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3/15/75

THE WHITE HOUSE
WASHINGTON

Don R

Pete's the. The
Dept has accomplished
much.

Should we write
a reply?

Jermy Doner
What do you think
D.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

March 12, 1975

THE PRESIDENT HAS SEEN 76

MEMORANDUM TO THE PRESIDENT

Mr. President, as I prepare to leave the Federal service after two years as Secretary of Labor, I am deeply gratified for the continued concern you have demonstrated for the welfare and status of American workers.

Speaking before labor leaders and members of the Congress at a presummit conference on inflation last September, you stated, "Labor built America, and labor is America."

This Administration has consistently supported laws and programs designed to promote better conditions and more opportunities for all working men and women, thereby helping these citizens build a stronger America.

During 1973 and 1974, new legislation -- some of it vainly sought for many years -- was finally enacted to, among other things, protect workers' pension rights, assure them a more adequate minimum wage, establish a revitalized system of training to prepare them for meaningful jobs, and provide a more effective system of adjustment assistance for workers adversely affected by increased imports.

Other laws and programs were initiated or revamped to help workers overcome the hardships of pressing new problems -- including a nationwide energy shortage and an economy troubled by inflation, recession and rising unemployment.

I am grateful for the opportunity to have served the U.S. Department of Labor -- and America's workers -- during these challenging years.

Last October, you joined employees of the Labor Department in dedicating and laying the cornerstone of their new headquarters building in Washington, D.C. You praised the Department's 13,000 employees, noting that they "help the working people of this country, who we all recognize are the indispensable ingredients of America's greatness."

This is an opportunity for me to praise -- and let you know of -- the many dedicated, hard-working people with whom it has been my privilege to work over the past two years.

Largely through their efforts and a concerned President, great strides continue to be made in carrying out the Labor Department's mandate to "foster, promote and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

I am proud to be able to submit the attached report of progress made during 1973 and 1974 toward many of the goals that our nation has set on behalf of working men and women.

While these activities and accomplishments represent a great deal of progress, we know much more remains to be done to improve working life in America.

Too many Americans are out of work and lack the income to provide a decent living for themselves and their families. We have yet to achieve full equal employment opportunity. Hazards to safety and health continue to exist in our workplaces.

And as our nation continues to grow, to progress and to change, we must continue updating and improving our system of free collective bargaining and the manner in which government responds to the needs of its constituents.

I look forward to doing whatever I can to help further these and many other important goals as I return to private life. And I have complete confidence that government will continue doing its part to turn these goals into reality.



Secretary of Labor

Attachment

TOWARD WIDER TRAINING AND JOB OPPORTUNITIES

--Long-awaited decentralization of federal manpower programs became a reality with passage of the Comprehensive Employment and Training Act (CETA) in December 1973. This law marked a major shift in national manpower policy and is part of a governmentwide effort to decentralize federal services, transfer funds and decision-making authority to grass-roots elected officials, and generally bring government closer to the people it affects.

By the close of 1974, allocation of CETA funds to 403 State and local government prime sponsors enabled these officials to begin designing and carrying out their own manpower programs tailored to local needs.

Allocations included more than \$1.2 billion for comprehensive community training and employment programs and almost \$1 billion for public service employment. An additional \$30 million was distributed for similar purposes to Indian reservations, native American groups and organizations serving migrant farm workers.

A national evaluation of CETA programs was initiated to assure the law's new revenue-sharing principles are being effectively and efficiently applied.

Since CETA programs took effect in mid-1974, almost a quarter-million men and women have received job training, retraining and employment services under the Act. This adds to more than a half-million persons receiving services during 1974 under laws replaced by CETA.

--The nation's economic troubles caused a rapid increase in unemployment during the closing months of 1974 and the beginning of 1975. On December 31, 1974, the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act were signed by the President, bringing millions of jobless workers an almost immediate, temporary source of income. Under these new laws, \$1 billion in special unemployment benefits is available for workers who exhaust regular unemployment compensation. Up to \$2.5 billion in new benefits will go to some 3 million workers not presently eligible for regular unemployment benefits. Another \$2.5 billion will provide some 330,000 additional public service jobs for unemployed workers over the next year

Meanwhile, the Department is striving to improve the long-term effectiveness of both the unemployment insurance system and Federal-State employment service.

--Despite rising unemployment during 1974, the U.S. Employment Service placed 4.9 million workers in jobs, nearly 3.2 million of them in permanent, year-round nonfarm jobs. This placement rate was almost 11 percent above that in 1973.

Almost 1.4 million workers under age 22 were placed in year-round and temporary jobs during 1974 -- almost 20 percent more than the previous year.

