

'Right-Wing' Fabians Try To Sell Youth Slave Labor To Business

We excerpt below from three sources: a new report issued by the neo-Fabian Committee for Economic Development (CED) entitled "Jobs for the Hard to Employ," drawing particular attention to "work-study"-type youth slave labor programs borrowed directly from recommendations by Eli Ginzberg's National Commission on Manpower Policy; to a policy discussion conducted by the Rockefeller Foundation and published as a working paper on "Youth Employment"; and an op-ed appearing in this week's New York Times by British linked economist Lester Thurow, a participant in the Rockefeller Foundation discussion on Wages, Subsidies, and Youth Unemployment.

We emphasize that the fascists of the IPS-McGovern stripe have no basic disagreement with the policy thrusts outlined below; their major disagreement is in the size of the overall program — which they intend to correct by organizing race riots.

Integrating Classroom and Workplace. The most promising and potentially far-reaching means of bringing schools, youths, and the world of work closer together is through increasing the ways in which the teen-age years can become a time for gaining experience through *both* schooling and working. Schools need to take as part of their responsibility the arranging of work-experience opportunities and the creation of flexible classroom schedules that will allow youths to take advantage of those opportunities. Employers need to create part-time work-experience opportunities for youths still in school and to enter into joint training-education enterprises with their local school systems. Such arrangements have major direct advantages for schools, youths, and employers alike.

*Schools will be seen by youths as more relevant to the employment world, of being able to demonstrate a clearer connection between basic education and employment, and — by bringing paid work within the reach of students — reducing the lure that employment has in attracting youths out of the schools altogether.

*Youths will have the opportunities to test the employment world *before* leaving school, to gain exposure to one or more jobs before making a choice, to work into a regular adult job on a junior apprentice basis, and to identify their educational weaknesses while there is still time to correct them.

*Employers will have the advantages of stabilizing their supply of entry-level workers through close working arrangements with the schools; of getting workers they have trained on the job and on their

equipment, rather than youths with schooling but without the maturity that comes with job responsibility; and of being able to point out to schools those educational defects in students that can be remedied by the schools before employers hire young people as regular workers...

Thus, integrated education and work efforts have already proved practical. They can be carried out locally. They can be started wherever a school system and employers are willing to work together. There is no need to wait for federal programs or government money (although added assistance is now available under the new youth employment legislation).

But despite the proven advantages of integrated education-work efforts, the total scope of existing programs is far less than seems feasible. For example, Chicago has a variety of well-run cooperative education programs, but they cover only 2 percent of the city's public school students. Elsewhere, some of the more promising efforts in this field have been discontinued because of recession-induced cuts in city budgets. This happened to the pioneering continuing education program in Atlanta, which operated on a four-semester basis and required high school students to have at least one-quarter of responsible work experience to be eligible for a high school diploma.

We recommend that businesses, schools, unions, non-profit organizations, and other community groups work together to expand the volume and scope of cooperative education programs linking school and work and that the federal government make greater use of incentive funding to encourage effective work-study programs. We urge business to take the initiative in developing such cooperative arrangements (emphasis in original)...

The following are excerpted from a Rockefeller Foundation working paper on "Youth Employment"; the first is taken from a paper by MIT and Sloan School of Management Professor, Lester Thurow:

The elasticity of substitution between different types of labor (men-women, young-old, etc.) is presumably much higher than that between capital and labor. As a result, a reshuffling of unemployment (lowering some real wage rates relative to others) is apt to be less costly than job creation. The reshuffling will be resisted, but this does not obviate its usefulness...

Similarly, the elasticity of substitution among different young adults is apt to be quite high. A wage subsidy or voucher system for some, but not all, teenagers would be apt to have a major effect on reshuffling youth unemployment. Since no young adults are in short supply even during periods of high employment, a reshuffling policy

cannot be justified in terms of reducing inflationary pressures and allowing macroeconomic policies to expand. Instead, the policy must be justified on social grounds. High unemployment among minority youths causes a variety of problems that would cease to exist if some of their unemployment were reshuffled to higher income white youths.

