

So that creates — not only in the short run...but also in the longer term, a lot of political and social problems. It might well be worth it, and I say it would be worth it from the social point of view...

If unemployment were reduced, say, to 4.75 percent or 4.5 percent — and at the same time demand were manipulated in favor of the group with the highest unemployment rate — you would end up with the prime people having a higher unemployment rate than they do now. That higher rate of unemployment would be necessary to discipline their bargaining power — their tendency to get wage increases from the labor market. That is the point I was making.

*Below are remarks also from the panel discussion, by Wharton School of Business Professor Bernard E. Anderson:*

Let me suggest what I think would be an innovative and creative program. Take the question of the dreadful condition of housing in the inner city. There is housing abandonment in North Philadelphia on such a scale that you can go block after block and see nothing but boarded-up houses. Why wouldn't it be possible for the mayor of Philadelphia to design a program that would do several things. Number one, merge job-training programs, money for youth, with community development money, something which is difficult to do because of the way the regulations are written. Then, you can take these houses, many of which are owned by the city of Philadelphia, and

rehabilitate them, using some unemployed skilled craftsmen as supervisors and training young people, on the job, in the skills necessary to renovate these houses, thereby killing two birds with one stone. That is one thing that can be done.

*These remarks by British-linked economist Lester Thurow appeared in an op-ed column in the New York Times, Jan 10:*

Since short of genocide there is no policy for altering relative labor supplies, the policy options all lie on the demand side. One can either issue a set of commands ordering firms to change their hiring practices, or one can adopt a system of wage subsidies designed to entice employers to alter their hiring practices. Realistically the only option is the wage subsidy.

A wage subsidy is like a reduction in the minimum wage without the disadvantages that such a reduction entails. Employers respond to a lower net wage in either case. But with a wage subsidy, all employers, not just those who hire at the minimum wage, have an incentive to employ relatively more workers from economic minorities such as the young...

This means some system of wage subsidies is essential. And young people are a good place to start since they constitute a group that includes all racial and sexual groups. This is not to say that wage subsidies are ideal. They will undoubtedly be expensive and messy. There simply isn't anything else.

## Not On Carter's List For Slave Labor Money

Hartford, Conn., so often the test tube for every "urban policy" gimmick that comes down the pike, was not on the list of cities targeted by the Carter Administration for Department of Labor funds for a Youth Jobs Program. While not the final announcement of federal allocations for youth slave-labor jobs, Hartford's conspicuous absence from this week's list of "lucky cities" is a testament to the public opposition raised by trade union officials to the Carter Administration's intent to dismantle the cities and funnel youth into back-breaking jobs at starvation wages.

William O'Brien, Director of the Greater Hartford Building Trades, and Robert Murray, president of Local 35 of the International Brotherhood of Electrical Workers, last week issued an open letter to Secretary of Labor F. Ray Marshall telling him to cancel Hartford's application for \$15 million in Labor Department funds. They issued their letter after a Jan. 4 joint meeting between Hartford's Mayor George Athanson, local unions, and the U.S. Labor Party to discuss opposition to such grants. The mayor also dispatched a letter to the Labor Department urging them to cancel the funds.

Immediately after the publication of the open letter in the *Courant* on Jan. 6, Hartford AFL-CIO President Dorsey hastily dispatched a letter to Labor Secretary Marshall pleading for funds for a youth employment program. His action links him to the pro-Mondale wing of the AFL-CIO, which has publicly endorsed the Administration's fascist urban programs.

Now that the grant has been denied, both the major TV station in Hartford and the *Hartford Courant* editorialized against Mayor Athanson, the Building Trades and the IBEW for committing a "great injustice" against the city. They called for a regroupment of pro-slave labor forces to make a second bid for the funds.

### *No To CETA*

Interviewed by the *Hartford Courant*, Jan. 6, Building Trades Director O'Brien made the issue clear: "The Building Trades took an awful shellacking in the CETA program. We had kids painting houses while their fathers were out of work. We don't want this money to be used against us." CETA was one of the first union-busting urban jobs programs sponsored by the federal government.

Similarly, IBEW President Murray told the *Courant* that the city's coordinator of federal urban programs, Deputy Mayor Nick Carbone, had "put pressure on us to take people in under Affirmative Action and we did. Then the city gave the federal money to nonunion contractors and nonprofit agencies." The *Courant* implied that the police department and the municipal unions had not joined with the IBEW and Building Trades in opposition to the youth jobs program only because they were threatened with budget cutbacks.

