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6/5/76  
THE WHITE HOUSE

WASHINGTON

June 4, 1976



MEMORANDUM FOR:

JAMES CANNON

FROM:

BILL DIEFENDERFER

RE:

DOL Proposal: Construction Industry  
Seasonal Unemployment

The purpose of the above referenced DOL Proposal is to add some stability to the construction industry employment market. Figures quoted in the proposal indicate that on an annual basis 400,000 to 1,200,000 construction workers have been unemployed between the winter and summer months. The construction industry normally employs 4 million workers during peak periods. High seasonal unemployment has served to create a high turnover of workers in the construction industry, as well as create a demand for off-season income maintenance programs (unemployment insurance, food stamps, etc.).

The seasonality of construction industry employment was a subject explored in the Johnson and Nixon Administrations. The present proposal is a continuation of <sup>these</sup> explorations and calls for:

- shifting 10 percent of all public construction\* from summer to winter months.
- obtaining funds and staff positions for support (\$720,000 and 33 positions) of the proposal which are to be furnished by each Federal agency in proportion to its public construction expenditure

The proposal recommends a two-phased program to reduce the seasonality of the construction industry labor market.

#### Phase I

- Federal agencies will alter maintenance and rehabilitation contracts to require as much work as practical be done between October and February.
- a six city advance pilot program be conducted for two years to determine if seasonal unemployment in the construction industry can be controlled through public construction funds.

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\* It should be noted that over the last decade the cost of total public (federal, state, local) construction accounted for 25 to 33 percent of the national construction expenditure total.

THE WHITE HOUSE

WASHINGTON

June 2, 1976

MEMORANDUM FOR: ROGER PORTER  
FROM: DOUG METZ *DM*  
SUBJECT: Esch/Kemp Job Creation Bill

I have just received a galley of the Esch substitute for H.R. 50 (Humphrey-Hawkins). It contains more new items than reported to us last Friday. The add-ons to our package of existing Administration job creation proposals include:

- o "Zero budgeting", involving a four-year phased review of all Federal program authorizations with first-year priority on employment and training programs, a complicated system of GAO reports and audits, and mandated MBO budgeting by OMB. Also, Treasury would develop a consolidated financial report for the U.S. using accrual accounting.
- o A boost in the investment tax credit to 12% across the board.
- o Extension nationwide of our accelerated depreciation program for high unemployment if found beneficial by Treasury upon evaluation.
- o Optional one-year amortization of pollution control facilities.
- o To spur savings, a 10% tax credit (up to \$1,000) for net annual increases in personal savings in any form.
- o A year-round youth employment program plus establishment of a Youth Conservation Corps.
- o A limited employment tax credit program.

- o A 4 percent decrease in the corporate tax rate phased over three years (2, 1, and 1 percent)

I have asked the agencies participating in our task force to provide their comments as soon as possible, including cost estimates. The latest word is that Congressman Hawkins wants deferral of House action until after the Democratic Convention.

cc: Bill Seidman  
Bill Gorog

bcc: David Lissy

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AND  
QUESTION AND ANSWER SESSION

THE SOUTH LAWN

10:23 A.M. EDT

THE PRESIDENT: Good morning, everybody. How are you all this morning?

This is a particularly delightful day with this good Washington weather, but we also have some excellent economic news which was released as of 10 o'clock this morning. The Wholesale Price Index dropped about a half of a percent. The figure for the month of May is .3, or three-tenths of one percent, a drop from .8 of the last month. This is extremely significant because it indicates that our battle against inflation is really making headway and that the figure of last month was an abnormal rise.

Also encouraging was the fact that the unemployment figure dropped from 7.5 to 7.3, and even more importantly, we had another 300,000 added to the job roll. So we have a figure now for the month of May of 87 million 700 thousand people gainfully employed, again an all time record in the history of the United States, which means that in the last 12 months we have added 3 million 300 thousand more jobs for people in the United States.

So these two figures should encourage the American people that the Administration's anti-inflation job-providing program is a good one and we have made significant headway and we expect to continue.

Thank you all very much.

QUESTION: Mr. President, you have been warning that the inflation rate couldn't be kept as low as it had been earlier this year. Now do you feel that it possibly can be?

THE PRESIDENT: I am very encouraged because, as you will recollect in our economic program and in our budget message, we anticipated for the Consumer Price Index that toward the end of the year it would be, as I recall, 6 percent. But if you analyze the first five months of this year, it is considerably below that for the Wholesale Price Index, and if the Wholesale Price Index is better than we anticipated, obviously it will have a very good impact on the Consumer Price Index.

MORE

And again in the case of unemployment, as I recall the figure, we forecast that by the end of calendar year 1976 it would be in the range of 7 percent.

Well, we have made significantly better progress in that regard than we anticipated, so whether it is on the unemployment, or whether it is on the employment figures, or on the battle against inflation, the Administration's program is working.

