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From the desk of:

BOB McADAM

file
Part of

Date

Labor

Morton -

This is the list
you requested for
the meeting w/ all congressmen
about jets.

Bob



The Committee for the Survival of a Free Congress
6 Library Court, S. E. • Capitol Hill • Washington, D. C. 20003
(202) 546-3000

- ① RONALD Godwin 484-7511
MORAL MAJORITY
- ② Bill Billings 941-8962
NATIONAL CHRISTIAN ACTION COALITION
- ③ HOWARD PHILLIPS 893-2777
CONSERVATIVE CAUCUS
- ④ Rev. Enrique Rueda 546-5004
Catholic Center
- ⑤ Susie Phillips 281-6782
CONSERVATIVE CAUCUS
- ⑥ GARY CURRAN 546-5550
AMERICAN LIFE LOBBY
- ⑦ TERRY DOLAN 522-2900
NEPAE
- ⑧ RICHARD VIGUERIE 356-0440
The Viguerie Company
- ⑨ Norman Bone 544-0553
EABLE FORUM

(9) PATRICK M²GUINAN 546-3004
Free Congress Foundation

(10) PAUL WEYRICH 546-3003
Coalitions For America

(11) DICK DINGMAN 225-0587
Republican Study Committee

(12) CONNIE MARSHNER 546-3004
Free Congress Foundation

(13) PETER BENNETT 536-7650
National Pro-Life PAC

(14) JOHN HOUSTON 790-0700
Public Service Research Council

(15) LARRY PARRY 370-5000
Gun Owners of America

(16) GORDON JONES 644-5370
United Families of America

(17) JOHN LOFTON 893-1411
Conservative Digest

①⑨ JACK CLAYTON (703) 768-5228
AMERICAN ASSOCIATION OF CHRISTIAN SCHOOLS

①⑩ BUTCH RANDALL 546-6882

①⑪ KATHY TENGUE 547-4646
AMERICAN LEGISLATIVE EXCHANGE COUNCIL

①⑫ RON PEARSON 548-2735

①⑬ PAT BUCKLEY 546-3003

BOB,

ALL OF THESE PEOPLE HAVE EXPRESSED
INTEREST ON THIS SUBJECT AT ONE TIME OR
ANOTHER IF I REMEMBER CORRECTLY.

I CAN TRY TO STRETCH IT A
LITTLE MORE IF YOU WANT ME TO.



National Right To Work Committee

A COALITION OF EMPLOYEES AND EMPLOYERS

REED LARSON, *President*

June 30, 1982

Honorable Ronald Reagan
The White House
Washington, D.C. 20500

Dear Mr. President:

I want to commend you on your steadfast support for Secretary of Labor, Raymond Donovan. Secretary Donovan has faced, and continues to face, the most concerted public attack on his character and performance of any official in your Administration.

Now that Secretary Donovan has been absolved of any wrong-doing by the Special Prosecutor, I believe that it is important to recognize the motivations for many of the scurrilous charges and attacks which were levelled at him.

I believe that the NEW YORK TIMES correctly labeled the vicious assaults on the Secretary for what they truly are: partisan bloodlusts.

Mr. President, I firmly believe, and the facts bear me out, that many of the attacks on Secretary Donovan were motivated by a desire to discredit you, your Administration, and the excellent record of achievement the Secretary has built for the Department of Labor.

Officials of organized labor, the leaders of the lynch-Donovan mob, want nothing less than a return to their "business as usual" policies of previous Administrations.

It is precisely because Secretary Donovan has carried out your constructive policy initiatives that organized labor, and its spokesmen in the Congress, have pursued their campaign of innuendo and character assassination.

continued ...

File

dept of
Labor

Honorable Ronald Reagan
June 30, 1982
Page Two

Secretary Donovan has drawn the fire of these groups because he has consistently placed the interests of America's working men and women before the narrow self-interest of the union elite.

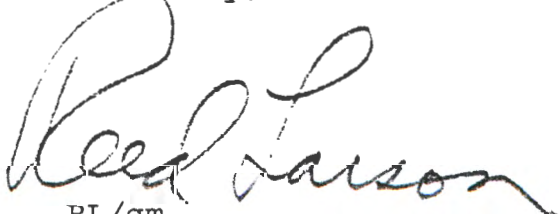
For the first time in the history of the office of Secretary of Labor, union officials have been deprived of the privilege of using that Department as an instrument for forcing hundreds of thousands of additional workers to pay dues to unwanted unions. It is Secretary Donovan's reform of that corrupt activity which has triggered the furious assaults upon him.

Well-entrenched special interests can be expected to continue sniping at Secretary Donovan over the coming months. The reason is clear; they have been pushed out of the public trough and they want revenge.

By eliminating hundreds of millions of dollars in questionable "grants" made directly to union officials and to other advocacy groups, Secretary Donovan has sought to make the Department a true servant of the interest of America's working people. For that he deserves the gratitude of all concerned Americans.

Mr. President, I urge you to continue your unqualified support of Secretary Donovan. Please reject the self-serving partisan calls for his resignation. Secretary Donovan must not be driven out of public service by mob action. I strongly urge you to ask him to continue to build upon his remarkable record of success at the Department of Labor.

Sincerely,



RL/gm

file
Labor DeptOCHS
New York

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961-1963*

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Bloodlust in the Donovan Case

Senate Democrats are getting unattractively bloodthirsty over the troubles of Secretary of Labor Raymond Donovan. They can't wait a few more days while the special prosecutor, Leon Silverman, completes his investigation into bribery charges and decides whether to prosecute. Instead, they urge that Mr. Donovan step aside until all suspicions are quieted.

The embarrassment of the case is surely increasing. Senator Orrin Hatch, the Republican Labor Committee chairman, correctly observes that Mr. Donovan faces heavy going even if he survives the special prosecutor probe. But the Democratic advice is still most untimely except as a grab for political advantage.

The partisan demand to furlough Mr. Donovan is especially out of place while the criminal investigation is in the hands of Mr. Silverman, an able New York lawyer appointed under the Ethics in Government Act. That law is intended to guard against politicized justice in two ways. It insures that the Labor Secretary won't escape prosecution just because of his governmental stature or political con-

nections. But it also should protect Mr. Donovan from premature loss of his job.

The Democrats have no basis for doubting Prosecutor Silverman's tenacity. It was he, after all, who turned up the evidence casting doubt on whether Mr. Donovan should have been nominated. Once Mr. Silverman reports, the F.B.I. can be pressed for a much better explanation of why it withheld the evidence from wiretaps that might have prompted a deeper Senate investigation of the nominee last year.

An indictment would of course end Mr. Donovan's undistinguished cabinet career; a clean bill of health in the bribery case would not end his difficulties. He would still have to answer new charges of ties to organized crime figures. And the White House must still account for what it knew about those ties when he was nominated.

But in fairness, Mr. Donovan cannot fully defend himself while the special prosecutor is still probing. It's not only wrong to be presumed guilty; it's impossible to answer charges until they are made.

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



*This draft
is OK
MB*

APR 13 1982

Honorable Morton C. Blackwell
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Mr. Blackwell:

This is in response to your memorandum dated March 11, 1982, in which you request a sample reply which you can use in answering letters concerned with the issue of coverage of nonreservation Indians under proposed legislation which will replace the Comprehensive Employment and Training Act in Fiscal Year 1983. We have also received a large number of letters, telegrams, mailgrams, etc., similar to the several examples enclosed with your memorandum. I have enclosed a sample of the reply we have used in responding to such correspondence.

Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Albert Angrisani".

ALBERT ANGRISANI
Assistant Secretary of Labor

Enclosures

Herbert Fellman
376-7090

DRAFT

The "Comprehensive Employment and Training Act of 1978" will continue through Fiscal Year 1982, at which time it will expire. The Congress has begun the process of examining the legislative options for job training programs beyond Fiscal Year 1982. It is too early in the legislative process to determine what the product of these deliberations will be. You can be assured that your concerns will be considered in this process.

THE WHITE HOUSE

WASHINGTON

May 24, 1982

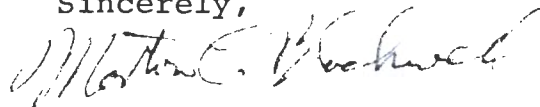
Ms. Adeline Garcia
621 N.W. 48th. Street
Seattle, WA 98107

Dear Ms. Garcia:

The "Comprehensive Employment and Training Act of 1978" will continue through Fiscal Year 1982, at which time it will expire. The Congress has begun the process of examining the legislative options for job training programs beyond Fiscal Year 1982.

It is too early in the legislative process to determine what the product of these deliberations will be. You can be assured that your concerns will be considered in this process. On behalf of President Reagan, I would like to thank you for making this situation known to us, and for expressing your views.

Sincerely,



Morton C. Blackwell
Special Assistant to the President
for Public Liaison

THE WHITE HOUSE

WASHINGTON

May 24, 1982

Ms. Lisa De Nobrega
3001 S. 288th.
Camelot Square, Space #112
Federal Way, WA 98003

Dear Ms. Nobrega:

The "Comprehensive Employment and Training Act of 1978" will continue through Fiscal Year 1982, at which time it will expire. The Congress has begun the process of examining the legislative options for job training programs beyond Fiscal Year 1982.

It is too early in the legislative process to determine what the product of these deliberations will be. You can be assured that your concerns will be considered in this process. On behalf of President Reagan, I would like to thank you for making this situation known to us, and for expressing your views.

Sincerely,

Morton C. Blackwell
Special Assistant to the President
for Public Liaison

THE WHITE HOUSE

WASHINGTON

May 24, 1982

Mr. James Slattery
1632 15th. Avenue #3
Seattle, WA 98122

Dear Mr. Slattery:

The "Comprehensive Employment and Training Act of 1978" will continue through Fiscal Year 1982, at which time it will expire. The Congress has begun the process of examining the legislative options for job training programs beyond Fiscal Year 1982.

It is too early in the legislative process to determine what the product of these deliberations will be. You can be assured that your concerns will be considered in this process. On behalf of President Reagan, I would like to thank you for making this situation known to us, and for expressing your views.

Sincerely,

Morton C. Blackwell
Special Assistant to the President
for Public Liaison

3001 - S. 288th
Camelot Square, Space #112
Federal Way, WA 98003
March 3, 1982

Dear President Reagan,

The proposed cuts to CETA, Title III have both angered and frightened me. My husband and I have recently married, and both of us are CETA employees. We both feel that we contribute a great deal in our respective jobs. Neither of us makes a great deal of money, and almost all of it goes to the necessities of life. What really concerns us is that we have a child on the way.

Our state of Washington has an unemployment rate of nearly 13 percent. How will both of us be able to find work that will support our new family? And how will paying us unemployment, which would not meet all our economic obligations anyway, be a savings to taxpayers?

We work at the Seattle Indian Center. My husband helps people find work or pursue training that leads to employment. I help people with basic nutrition needs. When we are unemployed, who will help the Native American clients in the greater Seattle/King County area? Every time the government calls for "sacrifice," why is it always extracted from minorities such as Native Americans? As the president of this country, I would hope that, like a father with his children, you would look past the desires of the few to the needs of the many. Yet, your previous cuts, as well as those now on the agenda, seem to contradict that view.

While working in my present position, I have begun to relate to the needs of the Indian community. Most of my clients are undernourished as a result of their lack of income. I help them to find ways to secure balanced meals for themselves and their

children. There is a saying in the Indian community, "Don't judge a person until you have walked a mile in their moccasins."

I am asking you to walk a mile in mine when you make your final decision.

A handwritten signature in cursive script, reading "Lisa De Nobrega". The signature is fluid and elegant, with a large initial "L" and "D".

Lisa De Nobrega

James Slattery
1632 15th Avenue #3
Seattle, Washington 98122

March 4, 1982

President Ronald Reagan
The White House
Washington, D.C. 20500

Sir:

I am writing this letter to ask you to support the continuation of funding for Title III, Section 302 off-reservation Indian programs. It is my understanding that your administration intends to cut the funds for these types of programs.

