compensation systems have work requirements. However, the food stamp program and the AFDC program are the only major transfer programs which have recently introduced work registration requirements. Therefore, they are the only programs likely to have affected recent unemployment measures.

Measuring Unemployment

Each month the Bureau of Labor Statistics analyzes and publishes information on population, labor force, and unemployment. The information is collected according to a variety of social demographic and economic characteristics. The statistics that concern us here, however, are derived from the Current Population Survey which is conducted by the Bureau of Census for the Bureau of Labor Statistics. In this survey unemployment is defined as follows:

Unemployment: Unemployed persons include those who did not work at all during the survey week, were looking for work, and were available for work during the reference period except for temporary illness. Those who had made specific efforts to find work within the preceding 4-week period — such as by registering at a public or private employment agency, writing letters of application, canvassing for work, etc., are considered to be looking for work.⁴¹

Three key elements determine whether an individual surveyed by the Bureau of the Census is counted as unemployed: not working, available for work, and looking for work. Since the first two requirements are satisfied by registering for work as part of the eligibility for the particular public program, we will concentrate on what constitutes "looking for

40. *Woolfolk v. Brown*, 358 F. Supp. 524 (1973, Dist. Ct. Va.); motion denied, 393 F. Supp. 263 (1975, Dist. Ct. Va.).

41. U.S. Department of Labor, Bureau of Labor Statistics, *BLS Handbook of Methods*, (Washington, D.C.: U.S.G.P.O.), 1976, p.5.

work.” Some hint of that is given in the Bureau of Labor Statistics, *Handbook of Methods*, particularly the section cited above. More importantly, the *Interviewer's Reference Manual* used for the *Current Population Survey* explicitly states that “registration in a public or private employment office” constitutes looking for work.⁴² With respect to Aid to Families with Dependent Children (AFDC) and the Work Incentive (WIN) program, unemployment includes situations in which the individual is receiving either institutional training or working on special work projects. In particular, the *Interviewer's Reference Manual* specifies that persons in the WIN program should be treated as follows:

Classify persons receiving public assistance or welfare who are referred and placed in an on-the-job or skill training program as *employed* if receiving on-the-job training or *unemployed* if receiving institutional training only. Consider persons receiving public assistance or welfare who are placed on special work projects which involve no pay other than welfare itself as unemployed.⁴³

These regulations raise an important issue — whether these regulations cause individuals who must register at the employment service to respond that they are looking for work when canvassed by the Bureau of the Census. First, we must ask, do registrants who would choose not to work find that the registration requirements represent a constraint on their behavior? If not, we can conclude it is costless to register for work and then do nothing. It is always possible, of course, that some individuals who registered for work because of food stamps or AFDC do not report themselves to be unemployed when the canvasser from the Bureau of the Census asks them if they are unemployed, but the incentives and pressures are against such behavior. They have been told by one government official that they must be actively seeking work or they will lose their benefits. When another government worker comes to the door and asks them if they are actively seeking employment, they would minimize their risk, at no cost, by answering in the affirmative.

Available evidence supports the proposition that work

42. U.S. Department of Commerce, Bureau of the Census, *Current Population Survey: Interviewer's Reference Manual*, CPS-250, rev. August 1976, p. D6-9.

43. *Id.*, at D6-15.

registration imposes considerable pressure on individuals to find jobs. In fact, since the beginning of the food stamp work registration requirements through March 1976, more households failed to comply with the requirements (and had their benefits terminated) than obtained jobs.⁴⁴

A recent study prepared for the Department of Labor provides some insights into the precise nature of welfare recipients subject to the work registration requirements.⁴⁵ This study was designed to consider the merits of alternative methods of increasing the pressure on work registrants to search the labor market more diligently and to accept more jobs. In examining this problem the authors sought to determine "whether existing work tests affected the timing and quality of jobs found after a period during which a person received welfare benefits and had to register with the Employment Service (ES) in connection with their receipt."⁴⁶

