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In reference to your column Inside the White House entitled "Nixon 'Overkill' Fight for Black Workers 'Plan' Seen Provoking National Strike Wave.

Dear Mr. Riesel:

I read your recent article concerned with the Philadelphia Plan in which you state "President Nixon and his White House <sup>to</sup> tactics didn't do their homework." May I suggest, Mr. Riesel, quite <sup>to</sup> the contrary, we did our homework just a little too well for the opposition.

I am taking this opportunity to respond to your column because it will give me an opportunity to set the record straight on what the Philadelphia Plan will and will not do and what, in my opinion, is the union's strategy in zeroing in on this so-called quotas <sup>(actually, Goals)</sup> built into the Plan without discussing the total Plan and each of its outstanding features.

Now let me set the stage for what followed by describing and defining the problem:

- Every etc.,
- 1. ~~M~~ reputable economist in the country, manpower expert, /all agree that there is a tremendous manpower shortage in the Nation's construction industry. <sup>2.</sup> Every forecast ~~that~~
- 2. <sup>Red</sup> I have ~~seen~~ since becoming Assistant Secretary of Labor

indicate that rebuilding the cities will require unprecedented increases in manpower supply in the construction industry.

From the White House to the Congress, it is generally agreed that rebuilding the cities will be a national priority during the decade of the 70's.

3. There are millions of hard core unemployed persons, white and non-white, who could, if given the proper opportunity, help supply the badly needed manpower in ~~this area.~~ *the construction industry.*

4. Craft unions have a notorious record for restricting and controlling existing ~~the~~ labor supply, in order to keep their members working, or shorten the workweek, and increase their own salary.

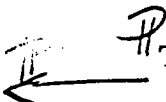
In short,

5. / if we are to supply the necessary manpower needs to rebuild the Nation's cities, then we must increase the labor supply in the construction industry. *at the same time,* ~~And~~ if we are going to do an effective job of dealing with *poverty &*

*the* vast numbers of unemployed, culturally deprived, white and nonwhites *Retention,* then we must take every opportunity to see to it, that where labor supply shortages exist, that specific efforts be made *to place these people* ~~to see to it that the~~ *to employ the individual on jobs,* ~~employment~~ created by Federal dollars is shared with those who are unemployed and who desire employment.

6. Because discrimination is a fact and because the records now clearly show that poverty programs, manpower training and etc.,

will indeed serve to bring whites above the poverty level, those same programs have been shown to be less effective in bringing nonwhites above the poverty level because they have been denied employment opportunity after billions of dollars of Federal funds have been spent, tax payers money, to train and hopefully bring into the labor market.

 Thus, I can summarize the total objective of the Philadelphia Plan by simply stating that its chief objective is that of sharing the wealth of this Nation. In this instance, I am defining the wealth of this Nation by suggesting that said wealth is derived from the millions of jobs that the capitalistic system can produce. By sharing the wealth then, I mean sharing the work. And sharing the work is precisely what certain craft unions have refused to do with anyone <sup>other</sup> than close relatives and friends and with no blacks at all if they could help it. Union leaders are threatening nationwide strikes because they would like to <sup>the</sup> leave/impression with their members and with the public at <sup>to</sup> large that they have forced the Nixon Administration back away from the Philadelphia Plan. Consequently, they have deliberately ignored the fact that the Plan calls for areawide training programs in lieu <sup>or the contractors</sup> of the Plan, provided either the contractors/ and the unions would desire to formulate such a plan. The statement

concerning areawide multi-employer training programs is a key part of the Philadelphia Plan and has been a key part of the since I reissued it Philadelphia Plan ever / back in July in Philadelphia. <sup>PH</sup> In

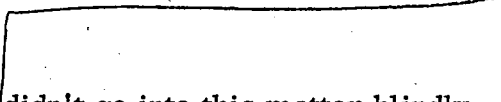
addition to this, after issuing the Plan, I myself and the members of my staff met with the Joint Construction Industries/Committee to work out the details of a Joint Industry Multi-employer Training Program. Our first suggestion was that the employers, namely the union and contractors, could sit down and document their own plan and submit it for approval in lieu of the Philadelphia Plan. In short what we said is that if you will present a training program whose ultimate end will result in nonwhites being placed on jobs then we will wave the quotas that are built into the Philadelphia Plan. However, we have been emphatic that any training that is financed with Federal dollars, tax payers monies must result in employment.