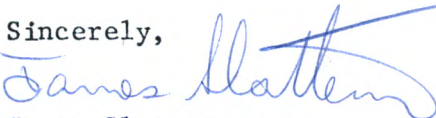
I am not a Native American myself but I have been working for the Seattle Indian Center, which is CETA funded, for a year now. Let me begin by saying it is a very important and necessary program. The unemployment rate for the State of Washington now stands at 13% for the overall population, it is twice that for Native Americans. The Indian population represents the highest unemployed and the least educated minority in our country today.

I do not write this letter because I am worried about my job, Mr. President I have a degree and enough skills to get another. But what of the Native Americans who have no education. The Seattle Indian Center has an in-house GED program and provides vocational training and counseling. If the CETA funds are cut these would most likely be eliminated along with our employment program.

Your administration cut funds for the Employment Security Programs a few months ago and promised us that no employment offices would close. Since then, five offices have closed and we are without any office in the downtown Seattle area. We have been promised that they will reopen but none have.

If off-reservation CETA Title III, Section 302 programs are eliminated it will have a far reaching negative effect on all Indian communities. I ask you to consider this when making your recommendations toward the future of the CETA Program.

Sincerely,


James Slattery

3-1-82

Dear President Reagan,

I am a student at the Seattle Indian Center, employment and training program.

I am receiving services through Ceta, and am funded under Title III. I understand the Reagan administration will cut Ceta budgets. I feel this would be a mistake, because this program has helped so many people in the past; if you will allow it to continue, in the future also. It has been a great help in the urban Indian community, here in Seattle, and all over the country, I'm sure.

So please consider my request, and thousands of others.

Thank-you,

Kimberly Brown

Adeline H. Garcia
621 N.W. 48th Street
Seattle, Washington 98107

March 4, 1982

The President Ronald Reagan
The White House
Washington, D.C. 20500

Sir:

I am writing this letter to ask you to support the continuation of funding for Title III, Section 302 off-reservation programs. It is my understanding that your administration plans to cut these types of programs.

As a taxpayer and an involved voting member of our country, I feel I have a stake in what is happening. I have witnessed people who never worked in their lifetime get CETA training and jobs, and this has turned their lives around and made them productive members of the community.

Since a great majority of our Indian people live in the urban area this program has changed their lives and helped them to make a worthwhile contribution to society. How much better to have them contribute than to be on the welfare roles. I say honestly that this is too good a program to eliminate, some of these people may never have this chance again.

If off-reservation CETA Title III, Section 302 programs were eliminated it would have a far reaching negative effect on all Indian communities. I cannot stress strongly enough the need for off-reservation national employment and training programs and the importance of keeping them alive!

I must ask that you consider the consequences of the upcoming actions regarding CETA and it's continued existence. Your efforts in developing CETA Program recommendations for off-reservation programs would be greatly appreciated.



Adeline Garcia

News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

USDL: 82-58

CONTACT: Alice Danner
OFFICE : (202) 523-7316

FOR RELEASE: 4:30 P.M. EST
Tuesday, February 16, 1982

WILLIAM PLOWDEN SWORN IN
AS ASSISTANT SECRETARY OF LABOR FOR VETERANS' AFFAIRS

William C. Plowden Jr. was sworn in today as assistant secretary of labor for veterans' employment by Secretary of Labor Raymond J. Donovan.

Plowden, former state director of the Veterans Employment Service in South Carolina and a World War II veteran, was appointed to the newly created U.S. Department of Labor post by President Reagan.

Plowden took the oath of office as his wife, Ruth, and Senator Strom Thurmond (R-S.C.), held the Bible. Also attending were representatives of national veterans' organizations with whom Plowden pledged to work "to establish meaningful programs addressing the special needs of unemployed American veterans, particularly those of the Vietnam era."

The South Carolina native holds the second-highest-ranking federal post assigned to serve veterans. Only Robert Nimmo, head of the Veterans Administration, ranks higher.

Welcoming Plowden to the department, Secretary Donovan noted that legislation creating the assistant secretary's position "elevated veterans' employment programs to the status they deserve." Most of the department's veterans' employment initiatives formerly were the responsibility of a deputy assistant secretary who lacked direct access to the Office of the Secretary.

"I look forward to working with Bill Plowden as we move to fulfill this Administration's commitment to our nation's veterans," Secretary Donovan said.

Calling high unemployment among Vietnam-era and disabled veterans "a social and economic blight that burdens the consciences of all patriotic Americans," the Secretary added:

"With Bill's experience, competence and compassion leading the way, we are determined to promote better opportunities for those individuals who sacrificed years of potential training, education, jobs, seniority -- even their physical and mental well-being -- to serve our country and its defense."

(more)

In his new post, Plowden serves as the principal advisor to the Labor Secretary on veterans' matters, including the formulation and implementation of departmental policies and procedures to carry out the department's employment, unemployment and training programs affecting veterans.

"Of all the unique problems facing veterans in our economy and society today, the unemployment problems facing Vietnam-era veterans must receive our highest priority," Plowden said.

He emphasized the need for targeted programs "to resolve the longstanding, severe difficulties of Vietnam-era veterans in the labor market."

Before joining President Reagan's Administration, Plowden was a federal official administratively responsible to the Secretary of Labor for supervising and coordinating Veterans Employment Service activities in South Carolina.

He has served on the Americanism Commission of the American Legion National Organization since 1961.

He also formerly served as Americanism Chairman from the State of South Carolina American Legion, Department Commander of the American Legion, Department of South Carolina, and all local offices building up to this position.

He is a member of the Veterans of Foreign Wars, Disabled American Veterans, and the Military Order of the World Wars. He served as state president of the Reserve Officers Association, of which he is a life member.

Plowden served in World War II in the China Burma Theatre, attaining the rank of lieutenant colonel. He continued his reserve status and retired from the reserve as a full colonel in 1961 with 23 years of service.

Born July 15, 1918 in New Zion, S.C., he was graduated from the Citadel Military College of South Carolina in 1939 with a B.S. degree in business administration.

Plowden and his wife, Ruth, have three children and live in Alexandria, Va.

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U.S. DEPARTMENT OF LABOR

WASHINGTON, D.C.
20210

BIOGRAPHY

William C. Plowden, Jr.
Assistant Secretary for
Veterans' Employment

On October 20, 1981, President Ronald Reagan nominated William C. Plowden, Jr., of New Zion, South Carolina, to be Assistant Secretary for Veterans' Employment. Mr. Plowden's nomination was confirmed by the Senate on December 9, 1981, and he was sworn into office on December 14, 1981.

The Assistant Secretary for Veterans' Employment is the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out the purposes of Chapter 41, Chapter 42 and Chapter 43 of Title 38, United States Code; and all other Department of Labor employment, unemployment, and training programs to the extent they affect veterans.

Prior to his appointment as Assistant Secretary, Mr. Plowden served as a Federal official administratively responsible to the Secretary of Labor for supervision and coordination of Veterans Employment Service activities in South Carolina. As such, he acted in concert with elected and appointed officials at all levels of government. He also owned and operated three automobile dealerships, one insurance agency and two tractor dealerships.

Appointed to the Americanism Commission of The American Legion National Organization in 1961, Mr. Plowden has served on that Commission ever since; has also served as Americanism Chairman from the State of South Carolina American Legion. Mr. Plowden served as Department Commander of The American Legion, Department of South Carolina, and all local offices building up to this position. Mr. Plowden is a member of the Veterans of Foreign Wars, Disabled American Veterans, and the Military Order of the World Wars. Mr. Plowden also served as State president of the Reserve Officers Association of which he is a life member.

Mr. Plowden served in World War II in the China Burma Theatre attaining the rank of Lieutenant Colonel; continued his reserve status and retired from the reserve as a full Colonel in 1961 with 23 years of service.

Born July 15, 1918, in New Zion, South Carolina, he was graduated from the Citadel Military College of South Carolina in 1939 with a B.S. Degree in Business Administration.

He and his wife Ruth have three children. Mr. and Mrs. Plowden reside in Alexandria, Virginia.

place of employment and other elements of the job, particularly where they are governed by length of service.

5. Allow the veteran to participate in insurance, pension, and other such benefits maturing after his reinstatement to the same extent he would be participating if his employment had continued without interruption by military service, and treat him according to rules and practices affecting other employees on leave of absence as far as such benefits maturing during his military absence are concerned.

6. Retain the veteran in employment for a period of not less than 1 year, unless he is discharged for cause or there is a layoff which reaches him in seniority order in accordance with a contract or established practice. Retain the reservist who returns from initial active duty for training in his employment under the same conditions for a period of 6 months.

**Where the U.S. Department of Labor
Provides More Information on
Reemployment Rights**

Atlanta, Georgia 30309
1371 Peachtree St., N. E.

Boston, Mass. 02203
JFK Federal Bldg.

Buffalo, N. Y. 14203
121 Ellicott St.

Chambersburg, Pa. 17201
Wolf Ave. & Commerce St.

Chicago, Ill. 60604
219 S. Dearborn St.

Cleveland, Ohio 44199
1240 East 9th St.

Dallas, Texas 75201
441 N. Akard St.

Denver, Colo. 80202
17th and Stout Sts.

Detroit, Mich. 48226
234 State St.

Honolulu, Hawaii 96815
1833 Kala Kaua Ave.

Kansas City, Mo. 64106
911 Walnut St.

Los Angeles, Calif. 90012
300 N. Los Angeles St.

Miami, Fla. 33130
51 SW First Ave.

Minneapolis, Minn. 55401
110 South 4th St.

Nashville, Tenn. 37203
801 Broadway

Newark, N. J. 07102
1060 Broad St.

New Orleans, La. 70130
423 Canal St.

New York, N. Y. 10001
341 Ninth Ave.

Philadelphia, Pa. 19107
9th and Market Sts.

Pittsburgh, Pa. 15222
1000 Liberty Ave.

St. Louis, Mo. 63103
1520 Market St.

San Francisco, Calif. 94102
450 Golden Gate Ave.

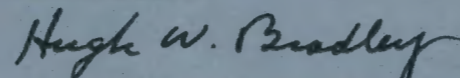
Santurce, P. R. 00907
1200 Ponce De Leon Ave.

Seattle, Wash. 98104
506 Second Ave.

U.S. GOVERNMENT PRINTING OFFICE: 1967 O - 267-093

NOW, ABOUT THAT JOB . . . A B C's for Veterans

We have written to your preservice employer alerting him to your release from the Armed Forces and have provided him with general information on his responsibility under the reemployment rights provisions of the Universal Military Training and Service Act. This Information Sheet discusses the conditions you must meet to be eligible for reemployment and provides general information about the reemployment rights and benefits to which you may be entitled. If you desire further assistance in the field of reemployment rights, please contact the appropriate field office shown on the back of the Information Sheet.



Hugh W. Bradley, Director
Office of Veterans'
Reemployment Rights

**U.S. DEPARTMENT OF LABOR
WASHINGTON, D.C.
20210**

A. WHAT THE LAW SAYS...

Section 9 of the Universal Military Training and Service Act provides a reemployment rights program for men and women who leave their jobs to perform training or service in the Armed Forces. The Office of Veterans' Reemployment Rights has the responsibility for informing veterans and employers of the reemployment program and assisting them in connection with any problems they may have. The purpose of this law is to ensure that those who serve their country in the interest of national defense do not lose their jobs and other employment benefits because of such services.

B. ARE YOU ELIGIBLE?

To be entitled to reemployment rights a veteran must:

1. Leave a position (other than a temporary position) with a private employer or the Federal Government for the purpose of entering the Armed Forces, voluntarily or involuntarily. Part-time and seasonal positions are not necessarily temporary positions.

2. Serve for not more than 4 years between June 24, 1948, and August 1, 1961, and not more than 4 years after August 1, 1961 (unless involuntarily retained). Only active military service entered from employment to which restoration is claimed is to be included in computing service time under the 4-year limitation provision.

