

# Economic Bill of Rights





As this tumultuous and consequential year comes to a close, I've been thinking a lot about the state of our country. We have proven resilient once again. Our economy did better than expected, as did our democracy. We've seen again the great power and potential of American ingenuity. At this moment, vaccines are being administered across the land and there's hope on the horizon. But great challenges lie ahead. We have to heal the wounds of loss. We have to put out the fires of hate and divisiveness. We have to rebuild our economy and our society upon firmer and fairer grounds.

I started asking myself: "If I were Biden, what would I do?"

This is a hard question to answer. Biden is walking into a really tough situation. It's not clear at all how to even begin to carve a path forward. It might not be hard to articulate some practical steps we could take—like passing a meaningful stimulus package or a major infrastructure investment program or immigration reform—but in this toxic environment of tit-for-tat identity politics, it's hard to see how anything meaningful gets done.

I started looking back at other periods of crisis in America to try to see if there were any lessons there and shortly into my research, I came across an incredible speech, FDR's 1944 State of the Union Address. This speech is famous in history as the first articulation of the idea of an Economic Bill of Rights. And while you don't often hear this phrase in our political discourse, much of our post-war political history can be interpreted as a series of debates about what this all means:

*"It is our duty now to begin to lay the plans and determine the strategy for the winning of a lasting peace and the establishment of an American standard of living higher than ever before known. We cannot be content, no matter how high that general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth— is ill-fed, ill-clothed, ill housed, and insecure.*

*This Republic had its beginning, and grew to its present strength, under the protection of certain inalienable political rights—among them the right of free speech, free press, free*

*worship, trial by jury, freedom from unreasonable searches and seizures. They were our rights to life and liberty.*

*As our Nation has grown in size and stature, however—as our industrial economy expanded—these political rights proved inadequate to assure us equality in the pursuit of happiness.*

*We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence. "Necessitous men are not free men." People who are hungry and out of a job are the stuff of which dictatorships are made.*

*In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all regardless of station, race, or creed.*

*Among these are:*

*The right to a useful and remunerative job in the industries or shops or farms or mines of the Nation;*

*The right to earn enough to provide adequate food and clothing and recreation;*

*The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;*

*The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;*

*The right of every family to a decent home;*

*The right to adequate medical care and the opportunity to achieve and enjoy good health;*

*The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;*

*The right to a good education.*

*All of these rights spell security. And after this war is won we*



Photo by Jeremy Lishner

*must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.*

*America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens. For unless there is security here at home there cannot be lasting peace in the world.*

*Each and every one of us has a solemn obligation under God to serve this Nation in its most critical hour—to keep this Nation great -- to make this Nation greater in a better world.”*

FDR was really on to something here. He understood that modern capitalist democracies simply MUST provide some minimum baseline of economic security. Political rights on their own are not enough. Neither is economic growth. Without widespread economic security, modern democracies will be in constant danger of devolving into dictatorship, communism, or extreme socialism. This was one of the most important lessons of the war.

Our system, while good at producing economic growth and innovation, has failed to provide economic security to large parts of our society. And it has failed terribly. This has been true for a long time. I believe that historians are going to look back at the Trump presidency as a sort of absurd outgrowth of this failure, an expression of the anger and frustration of the American people, a cry of desperation. What the Trump phenomenon has revealed is that the trajectory of the status quo is just no longer tenable. Change and improvement are not optional anymore.

So, to get back to my question, here's what I think: Biden should move aggressively and courageously to fulfill the promise of FDR's Economic Bill of Rights. Even though today we don't stand on the precipice of world domination like we did in back 1944 (when we were quite literally on the verge of becoming the absolute superpower of the world and an economic juggernaut of unprecedented scale in history), even though we find ourselves today vulnerable economically, massively indebted and challenged geopolitically, I still

believe in America and our ability to fulfill this promise.

I think that while divisiveness seems to rule the day, there's a hidden consensus out there. On both sides of the political spectrum, people in America are fed up with our crumbling infrastructure, lack of economic opportunity, failing schools and lack of affordable housing. The anger that we've been seeing is really a result of the failure of our leaders to put forth policy ideas that actually, meaningfully address these issues. Instead, for decades we've gotten a bunch of half-measures and incremental improvements. Even Obamacare, which attempted to decisively address one of FDR's economic rights, probably didn't go far enough at reforming the system. Ordinary Americans today are still struggling to get access to adequate, affordable health care.

The truth is that with all these issues, there are things that can be done that will actually make a difference: things like investing in green energy infrastructure, modernizing our transportation system, investing in education so that we have better schools and better teachers, creating market-incentive and subsidy programs to ensure an adequate supply of affordable housing.... To tap into this hidden consensus though, these policies have to be plausible to the American people. They have to be designed in way that looks like they might actually work to make a difference in the lives of ordinary Americans. They cannot be half-measures or pilot programs or incremental steps. They have to be decisive.

Fortunately, the modern tools of our new experimental monetary policy (QE, Zero Interest Rates and MMT), makes these things easier to pull off than ever in history. This subject probably deserves its own article someday but suffice it to say for now: the widespread global acceptance of radical Central Bank intervention in asset markets, has created an opportunity for governments around the world to actually do some things that will help ordinary people. The only thing standing in the way of a massive and meaningful infrastructure program like the New Deal, or real change in housing policy or education is political courage. □

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