In addition, Mr. Reisel, the record will show that we have kept hands off of the Pittsburgh situation, the Chicago situation, and the Seattle situation, in the belief that a hometown remedy in multi-employer plan designed by and negotiated at the local level with all the concerned parties involved, namely the contractors, the unions and representatives of/minority groups, that this particular program would be much better than any we at the Federal level could impose in upon the local community. In

addition to the above, we have offered technical assistance to any group at any local level that would like to work out its own multi-area training program. But the hard cold fact is the unions have vacillated, they have refused to present a program of their own, the contractors haven't done much better, nor have they been willing to submit their evaluation of the guidelines we have laid down. as it relates to minimum requirements if a training program is to be accepted in lieu of the Philadelphia Plan . . . .

You state in your article "And the government says, under presidential directive, that the contractors must hire them/<sup>(meaning nonwhites)</sup> whether or not they're in the union ." For your information Mr. Riesel, the Taft Hartley Act also states and in fact requires that a construction industry contractor hire a perspective employee, for a minimum of seven days to determine his qualification. At that point, if the contractor is pleased with the perspective employee's performance, he then may present the employee to the union for membership. If the unions should refuse to bring the man in, inspite of him the fact that the contractor has recommended/based on qualifications and qualifications alone, we can then establish pattern of practice suits, which is a part of the 1964 Civil Rights Act. Whoever told you that the Civil Rights made it possible to prosecute unions on a pattern of practice discrimination is bases is exactly right. But what he failed to tell you/that up until very recently,

the Government was without the means to, or a method to, assure that the pattern of practices could be uncovered. By this I mean, most Federal contractors were afraid to think of bringing a ~~nonunion~~ nonunion man on the job for fear that the unions would strike him. This fear existed inspite of the fact that the contractors knew that the ~~Taft Hartley Act~~ Taft Hartley Act made it possible for them to hire qualified nonunion men for atleast seven days. By saying to the contractor that he can hire or in fact must hire a nonwhite we are in fact taking him off the hook. For he is then in a position to say to the unions I am under government orders to give this man his seven day trial. If the contractor is satisfied that the man can perform the job, ~~he, the~~ then contractor, can/recommend the man for membership in the proper craft.

Less' you think this is unusual, may I suggest to you that we happen to know that this is par for the course. In short, contractors quite frequently run across competent craftsmen who happen not to be in the union and with union consent, which they really don't need, give the man the seven day trial. And should he meet minimum standards actually employ him and at the same time recommend him to the union. And there are cases in which the contractor has actually paid the man's membership into the union. Again to repeat myself, no, we  we didn't go into this matter blindly, we did our homework and we did it well. That's what has the unions upset.

Before goin.g further, let me give you a case example of precisely what I am talking about as indicated above. In Seattle, Wa shington, the

contractors of that city, back in September, decided to bring nonwhites on to jobs at the University of Washington and at the Air Base, actually commence training them without waiting to give any of the men the proper seven day trial, the unions immediately struck. And closed job after job down. <sup>In</sup> /this instance they completely ignored the Taft Hartley requirement to give a person seven days on the job to determine his competence. At the same time each of the crafts involved admitted that they had no blacks in their unions and could not supply nonwhite labor to any Federal contractor if he so desired. Because the contractors tried to perfect a good faith effort and were hampered or prevented from doing so by the unions going out on strike and because the unions had no blacks in their union and in fact had not designed any attempt to reach and bring blacks into their unions, we were in a position to establish a pattern of practice on the part of some six unions in Seattle. After investigating to determine whether the contractors <sup>in fact</sup> /did make a good faith effort, we then investigated the unions to determine <sup>whether</sup> : whether they had made a good faith effort to bring qualified nonwhites into / <sup>their</sup> unions or whether they had in fact made a good faith effort to fund training programs and prepare them for membership in the union. The answer was, no. At that point our information was turned over to the Justice Department and they filed, guess what, pattern of practice suits.