### *Test Tube For Fascist Programs*

Hartford has long been the center for experimentation in union busting, slave-labor programs under Carbone's

guidance. The counterinsurgent Carbone, who is directly affiliated with the proterrorist Institute for Policy Studies, was recently touted in a newsletter put out by Lee Webb of the Conference on Alternative State and Local Public Policies (a front for the neo-Fabian Institute for Policy Studies in Washington) for his pioneer work in getting "welfare recipients and municipal unions" to participate in schemes to pass the poverty around.

Last year, Carbone, along with Brian Hollander from the Hartford Institute for Criminal and Social Justice, designed a program to circumvent the Davis-Bacon Act, which requires construction workers in the area to be

unionized. Carbone and collaborators smuggled in low-wage laborers under the rubric of "weatherizing" homes and were allegedly employed in the Community Energy Corporation.

Hartford has many such anti-union nonprofit public corporations, several short-lived and all modeled in some way on the so-called Maverick Corporation. That corporation hires drug addicts and ex-convicts at minimum wage for housing rehabilitation and furniture refinishing. The firm spends \$200,000 each year in government funds and is sometimes a nonunion subcontractor for unionized firms.

## Maverick Corp. A Pretty Impressive Show, Says Ford Foundation

*Last summer, the Ford Foundation conducted an on-site evaluation of Hartford, Connecticut's Maverick Corporation, a nonprofit public corporation designed to bust the city's trade unions. The following description of the program, supplied to EIR by a source in Hartford, shows the operation to be little more than a 17th century workhouse.*

*The Setting:* Most of the Maverick work sites are set in a 67,000 square foot plant formerly owned by Emhart Co., a bottling concern. A clear example of the use of the Director's business skills is his negotiation with Emhart of a deal whereby Emhart sold Maverick the building for \$300,000 and has contracted with Maverick for machine dissembling, stock warehousing and inventory, and occasional machine assembly thereby providing Maverick with the income necessary to purchase the building. Most of the plant is a huge open space cut up into hives of activity...Across the street is tire recapping and several blocks away the housing rehab project. Every area was active except furniture stripping where one supervisor was recently hospitalized with a heart attack. A gas station, one of the first enterprises, has recently closed as uneconomic and unsatisfactory to operate.

Contracts for goods produced by Maverick's enterprises come from private and public sources. There are four salespeople hustling jobs. The City of Hartford has passed a resolution favoring Maverick as a provider of goods and services where possible — a return on their substantial CETA investment.

Following precepts that the supported work experience should approximate as closely as possible the real world of work, Maverick operates very much like a regular business enterprise. Most employees have walked in (some on referral) and if eligible...are either employed or assigned to the control group. There is a two hour orientation on Maverick's rules and regulations (mostly attendance). Job assignments are on the basis of current vacancies; often newcomers start on housing demolition.

*Organization of program:* Participants include ex-offenders, AFDC recipients and youth. A new category of

youth "independent heads of household" will be discussed below. 88 out of the current population of 225 are youth (according to categories; some of the ex-offenders are youth too, so the percentage is higher). None are high school graduates nor have been employed for 30 of the past 60 days. All start at \$2.50 an hour with an immediate incentive bonus of getting \$2.67 an hour if on time every day that week. Twelve months is an unalterable cut off date...

Among the "real work" practices of Maverick are the absence of any formal grievance procedure, individual problems handled on an ad hoc basis with the Director's having final say; no vacations; holidays paid only if employee is present for work the day before and day after the holiday. An incentive gimmick used by Maverick is based on non payment of social security. As a non-profit agency it is allowed not to pay into social security. The Director believes the \$5.85 a week out of the employee's check which would go to FICA has more meaning for them as cash than as social security especially for 17-20 year olds. ...

Certainly Maverick is perceived as a success in Hartford; it is employing 225 people who would otherwise be unemployed, it is generating \$1 million in revenues, it is providing some necessary low cost goods to the city. It has become the focus of two associated efforts — housing rehabilitation and an Able Bodied Youth program.

*Housing Rehabilitation:* In order to have more work to do, Maverick purchased for \$1.00 from a bank a condemned six family dwelling on Elmer St., a few blocks away from Maverick's factory. They rehabbed the building for \$72,000 and are presently renting five of the apartments for a total income of \$15,000. They cannot sell the house because of the neighborhood. In concert with Hartford's own plans to rehabilitate parts of the city and with the blessing of Nick Carbone, the all powerful chairman of the City Council, Maverick has taken over the total upgrading of a six-square block area (including their first house), 175 structures...