3. Satisfactorily complete the period of active duty and have a certificate to that effect.

4. Be qualified to perform the duties of his position. If he is disabled during military service and cannot perform the duties of his old job, he may be entitled to the nearest comparable job he is qualified to perform.

5. Make timely application for reemployment after release from military training or service or from hospitalization continuing after discharge for a period of not more than 1 year. Application must be made within 90 days after completion of military service; within 31 days after completion of initial active duty for training of not less than 3 months.

C. EMPLOYER'S OBLIGATION

The employer's obligations are to:

1. Reemploy the veteran within a reasonable time after he makes application in the position he would have occupied if he had remained on the job instead of entering military service. This could be the same position, a superior position, an inferior position, one of like seniority, status, and pay, layoff status, or no position at all, depending upon collective bargaining agreements, non-discriminatory personnel policies and practices, or changes in the employer's business during the veteran's absence which may make it impossible or unreasonable to reemploy him.

2. Restore the veteran without loss of seniority. There are, however, some conditions under which the adjustment of seniority incident to a missed opportunity may be deferred until after the veteran has been reemployed and has met a special work requirement under a collective bargaining

agreement or established practice. Where, under a collective bargaining agreement or established practice, the employer requires an employee to meet a special work requirement, the veteran's seniority should be adjusted upon completion of the work requirement so that his period of military duty does not cause him to lose ground to other employees who continued in their employment. Once having completed the work requirement he is entitled to a seniority date which takes into account time spent in military service. One of the most important features of the reemployment program is the protection it gives the veteran against the loss of seniority due to military service, since seniority or length of service often determines job assignments, pay, status, vacation, and other benefits.

The length of service or seniority a reemployed veteran has with his preservice employer generally includes:

- (a) His employment before military service,
- (b) A reasonable period between leaving his job and entering military service,
- (c) The entire period of his military service,
- (d) The period between his release from the service and his return to work.

3. Pay the veteran at the level he would have attained had he not left for military service. This usually includes all general, cost-of-living and length of service increases, but may not include merit increases based on performance standards prescribed by contract or established practice.

4. Restore the veteran to the status he would have enjoyed with respect to such working conditions as choice of job shifts,

Information Sources

Veterans needing assistance should contact their local veterans' employment representative at the local Job Service office.

General questions may be directed to the Veterans Employment Service, Employment and Training Administration (ETA), Department of Labor, 601 D Street, N.W., Room 10100, Washington, D.C. 20213; or ETA's Information Office, Room 10418 at the same address, telephone (202) 376-3172.

GPO : 1980 O - 333-449

Fact Sheet



U.S. Department of Labor
Employment and Training Administration
Office of Information

August 1980

Employment-Related Services For Veterans

Introduction

The Department of Labor is involved in a variety of measures to make sure no veteran who wants to work goes without a job or the training and assistance needed to get that job. There is special emphasis on assisting disabled veterans and veterans of the Vietnam era.

How the Programs Work

Employment-related services designed to aid veterans include counseling, testing, and skills training; unemployment compensation for newly separated ex-servicemen and women while they look for civilian employment; tax credits for private employers who hire certain target groups of veterans, and placement in private and public sector jobs. Major programs that provide such services are:

- **Job Service** — The more than 2,500 local public Job Service offices across the country provide veterans with priority in interviewing, counseling, aptitude testing, job development, and referral to job openings. All Job Service offices have assigned to their staffs at least one specially trained "local veterans' employment representative" (LVER) who works directly with veterans applying for assistance.

- **Disabled Veterans Outreach Program (DVOP)** — Located in many of the Nation's largest cities, the program is staffed by disabled veterans who reach out to other

disabled and Vietnam-era veterans and help them obtain the employment and training services they need. DVOP staffs, usually based at local Job Service offices, develop networks of employer contacts and work with community groups and local veterans organizations in the effort to find their clients jobs.

- **CETA Job and Training Programs** — Like all CETA participants, veterans must be jobless and from low-income families, but regulations for Comprehensive Employment and Training Act operations contain provisions for veterans that enable them to qualify for skill training and public service job programs more easily than other applicants and to receive special consideration for assistance. In addition, cities, counties, and states that receive CETA funds are required to take steps to increase the participation of qualified disabled and Vietnam-era veterans under the age of 35.

- **Unemployment Compensation for Ex-Servicemen (UCX)** — Veterans may be eligible for unemployment insurance benefits while looking for work following completion of military service. In order to receive all of the benefits to which he or she may be entitled, a veteran should file a claim with the local unemployment insurance office promptly after separation. The UI office is frequently located in the same building as the Job Service.

- **Targeted Jobs Tax Credit** — This tax credit program is designed to provide incentives for private employers to hire certain target groups of workers, including low-income Vietnam-era veterans under 35 and disabled veterans who are referred to employers from qualified state vocational rehabilitation programs or similar programs administered by the Veterans Administration. The credit employers can receive is equal to 50 percent of first year wages up to \$6,000 for each eligible employee and 25 percent of second year wages up to \$6,000.

- **Outreach and Public Information** — Along with several other federal agencies, the Labor Department is a member of the White House

Veterans Federal Coordinating Committee which has established outreach and community services programs in selected large cities with heavy concentrations of Vietnam-era veterans. The Department also has contractual agreements with several national organizations — examples are the American G.I. Forum, Blinded Veterans Association, and National Urban League — to provide information and assistance to hard-to-reach veterans.

- **Reemployment Rights** — Recently separated veterans may be eligible for reemployment rights. These include reinstatement in the job a veteran left to enter military service and the right to any increased wages and other benefits that were added during his/her absence. Application for reemployment must be made to former employers within 90 days after separation from active duty.

- **Veterans Affirmative Action** — Employers with federal contracts or subcontracts of at least \$10,000 are required to take affirmative action on behalf of disabled veterans and Vietnam-era veterans and to list suitable job openings with the local Job Service. The Job Service gives these same groups of veterans priority when referring applicants to federal contractor job openings.

Program Monitoring and Evaluation

Federal field staff of the Veterans Employment Service (VES) are responsible for monitoring and evaluating the services provided by Job Service offices and by state and local CETA programs to ensure that veterans receive the priority and services mandated by law and regulation. There is at least one VES representative outstationed in every state and in all 10 Labor Department regional offices (in Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City, Denver, San Francisco, and Seattle).

The VES is located within the office of the Deputy Assistant Secretary for Veterans' Employment. The Deputy Assistant Secretary is the Secretary of Labor's chief policy advisor on the job needs of veterans.

DATE

WHITE HOUSE CALENDAR OF EVENTS
 AGENCY SUBMISSIONS
 SPEAKING ENGAGEMENTS

AGENCY

EVENT DATE	SPEAKER AND TITLE	EVENT DESCRIPTION	LOCATION	EVENT ID COMPLETE
/7	William Plowden, ASVE Ralph Hall, Director, VES	Welcome, Arthur Dawson, New State Director	Providence, R.I.	9/7
/10	Vincent Pagano, Spec. Asst. ASVES	Address, Viet Nam Veterans Of America	Rochester, N.Y.	9/10
/12-16	William C. Plowden, ASVES	Speech, National Association of State Directors for Veterans Affairs.	St. Croix, Virgin Islands	9/15
/16-19	William C. Plowden, ASVES	Meeting, American Legion Executive Committee	Indianapolis, Indiana	
/20-22	William C. Plowden, ASVES	Speech	Seattle, Washington	9/21
/28-30	William C. Plowden, ASVES	Speech, Region III VES Conference	Ocean City, Maryland	

DATE:

AGENCY SUBMISSIONS

AGENCY: ASVE

START/END DATE	DESCRIPTION	LOCATION	AGY/CONTACT PERSON	WH LIAISON (IF APPLIES)	DATE COMPLETE	EVENT ID
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9-5-82	Release: (DOL) ASVES, New State Director, VES	Providence, Rhode Island	DOL - Bielawski		9-5-82	
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DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING SERVICES FOR VETERANS

The Department of labor is involved in a variety of programs and activities designed to help veterans find jobs and training. Special emphasis is placed on assistance to disabled and Vietnam-era veterans.

Office of the Assistant Secretary for Veterans Employment (OASVE)

The Assistant Secretary for Veterans Employment is the principal advisor to the Secretary on all DOL policies and programs for meeting employment and training needs of veterans. Serving as the focal point for DOL veteran-related programs, the OASVE develops legislation, policies and programs and provides technical assistance to DOL components and other agencies and groups.

Veterans Employment Service

Administered by the Assistant Secretary for Veterans Employment, the field staff of the Veterans Employment Service (VES) is a nationwide network of 10 Regional, 52 State and 96 Assistant State Directors for Veterans Employment. They supervise and provide technical assistance to State Job Services to ensure that legislatively required priority services of counseling, referral and placement are provided to veterans. Job development efforts are performed by VES staff with employers, labor unions, and veteran and community organizations. VES staff promote participation of veterans and supervise the planning and operation of Comprehensive Employment and Training Act (CETA) programs as they relate to veterans. Contractual agreements with several national organizations are administered by VES to provide outreach and special employment assistance to targeted groups of veterans.

Several components of DOL administer a variety of veteran-related programs. Major programs that provide assistance to veterans are:

Job Service

The public Job Service offices across the country provide veterans with priority in counseling, aptitude testing, job development, referral and placement in job openings. All Job Service offices have at least one specially trained local veterans employment representative (LVER) who works directly with veterans.

Disabled Veterans Outreach Program (DVOP)

Located in most Job Service offices, the program is staffed by veterans who provide special assistance to other veterans and help them obtain the employment and training services. The 2,016 DVOP staff develop networks of employer contacts and work with community groups and veteran organizations in their efforts to find their clients jobs. Unique to this program is the outreach emphasis provided to seek out and help disabled and Vietnam-era veterans.

CETA Programs

Like all Comprehensive Employment and Training Act (CETA) participants, veterans must be jobless and from low-income families. Regulations for CETA programs contain provisions that enable veterans to qualify more easily than other applicants and to receive special consideration for assistance.

Unemployment Compensation for Ex-Servicemen (UCX)

Certain veterans are eligible for unemployment compensation payments while looking for work following completion of military service. Eligibility can be determined at any unemployment insurance office, usually located in the same building as the Job Service.

Targeted Jobs Tax Credit (TJTC)

This tax credit program is designed to provide incentives for private employers to hire certain target groups of workers including low-income Vietnam-era veterans and certain disabled veterans. The credit employers can receive is equal to 50 percent of first year wages up to \$6,000 for each eligible employee and 25 percent of second year wages up to \$6,000. Information regarding TJTC may be obtained from any Job Service Office.

Reemployment Rights

Recently separated veterans may be eligible for reemployment rights including reinstatement in the job left by the veteran to enter military service and the right to increased wages and other benefits that were added during their absence. Application for reemployment must be made to former employers within 90 days after separation from military service. Information about reemployment rights can be obtained from any LVER or DVOP staff.

Veterans Affirmative Action

Employers with Federal contracts of at least \$10,000 are required by law to take affirmative action on behalf of disabled and Vietnam-era veterans and to list job openings with the Job Service. The Job Service gives those groups of veterans priority when referring applicants to Federal contractor job openings. Job Service staff also assist employers in meeting their program obligations.

*Page 21
Lester*

UNION/CBO FUNDING REDUCTIONS BY THE
EMPLOYMENT AND TRAINING ADMINISTRATION

o CETA Budget Reduction Highlights 1980-1982

- o Total Budget reduced from \$8 Billion in 1980 to \$3.8 Billion in 1982 -- a 53% reduction.
- o \$3 Billion Public Service Employment Program eliminated.
- o 1980-1982 Discretionary funding to Unions and Community Based Organizations reduced by \$24 Million or 80%.
 - o AFL/CIO and Affiliates reduced by \$21 Million.
 - o Other Unions reduced by \$3 Million.

o Estimated Union/CBO Funding Reductions 1981-1982

<u>Unions Funded Through</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>Reduction</u>
Prime Sponsor	\$160 Million	\$97 Million	40%
Discretionary	43 Million	15 Million	66%
Youth Programs	11 Million	.3 Million	98%
Total Union Reductions	\$214 Million	\$112.3 Million	48%

o Union-Funding Reduction Highlights 1981-1982

- o AFL/CIO funding reduced by 63%.
- o UAW funding reduced by \$3 Million or 47%.
- o Other Union funding reduced by \$15 Million or 63%.
- o Community Based Organization reduced by \$94 Million or 50%.