QUESTION: Could this good news economically translate into political capital for you, say, in California, Ohio and New Jersey, or is it more likely to work in November to your advantage?

THE PRESIDENT: I think it may have an impact on both, I certainly hope so, because it proves what we said a year ago, that if we did what we have been doing and not what some of the prophets of doom and gloom told us to do, obviously the record is good and it is going to get better.

QUESTION: Are you concerned, sir, about the Field Poll which shows you 24 points behind in California?

THE PRESIDENT: It doesn't seem to coincide with some of the information that we have gotten from our telephone banks and information we have gotten from others. I don't know when the Field Poll was taken. But I have talked to a few people who have been managing phone banks in California and other people have reported to me that there seems to be a shift from the undecided which is a very large number in California, more to our side than to my opponent.

So although the Field Poll is not good news, we have other good news that I think is very encouraging.

Thank you all very much. Have a good day.

THE PRESS: Thank you, Mr. President.

END

(AT 10:28 A.M. EDT)

*file*

THE WHITE HOUSE  
WASHINGTON

June 29, 1976



MEMORANDUM FOR:

JAMES CANNON  
JAMES CAVANAUGH  
ARTHUR QUERN

FROM:

BILL DIEFENDERFER *Bill*

RE:

H. R. 10210/Amendments to Unemployment  
Insurance Program

H. R. 10210 was to be taken up by the House yesterday, 28 June 1976. It was not reached and has not been rescheduled. The House Ways and Means Committee does not expect H. R. 10210 to be considered this week, which means no action will be taken until after the end of recess, 19 July 1976.

*7/1/76*  
*Bill*  
*Truck*  
*Jim*

THE WHITE HOUSE  
WASHINGTON

July 6, 1976

*Sept 11/7*  
*Bill Dieferfer*  
*Wang*

MEMORANDUM FOR:

JAMES CANNON

FROM:

BILL DIEFENDERFER

RE:

Unemployment Rates: 25 Largest SMSA's

BLS receives these statistics from the individual states. There is about a two month time lag in reporting. I will continue to provide you with this information on a monthly basis.

*Why so long?*

	<u>February</u>	<u>March</u>	<u>April</u>
1. New York	10.6	10.2	10.3
2. Chicago	N/A	8.1	6.9
3. Los Angeles-Long Beach	10.0	9.7	9.3
4. Philadelphia	9.0	8.8	8.0
5. Detroit	11.8	11.5	10.4
6. San Francisco-Oakland	11.6	11.4	11.3
7. Washington, D.C.	5.7	5.7	5.4
8. Boston	10.0	9.2	8.5
9. Nassau-Suffolk, N.Y.	8.0	7.8	7.3
10. Dallas-Fort Worth	4.9	N/A	N/A
11. St. Louis	7.8	7.4	6.6
12. Pittsburgh	8.7	8.2	7.2
13. Houston	5.0	N/A	N/A
14. Baltimore	8.0	N/A	N/A
15. Newark	10.4	10.2	9.7
16. Cleveland	7.7	7.3	6.5
17. Minneapolis-St. Paul	N/A	6.8	6.3
18. Atlanta	8.9	8.1	7.4
19. Anaheim-Santa Ana	7.6	7.3	6.8
20. San Diego	12.4	11.9	11.3
21. Milwaukee	7.3	6.6	5.8
22. Seattle-Everett	9.6	9.4	8.9
23. Cincinnati	8.6	8.0	7.4
24. Denver-Boulder	6.9	7.4	N/A
25. Miami	11.5	11.3	10.7

cc: Art Quern

*Fabr*

THE WHITE HOUSE

WASHINGTON

July 15, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF  
THROUGH: JIM CANNON *Jaw*  
FROM: DAVID LISSY *DL*  
SUBJECT: H.R. 10210 Unemployment Compensation  
Amendments

As you may recall, we have discussed on a number of occasions the question which Pat O'Donnell raises. The Federal Benefit Standard which the business community opposes was part of the Administration's bill -- and had been similarly proposed by previous Presidents (back to Eisenhower, I believe).

As I recall, we agreed our position would be in support of H.R. 10210 because of the importance of the financing provisions and that we would not acquiesce in any amendments other than the purely technical. That means we would oppose the attempt to eliminate the extension of coverage to all State and local government employees and would also oppose adding the Federal Benefit Standard. The reason for our opposition would not be substantive, but because of a decision to oppose all amendments. This is an important point because any decision to reverse our stand on the substantive desirability of a Federal Benefit Standard should go to the President. It would constitute a reversal of Administration policy.

There is no Republican support in the House, as I understand it, for the Federal Benefit Standard. On the other hand, if we come out now in substantive opposition to the Federal Benefit Standard we will risk losing the bill altogether and will also be charged with changing our position because of the nomination fight.

