Reflections of eight former Secretaries

Men who headed the Department of Labor during the last quarter-century assess achievements and disappointments in office

Labor-management relations a high priority: 1961–62

ARTHUR J. GOLDBERG

The conventional wisdom about the Kennedy Administration is that it was high on charisma but bereft of legislative achievements.

I cannot speak of the experience of other executive departments of the Government, but the reality, rather than the myth, is that more labor and related legislation was enacted during 1961–62 than during the tenure of any prior Secretary of Labor, with the exception of the great legislation of the New Deal.

There follows a summary list of initiatives and accomplishments involving the Department of Labor during this period. This list is illustrative rather than all-encompassing:

- The Temporary Extended Unemployment Compensation Act of 1961, which temporarily extended unemployment benefits on a national basis, rather than State by State, without trigger points;
- A bill increasing the minimum wage (effective September 3, 1961);
- The Area Redevelopment Act, providing retraining for persons in high-unemployment areas (Public Law 87–27, signed May 1, 1961);
- A bill to provide for an additional Assistant Secretary of Labor, a woman, with enlarged responsibilities beyond heading the Women’s Bureau (signed August 1961);
- Amendment of the Welfare and Pension Plans Disclosure Act (Public Law 87–420, signed March 20, 1962) to authorize the Secretary of Labor to examine reports from health and welfare plan administrators, and to investigate suspected cases of wrongdoing;
- Amendment of the Juvenile Delinquency Act to safeguard the rights of youthful offenders;
- An amendment to the Railroad Retirement Act which permitted early retirement on reduced benefits for certain workers (Public Law 87–285, signed September 22, 1961);
- Executive veto of a bill relating to longevity step increases for postal employees;
- A bill providing health and housing protection for migrant workers (Public Law 87–345, signed October 3, 1961); and
- The Manpower Development and Training Act of 1962, which authorized the appropriation of $435 million for a 3-year program of occupa-
tional training for the unemployed and under-employed (Public Law 87–45, signed March 15, 1962).

In addition, there was a host of Executive Orders and important statements relating to labor matters. I shall cite only several:

- Establishment of the President’s Advisory Committee on Labor-Management Policy;
- An order creating the President’s Committee on Equal Employment Opportunity;
- The statement on Youth Employment Opportunities and Training;
- An order regarding minimum wage rates for government employees;
- An order requiring, for the first time, that Government agencies engage in collective bargaining with their employees (Executive Order 10988, signed January 17, 1962);
- Creation of the President’s Commission on the Status of Women (Executive Order 10980, signed December 14, 1961);
- The establishment of the Pennsylvania Avenue Development Plan;
- An order improving the provision for aid for the handicapped.

Further, in recognition of the role of labor in our economic life, the Secretary of Labor was a member of a small “kitchen cabinet” advising the President on the state of the economy.

All of the above was surprising to some, in light of the fact that the Department of Labor was, at the time, the smallest department of the Government, but on the whole, this volume of activity was not controversial.

What was controversial during my tenure as Secretary Labor was the intervention of the Secretary and the Department in the settlement of major industrial disputes. This should not have been surprising, as both admirers and critics of the policy professed. President Kennedy believed in an activist government to protect the public interest. I shared this belief.

But what about the Conciliation Service?

The U.S. Conciliation Service had been severed from the Department and reestablished as an independent Federal agency in 1947, at the insistence of Senator Robert Taft, in a move viewed by some as a rather spiteful attack on then Secretary of Labor Frances Perkins. This separation was, and is, untenable. To successfully mediate settlements in major labor disputes, the prestige and “muscle” of the President and of the Secretary are often required and, on the whole, invited by the parties concerned. Thus, as Secretary, I—with the support of the President, and often with his personal participation—successfully mediated many important labor disputes.

Here, too, I shall mention only several of the areas in which we sought to mediate disputes: tugboats, steel, airlines, missile sites, maritime, aerospace, nuclear submarines, longshoring, automobile manufacture, construction, and, to the astonishment of many, the Metropolitan Opera.

In light of the peculiar nature of the last of the above-mentioned settlements, why should a secretary intervene in the case of the Metropolitan Opera? The reason is that the Metropolitan Opera is our only national opera company and, if a prolonged strike shuts down the opera, the principals, who are very much in demand, may be offered contracts of relatively long duration by European opera companies. Without the arbitration settlement reached in December 1961, the net result might well have been the end of the Metropolitan Opera, a national cultural asset. Besides, Jackie Kennedy asked the President to have me intervene and what President or Secretary of Labor could turn down a request from Mrs. Kennedy?

Inasmuch as I possessed no statutory power to enforce settlements and only mediated them, why the controversy over this approach? It is gospel for both management and labor at conventions, meetings, and the like to say that there should be no government interference with collective bargaining. This is empty rhetoric. I am not for compulsory arbitration, mandated by law, except in the most exigent circumstances, but mediation is a different matter.

All a good mediator can do is try to persuade the parties to agree upon a responsible compromise. Surely any administration, faced with economic problems of great magnitude, cannot afford prolonged strikes. At the very least, it should exercise its powers of persuasion to prevent them.

It needs emphasis that mediation in no way interferes with but, on the contrary, facilitates collective bargaining settlements.

In mediating these strikes, was I violating the law which separated the Conciliation Service from the Department of Labor? My answer to that is simple. The President can certainly offer his good services to mediate any industrial dispute which may have profound economic consequences. And, because the President can do this, his designated Cabinet officer, the Secretary of Labor, can do likewise.

In all of these highly publicized strike settlements, in virtually every case solicited by influential members of both parties, I had the complete support of Mr. William E. Simkin, the Director of the Federal Mediation and Conciliation Service, which was the successor agency to the U.S. Conciliation Service. This wise mediator knew the value of having the power and...
prestige of the Presidency, as exercised through his Secretary of Labor, employed in the settlement of strikes affecting the national interest. Mr. Simkin and the Mediation Service were not lacking for other disputes in which to employ their undisputed talents of mediation.

As a by-product of the high-profile strike settlements and the public support which they engendered, Congress voted the Department of Labor the most effective Department in our Government in a Gallup poll. And because this was Congress’ view, the legislation we sponsored was by and large supported on a bipartisan basis by Congress. This, I think, is something to reflect upon at the present time and perhaps for the future.

A final word. My agreement with President Kennedy, before accepting appointment, was that there would be no John Steelman in the White House. In previous administrations, the President’s staff often exercised the final word in labor matters. This was notably true during the tenure of John Steelman, a Presidential aide in the White House during the Truman administration.

There is a Parkinson’s law applicable to both labor and management. The White House is the ultimate seat of executive power, and both labor and management sought to override the Secretary of Labor in their own interest by resorting to the White House when they did not get the results they wanted from the Labor Department.

This did not happen during my tenure. I had direct access to the President when necessary.

I express the hope, rather than the conviction, that all Secretaries will have similar access, without having to clear proposals with a staff member at the White House who usually does not possess the Secretary’s expertise.