Placements of minority workers in 1974 totaled more than 1.1 million, or almost 21 percent more than in 1973.

A major effort was initiated to revitalize the nationwide employment security system by strengthening labor exchange activities and improving services to both workers and employers.

--The Veterans Employment Service, part of the U.S. Employment Service, now has at least one state Veterans Employment Representative in every state. During Fiscal Year 1974, almost 609,000 veterans were placed in jobs through this service, up from 605,500 in Fiscal Year 1973.

--The Department's authority to enforce the reemployment rights of military veterans previously employed by private industry was expanded in 1974 with enactment of the Vietnam Era Veterans' Readjustment Assistance Act. This law also enables the Department to aid veterans who held state or local government jobs before entering military service, and to assure that federal contractors and subcontractors take affirmative action to hire and advance those veterans who are qualified.

--Labor Department staff overseas provided job and training information to 146,048 service personnel at U.S. military bases in Asia, Europe and the Middle East.

--Establishment of a nationwide computerized Job Bank system was completed in Fiscal Year 1974, with nine more states implementing this service. As a result, 43 states are now operating statewide Job Bank systems. All but one state operate Job Banks in their major cities.

--The 40-year-old Federal Committee on Apprenticeship was reactivated during 1974, and charged with recommending ways to expand training opportunities in the skilled trades. Members of the committee come from labor, management and the general public and include the first minority group members in the committee's history and its first women members in 34 years.

--Under Title IX of the Older American Community Service Employment Act of 1973, \$10 million was allocated to five national older worker organizations, three states and four territorial governments for providing part-time, community service jobs to elderly, low-income persons.

TOWARD STABLE AND CONSTRUCTIVE LABOR-MANAGEMENT RELATIONS

--After long-standing attempts to reform our nation's private pension system, the Employee Retirement Income Security Act was signed by President Ford on Labor Day 1974. The law protects the rights of some 35 million Americans participating in employee pension and welfare plans.

The act assures workers that they will receive pension benefits they have earned and requires that they be kept fully informed about the operation of their pension plans. It also sets standards for the prudent management of pension funds, and insures workers whose plans terminate against loss of their pension benefits through the federally chartered Pension Benefit Guaranty Corporation, chaired by the Secretary of Labor.

The pension reform law presently covers almost 2 million pension and welfare plans. By 1980, such plans are expected to have assets of \$250 billion, representing the largest single collection of private funds in the world.

--Executive Order 11491, governing labor-management relations in the federal government, was revised to provide for more effective collective bargaining, broader investigations into unfair labor practice charges and other changes to take effect beginning in May 1975.

--The Department vigorously supported legislation passed in 1974 bringing non-profit hospital workers under the protections of the National Labor Relations Act. The Department also supported an amendment to this law permitting employer contributions to trust funds which help defray workers' legal costs.

--The Department has completed the drafting of legislation governing labor relations in agriculture.

TOWARD SAFER AND MORE HEALTHFUL WORKPLACES

--The Department developed and issued many new standards during 1973 and 1974 under the Occupational Safety and Health Act. Among them were rules governing exposure to vinyl chloride and carcinogens, refinement of the standard dealing with mechanical power presses, and proposals for standards regulating occupational noise exposure, roll-over devices for agricultural tractors and the guarding of farm equipment.

--With more emphasis on occupational health, the Department increased its staff of industrial hygienists, invested \$1.5 million on field test equipment, began converting facilities of the National Institute for Occupational Safety and Health at Salt Lake City to an OSHA laboratory, issued program directives for vinyl chloride and carcinogens, and inaugurated a data bank of successful, feasible engineering controls for noise and air contaminants.

--Numerous state occupational safety and health enforcement plans were approved, covering approximately 50 percent of the nation's work force.

--Inspections for compliance with the Occupational Safety and Health Act were increased as were the number of OSHA area offices and compliance safety and health officers.

--New approaches to reducing noise hazards were sought through national compliance agreements with American Can Company, Davis Can Company and Champion Sparkplug Company. A memorandum of understanding on this subject was signed with Western Wood Products Association, Southern Forest Products Association, and Southern Hardwood Lumber Manufacturers Association. A voluntary noise abatement agreement was developed with the National Concrete Masonry Association.

--The Department was authorized for Fiscal Year 1975 to fund on-site consultations with states not having approved job safety and health enforcement plans. Efforts continue to be made to ease the impact of safety and health compliance on small employers by making additional on-site consultations available to them.

--Issuance of Executive Order 11807 in September 1974 -- aimed at strengthening the federal government's job safety and health program--resulted in publication of safety and health guidelines for use by federal agencies.