There was general agreement in our discussions that any change in H.R. 10210 would lessen prospects for its passage in the House.

cc: Jim Cavanaugh  
Art Quern  
Dan McGurk

THE WHITE HOUSE  
WASHINGTON

July 21, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: BILL DIEFENDERFER <sup>WMS</sup>  
SUBJECT: May Unemployment Rates: 25 Largest SMSA's.

Twenty (20) of the twenty-five (25) areas listed below have unemployment statistics for March, April and May of this year. All twenty show a decrease in the unemployment rate between March and May. The largest drop of 1.5 points being registered by the Detroit area and the smallest of .3 points by the San Francisco-Oakland area.

	<u>March</u>	<u>April</u>	<u>May</u>
New York	10.2	10.3	9.7
Chicago	8.1	7.4	6.8
Los Angeles - Long Beach	9.7	9.3	9.2
Philadelphia	8.8	8.0	8.0
Detroit	11.5	10.4	10.0
San Francisco - Oakland	11.4	11.3	11.1
Washington, D.C.	5.7	5.3	5.2
Boston	9.2	8.5	N.A.
Nassau - Suffolk, New York	7.8	7.4	7.0
Dallas - Fort Worth	4.6	N.A.	N.A.
St. Louis	7.4	6.7	6.3
Pittsburgh	8.2	7.2	7.2
Houston	4.9	N.A.	N.A.
Baltimore	7.9	7.2	6.6
Newark	10.2	9.7	9.3
Cleveland	7.3	6.5	6.1
Minneapolis - St. Paul	6.8	6.3	5.6
Atlanta	8.1	7.4	N.A.
Anaheim - Santa Ana	7.3	6.8	6.7
San Diego	11.9	11.3	11.2
Milwaukee	6.6	5.7	5.4
Seattle - Everett	9.4	8.9	8.3
Cincinnati	8.0	7.4	7.1
Denver - Boulder	7.4	N.A.	N.A.
Miami	11.3	10.7	10.3

Because of data limitations, a consistent time series for each state and metropolitan area is not available; therefore, the data are not seasonally adjusted. In the absence of seasonal adjustment, it is not possible to determine whether the change in the employment situation in a metropolitan area is due to temporary seasonal factors or underlying trends.

Because of the smaller size of the areas involved, as well as limitation of data inputs used, the area estimates are not of the same statistical quality as the national estimates and should be used with caution.

cc: Jim Cavanaugh  
Art Quern

Rle

Public Works

Date: July 21

Time:

FOR ACTION: Bob Hartmann  
Jack Marsh  
Jim Cannon  
Max Friedersdorf

cc (for information):

*Lissy has seen.  
Copy left at Ann's office  
Cavanaugh  
Myer*

FROM THE STAFF SECRETARY

DUE: Date: IMMEDIATE TURNAROUND

Time:

SUBJECT:

Draft statements re: Public Works Bill

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:



IMMEDIATE TURNAROUND, PLEASE

*OK  
Jim*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor  
For the President

STATEMENT BY THE PRESIDENT IF VETO SUSTAINED

The American people owe special thanks today to the  
\_\_\_\_\_ Members of the United States Senate who so courageously  
withstood enormous political pressure on the \$4 billion public  
works program.

\* *Lissy suggests using 2<sup>nd</sup> ¶ here also (from other page)*

In sustaining my veto of this program, these Senators  
are helping to keep America on the path to renewed  
prosperity -- prosperity that means lasting, meaningful  
jobs without new inflation. I congratulate these Senators  
on their wisdom and resoluteness.



STATEMENT BY THE PRESIDENT IF VETO IS OVERRIDDEN

I deeply regret today that the Congress has overridden my veto of the public works bill.

★ ~~Both the Congress~~ <sup>have</sup> and I share a keen desire to expand job opportunities for all Americans, <sup>and</sup> but I continue to believe that the wisest, most productive means of reaching that goal is through a steadily growing private sector -- not through temporary jobs that are run by the government, increase the national debt, and create new inflationary pressures.

Nonetheless, a two-thirds majority of this Congress has now spoken the final word on this bill. Accordingly, I have today directed the affected departments and agencies to implement as quickly and efficiently as possible this spending decision by the Congress.



I deeply regret today that the Congress has overridden my veto of the public works bill.

*Impressive  
page 214 \**

Both the Congress and I share a keen desire to expand job opportunities for all Americans, but I continue to believe that the wisest, most productive means of reaching that goal is through a steadily growing private sector -- *lasting, productive jobs which result from* -- not through temporary jobs that are run by the government *and payrolled by the taxpayer* \*AP increase the national debt, and create new inflationary pressures.

Nonetheless, a two-thirds majority of this Congress has now spoken the final word on this bill. Accordingly, I have today directed the affected departments and agencies to implement as quickly and efficiently as possible this spending decision by the Congress.