EMPLOYMENT AND TRAINING GRANTS

AFL-CIO

<u>SPECIFIC CONTRACTOR</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>Reduction \$</u>	<u>Reduction %</u>
AFL-CIO Great Lakes Council	379,732	- 0 -	-379,732	100
HRDI (Human Resources Development Institute)	9,311,154	2,000,000	-7,311,154	79
TULC (Trade Union Leadership Council, Detroit)	431,000	- 0 -	-431,000	100
International Association of Firefighters (IAFF)	118,519	200,000	+81,481	
United Union of Roofers, Waterproofers and Allied Workers (RWAU)	200,000	- 0 -	-200,000	100
Auto and Metal Trades, Machinists (IAM)	212,574	- 0 -	-212,574	100
Communication Workers of America (CWA)	270,000	- 0 -	-270,000	100
United Auto Workers (UAW)	3,296,000	300,000	-3,296,000	92
United Furniture Workers (UFWA)	411,000	- 0 -	-411,000	100
Laborer's International Union (LIUNA)	694,500	- 0 -	-694,500	100
International Union of Operating Engineers (IUOE)	1,427,000	500,000	-927,000	65
International Union of Electrical, Radio, and Machine Workers (IUE)	766,000	- 0 -	-766,000	100
Amalgamated Clothing and Textile Workers (ACTWU)	766,910	- 0 -	-766,910	100
Graphic Arts International (GAIU)	198,550	- 0 -	-198,550	100
National Ironworkers (BSOIW)	2,567,000	1,000,000	-1,567,000	61
Operative Plasterers and Cement Masons (OPCM)	1,143,830	650,000	-493,830	43

EMPLOYMENT AND TRAINING GRANTS

AFL-CIO

<u>SPECIFIC CONTRACTOR</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>Reduction \$</u>	<u>Reduction</u>
United Brotherhood of Carpenters and Joiners (CJA)	1,537,000	750,000	-787,000	51
International Union of Tile and Marble Workers (TMTF)	389,844	- 0 -	-389,844	100
International Union, United Automobile, Aerospace, and Agricultural Workers (UAW)	300,000	- 0 -	-300,000	100
United Food and Commercial (UFCW)	300,000	- 0 -	-300,000	100
AFL-CIO Appalachian Council	1,349,000	800,000	-549,000	41
American Federation of State, County, and Municipal Employees (AFSCME)	320,608	- 0 -	-320,608	100
G. Meany Center for Labor Studies	67,000	- 0 -	-67,000	100
Service Employers International Union (SEIU)	300,000	300,000	- 0 -	
International Brotherhood of Police (IUPA)	300,000	- 0 -	-300,000	100
Association of Professional Flight Attendants (ALPA-AFA)	80,000	- 0 -	-80,000	100
International Ladies Garment Workers Union (ILGWU)	477,000	- 0 -	-477,000	100

TOTAL	27,944,221	6,500,000	-21,444,221	77

EMPLOYMENT AND TRAINING GRANTS

GENERAL

<u>SPECIFIC CONTRACTOR</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>Reduction \$</u>	<u>Reduction</u>
National Culinary Apprenticeship Program	225,000	- 0 -	-225,000	100
Insulation Industry National Apprenticeship	194,185	- 0 -	-194,185	100
American Culinary Federation Education Institute	160,000	- 0 -	-160,000	100
Society for Advanced Medical Systems	99,852	- 0 -	-99,852	100
International Masonry and Apprenticeship Trust	791,000	- 0 -	-791,000	100
Teamsters Joint Council	308,525	- 0 -	-308,525	100
National Joint Painting Decorators and Drywall Apprenticeship Program	718,000	- 0 -	-718,000	100
Puget Sound Printing Trades	156,510	- 0 -	-156,510	100
Health and Education Resources	94,000	- 0 -	-94,000	100
National Automobile Dealers	250,000	- 0 -	-250,000	100
Automotive Service Councils	250,000	- 0 -	-250,000	100

TOTAL	3,247,072	- 0 -	-3,247,072	100

SAMPLE OF DISCRETIONARY CONTRACT TERMINATIONS

CONTRACTS/GRANTS THAT WILL UNDERGO EARLY TERMINATION (D)

Paul Parks and Associates (ONP/N11)
Pacifica Services, Inc. (ONP/N15)
Virginia CARES (ONP/N5)
Bob Tucker and Associates (ONP/N15)
Community Services Administration - Tulsa CAA (ONP/N16)
Community Services Society (OCED/C7)
Dialogue Systems, Inc. (OCED/C7)
National Council of Negro Women (OCED/C3)
National Rural Center (OCED/C3)
A.L. Nellum Associates (OCED/C3)
Labor Institute for Human Enrichment (OCED/C3)
Plaza de la Raza (OCED/C3)
Workshop for Careers in the Arts (OCED/C3)
Mitchell Titus Co. (OAM/M9)
Florida SESA/Refugee Relief Grant (USES/E10)
United Food and Commercial Workers Union (ONP/N4)

PROPOSED NEW CONTRACTS/GRANTS THAT WILL NOT BE ISSUED (E-2)

City of Los Angeles (VES/V1)
City of Boston (VES/V1)
City of Pittsburgh (VES/V1)
Veterans Public Information Campaign (VES/V1)
Middle-Aged/Older Worker Demonstration Grants (ONP/N11)
U.S. Department of Agriculture - FmHA (ONP/N1S)
Charles Trindle Co. (ONP/N1G)
Community Services Administration - Atlanta Office (OCED/CB)
Joint Center for Political Studies (OCCD/C8)
Long Island Contractors Development Center (OCED/C8)
U.S. Conference of Mayors (OCED/C11)
American Hotel and Motel Association (BAT/T1)
Finance, Insurance and Real Estate Associations (BAT/T1)
National Association of Counties (BAT/T1)
National Association of Apprenticeship Directors (BAT/T1)
National League of Cities (BAT/T1)
Oil, Chemical and Atomic Workers Union (BAT/T1)
U.S. Conference of Mayors (BAT/T1)
University of Alabama - Birmingham (BAT/T1)
United Mine Workers (BAT/T1)
Illinois SESA/Steel Plant Closing Project (OMA/R2)
Mitchell Titus Co. (OMA/R6)

- 1 -

SAMPLE OF DISCRETIONARY CONTRACT TERMINATIONS

CONTRACTS/GRANTS THAT WILL NOT BE RENEWED AFTER EXPIRATION (E-1)

	EXPIRATION DATE
Columbia University (OPER/06)	6/30/81
United Negro College Fund (OPER/07)	09/81
Virginia State University (OPER/07)	09/81
Clark College (OPER/07)	09/81
Livingstone College (OPER/07)	09/81
University of Arkansas - Pine Bluff (OPER/07)	09/81
Southern University & A&M College (OPEP/07)	09/81
Benedict College (OPER/07)	09/81
Atlanta University (OPEP/07)	09/81
Mississippi Industrial College (OPER/07)	09/81
Morgan State College (OPER/07)	09/81
Texas Southern University (OPER/07)	09/81
Alabama State University (OPEP/07)	09/81
Fisk University (OPER/07)	09/81
Bowie State College (OPER/07)	09/81
North Carolina A&T State University (OPER/07)	09/81
Howard University (OPER/08)	08/81
Brookings Institution (OPER/09)	9/30/81
National Institute of Public Management (OPER/C13)	02/81
Massachusetts Office of Manpower Planning/Artists Foundation (OCED/C3)	5/30/81
Smithsonian Institution/Museum Services (OCED/C3)	9/30/81
Morgan Management (OCED/C3)	9/30/81
Amalgamated Clothing and Textile Workers Union (BAT/T1)	1/7/82
Insulation Industry Joint Apprenticeship Fund (BAT/T1)	9/27/81
National Culinary Apprenticeship Program (BAT/T1)	9/29/81
American Culinary Federation Education Institute (BAT/T1)	3/31/81
AFSCME (BAT/T1)	3/31/81
Communication Workers of America (BAT/T1)	3/31/81
International Association of Fire Fighters/Chiefs (BAT/T1)	3/31/81
International Association of Machinists (BAT/T1)	3/31/81
International Brotherhood of Police Officers (BAT/T1)	5/29/81
International Union of Operating Engineers (BAT/T1)	8/31/81
International Union of Electrical Workers (BAT/T1)	3/31/81
International Union of United Auto Workers (BAT/T1)	3/31/81
Society for Advanced Medical Systems (BAT/T1)	7/31/81
Service Employees International Union (BAT/T1)	3/31/81
United Union of Roofers and Allied Workers (BAT/T1)	8/31/81
St. Louis Prime Sponsor/Re-employment Project (OMA/R3)	9/30/81
Oklahoma BOS Prime Sponsor/Entrepreneurship Project (OMA/R5)	9/30/81
Miami Prime Sponsor/Civil Disorder Aid (OMA/R7)	9/30/81

SAMPLE OF DISCRETIONARY CONTRACT TERMINATIONS

CONTRACTS/GRANTS THAT WILL NOT BE RENEWED AFTER EXPIRATION (E-1)

	<u>EXPIRATION DATE</u>
American Association of Small Cities (ONP/N4)	3/31/81
AFL-CIO Great Lakes Regional Council (ONP/N4)	3/31/81
AFSCME (ONP/N4)	8/31/81
Careers in Communication, Inc. (ONP/N4)	9/30/81
Center for Community Change (ONP/N4)	3/31/81
Federation of Southern Cooperatives (ONP/N4)	2/1/81
George Meany Labor Center (ONP/N4)	7/31/81
Health Education Resources, Inc. (ONP/N4)	3/31/81
National Concilio of America (ONP/N4)	9/17/81
National Urban Coalition (ONP/N4)	4/30/81
United Negro College Fund (ONP/N4)	4/30/81
Coalition for United Community Action (ONP/N3)	3/31/81
National Association of Southern Poor (ONP/N3)	3/31/81
National Council of La Raza (ONP/N3)	8/31/81
National Urban Indian Coalition (ONP/N3)	9/30/81
American Association of Community and Junior Colleges (VES/V1)	3/31/81
American G.I. Forum - San Jose (VES/V1)	3/31/81
Community Systems Design, Inc. (VES/V1)	3/31/81
Program to Advance Veterans Employment (VES/V1)	3/31/81
Seattle Department of Human Resources (VES/V1)	3/31/81
St. Louis Area Veterans Consortium (VES/V1)	3/31/81
Swords of Plowshares, Inc. (VES/V1)	3/31/81
University of Minnesota (VES/V1)	9/30/81
Puget Sound Printers Program (ONP/N2)	3/31/81
Rosslyn Foundation (ONP/N2)	11/16/81
Southern Vocational College (ONP/N2)	9/30/81
WETA Channel 26 (ONP/N2)	6/30/81
Amigos Del Valle (ONP/N11)	11/30/81
Mississippi Council on Aging (ONP/N11)	9/30/81
National Center on Black Aged (ONP/N11)	11/30/81
National Council on Aging (ONP/N11)	11/30/81
Western Michigan Area Agency on Aging (ONP/N11)	12/12/81
Mark Battle Associates (ONP/N12)	5/15/81
Center for Employment and Training (ONP/N15)	5/31/81
Conference Board (ONP/N15)	1/16/82
Environmental Protection Agency (ONP/N15)	12/31/81
Idaho Inter Tribal Policy Board (ONP/N15)	9/30/81
MDC, Inc. (ONP/N15)	11/15/81
Garrett-Sullivan, Inc. (ONP/N16)	9/29/81
International Business Services, Inc. (ONP/N16)	3/31/81
Solar America, Inc. (ONP/N16)	11/14/81
Medgar Evers College (OPER/03)	8/31/81
Clark College (OPER/03)	8/31/81
Kentucky State University (OPER/03)	8/31/81
Southern University and A&M College (OPER/03)	8/31/81
University of Texas - San Antonio (OPER/03)	8/31/81

20-12-13
THE WHITE HOUSE
WASHINGTON

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9/29.