What we did there Mr. Riesel, is very simple. We broke up the circle that has been in existence for so long, with the contractor saying I would hire if the union would let me and the union saying we'll bring anybody in that is qualified, but with no one being willing to train [redacted] and qualify them. Yes, it is true, we put the monkey on the contractors' back. And we gave him a legal way out by saying that the government was imposing this requirement upon him. The minute he made a good faith effort to perform his part of the bargain, and was prevented from doing so by the unions, we then moved in on the unions to see if they were willing to [redacted] participate in the training program and to bring blacks in. Typical of their <sup>usual</sup> ~~traditional~~ conduct, they refused to cooperate, in any way, shape, ~~form~~ or fashion. This left us no alternative but to instruct the Attorney General Mitchell to file pattern of practice suits against the unions in question. And so far as the unions <sup>which he did on</sup> ~~are~~ concerned, the devastating <sup>point</sup> ~~point~~ about this approach is that <sup>Government</sup> ~~we~~ have very <sup>date</sup> ~~little~~ difficulty in making pattern of practice suits stand up <sup>once</sup> they are filed under these conditions. Again, we have done our homework well, and that is why the unions are screaming.

You quote a labor representative as saying "They want to get right on the job. They want the high pay yesterday.. We can understand this. But you can't man a complex multi-million dollar job with untrained men. " <sup>has</sup> Again, the hard cold fact is we <sup>stated</sup> ~~suggested~~ over and over and over and over again that training could be instituted in lieu of the Philadelphia Plan. Your

union spokesman knew this all the time. What he needs to do is to quit trying to appear <sup>as a</sup> muscle man to the unions and admit that the Philadelphia Plan has a training component in it, draft his training program and let's get on with the business of qualifying people to work in the construction industry.

Insofar as giving them credit for trying to rectify the past. Both our records here and interviews in the field with nonwhite youngsters who have gone through some of the [redacted] union-sponsored outreach and other so-called programs, indicate that the youngsters involved have said, in many instances, the programs are not worth the paper they are written on, that the unions only sponsored the programs to keep the Federal Government off their backs. That once the training funds ran out, that the unions had no intentions whatsoever of giving them membership cards nor sending them out on jobs. We have heard this complaint from one end of this country to another. In fact, I am sure you at one time or another have wondered why so many people go through manpower training job programs and then end up unemployed. The one thing the Philadelphia Plan is designed to do, not only the quotas, but the training program under the Philadelphia Plan concept is designed to produce jobs. That, the unions, in most instances, want no part of.

Your article further quotes your labor spokesman as saying "Our apprenticeship outreach program is under way. We're teaching thousands of black youth and just two weeks ago Secretary Shultz praised us for this apprenticeship training." " But we can't just go on a quota system. We won't." It is very interesting Mr. Riesel, that your construction industry spokesman, should I say union spokesman, only wants to discuss the apprenticeship program, when he knows full well that there are some eight other ways to get into the construction industry without going through the full four year apprenticeship program. He also knows that 60 percent of those now in the crafts practicing craftsmen, have used the eight other ways, and only 30 percent go through the full four-year apprenticeship training program. In addition to this, your union spokesman also knows that the apprenticeship program has the highest dropout rate of any training program in the country. Well over 50 percent of the white youth that are screened and selected for apprenticeship training drop out before completing the full four years. Might I suggest to you that the reason unions insist that all nonwhites who desire to go through to become a craftsmen go through the full four year training program is that they know that the dropout rate is tremendously high and that this is one certain way to keep any measurable increase from ever taking place in any of the crafts as it relates to nonwhites. For your information, what the Philadelphia Plan

suggests is that both the unions and the contractors make a deliberate effort to admit nonwhites to the unions via an approach other than the four year apprenticeship program. And we are only suggesting that they use the same approach that they have been using/ all these many years to let white various craftsmen in. We are not asking for preferential treatment or special treatment, ~~by~~ just trying to devise a way ~~to~~ force them to do for nonwhites what they have been doing for whites all along.