Labor

THE WHITE HOUSE  
WASHINGTON

August 9, 1976

MEMORANDUM FOR: JIM CANNON  
JIM CAVANAUGH  
ART QUERN

FROM: DAVID LISSY *DL*

SUBJECT: Unemployment Information

Although the increase in the unemployment rate was discouraging, I thought you would be interested to learn that DOL has announced that in July five more major labor areas were removed from the list of those with "substantial" (6% or more) unemployment.

This reduced the list to 119 out of a possible 150. The number had peaked in September 1975 at 135.

*David -  
What were they?  
DL*

*Unempl.*

REQUEST

THE WHITE HOUSE  
WASHINGTON

August 11, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: DAVID LISSY *DL*  
SUBJECT: Unemployment Information

The areas which came off the substantial unemployment list were:

- Lancaster, Pa.
- Greenville-Spartanburg, S.C.
- Milwaukee, Wisc.
- Newport News - Hampton
- and Norfolk-Virginia Beach, Va.

*Jim's  
Good  
Makers*

THE WHITE HOUSE

WASHINGTON

August 9, 1976

MEMORANDUM FOR:

JIM CANNON  
JIM CAVANAUGH  
ART QUERN

FROM:

DAVID LISSY *DL*

SUBJECT:

Unemployment Information

Although the increase in the unemployment rate was discouraging, I thought you would be interested to learn that DOL has announced that in July five more major labor areas were removed from the list of those with "substantial" (6% or more) unemployment.

This reduced the list to 119 out of a possible 150. The number had peaked in September 1975 at 135.



*David -  
What were they?  
JL*

THE WHITE HOUSE  
WASHINGTON

August 30, 1976

*David*  
*off*  
*Jim*

MEMORANDUM

TO: JIM CANNON

FROM: DAVID LISSY *DL*

SUBJECT: UNEMPLOYMENT INSURANCE LEGISLATION

FYI. You may recall the House passed HR 10210 in a form acceptable to us though not precisely what we asked for.

Mike Moskow is due to testify on September 8 as the Senate begins consideration of HR 10210. Max Friedersdorf, Dan McGurk and I met with Mike on Friday to discuss his testimony. We all concurred that because the need for the financing provisions of HR 10210 is so great that Mike should pursue the strategy followed in the House -- support for HR 10210 in its current form without any amendments. Potential amendments are so controversial that passage of any one of them could eventually lead to the demise of the legislation for this session of Congress.

This means we will not seek to delete the provision extending coverage to all state and local government employees as NACO would wish. The effort in the House to delete this section failed by 36 votes. The Senate would be less likely than the House to strike the section.

We will also not seek to add to the bill the Federal Benefit Standard which was part of the Administration bill but opposed by virtually all Republicans.

The theme of Moskow's approach will be passage of HR 10210 with nothing but technical amendments so that a conference will not be necessary.

cc: Art Quern  
Bill Diefenderfer  
Steve McConahey

- Reimburses the 8 States which presently pay unemployment to CETA workers who are unemployed. In the other 42 States the Federal Government has been paying such benefits through the Special Unemployment Assistance program.
- Sets aside 2% of appropriated funds for Indians and broadens the definition of Indian. (Set aside represents about four-fold increase in money now flowing to Indians.)

Senate and House staff expect to have the conference report prepared by September 7 or 8, 1976. It is possible the compromise Bill could be considered by the Congress next week.

The compromise represents some major victories for the President's policies. The level of 315,000 non-targeted jobs for Titles II and VI is close to the Administration's position. The targeting of jobs in excess of 315,000 on long-term unemployed was an Administration goal. The conference report will reportedly not mention doubling the size of the CETA appropriation (Senate proposal) which will help when the appropriations Bill to fund the authorizing legislation is considered.

At this time OMB has not developed a position on the compromise Bill.

Bill Kolberg indicates DOL will strongly urge the signing of this compromise. He feels the future course of this program has been redirected to achieve the President's objectives of aiding the long-term unemployed.

David and I concur with DOL's recommendation and feel that this Bill represents a situation where the President's policies have had a positive impact on Congressional action.

cc:

Allan Moore  
Steve McConahey

457-1933

EPB

*[Handwritten signature]*

THE WHITE HOUSE  
WASHINGTON

September 11, 1976

MEMORANDUM FOR JAMES CANNON

FROM: L. WILLIAM SEIDMAN *LWS*

SUBJECT: EPB Work on Two Substantive Issues

At this morning's EPB Executive Committee meeting there was agreement to accelerate our efforts in addressing two substantive issues with a view to developing specific programmatic proposals for the 1977 State of the Union Message. The two areas are: (1) True Tax Reform and (2) Reduction of teenage unemployment.

General statements of our approach to these problems should be ready by the middle of next week -- language that could be helpful in speeches during the coming two months.