The study was conducted by analyzing three cities which had different enforcement of the food stamp work registration program and two cities which had different AFDC work test implementation procedures. For example, one city with AFDC work registration required registrants to appear at the employment service to review job listings while picking up their welfare checks. The other city required registrants to search for job openings and report to the employment service for a review of such search efforts. In each of the five cities, the authors identified six measurable aspects of the work tests that could be applied to an individual. These include the following: 1) called-in to the employment service office, 2) called-in frequently, 3) questioned about job search activities, 4) asked for proof of job search activities, 5) referred to a job, and 6) pressured to accept a job.⁴⁷

The study's analysis of these criteria indicated that among the three cities which had food stamp work tests there were substantially different levels of enforcement. The study also revealed evidence of pressure on registrants who remained unemployed, but that the success of these operations was

44. *Supra* note 23, at 38.

45. Robert Evans, Jr., et al., "The Impact of Work Tests on the Employment Behavior of Welfare Recipients," unpublished study prepared for the U.S. Department of Labor, Manpower Administration, May 1976.

46. *Id.*, at 1-2.

47. *Id.*, at 3.

very weak. In most cases, the tendency to increase the probability of returning to work was not statistically significant.⁴⁸

Large numbers of individuals must register for work and as a result be counted in the official unemployment statistics. If these individuals generally prefer not to work, given existing incentives, or are largely unemployable, the work registration requirements will permanently increase the measured rate of unemployment. This means that the unemployment data collected since the implementation of the work registration programs are not comparable to the data collected before that time. More importantly, the data collected are invalid for public policy purposes since they are now based on incorrect notions of what the unemployment figures represent. On this basis alone it can be argued that individuals registered as unemployed under work registration requirements should be reported separately.

An important question is how effective the various work registration programs are in inducing recipients to become employed. The available evidence reveals that the existing registration program has not had a high rate of success. The figures show that more than 90 percent of net available applicants are placed neither in job positions nor training programs.⁴⁹ Data published in the Work Incentive program also reveal a low rate of success for job placement. For example, the seventh annual Work Incentive program report to the Congress indicates that approximately 10 percent of the total individuals registered in WIN (2,117, 754) entered employment and 7 percent were placed in training programs during fiscal year 1975.⁵⁰

In addition, a U.S. Department of Labor working paper provides further evidence that work registrants are generally not available for jobs:

The net result is that an undetermined percentage — perhaps the majority — of the food stamp work registrant population are individuals who are not really available for work or acceptable to employers. Yet the processing of registrations goes on and the volume of registrants on file continues to swell.⁵¹

48. *Id.*, at 5.

49. *Supra* note 15, at Table 6.

50. *Supra* note 28, at 6-7.

51. *Supra* note 7, at 22-23.

Effects of Work Registration Requirements

Although most people are aware of the unusually high levels of unemployment, few have examined the underlying changes in the population, the labor force, and the rate of employment. Table 2 shows these aggregate variables from June 1974 through February 1977. Not unexpectedly, the total non-institutional population (age 16 and over), total labor force, and civilian labor force increased steadily throughout this period.

On the other hand, civilian employment fell from a high of 86.4 million in July 1974 to 83.8 million in March 1975. The latter corresponds with the highest unemployment rate registered since the Great Depression. By Spring 1976, however, civilian employment had returned to the previous high of July 1974 and has continued to rise since then. Civilian employment as a percentage of the total population shows a similar pattern. Despite these favorable signs, the rate of unemployment (also given in Table 2) has not fallen as much as would be expected.

A preliminary estimate of the impact of the work registration requirements on measured unemployment can be obtained using the information available from the Department of Labor and official Bureau of Labor Statistics publications. Table 3 shows estimates of the effects of the food stamp work registration requirements on unemployment rates. Column 2 gives the monthly figure for total measured unemployment. Column 3 displays the number of food stamp work registrants with active files in the state employment service offices.⁵² Column 4 shows the decrease in the civilian labor force (which is obtained from Table 2) by excluding food stamp work registrants because these people would not have been included in the measured labor force were it not for the work registration requirements. Column 5 makes the same adjustment for total unemployed. Consequently, the official measured rate of unemployment in Column 6 can now be compared with the rate of unemployment corrected for individuals subject to food stamp work registration requirements (shown in Column 7).