Donovan Reverses His Department's Pro-Labor Policy, Alienates Unions

By WILLIAM J. EATON, Times Staff Writer

WASHINGTON—Almost from the day Secretary of Labor Raymond J. Donovan took office, the headlines about him have dealt with allegations that he had ties to organized crime, his angry denials and lengthy investigations that twice have cleared him.

But, while public attention has been focused on his past, Donovan has presided over a dramatic reversal of the Labor Department's traditional approach to major policy issues, including wage protection laws, jobless benefits and even child labor regulations.

So sharp has the reversal been that many career civil servants—accustomed to the department's history of close ties to organized labor—now refer to it as "the Department of Management."

In the process, Donovan's relations with the country's labor unions have turned from initial wariness to a Cold War. Labor leaders now will have almost nothing to do with Donovan. And, for his part, the secretary has boasted of multibillion-dollar reductions in job training and other programs championed by the unions.

Although some suspect Donovan is just marching to White House drummers rather than setting his own course, one veteran Labor Department official said: "It's been a philosophical 180-degree turn, and there have been more changes in a shorter time than anyone else here managed to accomplish."

To be sure, Donovan has pulled back on a handful of his more controversial proposals, such as the plan to limit enforcement of rules against job bias by government contractors. In addition, his attempt to revise the system for tying wages paid on federal construction projects to those paid on regional jobs was blocked by a federal judge.

But most of the changes—including the abolition of public service jobs and a sharp cutback in the number of health and safety inspectors checking on conditions in the nation's mills and factories—appear likely to remain in effect, during his tenure at least.

Donovan, interviewed shortly after a special prosecutor cleared him for the second time of charges that he had links with organized crime, indicated he would speak out more in the future.

"From this weekend through the end of October, I'll be on the road a great deal, perhaps more than ever," he said, partly to carry the flag for the Reagan Administration on the campaign trail.

He acknowledged that the lingering recession and its accompanying unemployment of nearly 11 million persons was not going to make his job easier.

"Growth in the economy is the answer to unemployment," Donovan, a multimillionaire contractor, said. "But I want to go out and show a true human sensitivity to the people who are hurting out there."

'A Pessimistic View'

Donovan contended, however, that his recent proposal to drop restrictions that prevent 14- and 15-year-olds from working in some occupations would not deprive adults of jobs.

"There is a pessimistic view that there is an exhaustible supply of jobs," Donovan said. "I don't think so—I think there are jobs waiting for people whether they're 15 or 60."

He called again for congressional consideration of a lower federal minimum wage for teen-agers than the current \$3.35 hourly rate.

"There are jobs in a drugstore or sweeping up in a barbershop," he said. "The market is telling us they are not worth \$3.35 an hour Damn it, we should be reassessing that."

More jobs for young persons would be available, he suggested, if the federal minimum wage for youth were dropped to \$2.75 an hour.

"I remember the first (weekly) check I got in my life—it was for \$11.87," Donovan said, recalling a stint in

the 1940s as a part-time delivery boy in his native Bayonne, N.J.

But Donovan's greatest interest—unprecedented for any secretary of labor—is in reducing the department's budget and its regulation of employment standards.

"I'm proudest of our ability to get more bang for the taxpayer's buck," he said, referring to his agency's record of absorbing more budget cuts than any other department in 1981.

However, Donovan essentially followed the blueprints drawn by David A. Stockman, director of the Office of Management and Budget, rather than drafting his own plans for spending cutbacks.

"We always thought of him (Donovan) as a darned good soldier," an OMB official said.

A key Stockman target was public service employ-

ment, the federal program for channeling funds to states and cities to create jobs for the hard-core jobless. Its elimination saved \$5 billion a year. Other changes saved \$2.5 billion in unemployment benefits, mainly by reducing the amount of extended payments in states where joblessness was below the national level.

Labor Department outlays, which hit a peak of \$32.1 billion this year, are scheduled to decline to \$24 billion a year by 1985 under current plans.

Paradoxically, some of the cutbacks affected job-finding services in a time of rapidly rising unemployment. Under Donovan's

cutbacks, for example, 800 federal-state employment offices were closed, a total of 1,207 employees were fired and, as part of the new austerity drive, 210 others were put on four-month furloughs.

The reductions hit hard at the Bureau of Labor Statistics, a venerable and respected research arm of the department, and forced the elimination of 19 fact-gathering programs.

A monthly survey of factory layoffs, new hirings and resignations was dropped, even though it long has been used as one of the 12 "leading indicators" to gauge the future direction of the economy. Five industry wage surveys, a program for computing typical family budgets and a comprehensive list of strikes also were discarded under budget pressures.

'Can't Cut Any More'

"We really can't cut any more," said Janet L. Norwood, commissioner of labor statistics, who credited Donovan with intervening with President Reagan to prevent additional reductions in bureau funds. "Obviously, I would prefer to have a different kind of budget climate."

In the Occupational Safety and Health Administration, Donovan has ordered less confrontation and more cooperation with corporations covered by OSHA rules.

He said his policy will mean fewer inspections of companies with a low number of lost man-hours from job accidents, but he insisted that the government would "come down like a ton of bricks" on high-hazard industries.

George Taylor, AFL-CIO specialist in safety and health issues, on the other hand charged that Donovan has been "cutting the guts out of OSHA" through administrative changes without going to Congress to change the law.

Exemptions have been expanded, inspections have turned into consultations and standards have been relaxed, Taylor said. "The goal is to make it as easy on management as possible," he said.

In some areas, enforcement has been stepped up considerably. Donovan cited statistics indicating that indictments and convictions for racketeering and pension fund fraud have more than doubled since he arrived.

"It's my job to disorganize labor," Donovan said in an interview—then quickly corrected himself, saying, "I mean to disorganize crime."



'There is a . . . view that there is an exhaustible supply of jobs. . . . I think there are jobs waiting for people whether they're 15 or 60.'

97th Congress

2d Session

*Dept of
Labor*

Committee Resolution

Mr. Hatch and Mr. Kennedy submitted the following resolution to the Committee on Labor and Human Resources.

RESOLUTION

To Authorize a Committee Investigation
and Depositions Therein

WHEREAS, the Committee did conduct hearings on January 12, 1981 and January 27, 1981 on the Presidential nomination of Raymond J. Donovan as Secretary of Labor, and, in connection with said hearings, did rely on the FBI to give evidence including testimony to this Committee;

WHEREAS, the FBI did represent to this Committee that the background investigation of Secretary Donovan that they conducted had been thorough and complete and had surfaced no information which would reflect unfavorably upon Secretary Donovan in any manner;

WHEREAS, this Committee has reason to believe that the information provided to this Committee was incomplete and not provided in a timely manner;

WHEREAS, this Committee feels an obligation to determine whether the confirmation process worked effectively and in the public interest;

WHEREAS, this Committee must now determine whether to modify its own procedures provided in Committee Rule 18 for confirming Presidential nominees;

WHEREAS, for the expeditious conduct of this investigation, it is necessary that Special Counsel to this Committee and other Committee

staff members conduct depositions of witnesses and obtain affidavits under oath;

WHEREAS, under Senate Rule XXVI and 28 U.S.C. § 1364 (a), a Committee may authorize the issuance of subpoenas and the taking of depositions, and under 5 U.S.C. § 2903 (c) (2), an oath authorized under the laws of the United States may be administered by an individual authorized by local law to administer oaths: Now, therefore, be it hereby

RESOLVED that the Committee authorizes an investigation to resolve any and all questions concerning whether the Committee received full, complete and timely disclosure of all information in the confirmation of Secretary Donovan and whether this Committee should modify its own procedures for recommending confirmation of Presidential nominees.

2. (a) The Chairman and Ranking Minority Member shall be authorized to notice depositions anywhere in the continental United States and to specify the time and place for said depositions. Depositions shall be in private and may be conducted with or without the presence of members provided both a majority staff member and minority staff member are present. The Chairman or the Ranking Minority Member may require that a deposition not commence without a member (or members) of the Committee in attendance; in such cases, the notice of deposition shall so state. Special Counsel to this Committee and staff designated in writing by members of this Committee may question the deponents, who shall be sworn by persons authorized under local law to administer oaths.

(b) Objections by any deponent as to the form of questions shall be noted in the record of the deposition. If a witness objects to a question and refuses to testify on the basis of relevance or privilege,

the Special Counsel or staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the Chairman of the Committee or the Ranking Minority Member. If the Chairman or Ranking Minority Member overrules the objection, he may refer the matter to the Committee or he may order and direct the witness to answer the question, but the Committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been so ordered and directed to answer. The depositions shall be transcribed. A transcript of the deponent's testimony shall be provided to the deponent only to correct errors in transcription and to sign the transcript as corrected (if the deponent notes any corrections) but not to revise the testimony given. The deponent shall return the transcript to the Committee for filing, no later than two days after the deponent is provided a copy of the transcript. Each deposition transcript shall be filed by the Special Counsel or staff with the Clerk of the Committee or the Clerk's designee. The Committee may place such deposition transcripts in the record of its public or closed hearings or base findings in reports on them or may retain them on file.

(c) The Committee may initiate procedures leading to criminal or civil enforcement proceedings in the event a subpoenaed witness fails to appear at a deposition.

3. The staff may obtain affidavits sworn to before a person authorized under local law to administer oaths. Each affidavit shall be filed by the Special Counsel or staff with the Clerk of the Committee or the Clerk's designee. The Committee may place such affidavits in the record of its closed or public hearings or base findings in reports on them or may retain them on file.

4. The Chairman, or a member designated by him, is authorized both to authorize and to issue subpoenas for witnesses and documents for this investigation under the procedure provided in Committee Rule 17(c) and the subpoenas may be returned either at depositions or at hearings. A complete and current log of, and set of copies of, all subpoenas, deposition notices, deposition transcripts, and affidavits shall be maintained by the Clerk of the Committee, or the Clerk's designee, for inspection by any member of the Committee.

5. Meetings and hearings of this investigation may be called by the Chairman or by a member designated by him. The quorum shall be one member for hearing sworn testimony.

6. The Committee may poll any business concerning this investigation under Committee Rule 6.

7. No release to the public of deposition transcripts or affidavits or their contents, except through hearings or reports, is authorized.

8. A copy of this resolution, and of the Committee's rules, shall be furnished with each subpoena and to each witness at a deposition or hearing.

June 23, 1982

THE WHITE HOUSE
WASHINGTON

Attached sent to:

Ken Cribb
Ed Ralkus
Ed Hickey
Paul Weyrich
Dava Rohrabacher
Al Aguirre
Ed Gray
Anne Higgins
Bob Hanserfluck
Gerry Carmen
Gary Bauer

*Dept of
Labor*

THE WHITE HOUSE
WASHINGTON

June 23, 1982

TO: Ed Rollins

FROM: Morton C. Blackwell

The attached editorial from today's Wall Street Journal shows how far out on a limb Senator Bobby Byrd has led Senate Democrats. There is usually a public reaction against a lynch mob.

Wall Street Journal / June 23, 1982
Donovan's Ride

President Reagan has been in politics long enough to know that it's bad form to chuck a loyal aide off the sled just to appease the baying pack. Hence, he has stood by Labor Secretary Donovan pending the outcome of a special prosecutor's investigation into the secretary's alleged former contacts with organized crime figures.

In this he has support from a lot of people who have wondered at the unseemly haste of Senate Democrats in wanting to get Mr. Donovan removed before the prosecutor reports later this month. Mr. Donovan, for his part, issued a tough statement Monday accusing the senators of engaging in a "wonderland school of justice that stands for judgment now, trial later."