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**Humanitarian initiatives during the 1960’s**

*Willard Wirtz*

When he was asked, shortly after the 1956 presidential campaign, to comment on the American political process, Adlai Stevenson demurred—on the grounds that an egg (or an egghead, the erudite candidate added) is a poor judge of an eggbeater. He was not pressed further.

Although Cabinet service is a less harrowing experience, former Secretaries subpoenaed to testify regarding their tenures properly recognize related restraints. The view from the front office is inevitably skewed. Its occupants play only a small part in the operations that 10,000 or 15,000 people in the Department carry on. And especially after 20 years, the realization sets in that memory serves more as a filter than a looking glass. This testimony will benefit from brevity.

The early and middle 1960’s were unquestionably a gratifying, often exhilarating, time to be in the Department of Labor. A new President, John F. Kennedy, looking with youth’s idealism at the stars of human purpose, charted a course for the Nation that would be hard to hold. When totally senseless and inconceivable tragedy tore those hands from the tiller, casting a pall that never lifted, history’s perhaps most skillful political navigator, Lyndon B. Johnson, kept that course and carried it forward. In 2 years, 1964 and 1965, more was done to reassert the country’s authentic human values, as many of us see them today, than during any previous decade, with the possible exception of the 1930’s.

Whatever is properly identified as the Labor Department’s significance and character during the 1962–68 period is drawn from broader developments. They centered on the outlawing of two centuries of discrimination, bordering on bigotry, that had been based on race and gender. One critical expression of these biases had been in employment. The Department’s performance would be properly measured by what was done or was not done to establish equal job opportunity. I remember our feeling at the time was more of frustration than satisfaction. Yet perhaps we went as far—in adding the “affirmative action” requirement, for example—as we could.

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Willard Wirtz served as Secretary of Labor during 1962–69.
Establishing equal job opportunity became more than just a matter of enforcing new laws. It seemed fair to say in my 1968 Annual Report (perhaps one of the few in this series written by the person who signed it):

There emerged in the Department during this period—a sense of a dimension of the “welfare of the wage earner” not contemplated when that phrase was adopted in 1913 as the Department’s charge and charter. This is his or her welfare...not just as a wage earner but as a human being... (There was) new questioning of the extent to which the worker is correctly conceived of as being created to meet the needs of the enterprise and the system, and of the extent to which it is the other way around... It was the unifying and dignifying theme in the history of the Department of Labor, 1963 to 1968, that wage earners—and those seeking that status—are people. Not statistics. Not drones. Human beings—for whom work... constitutes one of the potential ultimate satisfactions.

If, in time’s perspective, the reach of our rhetoric appears to have exceeded the grasp of our achievements, this is what we are looking for.

The 1963–68 period is commonly marked in the Department’s history by the emergence of what was called, until the phrase became obsolete, a manpower program. Subsequent questioning of the effectiveness of that startup phase of this program confirms its significance. Our satisfaction was not in providing employment or training for 3 million people—which was too few—but in getting it recognized that the working of the economy includes no dynamic that will assure a match between available jobs and people’s competence to perform them. Two decades later, the country is still only edging toward the realization that achieving the national potential depends on a vastly enlarged and invigorated educational program, in which job and career training is a carefully articulated piece—and in my own view, on the development of a national service program, directed particularly at the needs of young people.

In a broader sense, whatever were the important elements of the Department’s character then, as in any period, emerges from looking at what seeds were planted rather than from measuring the harvest of legislative accomplishment. It was a period when, despite the gains in 1964 and 1965, the country was trying beyond its achievements.

The Department provided a regiment for the “war on poverty.” If this, too, stands out in time’s perspective more for its aspirations than for its results, the instruction of the effort was that, here again, the neutralizing of poverty requires giving all children, regardless of their roots and circumstances, the tools to make the highest and best use of what they have in them.

We tried in 1965 and 1966 to press the Congress to make substantial changes in the unemployment insurance system, which was then—as it is today—essentially the same as it had been for 30 years. The potential for tying this system into a retraining program for displaced workers is immense.

Our efforts to stop the slow murder that was going on in the uranium mines were at least partly successful, and the President’s “Mission Safety” program to reduce injuries to Federal employees made significant gains. However, efforts to get a national occupational health and safety program enacted fell short. Our successors did what we were not able to.

I suspect that one of the Department’s major contributions during the 1960’s was in the area of Federal employment relationships. At the President’s instruction in 1967, an interagency committee—chaired by the Secretary of Labor, directed in large measure by the Assistant Secretary for Labor-Management Relations, and assisted immeasurably by a distinguished panel of experts from outside the Government—prepared a report recommending the establishment of a new system for handling collective bargaining and grievance adjustments within the Government. The report—published, but not formally transmitted—would constitute much of the basis for Title VII of the Civil Service Reform Act of 1978.

It has been interesting to watch from the sidelines the evolving appraisal of the “humanitarian” initiatives the Government—and the country—took in the 1960’s. They are sometimes judged by standards that question the advisability of large governmental expenditures and of reducing unemployment at the risk of increasing the threat of inflation. As of 1968, unemployment stood at 3.3 percent, exactly half of what it had been in 1960; annual inflation had averaged, over those 8 years, 2.2 percent; the national debt stood in 1986 at $369.8 billion, a fraction of its current level. No one in the Department of Labor would claim the slightest credit for this record. It suggests broadly the context in which these programs developed.

Even briefest appraisal of what happened during the 1960’s would be critically incomplete without recognition of the key role that organized labor was playing then in the country’s affairs. This is sometimes recalled in terms of the frequent recurrence during that period of industry-wide collective bargaining controversies that seemed to threaten the entire economy. That problem has been outgrown. It was more important that the AFL-CIO supported every human welfare initiative taken by the adminis-
Enactment of OSHA required ingenious compromises and strategies

JAMES D. HODGSON

At my confirmation hearings, the committee chairman was all business. From behind his walnut barrier, Senator Ralph Yarborough of Texas fixed me with an appraising eye, bade me welcome, and shot a direct question: "Mr. Hodgson, if you are confirmed as this Nation's 12th Secretary of Labor, is there anything in particular you will seek to accomplish?"

I was ready for the question. "I hope to do something to improve the environment of the American workplace," I responded.

In retrospect, I shudder at my phrasing. After only 16 months in Washington I had obviously acquired an advanced case of "bureaucracy" disease. A straightforward answer would have found me saying, "I will work for a new job safety law." For that is exactly what I had in mind.

These reflections retrace the events that hooked me into pressing for Federal action in the job health and safety sphere and recall the
strategies I used to bring about enactment of the Occupational Safety and Health Act of 1970 (OSHA). Although OSHA has been roundly condemned in many quarters, I regard its passage as the most satisfying step forward—both for American industry and its more than 100 million workers—that occurred during my tenure at the U.S. Department of Labor. I certainly put a lot of myself into it.