The differences are substantial. For example, Table 3 shows that in May 1975 the corrected rate of unemployment was 8.0 percent, or 1.2 percentage points below the official measured

52. U.S. Department of Labor, Employment Series Automated Reporting Systems, unpublished statistics, Table 6 (1976).

rate of unemployment. More recently, the corrected rate of unemployment for February 1977 is 6.2 percent, or 1.3 percentage points below the official rate of unemployment. It should be noted, however, that these estimated corrections may represent the lower limit on the correction attributable solely to the food stamp registration requirement. This is because there is a large number of inactive food stamp work registrants who are carried in state employment service files until the end of each fiscal year. For example, in September 1976 there were approximately 1.9 million inactive food stamp work registrants on file in state employment service offices.⁵³

While complete data on other work registration programs are unavailable at this time, we are able to provide a preliminary estimate of the aggregate consequences of both the food stamp and the AFDC work registration requirements for 1974, 1975, and 1976. Table 4 gives the average civilian labor force, average official unemployment, and average official unemployment rates for each of these years. This table also shows the average number of food stamp work registrants with active employment service files. In addition, the number of mandatory work registrants for the AFDC's WIN program are shown in this table.⁵⁴ These figures permit an estimate of the influence of these two work registration programs on measured unemployment. Average active work registrants for the food stamp program and net mandatory registrants for the WIN program for each year are subtracted from average official unemployment figures for the calendar year.⁵⁵ Work registrants in the food stamp and the WIN programs are also subtracted from the average civilian labor force. These results yield the corrected average unemployment and the corrected civilian labor force.⁵⁶ Consequently, dividing the former by the latter yields a corrected unemployment rate.

These corrections reveal rather striking revisions in the unemployment rates for 1974, 1975, and 1976. In 1974, the official unemployment rate was approximately 1.6 percentage points above the rate associated with our initial corrections. In

53. Completed from statistics reported in Clarkson and Meiners, *supra* note 15.

54. *Supra* note 52, at Table 32; Office of Information Systems, National Center for Social Statistics, *The Work Incentive Program*, NCSS Report E-5.

55. Double registrants under ESARS are eliminated.

56. *Id.*

1975, when official unemployment averaged 8.5 percent, the actual percent of the labor force actively seeking positions (the traditional definition of unemployment) was closer to 6.4 percent. Finally, in 1976, a year in which other economic indicators clearly pointed to a recovery, unemployment was approximately 5.6 percent rather than the officially measured 7.7 percent. Although more precise figures on net applicants, renewals, and placements will undoubtedly cause minor revisions in these corrections of the unemployment rate, the basic pattern of substantially lower rates of unemployment is likely to hold.⁵⁷

Supporting Evidence

There are a number of alternatives that can be investigated to provide supporting independent evidence of the correction discussed above. First, are the corrected rates of unemployment consistent with previous periods? In Table 5, periods of relatively high, medium, and low employment (the ratio of civilian employment to total population) between 1950 and 1976 are shown together with the corresponding rate of unemployment compiled and published by the U.S. Department of Labor. During periods of low employment (55.15 to 55.57 percent), measured unemployment compiled and published by the U.S. Department of Labor averaged 4.9 percent of the total non-institutional population. Yet, in 1975, a similar rate of employment (55.25 percent) was associated with a measured unemployment rate of 8.5 percent. Medium employment periods, in which unemployment averaged 4.4 percent, have been associated with civilian employment averaging 56.0 percent of the population. But, in 1976, a 56.1 percent employment rate yielded a 7.7 percent rate of unemployment, almost double the historical average. Finally, the second highest period of employment in the past 25 years, which occurred in 1969, had civilian employment of 56.5 percent associated with a 3.5 percent rate of unemployment.