*Brian*

*50 days from today -*

*Can we speed up  
2?*

*[Handwritten signature]*

*10 25*

THE WHITE HOUSE  
WASHINGTON

September 13, 1976

MEMORANDUM FOR: BILL GREENER  
FROM: JIM CANNON JMC  
SUBJECT: Employment Trends

Thought you might be interested in the attached.

attachment

THE WHITE HOUSE

WASHINGTON

September 9, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

DAVID LISS 

SUBJECT:

EMPLOYMENT TRENDS

Two more major labor areas were removed in August from the "substantial" (6% or more) unemployment list. The two areas were Asheville, N.C. and Fort Wayne, Ind. ✓

✓ This is the fifth straight month a drop has occurred in the number of areas. The number peaked at 135 (out of 150) in September 1975. The number is now down to 117.

cc: Art Quern

091004

THE WHITE HOUSE  
WASHINGTON

*Handwritten:* Bill  
976 SEP 21 PM 1 26  
Thatcher  
Jim

September 20, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: BILL DIEFENDERFER *wmd*  
SUBJECT: June Unemployment Rates  
25 Largest SMSAs

	April	May	June
1. New York	10.3	9.7	10.1
2. Chicago	7.4	6.8	7.6
3. Los Angeles - Long Beach	9.3	9.2	9.4
4. Philadelphia	8.0	8.0	8.4
5. Detroit	10.4	10.0	10.5
6. San Francisco - Oakland	11.3	11.1	11.5
7. Washington, D. C.	5.3	5.2	5.7
8. Boston	8.5	8.0	8.2
9. Nassau - Suffolk, N.Y.	7.4	7.0	7.8
10. Dallas - Fort Worth	4.7	4.8	5.2
11. St. Louis	6.7	6.5	7.1
12. Pittsburgh	7.2	6.9	7.5
13. Houston	5.0	5.3	6.2
14. Baltimore	7.1	6.6	7.0
15. Newark	9.7	9.0	8.9
16. Cleveland	6.5	6.1	6.5
17. Minneapolis - St. Paul	6.3	5.6	N.A.
18. Atlanta	7.4	7.0	7.5
19. Anaheim - Santa Ana	6.8	6.7	7.5
20. San Diego	11.3	11.2	11.8
21. Milwaukee	5.7	5.4	N.A.
22. Seattle - Everett	8.9	8.3	8.7
23. Cincinnati	7.4	7.1	7.6
24. Denver - Boulder	6.6	6.1	6.9
25. Miami	10.7	10.3	10.7

NOTE: These figures are not  
seasonally adjusted.  
AM

092108

Because of data limitations, a consistent time series for each State and metropolitan area is not available; therefore, the data are not seasonally adjusted. In the absence of seasonal adjustment, it is not possible to determine whether the change in the employment situation in a metropolitan area is due to temporary seasonal factors or underlying trends.

Because of the smaller size of the areas involved, as well as limitation of data inputs used, the area estimates are not of the same statistical quality as the national estimates and should be used with caution.

cc:

Art Quern  
Allen Moore

THE WHITE HOUSE  
WASHINGTON

976 00. 10 4 16

October 13, 1976

MEMORANDUM FOR:

JIM CANNON  
ART QUERN

FROM:

DAVID LISSY *DL*

SUBJECT:

AREA EMPLOYMENT TRENDS

In September, for the sixth month in a row, there was a reduction in the number of major labor areas with "substantial" (6% or more) unemployment.

Two more areas were dropped from the list bringing the total down to 117 from the high of 135 (out of a possible total of 150).

The two areas dropped in September were Minneapolis-St. Paul and Salt Lake City-Ogden.

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10/14/76

THE WHITE HOUSE  
WASHINGTON

10/15/76

1976 OCT 15 PM 4 34

TO: JIM CANNON

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

  
Robert D. Linder

10/15/76

THE WHITE HOUSE  
WASHINGTON

DATE: 10/16  
TO: Janet B  
FROM: ALLEN MOORE  
SUBJECT:

ACTION:

FYI:

*Something legit  
for a change...*

THE WHITE HOUSE  
WASHINGTON

DATE: 10/16  
TO: DAVID LISSY  
FROM: ALLEN MOORE  
SUBJECT:

ACTION:

FYI:

Quern also has copy. You should co-ordinate in preparing a response for JMC.

*Unemployment*

THE WHITE HOUSE  
WASHINGTON

DATE: 10/16  
TO: ART  
FROM: ALLEN MOORE  
SUBJECT:

ACTION:

FYI:

We need a cover memo and rec. to the President. Sending copy to Lissy, Brown, but how about Seidman, CEA, Usery? I talked to Grady who thinks the NAB proposal has some risks, but thinks the general idea is good.