When I arrived at the Labor Department as Under Secretary, I could not claim to have had a personal passion for health and safety legislation. I had come from the aircraft industry, which had outstanding job safety records. Because lives depended directly on the safety of our product, everyone in the air transportation industry was intensely safety conscious—management, unions, engineers—everyone. A remarkably safe workplace was the result.

With this background shaping my views, I had little reason to believe safety legislation ranked as a priority for Federal regulation. It took less than 3 months in Washington to open my eyes and reverse my view.

This is what happened: In early 1969, when Secretary George Shultz and I suddenly found ourselves front and center in the Department of Labor, two pesky safety issues awaited our immediate attention. A new set of safety standards to the Public Contract (Walsh-Healey) Act of 1936 had been issued in a storm of protest, with “overkill” and “arbitrary” among the milder epithets applied. This act, among other matters, prescribes health and safety standards for Federal construction projects.

At the same time, from deep in Utah’s new uranium mines came critical rumblings. Some mysterious radioactive compounds were being loosed in mineshafts—compounds suspected of having a deleterious effect on human lungs. Action was required.

Eventually, we solved both of these issues. But in the process, I underwent a crash course in American workplace health and safety. After poring over a myriad of tracts and texts, reviewing reams of recorded data, soliciting the views of scores of professionals, and sending an assistant to Europe to study safety measures there, two points struck me.

First, many—far too many—American industries had deplorable, even inexcusable, job health and safety performance. Second, those industries with good performance had uniformly installed sound standards and instilled positive attitudes on the subject. The conclusion was almost inescapable. Here was an area where Federal attention could make a difference—a difference that often involved lives. Sadly, more American lives were then being lost in the workplace than in the Vietnam conflict. And the trend was worsening.

So, what to do? Should we offer legislation? One Department of Labor expert of long experience suggested legislation would be a waste of time. “Forget it,” he counseled, “the last Administration tried it and got shot down. . . industry is dead set against it.”

Coming from industry, I was skeptical. So I carried my inquiries into corporate mahogany row.

“I’m told American management opposes job safety legislation,” I began. Then I demanded, “I want to know why.” The answer came back loud and clear.

“We are not antisafety. We simply did not like several features found in the previous bill.”

So I compiled a list of industry objections. Among other things, industry considered the earlier bill faulty because:

- It would “junk” a number of fully proven health and safety laws then existing at the State level.
- It would give the Labor Department power to play all roles in a safety case—from investigator and prosecutor to judge and jury.
- It would install enforcement procedures believed to be punitive rather than remedial.

There were other reasons but, importantly, from no source did I hear that the Federal Government should stay out of the job health and safety arena, nor did anyone question the need for better health and safety standards in the American workplace.

So outright resistance by industry was not a problem. The solution seemed to lie in fashioning a bill that would produce results without giving industry the feeling that the “Feds were bent on a power grab.”

To do this, we sought ideas on health and safety issues from professionals, unions, industries, and legislators. We created a broad-based advisory council. One of our basic tenets for drafting a workable act was to be as broadly consultative as possible.

After several weeks, we had a rough draft. With a bit of innocent pride, I sent it to Patrick Moynihan, then head of the White House Domestic Council. Back it came with a message: “Where are the megathoughts? Reach a little!”

I had to admit Moynihan was right. Our first version had been strictly a standard “meat and potatoes” presentation, a serving of only the basics. It needed some forward-thinking ideas to whet congressional appetites.

So we expanded our exploratory consultations. Senator Jacob Javits of New York provided us astute counsel on how to expand the health component of the bill. Howard Pyle,
head of the National Safety Council, favored us with practical suggestions. A recognized health and safety expert, William Haddon, injected creative perspective.

About this time, President Richard M. Nixon was preparing his 1970 state of the Nation speech. A memo arrived from the White House asking, "Anything you want included in the speech?"

You bet! I wrote a strong paragraph on the need for health and safety legislation. Well, we didn’t get a paragraph, but we did get a sentence. That was enough, for then we knew we had the blessing of the President. After a few more weeks of diligent revisions, our proud health and safety bill was eagerly tossed into the congressional hopper.

Its reception, I’m afraid, resembled a massive yawn. Organized labor favored a competing bill, which we believed repeated faulty features of the former proposal. Industry management still seemed wary.

In retrospect, I realize I had two responsibilities: first, to persuade management that our bill was fair and, second, to persuade the unions that the bill they favored was a loser.

To win management over, my first move was to get invited to a convention of top industrial executives at the Chamber of Commerce headquarters in Washington, DC. There I “thumped” at length on the need for a bill and explained how our bill dealt fairly with industry’s previous objections. The ensuing applause could not be called deafening, but it was adequate. If we could hold to our basic principles, industry would, at least, not oppose our bill.

To fortify our stance with professionals in the working world, we bombarded safety engineers throughout the country with pleas for support. Gradually, they took our side. To ensure that State governments would not block our efforts, I explained our bill at a Governors’ conference in San Francisco and got a good reception.

However, organized labor’s preference for a competing bill was a tough barrier to surmount. Labor did not actually oppose our bill. The unions merely preferred another one which we believed was flawed.

With competing health and safety bills deadlocked and stalled in congressional committees, we needed to get things moving. So I did something I have never liked to do. At the Steelworkers convention in Atlantic City, I announced at a news conference that I would recommend presidential veto of the opposing bill should it clear the Congress. This tactic is hardly a route to personal popularity, but I believed it was needed to stimulate action. Happily, it did.

Faced with a possible prospect of no health and safety bill at all, interested congressmen now rallied support for legislation that would at least resemble our bill. Efforts by Labor Committee members William Hathaway of Maine and the late William Steiger of Wisconsin got things moving. At the Labor Department, Under Secretary Larry Silberman picked up the ball. Day after day, he prowled congressional offices, cajoling the uncommitted and devising ingenious compromises. With incomparable tenacity, Silberman kept the ball rolling forward.

The health and safety bill slowly wound its tortuous way through committees, constantly being reshaped and refined, and onto the floor.

Then one day it was passed by both the House of Representatives and the Senate! A comprehensive health and safety bill was on its way to the White House for the President’s signature.

Should I recommend the President sign it? At best, the final bill was only a first cousin of the one the administration had originally proposed. Nonetheless, it contained the needed essentials. I endorsed it. The President signed the Occupational Safety and Health Act into law on December 29, 1970.

Later, in a celebration ceremony at the Labor Department with many notables looking on, I got carried away. “This OSHA bill,” I trumpeted, “is as important a milestone for the American worker as the Fair Labor Standards Act or the Labor-Management Relations Act.”

On second thought, maybe my elation was not that far off the mark. Today, OSHA’s influence is felt in the American workplace. Clearly the act has provided a sharp escalation of attention and priority for industrial health and safety. However, it has not been without its glitches and detractors. This troubles me not. Despite its critics, OSHA is a worthwhile measure with a worthy purpose. I am glad to have had a part in its birth.