Now, for that nonwhite youngster who wants to go through the apprenticeship program, we are more than happy to have him go, in fact we will encourage him to go because most of the project supervisors, superintendents and indeed some contractors have gone ~~the~~ the apprenticeship route and have become quite successful and financially well off. We are not thumbing our nose at the apprenticeship program, we are simply saying that there are other ways short of the apprenticeship program. Some eight ways short of the apprenticeship program. That 60 percent of the whites use these other methods short of the apprenticeship program and we want the same avenues opened to nonwhites. The Philadelphia Plan makes this possible. Again, as I have said before, we have done our homework, and we have done it well.

As it relates to Boston, in your article you go on to say, "But the government isn't waiting, Secretary Fletcher recently dispatched a two-man fact-finding committee to study Massachusetts and get set for the 'Boston Plan.' It will have its quotas, or goals, or percentages, call it what you will." You then state "But the AFL-CIO has <sup>frankly</sup> said/that it will fight such plans. It will use 'all the power and persuasiveness at its means to defeat this plan, to the point and including the withholding of all manpower from any federal project perpetuating this plan." You then state, "This can only mean strike and they mean it." Well for your information, the Boston Plan may or may not have quotas. The reason we sent a fact-finding team to Boston to investigate and determine the situation was to find out first, if there are any qualified minority group craftsmen who are being denied an opportunity to practice their crafts because the unions will not admit them. Next, we are interesting in determining how many have started through training programs and have been unable to complete those training programs, because of the variety of reasons. And finally, how many would like to be involved in training programs, pre-apprenticeship and otherwise. Once we have these facts, we will then know the shape and charatcer of the Boston Plan. Now to be specific, our fact-finding investigation in Philadelphia uncovered some 300 licensed electricians , licensed by the City of Philadelphia, who had been denied admittance to the unions, inspite of the fact that they were liscensed.

In addition, we found a 100 some liscensed plumbers, liscensed by the City of Philadelphia and unable to get into the unions, inspite of the fact that they wer liscensed by the City. That was the purpose of the fact-finding tour. We found others qualified in other crafts who had not been admitted to the union for a variety of reasons. In this instance, we instructed the contractors to hire these men, based on the fact that they met city qualifications. For your information, we have discovered that as a result of this approach in Philadelphia, union leaders are now sending their secretaries and clerks down to City Hall throughout the country to find out if there are any liscensed minority group plumbers and electricians and for the first time in their lives are making an effort to reach out and find these men and offer them embership cards in the union. Now as it relates to Boston, our investigation may or may not turn up qualified liscensed craftsmen plus others who could meet instant journeymen specifications. If it turns out that this should be the case, we will on a craft by craft basis implement the training portion of the Philadelphia Plan rather than the numerical goal concept. In short, I am suggesting that we don't know what form the Boston Plan will take until we have gathered all the facts. Then after we have gathered the facts that are made available to us, we will at that point design the plan. However, the plan will be p edicated on the total volume of mone y to be spent in Boston over the next four years. Th e existing

manpower , the projected need to satisfy building requirements in that area over the next four years and then our training program will be devised so that atleast 50 percent of any new growth in any craft coming into any existence in Boston will be shared by nonwhites in the Boston metropolitan area.

May I now address myself to the standards implemented in Philadelphia. If you will read the Order implementing the Philadelphia Plan standards, you will discover that all we are asking of the six craft unions involved is that they share future growth with nonwhites. We have made a bona-fide projection of the amount of growth that will take place in each of these crafts over the next four years and we have asked the unions to share 50 percent of that growth, annual growth , with nonwhites. And we have suggested they can share that growth either by finding qualified individuals who can become journeymen immediately or participating in training programs that will equip them for full craftood in time.

In conclusion, I am enclosing a copy of the revised Philadelphia Plan Order, issued in July 1969 in Philadelphia and I am/enclosing the Standards Implementing the Philadelphia Plan issued in/1969. Please note the statement concerning Multi-Training Programs, Area-wide Multi-training Program in the original order and also note the fact that \$80,000 has been ear-marked by the Labor Department to commence the funding for the training for the Philadelphia area. The latter item can be found in the order implementing and announcing the standard.