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

October 15, 1976

MEMORANDUM FOR THE PRESIDENT

SUBJECT: PROPOSAL FOR DOMESTIC POLICY SPEECH ON  
YOUTH UNEMPLOYMENT

As you know, the problem of youth unemployment, particularly among non-white youths, is serious and troublesome. Although the figures released earlier this month (18.6% unemployment among youth and 38.5% among non-white youths) showed some improvement, they remain unacceptably high. We are, of course, hopeful that the rate of youth unemployment will be reduced further by our policies to assure healthy economic recovery. Past experience suggests, however, that the problem of disproportionately high rates of unemployment among youth will endure even in the context of expected economic growth.

A major part of the problem is that although our educational system has expanded dramatically, we have failed adequately to address the problem of the transition from school to work. With this problem in view, in your 1974 Labor Day Address at Ohio State University, you called on the Secretaries of Commerce, HEW and Labor to report on "new ways to bring the world of work and the institutions of education closer together." I feel strongly that another Presidential speech--reemphasizing your concern and outlining the Administration's initiatives in this area--would now be timely.

Such a speech could describe the complex and intractable causes of youth unemployment, review existing programs, and point to recent and imminent initiatives. There are three such initiatives:

The first is a pending decision by the Secretary of Labor to collaborate with the National Alliance of Businessmen to develop 500,000 jobs in the private sector for youth in the next twelve months. (The launching of this program might be the best opportunity for you to make the recommended speech.)

The second, to expand apprenticeship opportunities in highly skilled occupations and to promote apprenticeship in industries not now using this type of training, was announced last Friday by Secretary Usery.

The third is to advocate implementation of a work and education "Agenda for Action" (copy attached) developed by my staff and ratified by 112 representatives of education, management, organized labor and youth groups with whom I met last week.

The Agenda for Action is designed to focus the resources of the private sector on youth career development, including career awareness, preparation and employment. It was drawn from the results of five Public Hearings, involving more than 200 individuals, that we held across the country. While this is not a quick and easy remedy for youth unemployment, it can have substantial long-term effects, not only on youth unemployment, but on productivity and the quality of working life in general.

Much is heard that nothing is going on in the private sector regarding youth career development and employment. But an informal study by my staff, with the assistance of their counterparts at HEW and DOL, turned up literally hundreds of outstanding programs being conducted in the non-public sector. At our meeting last week we had ten illustrative programs presented involving organizations of youth, the AFL-CIO, individual school districts, and corporate management, including General Motors, General Electric, and Du Pont. These presentations confirmed the view that the ultimate solution to the problems of relationships between education and work lies primarily in collaborative arrangements in local communities, and not in programs that are run from Washington.

Should you decide to make a speech this month on youth unemployment, I would be pleased to provide you with more information and assistance from my staff. Alternatively, I will make such a speech. In any event I will keep you informed of our programs in advocating our Agenda for Action in the private sector.

Would you prefer



Speech by the President



Speech by the Secretary of Commerce



Elliot L. Richardson

Attachments



AGENDA FOR ACTION  
PRIVATE SECTOR RESOURCES  
FOR  
YOUTH CAREER DEVELOPMENT

The private sector has a vital stake in the range and relevance of career education and the career development opportunities available to young people. What young people know about work and the decisions they make about the role of work in their lives have an enormous impact on the ways they will conduct themselves in the workplace, in the marketplace, in the home, and in every other aspect of human endeavor.

The failure of a young person to identify and pursue rewarding career goals is costly to our society both economically and socially. Inadequately prepared job applicants and rapid job turn-over are a drain on productivity. Job seekers who find no use for their skills, or whose skills are not equal to their ambitions, experience a tragic frustration which too often results in dependency and despair.

To encourage the private sector to use its resources more extensively and effectively to stimulate increased career awareness, preparation, and selection - as well as the employment of American youth - President Ford advocates the following Action Agenda for consideration by our Nation's business, industry, and professional employers:

- A MATTER OF RECORD  
Adopt high profile advocacy for youth career development

Establish a well publicized position supporting career education and youth career development. Direct concern and personal commitment from the top are essential for efficient organization-wide involvement in work/education collaboration.

- TAKE THE INITIATIVE  
Be sure career education is educational policy

American youth gets its education in school, college, vocational school, the military, at work, in the home, at church, in youth organizations, and the list could be extended. What is important is that career education can help all these serve American youth better.

- COMMIT RESOURCES  
Assist educators in career education programs

Youth career development means bringing students and educators of all descriptions into direct contact with the world of work. This requires explicit support from private sector employers. That requires time and energy at a minimum.

- GET INVOLVED

- Collaborate in your efforts in work/education

Collaboration - not just cooperation - means the active involvement of employers, employees, educators, public officials, service organizations, and the like is essential to bringing the world of work and education closer together. Join an existing organization before you start a new one, but work actively and get involved in a program that makes sense for your community.