"...a worthwhile measure with a worthy purpose..."
Each administration develops a record of achievements, as well as a sense of disappointment with respect to projects and programs not completed. For the most part, our sense of disappointment resulted not from lack of experience and dedication, nor from lack of drive and initiative to solve the many and complex issues. The simple truth is that there is always much to be done and so little time in any Secretary’s term in which to complete every important part of his or her, and the Department’s, general program. It must also be remembered that the period of my service as Secretary of Labor was unusually turbulent because of the energy crisis, and the resulting high unemployment, and the traumatic political climate of the Watergate years.

The unique task of improving the rights of and protections for the American labor force involves the difficult and lengthy process of changing ingrained traditions and practices, as well as overcoming political inertia. Under these circumstances, change may only take place through new or revised regulations (which need endless government review); amendments of existing statutes; and, of major importance, the recommendation and active pursuit of new and enlightened legislation. A comprehensive labor legislative agenda often requires action not only by the U.S. Congress, but also by State, city, and county elected officials.

In addition to seeking legislation, America’s salaried workers and the various levels of government must be prepared administratively and philosophically to seek adjudication in the courts. During and since my tenure, the courts have demonstrated a greater recognition of the existing inequities which have retarded reasonable progress in the important areas of basic rights and safety for working men and women.

In spite of general concern and disappointment in not having completed my total agenda, I do believe that American workers did achieve many new and important rights and protections during my tenure. With a clear conscience and conviction, I can say that the Department’s achievements far outweighed its incomplete general program. By way of example, the following were among the most significant and prominent changes in public policy during the years 1973–75:

Comprehensive Employment and Training Act (CETA) of 1973. Consistent with a general government effort to decentralize authority and responsibility, the Department on its own initiative revamped its field organization and operations in this area. This placed Federal funds and decisionmaking authority in the hands of State and local government officials. This, in turn, improved effectiveness, clearly reduced administrative delay, and brought the system closer to the people who needed assistance.

Enactment of CETA was a significant signal from the Congress and the administration that decentralization was indeed an important step in bringing the full range of Federal, State, and local government efforts to the grass roots level. It could only help needy citizens to train and qualify for useful and productive employment.

Job security assistance. The Department made strong representations to the Congress in support of the concept of extending unemployment insurance in areas with especially high unemployment. We were concerned that unemployment generated by the energy crisis, natural disasters, or similar emergencies would dislocate a trained work force and produce further economic problems for the geographic area involved.

Ultimately, the Congress passed a package, which included a bill to set up an emergency public jobs program and extend unemployment compensation coverage to approximately 12 million persons not previously eligible (H.R. 16596); a bill to give unemployed workers an additional 13 weeks of unemployment compensation (H.R. 17597); and a bill appropriating $4 billion in 1975 to fund the emergency programs (H.J. Res. 1180).

Employee Retirement Income Security Act (ERISA) of 1974. One of the tragic ironies facing our retiring workers was the loss of retirement income because of inadequate protection against a number of possible fund deficiencies. We worked tirelessly in supporting congressional action to protect the benefit rights of millions of workers in the private sector.

The Department began extensive preparations to ensure that this landmark legislation was implemented as an important part of the new and emerging public policy as passed by the Congress and signed into law by the President.

Federal Committee on Apprenticeship. With our constant focus on the disadvantaged,
we organized a joint labor-management Task Force on Apprenticeship, which met in Washington on July 25 and 26, 1973. The August 3 report of the Task Force led to the reactivation and expansion of the Federal Committee on Apprenticeship, which subsequently convened on July 23, 1974. Significantly, the recognition of the continued labor market difficulties of minorities was beginning to be reflected in the composition of the committee and its agenda. For the first time, the committee had minority representation, along with its first women members in 34 years. Our goal was to broaden the apprenticeship program generally to create more opportunity for all races and both sexes by extending its reach to many more occupations and industries.

**Fair Labor Standards Act (FLSA).** In April 1974, President Nixon signed into law amendments to FLSA (P.L. 93–256), which contained a broad spectrum of provisions affecting the national minimum wage structure. Among the numerous changes and new provisions, the amended Fair Labor Standards Act:

- Increased the hourly minimum wage for all nonfarm employees covered by FLSA prior to 1966 amendments as well as for those employees covered by the 1966 amendments.
- Increased the hourly minimum wage for Federal employees covered by the 1966 amendments.
- Extended minimum wage and overtime coverage to approximately 5 million Federal, State, and local government employees.
- Extended the Age Discrimination Act of 1967 to a vast new group of workers in Federal, State, and local governments.

As soon as all of the amendments became law, we took immediate action to implement these dramatic changes. For example, we pursued an unrelenting campaign against age discrimination in the private sector. Through our decisive action, we negotiated a $2 million settlement of an age discrimination suit against a Standard Oil Co. of California division. We intended to be fair but firm in eliminating discrimination in the workplace.

**The Rehabilitation Act of 1973.** The Department continued its outreach efforts to the physically and mentally handicapped. Through the Rehabilitation Act, the Department moved to end discriminatory practices by issuing regulations forcing firms holding Federal contracts to hire the handicapped. We took our new author-

ity one step further, by requiring firms with large contracts to have an approved, written hiring plan. We came down hard in this area and were soon seeing positive results. We had broken through the barrier.

There are other significant requirements I might mention which every Secretary of Labor takes most seriously and which are essential to effective political and working relationships. First, there must be serious efforts by the Secretary and designated staff members to maintain open and forthright communications with the Congress. Secondly, the Secretary must endeavor to act prudently as a neutral catalyst in encouraging vital and continued communication between labor and management groups, with the objectives of preventing misunderstandings and encouraging the maintenance of mutual respect and responsiveness.

Finally, I think I speak for all former Secretaries of Labor when I say that none of our achievements should be taken for granted, none of our objectives should be accepted as completed. Safety and health problems and discrimination in the workplace will continue if we are not vigilant, decisive, and prepared. In the field of labor relations, there will always be new goals to set, additional programs to complete, the satisfaction of achievement, and disappointment because of the normal constraints of time.

During the closing days of my tenure as Secretary, I had one last pleasant task to perform. In early 1975, I moved the Department into the newly constructed Department of Labor office building, which was subsequently named after the distinguished Secretary under President Roosevelt, Frances Perkins. This was both an honor and a gratifying experience because it created an atmosphere of accomplishment, it immediately sparked enthusiasm among the staff, and, most certainly, it gave a boost to morale. It was a time which I enjoyed—it is a time which I remember.

At the completion of my term, my staff and I were satisfied that the achievements which we can claim, as well as my team’s unfinished business, provided a benchmark of progress. We felt we were leaving the Department well prepared to assist future administrations and future Secretaries in the pursuit of the valid expectations of America’s hardworking and efficient men and women of all races and backgrounds. In closing, I want to make note that I had an outstanding, dedicated, and loyal team of men and women, without whom none of the above could have been accomplished.