--The Department developed job safety and health compliance training programs and presented them to federal and state compliance staff. Training programs are being developed and delivered to workers and employers in industries where the apparent need is greatest.

--Simplified versions of federal safety and health standards were published and distributed in the interests of informing workers and employers of their rights and responsibilities.

TOWARD IMPROVING THE STATUS AND WELFARE OF WORKERS

--Fair Labor Standards Act amendments of 1974 provide for gradual increases in the federal minimum wage and extend coverage to some 1.5 million domestic service workers, 1.6 million federal government employees and almost 3.4 million state and local government workers. By repealing exemptions to the act for many other groups of workers, the amendments brought total coverage under the law to almost 56 million employees. Minimum wage increases specified in the amendments included a raise from the previous minimum of \$1.60 an hour to \$2.00 an hour for most covered workers on May 1, 1974. This was followed by an increase to \$2.10 an hour on January 1, 1975. On January 1, 1976, the minimum for most covered workers will be \$2.30 an hour. All covered workers will reach the \$2.30 level by January 1, 1978.

--Almost 260,000 workers received more than \$40 million in back wages during FY 1973 as a result of the Department's wage and hour law enforcement. In FY 1974, this number rose to 262,000 workers who received some \$50 million in back pay.

--Farm Labor Contractor Registration Act amendments of 1974 strengthened job protections for migrant workers and toughened sanctions against crew leaders who violate the law's standards.

--The Federal Employees' Compensation Act was amended, increasing benefits to employees and survivors of employees who suffer job-related injury, disease or death and providing them with other related advantages.

--Some 50,000 claims for black lung disease benefits have been filed with the Labor Department by coal miners or their survivors since the Department began administering this program in 1973 under the Coal Mine Health and Safety Act of 1969, as amended.

--The Department is providing leadership and staff to a federal interagency task force established to help states improve their workers' compensation laws in line with federally recommended standards. Studies now underway are focusing on the effectiveness of state programs in meeting the needs of sick or disabled workers. Recommendations for improvement will be made to the Congress in 1976.

--An Advisory Committee on Women was established to advise the Secretary on ways the Department can influence and improve the status of American working women. Members represent industry, labor, minority groups, women's organizations, education, older workers and low-wage earners.

--To improve the Department's ability to meet the needs of women workers, an Intradepartmental Coordinating Committee for Women was established in the national office and 10 Regional Committees on Activities Affecting Women were appointed in the field. Members of the committees help coordinate and integrate the agency's activities on behalf of or affecting women.

ACHIEVING EQUAL EMPLOYMENT OPPORTUNITY

--Amendments to the Age Discrimination in Employment Act extended coverage to federal, state and local government employees and to all private firms employing 20 or more workers. (Previously, the law applied only to firms having at least 25 employees.)

--The U.S. Supreme Court reviewed its first Equal Pay Act suit, and upheld a lower court's ruling that Corning Glass Works was guilty of sex discrimination because past discriminatory practices continued to have a detrimental effect on employees, and that jobs need only be substantially similar, not identical, for the equal pay principle to apply.

--The largest suit ever filed under the Age Discrimination in Employment Act charged the Baltimore and Ohio Railroad Company and the Chesapeake and Ohio Railway Company with discriminating against 300 present and former employees because of age. It seeks some \$50 million in back pay.

--A consent decree signed with the Western Operations division of the Standard Oil Company of California called for reinstatement of 120 out of 160 employees illegally discharged because of age. All 160 of the employees are expected to receive back pay awards totaling some \$2 million.

--During 1973 and 1974, the Department filed 296 equal pay and 95 age discrimination suits resulting in back wage recoveries exceeding \$31 million.

--An agreement between the federal government and the American Telephone and Telegraph Company provided for an estimated \$7 million in back pay to some 7,000 Bell System management employees who had been illegally discriminated against.

--An agreement with nine major firms in the steel industry will expand job opportunities for minorities and women and provide 40,000 of these workers with almost \$31 million in back pay because of past discrimination.

--The Rehabilitation Act of 1973 established a program to prepare physically and mentally handicapped persons for jobs. The Labor Department administers a section of the act requiring federal contractors to take affirmative action to hire and advance qualified handicapped workers.

--The Department's internal equal employment opportunity program was expanded, including development of a program aimed at providing more opportunities for the Spanish-speaking.

TOWARD MORE TIMELY AND USEFUL LABOR STATISTICS

--The energy crisis, rapid inflation and rising unemployment placed increasing demands on the Department for current economic data and analysis. The Department responded by providing new data on the employment impact of the energy crisis and--at the same time--improved its basic economic indicators to make them more relevant and timely.