- EXPAND CAREER OPPORTUNITIES

- Eliminate artificial barriers and occupational stereotypes

Support efforts to review and revise laws, regulations, and certification requirements which impede work experience and career development. Make individual merit, personal competence, and real productivity your employment standards.

- INVEST IN THE FUTURE

- Share job market data collections and projections

Vastly expanded, and sometimes highly innovative schemes for collecting and projecting job market requirements are being developed at local, state, and national levels. The success of these systems clearly depends on the support and participation of private sector employers.

file

THE WHITE HOUSE  
WASHINGTON

October 29, 1976

MEMORANDUM TO: ALAN GREENSPAN  
FROM: JIM CANNON *JML*  
SUBJECT: "10% Unemployment" Source

The other day you asked about the source of Carter's comment in the last debate about a 10% unemployment projection.

The source apparently was the 1976 Annual Report of CEQ (page 155, attached), indicating a 10% "estimated unemployment rate" by 1980. According to CEQ, the purpose of this chart was to show the minimal difference in unemployment with and without pollution abatement expenditures.

The chart was prepared by Chase Econometrics. Unfortunately no mention was made of the source, nor of the purpose for which the model was designed.

tures, estimated that 76 to 78 jobs resulted from \$1 million spent on research and on administering the pollution control programs.<sup>378</sup> The Bureau of the Census estimated that in 1973 there were more than 225,000 full-time federal, state, and local government jobs associated with air and water pollution control and solid waste management.<sup>379</sup>

A very crude estimate of total employment related to pollution control expenditures may be made by the following comparison. The nation is spending in total about 2 percent of its GNP on abating air and water pollution (from Figure I-13). If these expenditures employ about the same percent of the labor force, they generate almost 2 million jobs. These jobs are not all new, nor are they all attributable to federal environmental legislation. And finally, many of the workers would most likely have been employed even in the absence of this legislation.

To analyze the net increase in jobs resulting from environmental expenditures, one has to look at macro-economic studies such as those sponsored by CEQ and EPA. These studies indicate that during a period such as the present when environmental programs are forcing increased expenditures while the nation is suffering unemployment, these programs have a net beneficial impact on employment. The most recent analysis estimates that the unemployment rate in 1976 is 0.4 percent lower with environmental programs than it would have been without them.<sup>380</sup> This means that about 400,000 persons are now employed who would otherwise not be. This positive employment effect can occur only during periods when the country would otherwise be experiencing unemployment. It is expected to disappear as the economy recovers from the recession and as the price increases associated with environmental expenditures begin to have a slight dampening effect on GNP growth, as indicated in Figure I-17. In the long run, however, the programs are not expected to have a significant net adverse impact on employment.

## PROBLEMS OF INDIVIDUAL INDUSTRIES

The analyses summarized so far indicate that the macro-economic impacts of our environmental programs are not great enough to cause serious concern. However, one should not conclude that there are no problems. There still are some serious issues concerning the impact of the regulations on specific industries, plants, and firms. For instance, as indicated in Table I-36, some industries are investing a much higher proportion of their total plant and equipment expenditures in pollution control equipment than others.

Last year's Annual Report indicated that the industries most severely impacted have several characteristics in common.<sup>381</sup> They tend to be basic industries, often involved in the processing of raw materials. They also tend to be capital intensive industries, and therefore have suffered from recent high interest rates and difficulties

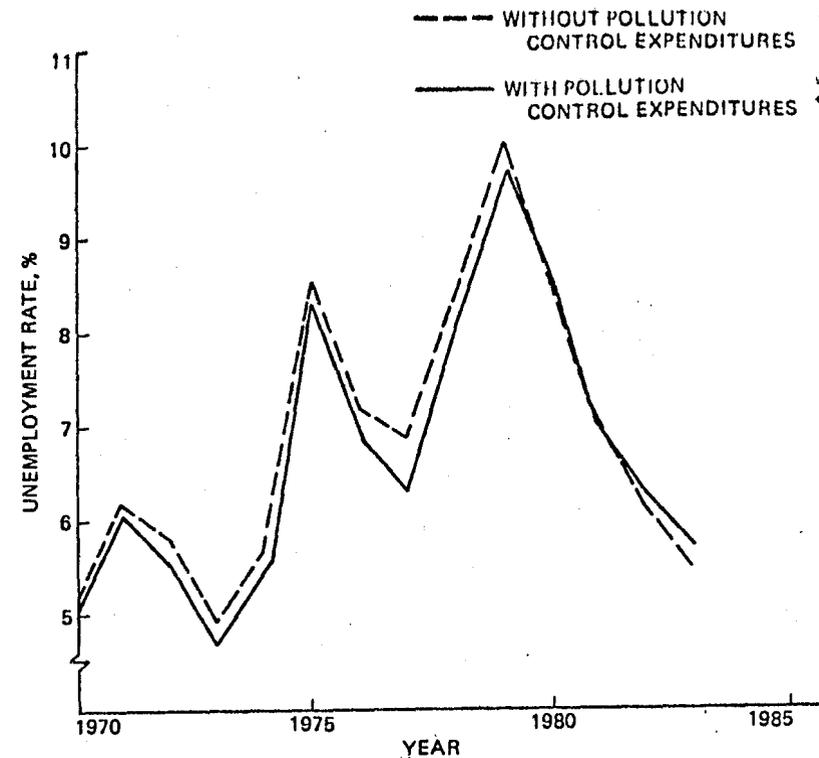


FIGURE I-17. Estimated unemployment rate with and without pollution abatement expenditures