’’...our goal was to create more opportunities for all....’’
Some recollections of a brief tenure

JOHN T. DUNLOP

I was the first tenant-Secretary of the new Labor Department building (except for the week that previous Secretaries had dreamed of and planned. But the larger environment was not strange. I had worked for the Bureau of Labor Statistics in 1938. I had known each Secretary beginning with Frances Perkins, and I had often worked directly with them before they held office on problems of labor-management-government relations. Under President Nixon, I had been chairman of the tripartite Construction Industry Stabilization Committee, and director of the Cost of Living Council, attending Cabinet meetings and serving as a member of the Economic Policy group which met daily at the White House and on a weekly basis with the President. I had also been chastened by congressional committees and the press. Shortly after President Ford took office, he asked me to recommend a labor-management advisory committee which he announced on September 28, 1974, at the end of the Conference on Inflation; I served as coordinator of the committee through my tenure as Secretary of Labor.

When President Ford invited me to be Secretary, I asked him what the job was as he saw it, and what he wanted done in the post. He responded that he had two particular concerns: (1) he wanted to improve communications between the labor movement and himself and his administration, and (2) he recognized that the economy was entering a serious recession, and he wanted the best advice and judgment of labor and management as to how to deal with the situation. At its December 1974 meeting, the Labor-Management Advisory Committee had unanimously recommended a precise form and distribution of a tax cut that was later accepted by the President and the Congress. In the swearing-in ceremony of March 18, 1975, President Ford said, "The labor-management committee he chaired told us that what we most need is a tax cut even before I asked for a tax cut in my State of the Union Message in January." My response to the President at the swearing-in ceremony formulated major elements of a philosophy of the assignment publicly undertaken. The major themes were the need for a strong collective bargaining system with labor and management working together with government, the limitations of regulation, and the short-term concern to get the economy moving and the related long-term need for attention to structural problems. A few paragraphs express the spirit and philosophy:

The group here this afternoon, Mr. President, is symbolic of the diversity of our country—labor and management, academics and practitioners, old hands and young specialists, both sides of the legislative aisle, and active minority groups—and no one can neglect the historical tensions of geography.

Mr. President, we are a 'can-do' people. Again, as you said... Mr. President, 'Our people cannot live on islands of self-interest. We must build bridges and communicate our agreements as well as our disagreements. Only then can we honestly solve the Nation's problems.'

A corollary of that theme is that a great deal of government needs to be devoted to improving understanding, persuasion, accommodation, mutual problem solving, and informal mediation. I have a sense that in many areas the growth of regulations and law has outstripped our capacity to develop consensus and mutual accommodation to our common detriment...

It is my hope that business, labor and government, working together, can address the immediate problems of the Nation while having a deep appreciation of our longer run necessities and opportunities, not only for the economy as a whole but in individual sectors and industry and regions as well.

I believe it is appropriate to comment briefly on what appear to me to have been some of the major activities of the period.

1. In recent decades, the regulatory responsibilities of the Labor Department had increased rapidly, exposing quite a different posture to management, labor, and the public, and creating a different internal spirit from its traditional role as compiler of data, preparer of reports, stimulator of training, and convener of labor and management representatives. In 1940, the Department administered 18 regulatory programs; by 1960, the number had expanded to 40; in 1975, the number stood at 134, including recent complex programs such as the Employee Retirement Income Security Act of 1974 and the Occupational Safety and Health Act of 1970. Even manpower programs, which accounted for the large bulk of the appropriations, were significantly and excessively regulatory in their approach. I prepared a paper, "The Limits of Legal Compulsion," presented at the visit to each of the Department's regional offices expressing concern with the "limitations on bringing about social change through legal compulsion." The paper closed with the following:
The development of new attitudes on the part of public employees and new relationships and procedures with those who are required to live under regulations is a central challenge of democratic society. Trust cannot grow in an atmosphere dominated by bureaucratic fiat and litigious controversy; it emerges through persuasion, mutual accommodation, and problem solving.

To effectuate this approach, I took the lead in developing labor standards under Section 13(c) of the Urban Mass Transportation Act and convened labor and management representatives to seek agreement on standards to be written into the Federal Register for comments and for subsequent formal issuance. I also became directly involved in seeking to mediate the complex Coke Oven standard under OSHA. I generally advocated "negotiated rulemaking" where appropriate and feasible.4

It is a source of considerable satisfaction that negotiated rulemaking has come to be recognized as an appropriate means of establishing regulations supported by the Administrative Conference of the United States, and its use is growing within the Environmental Protection Agency, the Occupational Safety and Health Administration, and other Federal agencies. It needs to be made clear that negotiated rulemaking, when properly applied, does not constitute a diminution of government responsibility, nor does it represent the privatization of public functions. But such means may operate faster, reduce subsequent litigation, engender better compliance, and better serve both private parties and the public weal. Would that the Labor Department made greater use of these means.

The current Regulatory Management developed by the White House and centered in the Office of Management and Budget (OMB) by Executive Orders 12291 and 12498 raises serious questions for me as to the centralization of such authority.4 No White House or OMB staff is ever going to know as much about a subject or have as direct an understanding of the affected parties as the Secretary. In 1984 and 1985, OMB made changes in 48.6 and 26.3 percent of all Labor Department proposed rules.5 Concerns of the White House and OMB are appropriate, and consultation and raising serious issues to higher levels have always been appropriate, of course, but for me such centralization is obnoxious to constructive industrial relations, efficient labor markets, and participatory labor-management-government relations.

2. From the outset, I was interested in a greater degree of procedural cooperation and professional reinforcement among the labor relations agencies with private parties; the objective did not focus on substantive decisions. Accordingly, I met periodically with the heads of the Federal Mediation and Conciliation Service, the National Mediation Board, and the National Labor Relations Board. There are a number of things that a Secretary can do informally for these agencies with respect to budgets, staffing, access, and with respect to appointments. Moreover, officials of these agencies have a perspective on labor and management and their interactions that is of considerable interest to a Secretary. These agencies help to shape the labor-management climate of an era and the consequent quality of economic performance that has to be a priority of any President. The labor-management arena as a whole must be the concern of the Secretary of Labor.

3. The President's Labor-Management Advisory Committee was given a broad charter to advise and make recommendations to the President. The Committee met regularly, with the President usually in attendance; the Secretary of the Treasury and other economic officials also attended. The Committee also concerned itself with national energy policy, housing, financing public utilities, unemployment, and labor-management committees in private sectors. At each session with the President, the Committee also provided its individual and group views of the economic outlook, often more immediate than permitted by government data.

The Committee provided a significant opportunity for direct communications between the President and his administration and the labor-management community. Both groups interacted with each other. Other business groups were consulted separately.

4. A significant illustration of the interactions among industrial relations developments, economic policy, and foreign affairs is afforded by the U.S.-U.S.S.R. grain agreement of 1975.6 The possibility of a longshore strike communicated in advance to the Secretary alerted the administration to serious problems, including the consequences of further significant Soviet purchases for domestic grain and meat prices, shipping usage, and to the potentials of significant agricultural and foreign policy opportunities. A Cabinet-level group was enabled to follow developments, advise the President, and secure his approval to negotiate a 5-year agreement, assist farmers, and resolve the longshore stoppage.

