

EMPLOYMENT ACT OF 1946

SECTION-BY-SECTION OF THE EMPLOYMENT ACT OF 1946

Provisions of the Act

Section 1.

The first section states the short title of the law: “*Employment Act of 1946*”.

Section 2.

The act begins with a “Declaration of Policy” (section 2) affirming that it is “the continuing policy and responsibility of the Federal Government . . . to coordinate and utilize all its plans, functions, and resources vision of Finance and Economic Studies. for the purpose of creating and maintaining . . . conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.”

Section 3.

To carry out this policy, the President is directed (section 3) to transmit an “Economic Report” to the Congress at the beginning of each regular session starting with the year 1947. The report is to set forth (1) the levels of employment, production, and purchasing power obtaining in the United States and the levels necessary to carry out the declared policy; (2) current and foreseeable trends i n the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and of economic conditions affecting employment in the United States during the preceding year and of their effect on employment, production, and purchasing power; and (4) a program for carrying out the policy, together with such recommendations for legislation as the President may deem necessary.

Section 4.

A Council of Economic Advisers is created (section 4) within the Executive Office of the President. This Council is to be composed of three members appointed by the President

With the advice and consent of the Senate. Its functions are to assist and advise the President in the preparation of the Economic Report; to collect and analyze information concerning

economic developments and economic trends for the purpose of determining whether these developments are interfering with the achievement of the policy of the Government, and to submit to the President studies relating to these developments and trends; to appraise the various programs and activities of the Federal Government for the purpose of determining the extent to which they are contributing to the achievement of the Government's policy; to develop and recommend to the President national economic policies to foster and promote free competitive enterprise, to avoid or diminish economic fluctuations, and to maintain a high level of employment, production, and purchasing power; and to prepare studies and recommendations concerning matters of Federal economic policy and legislation as the President may request. The Council is to make an annual report to the President in December of each year.

Section 5.

A Joint Committee on the Economic Report is established (section 5), to be composed of seven Members of the Senate and seven Members of the House of Representatives. The functions of this Committee are to make a continuing study of matters relating to the Economic Report; to study means of coordinating programs in order to further the policy of the act; and, as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, to file with the Senate and the House of Representatives by May 1 of every year a report containing the Committee's findings and recommendations with respect to each of the President's main recommendations in the Economic Report.

[Source: Anne Scitovszky, "The Employment Act of 1946", *Social Security Bulletin*, Vol. 9, No. 3 (released March 1946)]