57. We are currently examining variations in work registration requirements among the states, as well as examining the influence of the traditional factors which are considered to contribute to variations in the rate of unemployment. Our research is not the first to study conceptual errors in the standard Bureau of Labor Statistics unemployment estimates. Darby discovered that measured unemployment in the 1930's depression was overcounted by 2-3.5 million people, which accounted for 4-7 percentage points in the unemployment rate. See *supra* note 6.

However, the highest employment rate since World War II, 57.0 percent in 1974, yielded a higher than average rate of measured unemployment of 5.6 percent.

This table clearly shows that the 1974-1976 official unemployment rates do not fit previous historical patterns. Our corrections, however, yield unemployment levels that are consistent with earlier periods. Thus, our estimate of 4.0 percent unemployment for 1974 is consistent with the historical relationship between unemployment and civilian employment (as shown in Table 5) during periods of high employment, as illustrated by the 3.5 percent unemployment of 1969. Similarly, our estimates are also consistent with periods of medium levels of employment as a percentage of the total labor force. The average 4.4 percent unemployment in such periods is clearly in line with our corrected 5.6 percent rate of unemployment for 1976. Finally, an examination of the relationship of periods of relatively low civilian unemployment rates (which averaged 4.9 percent) also confirms that our corrected unemployment rate estimate (of 6.4 percent for 1975) is more consistent with and comparable to the unemployment rates of past years.

Food Stamp Recipients

Second, what is the unemployment rate of welfare recipients who are and are not subject to work registration requirements? Further independent evidence of the bias created in the measurement of the unemployment rate is provided in a USDA study on the food stamp and food distribution programs in November 1973. As seen in Table 6, the real income (monetary plus in-kind transfers) of the participants in the programs was nearly identical and their employment rates (both full-time and part-time) were identical. Food stamp recipients who are subject to work registration requirements, however, reported a higher level of unemployment than did the food distribution recipients who are not required to register for work. Considering the nearly identical nature of the program participants, the fact that the food stamp recipients reported 9 percent unemployment, compared to the 7 percent rate for food distribution recipients, represents further evidence that our hypothesis is correct.

Third, an examination of the impact of work registration

requirements for AFDC mothers supports the proposition that the work registration requirements will increase the number of individuals who report that they are "looking for work" and are reported as unemployed. In 1971, one year prior to the institution of work requirements for AFDC recipients, unemployment among mothers in the AFDC program who were living at home was 5.7 percent,⁵⁸ which was 1.2 percentage points *below* the average female unemployment during that year (6.9 percent).⁵⁹ In 1973, one year after the institution of work registration requirements for AFDC mothers, unemployment for AFDC mothers was 11.5 percent⁶⁰ or 5.5 percentage points *above* the unemployment rate for females in general (6.0 percent).⁶¹ This seems to be clear evidence that the primary impact of the work registration requirement on AFDC mothers was to encourage more of them to claim themselves to be "actively seeking work," when they had not done so in the past. This result clearly supports an inflation in the statistics reporting female unemployment since 1972.

Finally, the statistics measuring unemployment are not in line with the performance of the rest of the economy. Although there was a recession from 1973-1975, the evidence is that we have moved out of the slump quicker than we have recovered from most recessions in the past.⁶² By every standard economic measure: real GNP, real inventory investment, real final sales and money supply, we have rebounded from the last recession so that unemployment should have returned to its traditional levels. This, combined with strong gains in employment, make the current measurements of unemployment very suspect, adding additional support to our hypothesis.

Conclusion

Future research on unemployment will surely yield a more accurate assessment of the exact magnitude of error attributable to individual work registration programs. However, it is unlikely that our general conclusions will be altered. There is, in fact,

58. *Economic Report of the President*, 1974, p. 172.

59. Bureau of Labor Statistics, *Employment and Earnings*, Table A-33.

60. *Supra* note 58.

61. *Supra* note 59.

