

One source involved in the revamping of the bill, however, noted that HR 50 places the fiscal process as primary — interest rates must be reduced and the money supply increased: i.e., flood the U.S. economy with paper. The goal is clear: gouge already substandard wages through inflation, while the newly printed greenbacks go to balance the books of the bankrupt Wall Street banks.

The deep-seated opposition to corporatism among Midwest workers which has defeated previous fascist effort such as the Mondale National Employment Relocation Act and Woodcock's avowedly fascist ICNEP planning scheme is still strong. Workers are conferring with the U.S. Labor Party on specific plans for converting auto capacity to tractor production — a transition that would demand several thousand more auto workers. USLP Vice Presidential candidate Wayne Evans and Ford UAW workers are touring Michigan, asking the party's tractor conversion program to the UAW picket lines, to meetings with General Motors executives, to the press and politicians.

In the key industrial state of Ohio — targeted by Carter and Wall Street for a massive reduction in blue collar industrial employment — USLP Congressional candidate Tony Curry held six press interviews on stopping the state "Civil Conservation Corps" slave labor legislation during a one-day campaign tour.

would be inclined to oppose the bill are instead succumbing to the blandishments and intense armtwisting of Woodcock, Lane Kirkland, Brookings, Carter, et al., and may support the new draft despite its elimination of their former sine qua non, the "prevailing wage" sop. Keyserling reports that both the UAW and the AFL-CIO were involved in drafting the new amendments.

Union leaders who do accept the Wall Street attack on the unions are inviting a repetition of the lesson taught to the Social Democratic trade union leaders in 1933 in Nazi Germany, who endorsed Hitler's May Day celebration, and found themselves arrested the next day.

## A Precis Of Humphrey-Hawkins Amendments

*Following is a synopsis prepared by the NSIPS Washington Bureau of the revisions of the Humphrey-Hawkins (HR50) bill passed Sept. 16 by the House Education and Labor Committee.*

Under the pretext of reducing the inflationary impact of the legislation, the measure now provides for a higher level of countercyclical stimulation of employment, eliminates all prevailing wage protection, and targets youth unemployment in the unambiguous slave labor fashion that has been recommended by Brookings' Rivlin and Shulze for the last six months.

First, the new provisions reset the unemployment reduction goal to 3 per cent of all the adult unemployment (adult defined as over 20 years of age) within four years of enactment of the bill. This provision allegedly reduces the responsibility that the government assumes for reducing unemployment by excluding a large number of unemployed youth from the target. This reduction of the target population is intended to make the bill look smaller and less inflationary.

Second, however, the bill specifically mandates that youth unemployment be targeted for reduction and that the goal of the bill be to lower the ratio of youth unemployment (16-19) to adult unemployment "as rapidly as feasible."

Third, provisions related to wage scales in government sponsored so-called "last resort jobs" have been amended in such a way as to eliminate all language in the previous versions of HR50 which required prevailing wage type protections. The precis of these changes under the third category in the document released by the committee on Sept. 17 states:

"... Provisions of the amendments answer all criticisms that the last resort jobs on reservoir projects might become too numerous, might draw people away from private employment, and might be at wages that are too high or which conflict with private employment. These new amendments provide categorically that no one shall be eligible for a last resort job who leaves or refuses to accept a private job, including a countercyclical job provided under Title II of HR 50. They provide that such last resort jobs be concentrated in the lower ranges of skill and pay and in no event shall include the type of work to which Davis-Bacon applies. The new amendments provide that the last resort jobs shall not be initiated until two years after enactment, nor without a finding by the President, transmitted to Congress, that all other means of employment are not yielding enough jobs to meet the unemployment reduction goals of the act. The eligibility provisions of Section 206 sub e(4) are

revised to provide that no one shall be eligible for a last resort job who has been unemployed for less than eight weeks and also strike out the wage provisions in 206 e(4) which led some to believe that people might be moved from private jobs to last resort jobs if the wages on the private jobs did not meet certain criteria including prevailing wage. As amended the wage provisions relating to last resort jobs are to the effect that these jobs shall pay not less than the minimum wage and not less than the wage paid by the same employer for people doing the same types of work. Less than this would be unworkable and would degrade previously existing wage standards."

Note: previously, Section 206 of the Humphrey-Hawkins bill included five strictures referring to Federal and state law that guaranteed prevailing wages. These are all strictly excluded from the new amendments. Further, as the Meeds Youth Employment bill previously provided, food, lodging and other expenses can be counted against wage levels in newly authorized but not yet appropriated youth employment programs.

Fourth, the amended version instructs the programs to be responsive to regional imbalances in employment and industrial profile, and not just to be related to nationwide averages. This is a foot in the door for the regional corporatism plans that have been pushed by Rep. Michael Harrington (D-Mass) et al. over the past eight weeks.

These changes in the Humphrey-Hawkins bill remove those provisions which had been used to cement the support of the AFL-CIO traditional layers. Observers here view it as likely that the AFL-CIO Building Trades Department, for example, has gotten under-the-table pledges that the new slave jobs will not compete with their tradesmen — but obviously such a pledge is as worthless as Section 206 was six months ago when that constituted the "promise to labor."