We ourselves don't know what, if anything, Mr. Donovan may have been guilty of and we're certainly willing to wait a few more days to see what the prosecutor has learned. It could be, for example, that Mr. Donovan's only serious crime has been to take an ax to the Labor Department's budget, lopping off some of those nice subsidies that went to labor unions for "training programs" and other forms of community action. That is a very serious offense in Teddy Kennedy's court and the chambers of the AFL-CIO. But one man's crime is another man's reform and some of us have felt

for years that taxpayer money should not be doled out quite so generously and blatantly to build political support as was the case in the preceding administration.

Mr. Reagan has a good means readily at hand for testing just what it is that has troubled the Senate Democrats. He can name, right now, a successor to Mr. Donovan to step in if it is found necessary or desirable for the secretary to step down. Several possibilities come to mind.

Archie McCardle, the former International Harvester chief executive who was brought to grief in part by the UAW, would no doubt welcome a chance to put his hard-won knowledge of the workings of organized labor to public use. Surely there must also be some former executive of J.P. Stevens who could bring a similar experience background to the job should Mr. McCardle not be willing to take it on. The California Farm Bureau could probably come up with an able nominee from among the growers who know the problems of Cesar Chavez and the Teamsters.

If Mr. Reagan puts forth some such name and the 46 Senate Democrats still want Mr. Donovan to step aside, we'll know that there is nothing on their minds other than a desire to do their duty to God and country.

THE WHITE HOUSE

WASHINGTON

June 15, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

THRU: DIANA LOZANA

FROM: MORTON C. BLACKWELL 

SUBJECT: Conservative Support for Secretary Donovan

Attached is a news item from last Friday's Philadelphia Inquirer which accurately points out that conservative groups are strongly supporting Ray Donovan.

The support is much deeper than even this article suggests.

Here is the analysis which is being circulated by Paul Weyrich and other conservative movement leaders:

1. Over many years organized labor exerted itself to swell the budget of the Labor Department and expand the authority of the Secretary of Labor. During the transition, Mr. Donovan told the astonished Kitchen Cabinet that, as Secretary, he would have at his discretion \$600 million, far more than any other Cabinet officer. Many additional billions of dollars had been built into the Labor Department budget to be lavished on union bosses and their pet projects.
2. With vigor unsurpassed in the new Administration, Secretary Donovan cut the swollen Labor Department budget, slashed the discretionary funds available to the office of the Secretary, and reduced the tax money flowing to the coffers of organized labor and their cronies. In pursuit of the President's program of regulatory reform, Secretary Donovan moved effectively to balance the interests of union and non-union workers with the legitimate interests of labor leaders, most notably in the areas of reform under the Davis Bacon Act and regulation of the often-abused \$600 billion in union pension funds.
3. The interlock between organized crime and powerful elements of organized labor has been demonstrated many times in trials and congressional investigations. Undoubtedly the vigorous budget cutting of Secretary Donovan has ended the gravy train for many a mobster in the camp of organized labor. These are not people who take setbacks gracefully.

4. Suppose, for the sake of argument, you were a leader of organized crime trying to protect Secretary Donovan. Would you put a thug on the phone to threaten, of all people, Orrin Hatch? Would you, after murdering someone alleged to have picked up pay-off money from Donovan, leave the corpse to be found in the trunk of an abandoned car in downtown Manhattan?

5. On the other hand, suppose you were a union-related mobster smarting from the loss of power and money Donovan had cut off. Would it occur to you to have a phony threat made against strait-laced Orrin Hatch? Would it occur to you to leave, where it must be found, the corpse of someone alleged to have picked up mob money from Donovan?

This whole situation reeks of a frame-up. At the wide interface of organized labor and organized crime, life is cheap and perjury is virtually free.

Conservative activists see that Secretary Donovan has done a very good job for the President. They see no credible evidence of any wrongdoing by him. They see liberal Senate staffers engaged in a vendetta against Donovan. They see evidence which, when studied, appears most likely to be an underworld effort to do the maximum damage to Donovan.

If this Administration abandons Donovan under fire, in absence of a shred of proof against him, we would suffer great demoralization.

Not only would our outside allies be dismayed at our abandonment of a key organizer of the President's nomination and election. We would almost surely see rapid alienation and departure of others now in the Administration who are here because they want to serve the President, not because it is a swell way to make a living.

Donovan has backing of conservative groups

By Aaron Epstein
Inquirer Washington Bureau

WASHINGTON — Secretary of Labor Raymond J. Donovan, battered by accusations that his past is shady, has been quietly piling up credits among people who could help him keep his job.

Donovan, after a dismal start in his cabinet post, has been steadily gaining support among the business and conservative groups that form a vital part of the Reagan constituency.

That could mean survival for the beleaguered labor secretary if he is cleared by a special prosecutor of an array of accusations that he has had links to organized crime.

Still, there are some top White House officials who predict that, like former national security adviser Richard V. Allen, even an official finding of innocence will not save Donovan. He will be eased out of his cabinet job after a decent interval because he is an embarrassment to the administration, these sources say.

In the meantime, Donovan is compiling a record that comforts some people whose opinions count with the White House.

For example, Randolph Hale, a vice president of the National Association of Manufacturers, said that in conversations with the White House, "We've indicated to officials there that we're happy with him."

Even Sen. Orrin G. Hatch (R., Utah), one of President Reagan's strongest supporters in the Senate and chairman of the Senate Labor and Human Resources Committee, which has frequently clashed with Donovan, praised the labor secretary's overall performance.

"Ray Donovan has certainly not had an easy time of it since he was sworn in. I think that under the circumstances the department has made some significant strides under his direction," Hatch said in an interview.

At the conservative Heritage Foundation, a research organization whose recommendations often are translated into administration policy, Donovan's marks are improving, too.

After Donovan's first year in office, Heritage credited the Department of Labor with taking action on 53 of its 115 proposals. Richard N. Holwill, a Heritage vice president, said the record is even better now from his group's standpoint.

How does President Reagan evaluate Donovan? "He feels Donovan has done a solid performance over there," White House communications chief David Gergen replied.

Business and conservative groups have said they were favorably impressed by the Labor Department's efforts to shift employment programs from public jobs to training for jobs in private enterprise, to exempt more businesses from affirmative action, to cut the numbers of workplace inspections for health and safety violations, and to weaken the Davis-Bacon requirements that workers on federally subsidized construction projects be paid prevailing local wages.

All of this has enraged organized labor which, apparently for the first time, has no official relationship with the secretary of labor.



Raymond J. Donovan
Has found useful friends

"Officially, we ignore him," said AFL-CIO public information director Murray Seeger. "Lane Kirkland (AFL-CIO president) refers to him as 'Secretary Who?' There has been no high-level contact with him since February 1982 when he came to Florida and made an a— of himself."

It was at the AFL-CIO meeting in Bal Harbour, Fla., shortly after Donovan took office, that he provoked the scorn of labor leaders by announcing he "sensed" that 50 percent of them agreed with the Reagan economic program.

Marvin Kusters, director of government regulation studies for the American Enterprise Institute, a conservative think tank, said he believed that Donovan had benefited from his shift during the last year to "a low-profile approach."

"He is not a lightning rod, that's for sure," Kusters said. "So if he survives the investigation (of the special prosecutor), he has no enormous political liability to overcome."

At the same time, however, Holwill said he saw a leadership vacuum at the Labor Department. "I don't see him (Donovan) motivating his people and gearing up his staff, probably because he's preoccupied by those other problems."

Those "other problems" involve multiple accusations that Donovan, while a top official of the Schiavone Construction Co. of Secaucus, N.J., had dealings with mobsters and was involved in — or condoned — payoffs and bid-rigging.

Specifically, special prosecutor Leon Silverman and a federal grand jury in New York, plus Hatch's Senate Labor and Human Resources Committee in Washington, are looking into allegations that Donovan had ties to three reputed members of the Genovese crime family of New York.

One of the mobsters, the late Salvatore "Sally Bugs" Briguglio, regularly furnished confidential bidding information to Donovan in exchange for payoffs, according to one FBI tipster. Yet Donovan testified under oath to Hatch's committee: "I have never met the man (Briguglio)."

Donovan also has been linked by FBI informants to the alleged payment of a \$2,000 bribe and other gratuities by Schiavone Construction to officials of Laborers Local 29 of New York, which is said to have relationships with organized crime.

In addition, a New Jersey businessman, James J. Donelan, reportedly told investigators of his conversations with Donovan about New Jersey Turnpike bid-rigging. Hatch said Donelan appears to be the only witness against Donovan who has no criminal record.

Donovan has denied all these allegations, branding many of his accusers liars and crooks.

Now, though, the Senate committee has turned its attention to the suspicion that the White House and the FBI withheld information about Donovan from the committee before the labor secretary's confirmation by the Senate on Feb. 3, 1981.

Yesterday, White House counsel Fred Fielding issued a statement denying there was any White House effort to curtail the FBI's background investigation of Donovan. He said he had been told by the FBI of reports that Donovan had accompanied reputed mobster William P. Masselli to the 1979 Super Bowl game in Miami. Fielding said he told the FBI, "It was his personal view that little purpose would be served by interviewing Mr. Donovan about this allegation at the time."

But Fielding said the future course of the investigation was left to the FBI to determine.

For months, Hatch's investigators and the Labor Department battled over access to evidence sought by the Senate committee. Hatch has fumed publicly over Schiavone's employment of private detectives to investigate the Senate investigators, and over telephone death threats to the home of one of his aides.

But these well-publicized conflicts do not mean that Hatch is urging Donovan's removal or that cooperation between the two men has evaporated, according to Hatch's aides.

"Sure, there has been personal friction," said Ed Darrell, spokesman for Hatch, "but you've got to put that in perspective. Most of it has been just normal turf battles between the executive and legislative branches. And we are getting more cooperation (from the Labor Department) in our investigations now."

Indeed, Hatch himself credits Donovan with making "a number of operations run more smoothly" and with pushing "onerous" Occupational Safety and Health Administration (OSHA) rules "in the right direction."

In recent months, OSHA has exempted workplaces with good safety records from inspections, announced plans to revise its tough cotton dust standards, refused to regulate exposure to formaldehyde as a cancer hazard and abolished 250 jobs, mostly those of safety and health inspectors, to name just a few changes that pleased business and incensed organized labor.

September 2, 1982

JOB TRAINING VS. SON OF CETA (S. 2036, H.R. 5320)

INTRODUCTION

The federal government has been committed to creating jobs and providing training for the unemployed for decades. Its most ambitious effort was the 1973 Comprehensive Employment and Training Act (CETA). Since that time Congress has given over \$53 billion to CETA to move the disadvantaged into the economic mainstream. For all of this, chronic unemployment has been affected very little. Despite its laudable goals, CETA has come to symbolize wasteful government spending. Critics of the program argue that it either provides dead-end public sector jobs or provides training that fails to prepare its participants for existing employment opportunities. With the expiration of CETA this September 30, the U.S. has an important opportunity to reexamine past policies and develop a more effective plan to deal with chronic unemployment.

Proponents of government employment and training programs argue that these programs can offset the market's failures to produce enough training and other labor market services. Insufficient private sector training, it is argued, occurs because firms will not train workers who may change jobs and because workers may be unable to finance the training themselves. Government provided training opportunities, it is maintained, could compensate for this deficiency through an investment in "human capital".

Training programs that focus on structural problems may indeed improve the employability of their participants. Yet the unemployed ultimately must rely on an expanding economy to provide permanent jobs. To this end, the federal government must adopt fiscal, monetary and regulatory policies necessary for a healthy and growing economy. Ronald Reagan's original four point economic program of lowering government spending, reducing taxes, reforming counterproductive regulations and restoring a stable

and deaccelerating monetary policy to reduce inflation is designed to do just this. The Administration has made some gains in this area; much more remains to be done.