62. *Supra* note 2.

a permanent increase in the number of individuals included in the unemployment statistics that represent a new class of individuals who are not seeking work. Prior to the introduction of work registration requirements in the early 1970's, as a condition for receiving food stamps or other welfare benefits, most of these individuals would not have entered into the measured unemployment statistics.

Since the unemployment rate is often used as a basis for policy decisions and as a triggering mechanism for certain government programs, it is important to distinguish between the purely statistical effects due to new paper-work or institutional requirements and true unemployment attributable to more traditional reasons for identifying individuals as unemployed. There are, for example, at least four programs whose benefits are triggered by increases in the unemployment rate. These include the Comprehensive Employment and Training Act of 1973, Public Works and Economic Development Act of 1965, Public Works Employment Act of 1977, and Executive Order No. 4 governing defense manpower.⁶³

An official unemployment rate that is biased upward has immediate impacts on the allocation of funds for federal programs designed to help individuals in hardship cases and on total government funding through increases in the federal budget. Equally important, persistent unemployment prompts political pressures for the government to take additional forms of action to alleviate such "problems," but, as we have shown, the particular problem such policies are trying to alleviate may not exist at all. Clearly we are left with two choices: either the official unemployment statistic should carry a "truth in advertising" warning, or it should be revised to reflect the traditional reasons for registering individuals as unemployed.

63. See 29 U.S.C. 801 *et seq.*, 42 U.S.C. 3131 *et seq.*, and 42 U.S.C. 6701 *et seq.* With the exception of the Public Works Employment Act of 1976, the triggering mechanisms for these programs are similar. The Department of Labor issues a publication called *Area Trends* which gives the unemployment rate for various regions of the country. These areas can apply for increased federal funds under these programs if they meet the test of either "substantive unemployment" or "persistent unemployment." Substantive unemployment is defined as an unemployment rate of 6% or more together with an estimate of a continuation of this rate for two or more months in the future. Persistent unemployment is defined as areas with at least a population of 250,000 with an unemployment rate of 6% or more during the last calendar year. In addition, the affected area must have an unemployment rate 50%

or more above the national average for three of the last four calendar years. The rate must have been 75% or more above the national average for two of the last three calendar years, and the unemployment rate must have been at 100% or more above the national average for one of the last two calendar years. The requirements for the Public Works Employment Act of 1977 are not as stringent. Approximately 75% of the funds allocated under the Act are given to states and to local governments with unemployment rates above the national average, with the remaining 30% given to areas with rates less than the national average but at least 6.5% percent unemployment.

Table 1

*Civilian Employment, Military Employment, and Unemployment,
Noninstitutional Population 16 Years and over,
1947-1976*

<i>Year</i>	<i>Civilian Employment as a Percent of Total Population</i>	<i>Military Employment as a Percent of Total Population</i>	<i>Unemployment as a Percent of Labor Force</i>
1947	55.2%	1.5%	3.9%
1948	55.8	1.4	3.8
1949	54.6	1.5	5.9
1950	55.2	1.6	5.3
1951	55.7	2.9	3.3
1952	55.4	3.3	3.0
1953	55.3	3.2	2.9
1954	53.8	3.0	5.5
1955	55.2	2.7	4.4
1956	56.1	2.5	4.1
1957	55.7	2.4	4.3
1958	54.2	2.3	6.8
1959	54.8	2.2	5.5
1960	54.9	2.1	5.5
1961	54.2	2.1	6.7
1962	54.2	2.3	5.5
1963	54.1	2.2	5.7
1964	54.5	2.2	5.2
1965	55.0	2.1	4.5
1966	55.6	2.4	3.8
1967	55.8	2.6	3.8
1968	56.0	2.6	3.6
1969	56.5	2.5	3.5
1970	56.1	2.3	4.9
1971	55.5	2.0	5.9
1972	56.0	1.7	5.6
1973	56.9	1.6	4.9
1974	57.0	1.5	5.6
1975	55.2	1.4	8.5
1976	56.1	1.4	7.7

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-1. Employment and Training Administration, *Employment and Training Report of the President*, 1976, Table A-1.