The centrality of industrial relations and their complex interweaving with other vital issues of the Nation are well-illustrated by these events in which the Labor Department had a major role.

5. The international labor-management arena has long been a concern of the Labor Department, including representation in the International Labor Organization (ILO), the only
United Nations agency in which both labor and management are directly represented. Prior to 1975, the United States had a growing series of difficulties with the International Labor Organization that were related to the selection of top associates of the Director General and the representation of the Soviets among the labor and management members of the Governing Body. Other difficulties included budgetary levels and allocations among countries, the uneven treatment of reports on violations of human rights and conventions made by committees of experts, and the use of the annual conference as a political forum for attacks on Israel and U.S. policy. In close consultation with labor and management, and with the full collaboration of Secretary of State Henry Kissinger, a letter of notice of intent to withdraw 2 years hence was approved by the President and sent on November 5, 1975.

In order to improve governmental policymaking on ILO matters and to enhance participation of management organizations and labor, a Cabinet-level committee was established involving the Secretaries of State, Commerce, and Labor, and later the National Security Advisory Committee, with labor and management members to be regular attendants. This committee remains in operation.

Subsequent events and negotiations helped to create desirable changes in ILO structure and policies, and I was particularly pleased that, in 1977, President Carter assured the continued membership of the United States. I have had close ties to the ILO over the years, having spent the year 1957–58 at the ILO—but not on its payroll—at the invitation of David Morse, then the Director General, writing my Industrial Relations Systems.

6. Brief reference should be made to a few other efforts in the 1975–76 period. I experimented to develop new approaches to the congressional oversight function, both by regular visits with key committee members and a comprehensive presentation on manpower and training, rather than awaiting specialized hearings on politically sensitive issues or administrative problems. Seldom do congressional committees get a comprehensive view of a topic developed by a Cabinet officer. I organized a weekly seminar on future or underlying questions for the press and media before a regular press conference and passed out diplomas at the end of my tenure. A special staff unit assisted in my participation in the general economic policymaking of the administration.

It would probably be inappropriate not to include some comment on the situs picketing legislation, the more so because a view in some circles has developed that I privately lobbied the President and obtained his promise to support the legislation if enacted. Good staff work at the White House, it has been said, would have prevented the subsequent problem for the President.

The reality is that at the earliest meetings with the President on the topic, he stated he wished to support the legislation; he said he had become familiar with the issue after 25 years in the House. I insisted that any political arrangement for support in the 1976 elections be directly arranged with labor representatives, particularly those in the building trades. At meetings on the topic on May 21 and June 4, 1975, with the President, OMB Director James Lynn and senior White House aids, including Donald Rumsfeld, William Seidman, or Richard Cheney, were present. The President met with President Robert Georigne of the AFL-CIO Building Trades Department on April 22 and July 8, 1975; on the latter date, the President announced his intention to run in 1976. My approved testimony on June 5, 1975, followed, but with more restraint, the testimony of Secretary Shultz on the same subject in 1969. The draft legislation was significantly modified from June through November and was made more responsive to the concerns of contractors; new machinery for all labor management disputes in the industry was added in Title II with the agreement of virtually all parties to collective bargaining in the industry.

The reality, then as now, seems quite clear. President Ford was anxious in his quest for election to secure the endorsement of a number of unions, particularly the building trades, as President Nixon had done in 1972. He sought the invitation and spoke before the Building Trades convention in San Francisco in September. But the politics of the Republican Party changed from May and June to December when the situs picketing bill sat on the President’s desk. President Ford was concerned that if he signed the bill into law, Ronald Reagan would use it to defeat him in the Republican primaries and caucuses. On December 11, 1975, he told me (with Richard Cheney present) that it was a good bill, and that I had done what he had asked, but he would have to veto it because otherwise he would be defeated in his quest for his party’s nomination as he explained the politics of various States.

I responded that I respected his decision, but it would not be the first time in U.S. politics that positions taken to secure nomination precluded subsequent election success. As I stated following my letter of resignation of January 13, 1976, his veto destroyed my capacity to perform the duties the President had invited me to do. I retain a high regard for President Ford.
Government's role in promoting labor-management cooperation

W. J. Usery, Jr.

The founding in 1913 of the U.S. Department of Labor represented a landmark in prescribed governmental influence on labor-management relations. The founders of the Labor Department gave the Department the mandate to "foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions and to advance their opportunities for profitable employment."1

In 1976, when I became the 15th Secretary of Labor, that mandate stood foremost in my mind. Since its inception, the Department had grown from less than 200 employees administering one child labor law to more than 14,000 employees administering hundreds of laws.

The challenge, as I saw it, was to ensure two basic trusts. First, that I actively address the substantive concerns of the American working people. And second, that I manage the Department efficiently and effectively. While I certainly supported the many hard-working, dedicated career employees who believed in the departmental mission, I also endeavored to instill in each of them the acute awareness that our constituents were all working people of this Nation, regardless of race, age, gender, class, or creed—that their concerns were our concerns. I believe that ensuring those two fundamental trusts offers any Secretary of Labor his or her greatest professional and bureaucratic challenge.

I have been asked to share with readers the most difficult problem I encountered as Labor Secretary, as well as the achievement in which I took greatest pride. The choices are not easy to make.

My most difficult and trying experience demands an anecdotal telling. It began one day in late summer of 1976. And it began, of all places, on the 18th green at the Burning Tree Country Club near Washington, D.C.

President Ford was playing the course, and I had been waiting for his foursome to play out.

W. J. Usery, Jr. served as Secretary of Labor in 1976–77.
A foursome ahead of the President included late Teamsters President Frank E. Fitzsimmons.

As we gathered about the 18th green to watch the President finish his round, Fitzsimmons told me he planned to ask the President to address the upcoming Teamsters convention in Las Vegas. I was concerned. The President was running for reelection. The Teamsters were under investigation, and the whole country knew it. I could visualize the possible news stories if the President appeared before the Teamsters convention. Nevertheless, Fitzsimmons approached the President, who agreed to speak.

Advisers at the White House urged the President not to make the appearance, and it was agreed I would speak at a convention instead. We prepared the speech—the only speech I recall ever submitting to the White House for approval. To minimize the potential risk, it was decided I would fly to the convention and return the same day.

At the convention, Fitzsimmons set the stage by attacking the media for recent news coverage of the Teamsters. Of course, the media were present, although they were located in the far top corner of the hall, where Fitzsimmons had arranged to put them. After the tirade, Fitzsimmons introduced me to the convention as his good friend.

One learns to tell a joke or two under such circumstances. I told a joke about a golfer. The punch line of the story ended with "I don’t even believe he belongs in this club." After finishing the joke, and after the laughter died down, I announced to the Teamsters, "Well, when it comes to collective bargaining, I am a member of this club." Then I made my carefully prepared speech.