But if reshuffling is politically impossible (and it may well be) then direct federal job creation is the only policy that can be used to reduce youth unemployment... People would have to be fired for poor job performance. A public reputation would have to be established for requiring rigid standards of work performance. If the program is seen as slack on work discipline, it could easily end up being counterproductive...

It is also important to recognize that the standard social solution — more formal education and training — is not an answer to the problem of youth unemployment. Young people are better educated at the moment than older workers. There are labor surpluses among youths at all educational levels. The problem is finding a job and acquiring the work experience that can lead to economic success in later life.

In the end the choice is not between incentives for private employment and direct federal job creation, but the correct mix of these two possible solutions — a mix that will primarily be determined by political feasibility.

The following are remarks made in a Rockefeller Foundation panel discussion by Yale "economist" James Tobin:

It is a pretty obvious idea that if you can find a group of workers who have high employment rates but whose employment is relatively unaffected by the wage increases that occur naturally in the economy and get translated into price inflation, then you can get increased employment or a greater reduction in unemployment for the same cost in higher rates of inflation than if you just stimulated the economy in a generalized way...

Nevertheless, we found, at least in theory, that you could get some improvement in the overall rate of unemployment that we could aim at without having an acceleration of inflation, by shifting demand toward groups like young adults and teenagers. But this would be only at the expense of reduced employment of prime workers.

We made a rough, back of the envelope type of calculation that, for example, a hundred jobs, direct jobs for teenagers and young adults, might increase the permanent amount of unemployment of prime workers by only sixty, and forty compensating jobs would be lost — some of those jobs at the expense of other teenagers, but most often among the prime group. That would come about through an adjustment of relative wages in the longer run.

Jesse Jackson's Push: 'We Need Direct Mass Actions In The Street'

Over the course of the last week, this news service has corroborated reports that the Fabian Sen. George McGovern (D-S.D.), along with key members of the cabinet, several members of Congress, and operatives of the Institute for Policy Studies are conspiring to foment race riots with two immediate objectives: first, to topple Jimmy Carter from the Presidency, and second, to create the climate for passage of a fascist "urban recovery" program. We offer below, as evidence to that effect, excerpts from an interview with the office of Jesse Jackson, the director of People United to Save Humanity (PUSH); Jackson was identified last week by a spokesman in Sen. McGovern's office as a "man we are relying on to help us get things going...":

Let's face it — Jimmy Carter lied to us when he said during the election that he was willing to rebuild urban America...he absolutely is refusing to spend the money needed to do the job. Look what he allowed to be done to Humphrey-Hawkins; it's gutted, it's almost worthless...That is because he has listened to those fiscal conservatives who he put into the cabinet. PUSH believes that the Federal government must provide a job for every able-bodied person who is willing to work; that is the core of any urban policy. We take a look at things like the new youth employment grant and say, 'nice

idea, but where the hell is the money to make it work.' The program is real peanuts.

Well, we and our people all over America in the ghettos are getting damn fed up with Jimmy Carter. If he won't move, we have to look for people who will talk our language — a comprehensive national urban program, with plenty of money behind it. George McGovern is saying that. (Secretary of Labor) Marshall and (HUD Secretary) Pat Harris support the idea, but Carter won't listen to them. Some of us here don't think that Carter will ever wise up. He's through.

But we are going to have to teach people like Carter a lesson in real politics. We are going to educate these fools through mass, direct actions in the streets. The ghettos are ready to explode from neglect. It is not a prediction but a fact: there are going to be worse riots than the 1960s unless something is done. But there has to be a method to this madness. When the ghetto explodes into chaos and violence, Jesse Jackson and PUSH have to be ready to channel this frustration into creative protests around a program. This is mass drama and we have some experience in staging it. Cloward and Pivens (founders of the 'Welfare Rights Organization' - ed.) say that blacks should abandon electoral politics in favor of violence and chaos in the streets. Well, we say, both are probably necessary....

So that creates — not only in the short run...but also in the longer term, a lot of political and social problems. It might well be worth it, and I say it would be worth it from the social point of view...

If unemployment were reduced, say, to 4.75 percent or 4.5 percent — and at the same time demand were manipulated in favor of the group with the highest unemployment rate — you would end up with the prime people having a higher unemployment rate than they do now. That higher rate of unemployment would be necessary to discipline their bargaining power — their tendency to get wage increases from the labor market. That is the point I was making.