Table 2

*Population, Employment and Unemployment,
16 years and over, June 1974 - February 1977
(adjusted for seasonal variations)*

<i>Month</i>		<i>Total Non- institutional Population (thousands)</i>	<i>Civilian Labor Force (thousands)</i>	<i>Civilian Employ- ment (thousands)</i>	<i>Civilian Employment as a Percentage of Total Population (percent)</i>	<i>Unemploy- ment Rate (percent)</i>
June	1974	150,710	90,857	86,088	57.1	5.2
July	1974	150,922	91,283	86,403	57.3	5.3
Aug.	1974	151,135	91,119	86,274	57.1	5.4
Sept.	1974	151,367	91,705	86,402	57.1	5.8
Oct.	1974	151,593	91,844	86,304	56.9	6.0
Nov.	1974	151,812	91,708	85,689	56.4	6.6
Dec.	1974	152,020	91,803	85,202	56.0	7.2
Jan.	1975	152,230	92,091	84,562	55.5	8.2
Feb.	1975	152,445	91,511	84,027	55.1	8.2
Mar.	1975	152,646	91,829	83,849	54.9	8.7
Apr.	1975	152,840	92,262	84,086	55.0	8.9
May	1975	153,051	92,940	84,402	55.1	9.2
June	1975	153,278	92,340	84,444	55.1	8.6
July	1975	153,585	92,916	85,078	55.4	8.4
Aug.	1975	153,824	93,146	85,352	55.5	8.4
Sept.	1975	154,052	93,128	85,158	55.3	8.6
Oct.	1975	154,256	93,213	85,151	55.2	8.6
Nov.	1975	154,476	93,117	85,178	55.1	8.5
Dec.	1975	154,700	93,129	85,394	55.2	8.3
Jan.	1976	154,915	93,473	86,226	55.7	7.8
Feb.	1976	155,106	93,597	86,471	55.7	7.6
Mar.	1976	155,325	93,862	86,845	55.9	7.5
Apr.	1976	155,516	94,376	87,329	56.2	7.5
May	1976	155,711	94,551	87,640	56.3	7.3
June	1976	155,925	94,704	87,533	56.1	7.6
July	1976	156,142	95,189	87,783	56.2	7.8
Aug.	1976	156,367	95,351	87,834	56.2	7.9
Sept.	1976	156,595	95,242	87,794	56.1	7.8
Oct.	1976	156,788	95,302	87,738	56.0	7.9
Nov.	1976	157,006	95,871	88,220	56.2	8.0
Dec.	1976	157,176	95,960	88,441	56.3	7.8
Jan.	1977	157,381	95,516	88,558	56.3	7.3
Feb.	1977	157,584	96,145	88,962	56.5	7.5

Source: Bureau of Labor Statistics, *Employment and Earnings*, Table A-33.

Table 3

*Estimates of the Impact of the Food Stamp Program
Work Registration Requirement on Unemployment
June 1974 - February 1977*