in obtaining equity capital. They are generally energy intensive industries, and therefore have been hard hit by high energy prices.

The following discussion focuses on a few of the problems facing certain industries. The specific industries have been selected not because they are necessarily the most affected (although they are all substantially affected), but because they represent different economic and pollution problems that industries face.

It should be remembered that not all of the micro-impacts of environmental programs are adverse. Some firms are making a profit from elements of their pollution control programs, and a new multi-billion dollar industry, described as "one of the relatively few areas of job strength during the recent recession" has grown up to provide the equipment and knowledge required to achieve our environmental goals.<sup>382</sup>

A similarity runs through most of the examples, however, and that is that the smaller firms are the hardest hit. Because there are substantial economies of scale to most pollution abatement processes (particularly when end-of-pipe treatment is used), the average abatement cost for larger firms is much lower than that for smaller firms. Larger firms can also afford to spend more on planning and designing

# NATIONAL COMMISSION FOR MANPOWER POLICY

December 17, 1976

Honorable James M. Cannon  
 Assistant to the President for  
 Domestic Affairs  
 The White House  
 Washington, D.C. 20500

Dear Mr. Cannon:

Enclosed you will find a copy of the Second Annual Report of the National Commission for Manpower Policy, An Employment Strategy for the United States - Next Steps.

The report brings together many themes that the Commission has been pursuing in its efforts to develop a national manpower policy framework. It analyzes the concept of full employment and makes recommendations for policies and programs that can help the nation achieve that goal. Recommendations are made with respect to interim targets that are to be sought in moving toward full employment; they include targets for the aggregate unemployment rate, the job expansion rate, and call for reductions in the unemployment rates of subgroups in the labor force who have borne a disproportionate share of unemployment.

Consideration is given to how these goals can be achieved. Recommendations are made concerning the coordination of macro-economic policies with manpower programs, the conversion of a portion of income transfer monies to create employment opportunities, and special programs for disadvantaged youth.

The Commission believes that its Second Annual Report represents a significant stage in its own work, and that its recommendations will help the nation develop more effective efforts to alleviate its unemployment problem.

Printed copies of this report will be available in January. Copies of the printed report can be obtained from Ms. Margaret Corsey (202) 724-1557.

Sincerely,

*Robert T. Hall*  
 ROBERT T. HALL  
 Director

Enclosure



Eli Ginzberg  
 Chairman

- Secretary of Defense
- Secretary of Agriculture
- Secretary of Commerce
- Secretary of Labor
- Secretary of Health, Education, and Welfare
- Administrator of Veterans Affairs
- Timothy A. Barrow
- Rudolph A. Cervantes
- Dorothy Ford
- John V. N. Klein
- Juanita Kreps
- John H. Lyons
- William G. Milliken
- John W. Porter
- Milton L. Rock
- Leon H. Sullivan
- Robert T. Hall  
 Director

THE WHITE HOUSE  
WASHINGTON

DEC 20 1976  
December 20, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: BILL DIEFENDERFER  
SUBJECT: Second Annual Report of  
the National Commission  
for Manpower Policy

The National Commission for Manpower Policy, headed by Eli Ginzberg, has recently issued its Second Annual Report to the President and Congress titled, "An Employment Strategy for the United States-Next Steps."

The Report is significant in that it recognizes societal changes have made current definitions of full employment inaccurate. The Report calls on the Congress and the President to set an unemployment goal of 5 percent and reach it by 1980. The Commission recommends that between 1977-1980 2.5 million jobs be created per year. The unemployment rate of disadvantaged groups is targeted as an area needing special attention.

The Commission recommends that an "assured jobs program," which provides work on a voluntary basis for low-income families who have been on unemployment compensation for 15 or more weeks, be created. The Commission suggests CETA Title VI Public Service Employment be increased to 500,000. A major restructuring of CETA programs for youth is proposed, including the doubling of the Job Corps slots to 40,000 and making the Youth Conservation Corps a year round program for 50,000 youths (now an 8-week summer program serving 26,000 youths).

The Report has attracted national press interest, and has been seen as taking the pressure off the President-elect to reach his stated goal of 4 percent unemployment.

cc:

Mr. Arthur F. Quern