--Congressional approval was secured for publishing two Consumer Price Indexes starting in 1977: one covering urban wage and clerical workers and a new, broader index covering all urban consumer units which will provide a better measure of inflation and will be useful in escalating wage or salary payments of groups other than wage or clerical workers.

--To provide more accurate estimates of state and local unemployment, used in the allocation of federal grants, the Department developed new methods for making these estimates that are consistent with those used in estimating national unemployment.

TOWARD PRESERVING THE INTERESTS OF AMERICAN WORKERS

--The long-awaited Trade Act of 1974 provides for harmonizing and reducing and eliminating trade barriers, while safeguarding American labor and industry against unfair or injurious import competition. It provides for a streamlined worker adjustment assistance program administered by the Labor Department. This program includes increased unemployment benefits, training allowances, and job-search and relocation allowances for American workers who lose their jobs because of increased imports.

--During 1973 and 1974, the Department certified 19,142 workers eligible to apply for trade adjustment assistance under the Trade Expansion Act of 1962. The workers were employed in the electronics, shoe, auto, metal, textile, and stone, clay and glass industries.

--A new research program was initiated to provide better estimates and analyses of the effects of international trade, investment and other international developments on the economic status of U.S. workers.

TOWARD MORE EFFICIENT AND RESPONSIVE DEPARTMENTAL OPERATIONS

-- Preparations were made for the move of some 5,000 Labor Department employees in Washington, D.C., to a new building at Third Street and Constitution Avenue, N.W. The move will bring all departmental headquarters employees within walking distance, as they will occupy three buildings located only blocks apart. Employees are presently dispersed widely throughout the metropolitan area.

--In a move to decentralize government decision-making authority, 10 Regional Directors of the Department were appointed in 1972. In 1973, these regional officials were given increased responsibility for allocating funds and assigning personnel under their jurisdiction. This has helped the Department tailor its programs more closely to the needs of people in various sections of the country.

--The Department took a leadership role in improving government graphics. A graphics design system was developed and is being put into place to effect economies in the production and to improve the readability and effectiveness of informational materials issued by the Department.

--The Department's communication with its constituent publics was improved by refinements in its news services to black and Hispanic American publications and radio and TV stations. A new service was begun for media reaching largely female audiences.

--In response to the President's request that federal agencies identify their highest priority goals and program needs, the Labor Department instituted a Management by Objectives (MBO) system in 1973. Under this system being used government-wide, major Presidential and Secretarial program objectives were established cooperatively by the Department's top policy-making officials and the Office of Management and Budget. Using specific work plans and schedules, the Department then began tracking progress toward meeting its objectives. The MBO system has proven valuable in identifying program problems early and allowing for their swift correction. It has also helped in coordinating Departmental activities. While all Departmental units participate in achieving Presidential and Secretarial program objectives, each unit has also instituted its own objectives system.

THE WHITE HOUSE

WASHINGTON

March 15, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

JERRY H. JONES

Would you take a look at the attached and let me know if a Presidential reply would be appropriate. If so, please coordinate the response with Roland Elliott.

Thank you.

NOTE: Case in Executive File (FG 289/A
FG 6-27/A)

3/29/75

Dear Pete:

I have your letter of March 15, and of course I accept your resignation as a member of the National Commission on Productivity and Work Quality and as a member of the Council on Wage and Price Stability, effective March 18, 1975. You have my heartfelt thanks for your service in these two important responsibilities.

I want to take this opportunity as well to thank you for your memorandum of March 12. It is an impressive compendium of progress made during the past two years by and for our working citizens. Beyond that, its breadth and volume are a tribute to your effective leadership and to the dedication of the people at the Department of Labor. I congratulate you and the employees on these achievements.

As you have noted, much does remain to be done, but I know we can count on your continued support and counsel in meeting these challenges.

Warmest personal regards,

The Honorable Peter J. Brennan
454 West 49th Street
New York, New York 10019

GRF:RLE:aby
cc: Amelia Leukhardt

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

March 15, 1975

The President
The White House
Washington, D. C.

Dear Mr. President:

Effective with my resignation as Secretary of Labor,
I also hereby submit my resignation as a member of the
Council on Wage and Price Stability. It has been a pleasure
serving with you on this Council.

Respectfully submitted,



Peter J. Brennan

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

March 15, 1975

The President
The White House
Washington, D. C.

Dear Mr. President

Effective with my resignation as Secretary of Labor,
I also hereby submit my resignation as a member of the
National Commission on Productivity and Work Quality.
It has been a pleasure serving with you on this very worth-
while Commission.

Respectfully submitted,

A handwritten signature in cursive script, reading "Peter J. Brennan". The signature is written in dark ink and is positioned above the printed name.

Peter J. Brennan