The speech went well, and all was fine until the story was reported by the media. The wire services ignored the speech but highlighted my "member of this club" remark, characterizing me as a member of the Teamsters club.

As a result, several U.S. Senators and members of the House called for my resignation as Labor Secretary. I even received the dubious honor of appearing in several Herbblock and Ollphant cartoons.

When I next visited the White House, the President smiled and shook my hand. "Well, Bill, welcome to the club." Then he laughed and added, "I sure am glad you were able to get in and out of that speech in Las Vegas without any trouble."

My present humor about the incident, of course, comes with considerable distance and perspective. During the actual occurrence, I suffered greatly. To become the center of controversy while in a Cabinet post is exceedingly uncomfortable. I am embarrassed both personally and professionally. For me, it was the low point of my tenure. But I managed through it because the business of the Labor Department was infinitely more important.

Fortunately, one’s failures are brought into healthier focus by one’s successes. And as I look back, 1976–77 also stands out as an important and successful time for the Labor Department.

Serving as Labor Secretary while our Nation celebrated its 200th birthday proved one of the high points of my tenure. I grew up in the rural South during the Great Depression. I came up through the ranks of the labor movement, and graduated from the school of hard knocks. To have the President introduce me at the White House, to be seated next to the Vice President, to have the Chief Justice swear me in, and finally, to have such distinguished men listen as I expressed my views in an acceptance speech surpassed all I could have imagined as a young boy in Georgia.

I felt a great sense of honor in representing the interests of the American working people during the Bicentennial year of a Nation founded on democratic freedoms. Industrial democracy, it seemed, had emerged as a natural extension of those freedoms. By the 1970’s, though, problems global in scope were shifting away as we had made; inflation, unemployment, and recession hindered economic stability. Jobs became a primary concern.

As Labor Secretary, I took the same pragmatic, hands-on approach that I always take to problemsolving. My successes in solving the practical problems of working people constitute the achievement in which I take greatest pride. President Ford, by his strong support of both me and the Department, deserves inestimable credit for those successes.

No aspect of labor-management relations attracts more publicity or demands more thoughtful, pragmatic action than a strike. As Labor Secretary, I encouraged the resolution of labor-management disputes with strong, effective mediation. Negotiated settlements prevented potentially harmful and lengthy strikes in several cases. When the direct intervention of the Labor Department became necessary, we guided our actions with prudence and fairness. Round-the-clock negotiations helped end the longest strike in the history of the rubber industry, and a potentially crippling nationwide trucking strike was halted after only 3 days.

Less prone to draw publicity—but equally important—were major departmental programs aimed at helping American workers adapt to a changing workplace and economic uncertainty. Working with trade associations, national unions, professional organizations, and
schools, we launched a program which expanded apprenticeship opportunities in highly skilled occupations. By expanding the Comprehensive Employment and Training Act (CETA), and by developing special emphasis programs, we helped address the employment concerns of several million people, including veterans, migrant and seasonal farmworkers, women, and minority group members.

Still more workers were aided by major changes in the unemployment insurance program; more money was made available and coverage was expanded. Concerned about the future of the unemployment insurance program, we instituted long-range planning and established a national commission to recommend changes and improvements.

The Labor Department also acted decisively in carrying out its mandate to improve the working conditions of American wage earners. Despite great resistance, the Occupational Safety and Health Administration (OSHA) made a comprehensive effort to correct the health and safety problems in injury- and illness-prone industries. We made monies available to educational institutions and professional associations to educate the public about job safety and health.

Such programmatic efforts represent one aspect of the positive, pivotal role the U.S. Government historically has played in the lives of American workers. That role is much easier to play, of course, when social values and economic values are aligned. When basic tenets of industrial democracy like collective bargaining and workers’ rights clearly make economic sense to both labor and management, then the role of the Federal Government is reduced. When the long-term economic benefits of labor-management cooperation become less obvious and conflict emerges, then the need for an expanded role is apt to increase.

In either case, the U.S. Government’s role in maintaining a healthy environment for cooperative labor-management relations has been—and remains—essential. Collective bargaining, the foundation of American industrial democracy, remains fundamental to the well-being of the free enterprise system.

Unfortunately, during recent years, contemporary issues confronting labor-management relations have languished in a kind of purgatory—an isolated landscape inhabited almost exclusively by labor union leaders and corporate labor relations executives. Critical issues over which these labor and business leaders preside affect all of us, especially in a highly competitive world where events in one corner of the globe affect those in another. But because the

"We must travel the road of enlightened cooperation between business and labor...."

issues are often highly controversial and complex, they have been ignored, for the most part, by the remainder of the republic.

That clearly must change if the United States is to remain strong and maintain a leadership role in an emerging, restructured world economy. It is imperative that we openly explore, debate, and resolve the labor-management issues challenging the tradition of industrial democracy in America. To do otherwise is to seek solace and hope in ignorance; to do otherwise is to invite economic decline.

Historically, the joint efforts of business and labor built the great productive capacity of our Nation, even though the apparent interests of those two parties have at times been in conflict. The future, too, will be determined by the institutions of business and labor and their respective abilities to adapt to a changing world, to find mutuality of interest, and to join forces. If we are to understand how that cooperative process has occurred in the past, we simply cannot ignore the role of government.

Until recently, the Federal Government actively sought a positive, pivotal role in labor-management relations. Collective bargaining is but an extension of political democracy, and the U.S. Government since the early years of this century has upheld the rights of American workers—and at times even encouraged them—to organize and negotiate with employers. The U.S. Government has played an essential, integral role in the establishment of collective bargaining and American industrial democracy.

Now that we are commemorating the 75th anniversary of the Department of Labor, I sincerely hope the celebrated occasion will force the issues confronting the American working people back to center stage, where they will receive not a curtain call but the spotlight of public and political attention. I believe the U.S. Government, through the policies and activities of the Labor Department, can and must help in that process, just as it has done in the past.

We cannot afford to regress down the path of protracted labor-management conflict. Nor can we afford indecision regarding critical issues which demand attention. We must choose, instead, to travel the road of enlightened cooperation between business and labor, each depending on the other. I do not believe it is an exaggeration to say that the productive vitality of our great Nation and the American working people hangs in the balance.

---FOOTNOTE---

1 Public Law 426, 62d Cong.
Establishing an agenda for the Department of Labor

RAY MARSHALL

The achievement in which I take the greatest pride as Secretary of Labor is in having helped establish an agenda for the Department of Labor and having assembled the people and promoted the relationships to carry it out. I was aided in this by several factors. The first was that President Jimmy Carter gave me almost complete freedom in appointments and establishing the administration’s labor agenda. It was also very fortunate that I worked this agenda out with the President before we ever took office. In our system of government, a Cabinet officer’s main constituent is the President. There will inevitably be policy conflicts within an administration. An early commitment from the President, therefore, helps minimize and resolve these conflicts.