What must not be done is to repeat the mistakes of the past. Congress is considering new legislation to replace the expiring CETA program. Two bills (S. 2036, H.R. 5320) are aimed at providing job skills to the long-term unemployed. Neither provides funding for public service jobs, the most criticized component of CETA. Both bills provide a greater role for the private sector in the planning process and authorize a training program for "dislocated workers" who have lost their jobs as a result of long-term changes in the economy. Despite similarities, the bills differ in important respects. The Administration-backed Senate bill grants state governors principal authority over the size and scope of local programs. In addition, it prohibits trainees in most cases from receiving wages or stipends for their participation. The House bill, on the other hand, looks distressingly like the son of CETA. It retains the CETA structure in which city and county governments primarily control local programs and financial support for needy individuals participating in training sessions. These provisions are precisely those which many experts feel have made CETA so ineffective and such a waste of money. The choice before Congress clearly is: real job training or son of CETA.

BACKGROUND¹

The federal government has a long history in employment and training activities. During the Depression years of the thirties, it established massive public works and public service employment programs to assist millions of the unemployed. In the following decade, the Employment Act of 1946 explicitly committed the federal government to full employment, defining the federal role as one promoting "maximum employment and purchasing power." It was not until the early sixties, however, that the federal government, under President Kennedy, began taking an active role in employment and training programs. The principal objective of these programs has been to improve the competitive position of individuals in the labor market.

At first, these programs were directed at individuals whose skills had become obsolete because of rapid automation. The emphasis soon shifted, however, to the economically disadvantaged

¹ For a review of employment and training programs, see: Peter Germanis, "The Job Training Act of 1982," Heritage Foundation Issue Bulletin No. 84, May 6, 1982, pp. 3-7. Also: Janet W. Johnson, "An Overview of Federal Employment and Training Programs" in National Commission for Employment Policy, Sixth Annual Report to the President and the Congress, December 1980, pp. 49-139.

who had few marketable skills. The Emergency Employment Act of 1971 authorized the first major job creation program since the 1930s, known as the Public Employment Program (PEP). It renewed the federal government's commitment to the newly unemployed. Two years later, in an effort to turn over the control of job training programs to state and local governments, CETA was enacted.

CETA incorporated a wide array of programs to deal with joblessness. Its two basic approaches were direct job creation through public service employment (PSE) programs and skill training. Though federal job creation programs such as PSE have temporarily employed the disadvantaged, they have done so at a tremendous cost, without significantly improving the employability of their participants. To some extent, they merely have substituted PSE jobs for unsubsidized employment in the labor market.

The two major types of programs included under the rubric of skill training are on-the-job training (OJT) and classroom or institutional instruction. The Manpower Development and Training Act of 1962 was the first comprehensive federal manpower program and promoted on-the-job training, classroom training, remedial education, and job placement. The program's early efforts focused on retraining workers whose skills had become outdated by automation. Its emphasis soon shifted to minorities, the economically disadvantaged, and unemployed youth who lacked the basic skills for entry level positions.

The classroom kind of skill training has improved the employability of the disadvantaged. While such training has provided needed skills, such as basic literacy and computation and communication skills, it has had less success than on-the-job training programs.

In terms of earnings gains and job placement, OJT programs have been the most successful employment and training efforts. For example, in 1977, those who had been enrolled in OJT the previous year earned \$839 more compared to workers who had not enrolled in federal programs. By contrast, those who only had classroom training earned \$347 more, while PSE resulted in \$326 more; those in "work experience" programs, consisting mainly of make-work jobs, actually earned \$187 less than a comparison group which participated in no CETA activities.² OJT also appears to boast CETA's most successful job placement rate. In 1980, OJT program participants went on to find jobs 63 percent of the time compared to a 43 percent placement rate for those who studied job skills and a 34 percent rate for nonoccupational training.³ The average cost of placement in PSE was about 2 to 3 times higher than under training programs. In 1980, it cost from \$17,000 to \$22,000 for each PSE worker placed in unsubsidized employment compared to only \$5,000 to \$11,000 per

² William J. Lanouette, "Life After Death--CETA's Demise Won't Mean the End of Manpower Training," National Journal, February 6, 1982, p. 242.

³ Ibid.

placement of training programs.⁴

Though on-the-job training is clearly the most effective strategy, ironically it has been the least used. The most common, classroom instruction, has enjoyed only moderate success. PSE and work experience programs, which grew considerably during the seventies, are the least effective in generating private sector employment opportunities.⁵

Under CETA, most of the funds are allocated to "prime sponsors"--either state, county and municipal government consortia of local governments. The prime sponsors, in turn, hire subcontractors--companies, colleges, universities, technical schools, and community organizations to operate the training and work programs. As the failure of programs such as PSE became more and more apparent, private sector involvement was increased. In 1978, private industry was given a statutory role with the development of Private Industry Councils (PICs) to improve coordination of job training programs with local labor markets. Over half of each council's membership must come from the local business community, with the remainder drawn from labor, educational institutions and local governments. Much of the criticism of CETA has been its failure to coordinate its employment and training efforts with the private sector. The PICs can design and implement training programs but cannot run them. Their role thus far has generally been advising the prime sponsors.

JOB TRAINING LEGISLATION

The House and Senate have both passed job training bills to replace the expiring CETA program. They disagree over such key provisions as the level of control (state vs. local) and whether participants should receive payment. The Senate bill (S. 2036) is a compromise measure with the Administration, which itself had introduced a bill earlier this year (S. 2184). The Senate bill passed unanimously on July 1. The House bill was approved on August 4 by a vote of 356-52. The differences in the two bills will be reconciled in a House-Senate conference committee after the Labor Day recess.

AUTHORIZATION AND ALLOCATION OF FUNDS

Both bills authorize federally funded employment and training programs. Neither gives a specific spending level, but calls for "such sums as may be necessary." These funds are to be divided among several programs such as employment and training

⁴ Office of Management and Budget, Fiscal Year 1982 Budget Revisions: Additional Details on Budget Savings, April 1981, p. 236.

⁵ In fiscal 1980, they claimed about \$3.8 billion or 41 percent of the total \$8.9 billion in CETA outlays. At the Administration's request, Congress eliminated the PSE program last year.

services for the disadvantaged, the displaced worker, Job Corps and others, with most going to the disadvantaged. The House bill originally had a price tag of \$5.4 billion for fiscal 1983, but this was dropped to accommodate one of the Administration's major objections. The Job Corps program was the only one that retained a specific authorization amount of \$650 million in the bill. Funding for the Senate bill was estimated by its sponsors to be about \$3.8 billion for fiscal 1983, but the Congressional Budget Office estimates that actual outlays would only be about \$2.7 billion. Both bills exceed the proposed funding level of \$2.4 billion in the Administration's original bill, but are well below what CETA spent during its peak years.

PROGRAM ELIGIBILITY

The Senate and the House proposals concentrate on the hard-core unemployed whose lack of education and basic job skills are barriers to entry into the labor market. The new legislation would restrict eligibility to the economically disadvantaged, which would include those living at or below the poverty level or less than 70 percent of the lower living standard established by the Labor Department's Bureau of Labor Statistics (BLS).⁶ The Senate version also includes those receiving cash welfare or who are members of families receiving such payments under a federal, state or local program or are receiving food stamps. The House bill excludes the provision for food stamp recipients, but broadens the eligibility requirements somewhat by adding not only families that actually receive cash welfare payments but also: 1) those whose families would have been eligible for such assistance in the preceding six month period, 2) disadvantaged foster youth who are supported by state and local governments and 3) handicapped persons who would qualify individually as needy even though their families may not be poor. The Senate measure mandates that 50 percent of the funds be used for individuals under the age of 25; the House targets 50 percent to persons 16 to 21 either in or out of school.

Both bills exempt up to 10 percent of the participants from the income test if they face serious barriers to employment. Examples of this include those with a limited command of the English language or those who are displaced homemakers, teenage single parents, older workers, veterans, ex-offenders, alcoholics or addicts. The House provides these services regardless of income, while the Senate imposes an income cap for all but the handicapped and displaced workers of the higher of 250 percent of the poverty level or 175 percent of the BLS lower living standard.

⁶ The BLS lower living standard is basically just an alternative to OMB's measure of the poverty level. The BLS measure adjusts for differences in the cost-of-living across geographic regions.

Both measures authorize a separate program for "displaced" workers.⁷ They also reauthorize national programs for Indians and migrant and seasonal farm workers as well as the old Job Corps program.

Before reaching its compromise with the Senate, the Reagan Administration had wanted to target funds only to those most in need -- beneficiaries of the Aid to Families with Dependent Children program and out-of-school youth between the ages of 16 and 25. The Senate bill broadened somewhat the eligibility standards but preserves the Administration's basic goal. The House bill, however, defines eligibility much more loosely. Example: it does not differentiate between those actually receiving public assistance and those "eligible" for such aid, nor does it concentrate funds to the non-disadvantaged, i.e., those facing serious employment barriers, at the lower income levels. While the eligibility conditions in the Senate bill are restrictive enough to ensure that those facing the most severe economic hardship remain the primary beneficiaries of a job training program, the House bill may affect adversely those most in need by distributing the funds across a broader target group.

Both bills provide considerable funding to youth. This aims at alleviating the high teenage unemployment rates, particularly among minorities. Their lack of education and training makes them the least able to compete in the labor market.

The two bills also allocate potentially sizeable sums for training displaced (or dislocated) workers. While there may be a general consensus that the economically disadvantaged are an appropriate group on which to focus employment and training assistance, the case is not as obvious for "mainstream" workers who lose their jobs as a result of structural changes in the economy. In fact, a study for the National Commission for Employment Policy concludes that there is little support to warrant federal assistance for displaced workers.⁸

The findings from this report reveal that the size of the dislocated worker population is relatively small. The mere fact that a worker is dislocated, moreover, is a weak indicator that an unemployed person will "suffer long periods of unemployment, special difficulties becoming reemployed, or extreme economic hardship while unemployed." In terms of education, the study finds that dislocated workers are more likely to possess a high

⁷ The displaced, or dislocated, worker refers to the unemployment who have earlier experienced relatively stable work histories, high skill levels, and high wages. Their unemployment is largely a result of structural changes in the American economy.

⁸ See Marc Bendick, Jr. and Judith Radlinski Devine, "Worker Dislocated by Economic Change: Do They Need Federal Employment and Training Assistance?" in National Commission for Employment Policy, Seventh Annual Report: The Federal Interest in Employment and Training, 1981, pp. 175-226.

school diploma than the economically disadvantaged, and naturally are very likely to have higher incomes. In the year before their unemployment, dislocated workers received higher levels of compensation than the disadvantaged and were more likely to be recipients of unemployment compensation and/or have other family members who are employed. As a result of their higher education and income levels, displaced workers are more capable of financing their own retraining. Finally, if dislocated workers do experience unusually long periods of unemployment, it generally reflects "past and present affluence rather than past or present distress." Two contributing factors to any prolonged spell of unemployment for these workers are their immobility resulting from homeownership and the financial incentives to remain unemployed inherent to the various unemployment insurance programs.

This is not to say that displaced workers do not suffer. Providing such workers assistance, however, raises very serious questions of equity and efficiency. Given the federal government's limited public resources Congress should be focusing its efforts solely on the most disadvantaged. To the extent that funding is provided to dislocated workers, it should be restricted to those with the greatest difficulties, e.g., the long-term unemployed. Otherwise, Washington may find itself paying for services that are not needed or that could have been financed by the participants themselves.

ALLOWABLE ACTIVITIES

Under the Senate bill, allowable training activities include on-the-job training (for which employers receive reimbursement for up to 50 percent of the wages to eligible employees to compensate them for their training costs and the lower productivity of the trainees), basic and remedial education, work preparation, job search training and other job training activities that prepare the economically disadvantaged for and place them in employment. The Senate measure also calls for supportive services such as transportation, health care, child care, meals, temporary housing and other reasonable expenses for participants who cannot afford to pay for them and without them would not be able to participate in the program. Other restrictions limit states to spending no more than 30 percent for administrative and support services, although individual programs within a state could exceed the ceiling for such costs. In addition, the bill prohibits using job-training funds for public service employment and for paying wages, allowances and stipends to participants.⁹

The House bill also provides a wide range of training and supportive services, but eases considerably the financial restrictions imposed by the Senate version. The House legislation

⁹ The bill does grant an exemption to this ban on wages for the Summer Youth Employment and Training program. The House bill does the same.

permits payment of wages, training allowances, and needs-based stipends, as well as "completion stipends" that are supposed to be incentives for program participants.