Below are remarks also from the panel discussion, by Wharton School of Business Professor Bernard E. Anderson:

Let me suggest what I think would be an innovative and creative program. Take the question of the dreadful condition of housing in the inner city. There is housing abandonment in North Philadelphia on such a scale that you can go block after block and see nothing but boarded-up houses. Why wouldn't it be possible for the mayor of Philadelphia to design a program that would do several things. Number one, merge job-training programs, money for youth, with community development money, something which is difficult to do because of the way the regulations are written. Then, you can take these houses, many of which are owned by the city of Philadelphia, and

rehabilitate them, using some unemployed skilled craftsmen as supervisors and training young people, on the job, in the skills necessary to renovate these houses, thereby killing two birds with one stone. That is one thing that can be done.

These remarks by British-linked economist Lester Thurow appeared in an op-ed column in the New York Times, Jan 10:

Since short of genocide there is no policy for altering relative labor supplies, the policy options all lie on the demand side. One can either issue a set of commands ordering firms to change their hiring practices, or one can adopt a system of wage subsidies designed to entice employers to alter their hiring practices. Realistically the only option is the wage subsidy.

A wage subsidy is like a reduction in the minimum wage without the disadvantages that such a reduction entails. Employers respond to a lower net wage in either case. But with a wage subsidy, all employers, not just those who hire at the minimum wage, have an incentive to employ relatively more workers from economic minorities such as the young...

This means some system of wage subsidies is essential. And young people are a good place to start since they constitute a group that includes all racial and sexual groups. This is not to say that wage subsidies are ideal. They will undoubtedly be expensive and messy. There simply isn't anything else.

Not On Carter's List For Slave Labor Money

Hartford, Conn., so often the test tube for every "urban policy" gimmick that comes down the pike, was not on the list of cities targeted by the Carter Administration for Department of Labor funds for a Youth Jobs Program. While not the final announcement of federal allocations for youth slave-labor jobs, Hartford's conspicuous absence from this week's list of "lucky cities" is a testament to the public opposition raised by trade union officials to the Carter Administration's intent to dismantle the cities and funnel youth into back-breaking jobs at starvation wages.

William O'Brien, Director of the Greater Hartford Building Trades, and Robert Murray, president of Local 35 of the International Brotherhood of Electrical Workers, last week issued an open letter to Secretary of Labor F. Ray Marshall telling him to cancel Hartford's application for \$15 million in Labor Department funds. They issued their letter after a Jan. 4 joint meeting between Hartford's Mayor George Athanson, local unions, and the U.S. Labor Party to discuss opposition to such grants. The mayor also dispatched a letter to the Labor Department urging them to cancel the funds.

Immediately after the publication of the open letter in the *Courant* on Jan. 6, Hartford AFL-CIO President Dorsey hastily dispatched a letter to Labor Secretary Marshall pleading for funds for a youth employment program. His action links him to the pro-Mondale wing of the AFL-CIO, which has publicly endorsed the Administration's fascist urban programs.

Now that the grant has been denied, both the major TV station in Hartford and the *Hartford Courant* editorialized against Mayor Athanson, the Building Trades and the IBEW for committing a "great injustice" against the city. They called for a regroupment of pro-slave labor forces to make a second bid for the funds.

No To CETA

Interviewed by the *Hartford Courant*, Jan. 6, Building Trades Director O'Brien made the issue clear: "The Building Trades took an awful shellacking in the CETA program. We had kids painting houses while their fathers were out of work. We don't want this money to be used against us." CETA was one of the first union-busting urban jobs programs sponsored by the federal government.

Similarly, IBEW President Murray told the *Courant* that the city's coordinator of federal urban programs, Deputy Mayor Nick Carbone, had "put pressure on us to take people in under Affirmative Action and we did. Then the city gave the federal money to nonunion contractors and nonprofit agencies." The *Courant* implied that the police department and the municipal unions had not joined with the IBEW and Building Trades in opposition to the youth jobs program only because they were threatened with budget cutbacks.

Test Tube For Fascist Programs

Hartford has long been the center for experimentation in union busting, slave-labor programs under Carbone's