<i>Date</i>		<i>Measured Unemployment^a (thousands)</i>	<i>Active Food Stamp Work Registrants (thousands)</i>	<i>Corrected Civilian Labor Force^b (thousands)</i>	<i>Corrected Unemploy- ment (thousands)^c</i>	<i>Measured Rate of Unemploy- ment (percentages)</i>	<i>Corrected Rate of Unemploy- ment (percentages)</i>
June	74	4,769	727	90,130	4,402	5.2	4.5
July	74	4,880	657	90,626	4,223	5.3	4.7
Aug.	74	4,925	703	90,496	4,222	5.4	4.7
Sept.	74	5,303	754	90,951	4,549	5.8	5.0
Oct.	74	5,540	804	91,040	4,736	6.0	5.2
Nov.	74	6,019	871	90,837	5,148	6.6	5.7
Dec.	74	6,601	969	90,834	5,632	7.2	6.2
Jan.	75	7,529	1,112	90,979	6,417	8.2	7.1
Feb.	75	7,484	1,240	90,271	6,244	8.2	6.9
Mar.	75	7,980	1,318	90,511	6,662	8.7	7.4
Apr.	75	8,176	1,245	91,017	6,931	8.9	7.6
May	75	8,538	1,231	91,709	7,307	9.2	8.0
June	75	7,896	1,232	91,108	6,664	8.6	7.3
July	75	7,838	1,201	91,715	6,637	8.4	7.2
Aug.	75	7,794	1,198	91,948	6,596	8.4	7.2
Sept.	75	7,970	1,190	91,938	6,780	8.6	7.4
Oct.	75	8,062	1,180	92,033	6,882	8.6	7.5
Nov.	75	7,939	1,167	91,950	6,772	8.5	7.4
Dec.	75	7,735	1,193	91,936	6,542	8.3	7.1
Jan.	76	7,247	1,217	92,256	6,030	7.8	6.5
Feb.	76	7,126	1,243	92,354	5,883	7.6	6.4
Mar.	76	7,017	1,267	92,595	5,750	7.5	6.2
Apr.	76	7,047	1,170	93,206	5,877	7.5	6.3
May	76	6,911	1,245	93,306	5,666	7.3	6.1
June	76	7,171	1,243	93,457	5,928	7.6	6.3
July	76	7,406	1,236	93,953	6,170	7.8	6.6
Aug.	76	7,517	1,226	94,125	6,291	7.9	6.7
Sept.	76	7,448	1,193	94,049	6,255	7.8	6.7
Oct.	76	7,564	1,299	94,003	6,265	7.9	6.7
Nov.	76	7,651	1,248	94,623	6,403	8.0	6.8
Dec.	76	7,519	1,248	94,712	6,271	7.8	6.6
Jan.	77	6,958	1,173	94,343	5,785	7.3	6.1
Feb.	77	7,183	1,271	94,874	5,912	7.5	6.2

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-33.
Department of Labor. Employment Series Automated Reporting Systems
(unpublished statistics), Table 6.

a. Adjusted for seasonal variations.

b. Civilian labor force data drawn from Table 2.

c. Column 1 less Column 2.

Table 4 *Estimates of the Effects of Food Stamp and AFDC Work Registration Requirements on the Unemployment Rate 1974 - 1976*

Item	1974	Year 1975	1976
Average Civilian Labor Force (thousands)	91,011	92,613	94,773
Average Official Unemployment (thousands)	5,076	7,830	7,288
Average Official Unemployment Rate (percentage)	5.6%	8.5%	7.7%
Average Food Stamp Work Registration Active Employment Service Applicants (thousands)	784 ^a	1,209	1,236
Average AFDC (WIN) Mandatory Registrants (thousands) ^b	743	872	829
Corrected Average Unemployment (thousands)	3,549	5,749	5,223
Corrected Civilian Labor Force (thousands)	89,484	90,532	92,708
Corrected Unemployment Rate (percentage)	4.0%	6.4%	5.6%

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-1; Department of Labor, Employment Series Automated Reporting Systems, (unpublished statistics); National Center for Social Statistics, *The Work Incentive Program*, Report E-5.

a. Based on monthly average for June through December.

b. Less food stamp work registrants reported above.

Table 5 *Employment and Unemployment: A Comparison*

Year	Civilian Employment as a Percentage of Total Non- institutional Population, Age 16 and Over	Measured Unemployment as a Percentage of Civilian Labor Force
Low Employment Periods		
1950	55.25%	5.3%
1955	55.15	4.4
1966	55.57	3.8
1971	55.49	5.9
Average	55.37	4.9
1975	55.25	8.5
Medium Employment Periods		
1956	56.06	4.1
1968	56.00	3.6
1972	56.05	5.6
Average	56.04	4.4
1976	56.06	7.7
High Employment Periods		
1969	56.52	3.5
1974	56.98	5.6

Sources: Bureau of Labor Statistics, *Employment and Earnings*, Table A-1. Employment and Training Administration, *Employment and Training Report of the President*, 1976, Table A-1.