Both bills emphasize the two most successful elements of CETA: on-the-job training and classroom instruction programs. Unlike CETA, they do not include a massive public service employment program, which was the most costly and least effective element of the program.¹⁰ If the House is serious about improving the employability of the unemployed, it should explicitly limit funding to programs that provide their participants with training rather than with veiled income transfers. Providing the disadvantaged with training and basic skills, on the other hand, could improve their chances of obtaining productive employment in the private sector. This investment in "human capital" could help restore productive growth to an economy characterized by stagnation in recent years.

An important difference between the Senate and House bills is over wages and allowances. This reflects key differences in philosophy regarding the role of government in the labor market. The Administration long has opposed providing stipends, allowances and wages in a training program because they divert funds from training while creating an alternative income support program. Indeed, instead of training, they often have amounted to living allowances, claiming about half the resources of some training programs. Yet the objective of any new job legislation must be training--not income support. The Department of Labor notes that in the past "some of the participants have come for the money and not for the training." This is why the Administration worked hard with the Senate earlier this year to craft a bill to maximize the number of persons trained under the new legislation. By barring the use of funds for the payment of wages and allowances to training participants, 70 percent of the funding can be targeted specifically for training. By contrast, a mere 18 percent of CETA funds went for training, with the rest devoured by administrative costs and direct payments to participants. Even under the Senate bill, welfare recipients could continue to receive their welfare payments during training, and many others would have their own source of income because employers would be paying them during their training period.

The House also requires at least 70 percent of the funds be spent on job training. This provision, however, is not the same as the Senate's. Representative James Jeffords (R-VT) had offered an amendment mirroring the terms of the Senate's bill, which specifically prohibit the use of funds for supportive services from being counted as direct training costs. Yet Paul Simon (D-IL) introduced a substitute amendment that allows spending for supportive services to be included in the 70 percent minimum. Simon's intention apparently, was to decrease the funds spent on training and increase those on overhead and welfare payments. He succeeded. As a result, the House bill allows funds meant for

¹⁰ At the Administration's request, Congress eliminated the PSE program last year.

legitimate training activities to be channeled to income support. If the House wants to support the needy, then it should do so through welfare programs, not in a job training program.

LEVEL OF CONTROL

The Senate bill gives the governor of a state the responsibility of selecting areas within the state to deliver training services. He must accept any request for designation as a service delivery area from local governments with a population of 500,000 or more and any joint government/business requests from localities with populations of 250,000 to 500,000. Areas with fewer than 250,000 residents may also qualify if the requests are supported by local business organizations, unless the governor decides to merge them with larger delivery areas.

Each service delivery area is required to have a private industry council (PIC). Most of the members of a PIC are to come from the private sector; one of them will serve as the chairman. The remaining members are to come from labor, education agencies, community-based organizations and other interested groups. The PIC's responsibility is to prepare training programs for its respective service delivery area. This includes designating the administrative entity to receive the federal funds and decide which organizations provide the training services.

The PIC may hire a staff and "exercise other powers necessary" in preparing the job training plan. Once the plan is complete, chief elected officials of the local government are given an opportunity to review the plan and then it is submitted to the governor, who can either approve it or disapprove it. In case of conflicts between the PIC and the local officials, the governor decides. In the event that the governor disapproves the plan, the PIC and the locally elected officials can appeal to the Department of Labor.

The governor is to establish a state Job Training Council chaired either by himself or his designee. These councils are to be dominated by business leaders, with at least 51 percent of the membership coming from the ranks of private industry and another 20 percent from locally elected officials. The remaining members are to be drawn from education agencies, the state employment service, community-based organizations, organized labor and other interested groups. The council is to advise the governor on education and training activities in the state, propose service delivery areas, and approve all local plans. Only in a few specific circumstances can the state disapprove of local plans. The council is also to administer funds for state programs as well as funds used within the state and to audit local programs at least once every two years. Finally, the state can vary the national performance standards to meet state and local needs.

At the federal level, the Secretary of Labor administers the national program, reviews the state plans, prescribes national

performance standards and sets fiscal control standards and monitors states.

The House bill rejected the Senate plan making job-training basically a state-controlled program with business groups primarily responsible for planning and operating local programs. Instead, the House bill generally retained CETA's prime sponsor structure. Under CETA, a local government had to have a population of at least 100,000 to qualify as a prime sponsor; the House bill merely increases this to 150,000. Areas with fewer than 150,000 which served as prime sponsors under CETA could continue to be eligible through fiscal year 1988 if they establish joint PICs to serve a labor market meeting the 150,000 requirement. In addition, the governor can designate one or more service delivery areas for portions of the state not served by local prime sponsors.

Prime sponsors must establish a PIC and appoint its members. Membership of the PIC would be the same as under the Senate bill, but the House bill stipulates that at least half of the private sector representatives are to come from small businesses, while the Senate only requires the PIC to include representatives from small businesses. Under the House bill, the PIC and the prime sponsor prepare the job training plan together. This includes determining the use of funds, choosing the administrative entity and selecting the mix of services to be provided. If the PIC wants a staff to assist in preparing the plan, the prime sponsor can make the funds available out of allowable administrative costs, but the prime sponsor can decide whether or not the PIC can have a staff at all. The prime sponsor submits the plan to the Secretary of Labor, with the states only given the right to review and propose modifications.

The House bill requires the state to establish a State Employment and Training Council (SETC) composed equally of four groups: 1) business representatives, including PICs; 2) representatives of state legislatures and individuals from interested agencies; 3) local government officials; and 4) people eligible for the program themselves, the general public, and public interest groups. This council is to be chaired by a public member. Its responsibilities include developing a state coordination plan, reviewing local plans for consistency with it and making recommendations to improve the effectiveness of these programs.

Under the House bill, the Secretary of Labor rather than the governor approves local plans. The Secretary also designates prime sponsors, administers the Job Corps and other national programs and monitors the performance of prime sponsors.

The Senate bill reflects the Reagan pledge to return programs to the states and the private sector. It would replace the prime sponsor structure with one that enhances the role of states in determining the size and scope of programs within their state, although in most cases they would not actually run them. This

relatively simple structure contrasts sharply with CETA's system of about 476 prime sponsors that, in turn, hire about 55,000 subcontractors to administer the training and work programs. This system has been difficult to manage and quickly became a source of local political patronage.

Local governments generally have developed their programs independently of the state government. This lack of coordination frequently has precluded development of a comprehensive plan that matches the skills of program trainees with available positions throughout the state. States more so than the federal government can judge the needs of local labor market areas. Under the Senate bill, the governor, with the help of a business-dominated state council, sets the general policy objectives for the planning process and can review local plans with the final authority for approval or disapproval. Decentralizing job-training programs so that local and state governments are responsible for their administration and planning is likely to make them much more efficient.

The House bill ignores these considerations and retains the present prime sponsor structure with its direct federal-to-local funding system, while only slightly expanding the state's role in program coordination. The training programs would be developed by the prime sponsors and the PICs on the basis of guidelines established by the Secretary of Labor, who would also have the responsibility of final approval or disapproval. The states would be limited to reviewing and proposing modifications in the plan.

PICs were established under CETA to give businesses an opportunity to develop employment and training programs to serve the disadvantaged. As a practical matter, however, they have been mainly used in an advisory capacity, presenting CETA prime sponsors the views and recommendations of the local business community. Although it may be too early to assess how effective PICs have been, it appears that they have in many cases not elicited the active participation of the business community and have failed to produce a meaningful "public-private partnership."¹¹

A major objective of the Senate bill is to strengthen private sector involvement which, after all, is responsible for about 80 percent of all the jobs in this country. The Senate gives the PIC the sole responsibility for developing the local training program, designating the service providers and certifying the training institutions, with local elected officials given the opportunity for review. The House bill, on the other hand, does not give the private sector enough role in the

¹¹ See Committee for Economic Development, "Employment Policy for the Hard-to-Employee: The Path of Progress," June 1982, pp. 5-6.

policy-making process. It gives the PIC joint, rather than sole, responsibility with the prime sponsor for preparing the training program plan. This weakens the role of the business community and complicates the planning process.

There are two other key differences between the Senate and House bills. The Senate requires the private sector provide the majority on the state job training council while the House version gives business and industry only 25 percent representation. In addition, the Senate bill gives the PIC the sole authority in hiring a staff to assist in the preparation of a training program, while the House version allows the PIC to do so only with the approval of the prime sponsor. This may hamper the decision-making process if it precludes the PICs from hiring independent staffs.

The issue of how much control should be given the private sector is important. Unless business has a very active role, trainees probably will not get the type of training that prepares them for unsubsidized employment in their communities. Private employers more effectively can direct the training programs toward the development of skills that will allow trainees to find jobs upon completion of the program. While the Senate bill recognizes this, the House measure does not and perpetuates much of the alienation felt by the private sector in the area of job-training program development under CETA. This will waste the taxpayers' money, and do little to improve the employability of the participants themselves.

PERFORMANCE STANDARDS

Both bills propose to base funding in part on performance standards geared to program outcomes. Under the Senate bill, the Secretary of Labor would set minimum performance standards contingent upon program expenditures relative to program outcomes in terms of earnings gains to participants and reductions in cash welfare payments. The House bill would require the Secretary to establish national performance standards on the basis of the placement and retention rates of participants in unsubsidized employment, earnings gains and income support costs. If these criteria are not met for two years, the governor can make whatever changes necessary to improve program performance. If a prime sponsor does not fulfil the performance standards during two consecutive years, the Secretary of Labor may choose another prime sponsor for the job.

The Senate bill embodies the Administration's New Federalism approach by not only granting states more responsibility in the planning and administration of training programs, but also by holding them responsible for the outcome. The House bill, on the other hand, sets national standards and designates responsibility for performance to the prime sponsors. Though strict performance standards are important, they may, regrettably, lead program administrators to concentrate on those easy to train and with

good chances of getting jobs, rather than the most disadvantaged.

CONCLUSION

The Senate's job training bill is a long-overdue first step in reforming CETA. By creating a concrete training program, it prepares its participants for existing private sector positions rather than acting as a temporary income maintenance scheme as in the past. In particular, the increased participation of the private sector should enhance the program's chances of success. Because business leaders would play a much greater role, training programs would be geared to the skills most in need. This would improve the chances of program participants obtaining employment in the private sector when completing their training. Because 70 percent of the funding would go to training, in contrast to a much smaller percentage under CETA, individuals are more likely to be prepared for employment once the economy improves.

The House bill, though a modest improvement over CETA, still retains many features of the discredited program. It fails to decentralize many of the job-training functions, thereby reducing the probability that the participants will receive the services they need. The House measure also preserves many of CETA's income support elements, thus diverting needed money from training activities.

As promising as the Senate's training program proposal is, it alone cannot resolve the unemployment problem. Even Secretary of Labor Raymond Donovan admits that "unless the jobs are out there, you can train all you will" without affecting unemployment. The fundamental reason for today's high level of unemployment is the slow rate of economic growth experienced in recent years. President Reagan's original economic program was designed to stimulate sustained economic growth that would create more jobs, make incomes higher and reduce dependency on the government for income support. For this to work, spending must fall and claim a shrinking share of GNP. Similarly, marginal tax rates must be reduced beyond the point where it merely offsets inflation-induced tax bracket creep and the already legislated increase in the Social Security payroll tax.

If given a chance, the Reagan economic program will create the kind of sustained, non-inflationary economic growth which will at last eliminate much of the nation's chronic unemployment. Given a chance, the private sector could provide training and employment for many of the unemployed, but this is extremely difficult because of such institutional barriers as minimum wage laws and occupational licensing restrictions. In this situation, some government job training program is advisable. The question before the Congress is whether this program is to be a son of CETA or an effort emphasizing training and private sector involvement.

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