### Keyserling:

#### New Humphrey-Hawkins Will Change The Way Our Economy Is Run

*Sept. 22 (NSIPS) — The following is a transcript of an interview today with economist Leon Keyserling, the chief formulator of the revised Humphrey-Hawkins bill and one of the architects of Franklin Roosevelt's New Deal.*

Q: What are the chances of the Humphrey-Hawkins bill, in its

revised form, being implemented either in this session of Congress, which ends next week, or during the next session?

**Keyserling:** There's no chance of the bill becoming law this year. But these bills don't usually pass the first year they're presented. It will pass the next session.

**Q:** Would you explain that?

**Keyserling:** Yes. The New Deal didn't get all its basic proposals through the first year, 1933. The country has to be prepared for them.

**Q:** Is it true that the Humphrey-Hawkins bill has failed to attract voters, because as some allege, the jobs are dead-end?

**Keyserling:** The new Humphrey-Hawkins bill, which I've worked on, is not concerned with public employment. That's only a fourth priority. What we're aiming at is a bill that changes the way the economy is administered. The new bill provides for a more liberal money policy. We'll lower interest rates; it's a more stimulative policy. The Congressional Budget Office has costed out the new Humphrey-Hawkins bill to cost \$17.5 billion the first year, and \$8 billion for each of the next two years thereafter.

By our freer money policy we will stimulate the creation of jobs in all areas of the economy. That's our first objective. Second, we will stimulate jobs in the private sector dealing with transportation, housing, and so on. Here, the government will provide federal assistance grants, to grant wage stipends. Third, we will start up countercyclical employment, with aid to the cities to set up youth and ghetto employment. Only fourthly will we establish public service jobs, and then only about 1 to 2 million jobs.

**Q:** Will you be able to get the support of the AFL-CIO behind the new version of the Humphrey-Hawkins, in light of the fact that apparently there are no longer prevailing wage provisions?

**Keyserling:** Absolutely: In fact, I've been working with the AFL-CIO and they've been in on the planning and preparation of the new Humphrey-Hawkins bill every step of the way. So has Leonard Woodcock of the UAW. The support of the union leaders will be no problem.

**Q:** Would you agree with the conclusions of the new Brookings Institution study advocating an increase in defense spending?

**Keyserling:** Generally, yes. We probably are falling behind the Russians in weapons. We could spend ten to twenty billion dollars more in defense each year on those grounds.

**Q:** I would have thought that you, as a known liberal, would be against defense spending increases?

**Keyserling:** The movement against defense spending during the Vietnam war made a fundamental mistake which hampers us. It was correct to criticize the war, but it was wrong to say that we couldn't have defense spending and meet our domestic economic needs at the same time. We can have both without any problems.

### **Manpower Commission: Set Slave Wages at \$3 Per Hour**

*Sept. 24 (NSIPS) — The following interview with Sar Levitan, a manpower planner at the Federal Manpower Commission, conducted Sept. 22, has been made available to NSIPS exclusively.*

**Q:** Do you think that the Humphrey-Hawkins bill, as amended by the House Education and Labor Committee, meets your

expectations of providing full employment?

**Levitan:** The amendments ... have to do with the wage levels in the Humphrey-Hawkins bill. The problem of setting wages so that the government does not end up as an employer of last resort is to settle on a realistic wage level. Three dollars an hour would be a good level. There are at least 50 million workers earning less than three dollars per hour who would be glad to have these jobs.

**Q:** Will the Humphrey-Hawkins bill solve the problem of reducing unemployment?

**Levitan:** The bill exaggerates. We're not going to get the unemployment rate down to three per cent without inflation. We can aim to get it down to five-and-one-half or five per cent; after that we'll have to make trade-offs between unemployment and inflation. I must add that I'd be in favor of expanding the Job Corps to provide jobs. (The Job Corps gives paid training in labor-intensive skills to "hard-to-employ" ghetto youth-ed.) We could increase it from its current size of 20,000 three-fold or more. Some youth want to learn to lay bricks.

**Q:** Would you endorse the conclusions of the Brookings Institution advocating increased defense spending?

**Levitan:** Well, it depends what the defense spending would be used for. If it went for weapons to give to the Arabs, I'd be against it. But, otherwise, defense spending would certainly have a very good effect on the economy.

### **Manpower Planner: Let's Start A New CCC**

*Sept. 23 (NSIPS) — The following is a portion of an interview conducted by an independent reporter with Isador Lubin, who was a central figure at the Brookings Institution for many years, and also functioned in the administration of President Roosevelt's National Recovery Act (NRA). The NRA was found unconstitutional in 1935.*

**Q:** The Brookings Institution recently released a study arguing that the U.S. must increase its defense spending by two per cent or three per cent per year over current levels, principally because the Soviets have been increasing theirs. Do you believe this a correct argument and policy?

**Lubin:** Yes, I agree 100 per cent. Defense spending will increase employment. Every time we put a man to work in defense work, the government gets taxes and the worker gets income. If we put 1 million workers to work in defense, there would be a huge increase in taxes and income.

**Q:** What can the government do to build up additional employment?

**Lubin:** It could institute Civilian Conservation Corps (CCC) camps like we had in the New Deal. We could send thousands of unemployed to the camps like we did in the 1930s. In training these workers, we could take a few lessons from the Israelis. They learned that if you can train persons to become soldiers within months, you can train young workers in skills within the same time-span. We already have experience with such programs in the Air Force.

**Q:** Do you think we should re-institute the National Recovery Act codes for each industry?

**Lubin:** No. They restricted production. We should work on building a National Planning Council, like the boys at Brookings are doing.