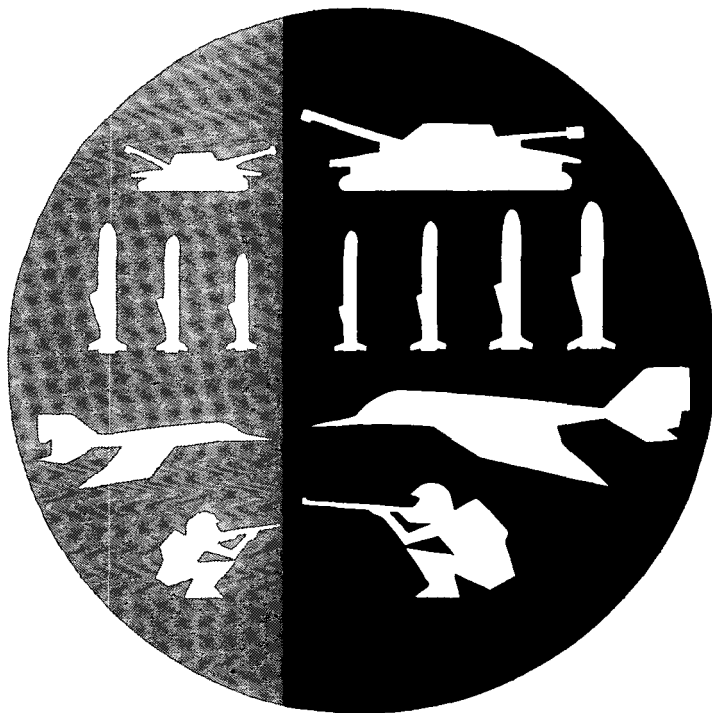
Table 6 *Monthly Income and Employment Status, November 1973*

	Food Stamp Recipients	Food Distribution Recipients
Total Monthly Income	\$364	\$373
Unemployment rate	9%	7%
Not in Labor Force	70%	72%
Employed:		
Full time	11%	11%
Part time	10%	10%

Source: U.S. Department of Agriculture, Food and Nutrition Service "National Survey of Food Stamp and Food Distribution Program Recipients: Income Sources and Amount and Incidence of Multiple Benefits" (unpublished document), p.25.

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Ordering The World About: The New International Economic Order

PETER BAUER & JOHN O'SULLIVAN

In 1975, to mark Somalia's commitment to the ideals of the International Women's Year, the President announced that in the future women would enjoy equal rights of inheritance with men. Twelve Muslim religious leaders protested that this violated Koranic law. Whereupon they were shot.

This instructive tale should warn us that the liberal ideas and phraseology of the West, once transplanted to the Third World, often assume fantastic and distorted forms. We might bear this in mind when assessing the interminable discussions on the establishment of a "New International Economic Order" (NIEO) at the "North-South Dialogue" in Paris, The Commonwealth Conference in London and the numerous United Nations Conferences on Trade and Development (UNCTAD) and other UN gatherings in Geneva, New York, Nairobi, Delhi and wherever else luxury hotels are to be found.¹

For, on the face of it, the NIEO boasts an impeccably Western, indeed English, genealogy. It is the most far-reaching application of Fabian socialist theories of wealth distribution, state control and economic planning to international economic relations yet attempted by Third World governments and their Western cheerleaders. In no sense, of course, is it new. Its Fabian inspirations apart, the various UN and other declarations, in which the NIEO is embodied, contain wearisomely familiar demands for still greater foreign aid; comprehensive schemes for "stabilizing" (i.e. raising) commodity prices, transferring technology and cancelling debt repayments by developing countries; and even hazy notions of restricting Western production of synthetic substitutes for Third World products.

But some little novelty is introduced in the arguments justifying these claims. No longer is foreign aid solicited as an act of charity. Indeed, charity is indignantly rejected as dem-

1. For a restrained and relatively reasonable statement of the views of the proponents of the NIEO see a new book by a UN civil servant of Indian nationality: Jyoti Shankar Singh, *Toward a New International Economic Order*, N.Y., 1976.