

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

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

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

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

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

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

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

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

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

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

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

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

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

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