President Carter’s general instructions to all Cabinet officers were (1) to make every effort to recruit qualified women and minorities for top positions; (2) to do everything possible to improve the efficiency of our departments; and (3) to concentrate on important things and simplify our operations to achieve our objectives as efficiently as possible.

With respect to specific Department of Labor programs, President Carter was particularly concerned about widespread criticism of the Occupational Safety and Health Administration (OSHA) for having too many expensive, onerous, and nit-picking regulations which detracted from very important objectives of working with labor and management to improve safety and health in the workplace. We therefore simplified and concentrated—we eliminated many regulations, simplified the rest, and concentrated on the most serious problems. Our basic approach was to strengthen knowledge and ability of labor and management to deal with health and safety problems. We thought it particularly important to strengthen workers’ knowledge of safety and health problems, as well as their power to deal with them and to use Federal resources to address the most serious problems. While we still had a lot of work to do in this area, I am proud of our OSHA accomplishments.

President Carter’s second special interest was in employment and training programs. We agreed that active labor market policies should be important components of economic policy. These policies met the test of efficiency, stability, and equity. They were efficient because they could reduce unemployment at lower cost than any alternative. Because they could target particular employment and labor market problems, these programs could reduce unemployment and avoid inflationary pressures that were likely to result from macroeconomic policies. Selective programs were equitable because they could target the groups with the greatest need.

Because of our concern about unemployment, our general approach was to enlarge the employment and training systems as fast as we could, consistent with efficiency in the delivery system. In areas where programs had demonstrated their effectiveness (for example, the Job Corps), our objective was to expand as fast as possible. Where we were uncertain as to effectiveness, we initiated research and demonstration projects (such as youth programs, welfare reform, and worker adjustment).

Because I had studied these programs in some depth before becoming Secretary of Labor, I knew the Comprehensive Employment and Training Act (CETA) was seriously flawed. When CETA decentralized Federal programs, the relative participation by young people, the private sector, and the most seriously disadvantaged declined. We therefore attempted to correct these defects through the Youth Employment and Demonstration Projects Act of 1977, and through special efforts to minimize substitution (that is, local units of government using Federal funds to pay regular employees), to get the private sector more heavily involved (which we did by strengthening the National Alliance of Business and providing for the Private Industry Councils in the 1978 CETA reauthorization), and targeting programs to special groups (veterans, youth, and seriously disadvantaged, for example), who were likely to receive inadequate attention from local prime sponsors.

The most difficult problems with the CETA system related to the delivery system and the funding cycle. CETA’s fundamental flaw was the assumption that State and local governments could implement a Federal program without an unacceptably large support and oversight mechanism. Perhaps these problems could have been corrected with enough time, but the nature of the defects and events (especially inflation and growing resistance to government programs) made it impossible to do this in CETA’s short life. The system was caught up in a Catch-22...
problem: attempting to correct the problems by, for example, introducing a special investigations unit (which we did— it later became the Office of the Inspector General) helped correct problems, but it also caused the media and the political system to exaggerate the system’s weaknesses and therefore weakened support for it. We mounted a media campaign to attempt to keep the problems in perspective while we corrected them. The campaign did some good, but was not enough to save public service employment. The other features of CETA were included in the Job Training Partnership Act, which improved the delivery system by focusing on the States, but it was a mistake not to have public service employment at all and to greatly reduce overall funding at a time when unemployment was soaring to 10.8 percent.

I still believe very strongly that selective labor market policies should be integral components of economic policy. However, we should do more to improve the delivery systems (especially managing the Private Industry Councils, more effective local labor market committees). We should also improve the linkages among employment and training programs, educational institutions (especially community colleges), companies, and labor organizations.

The funding problem could be corrected by forward funding or the creation of trust funds. It is very difficult to undertake a complex program to deal with serious structural employment and training programs with an annual funding cycle. On balance, despite CETA’s inherent flaws, independent investigations have concluded that the programs were successful by any reasonable criteria; they were cost effective and helped their participants.

I take great pride in having made good appointments and establishing good working relationships with the career staff. An early decision any Cabinet officer has to make is what approach to take with respect to career employees. It is a huge mistake to alienate permanent employees through negative attitudes and comments. I had been around the Labor Department as an adviser, contractor, or grantee long enough before becoming its Secretary to know and respect the Department’s career people; they are overwhelmingly dedicated, conscientious people willing to work hard to carry out the Department’s mandate to protect and promote the interests of America’s wage earners—a mandate I enthusiastically support. I knew, moreover, that whatever we accomplished during my tenure would be done mainly by the career people. My basic policy, therefore, was to try to work with the civil servants to develop consensus on programs. I also included career people in the pool from which we made political appointments. In each case, I selected what seemed to me to be the very best people for the job. My Under Secretary and four of the Department Assistant Secretary-level appointees were career Department of Labor people and one other Assistant Secretary was selected from the Federal Mediation and Conciliation Service, a closely related agency. Without exception, these appointments vindicated my judgment.

My basic management approach was to select the best people we could find, develop consensus on goals and objectives, help find other jobs for those who could not agree with those goals and objectives, and then give the agency heads considerable freedom and as much support as possible in carrying out those objectives.

I also take considerable pride in our accomplishments in the program areas. In addition to those mentioned above, the most noteworthy are:

We developed a policy of strengthening collective bargaining by good appointments to such agencies as the Federal Mediation and Conciliation Services, National Labor Relations Board, Federal Labor Relations Authority, and the National Mediation Board. I held frequent joint meetings with the heads of these agencies. Our basic policy was to strengthen workers’ right to choose whether or not to be represented by unions. In order to encourage the parties to bargain and give major responsibility to Federal Mediation and Conciliation Services, our policy was to intervene in collective bargaining only in rare cases where there was a strong national interest reason to do so. I do not believe we should have intervened in the 1977-78 coal strike, but we did so on the basis of exaggerated information about its impact. From then on, the Bureau of Labor Statistics and my staff had careful strike assessments available to defend our non-intervention strategy. My biggest disappointment in this area was our inability to break the filibuster to pass labor law reform to strengthen the workers’ freedom of choice under the National Labor Relations Act. Because of the weak penalties for violation of the Act and legalistic delays with the National Labor Relations Board procedures, that right currently is not adequately protected. I also believe, however, that our collective bargaining structures and policies need to be modernized. The law’s basic assumptions relate more to the 1930’s, 1940’s, and 1950’s than to the conditions of the 1980’s and 1990’s. We need to develop labor-management and bipartisan consensus for reforming these important laws. Despite our efforts to do so (and contrary to some of our critics), we were not able to get any significant employer support for labor law reform, despite their recognition that free labor movements are essential components of free enterprise systems.
“...free labor movements are essential components of free enterprise systems.”

We also developed a strategy to demonstrate that the Employee Retirement Income Security Act (ERISA) could be used to protect pension funds. I am proud of our policies in this area, especially over handling of the important Central States case, in which we caused the fund’s management to be shifted to outside financial institutions. We also brought civil suit for restitution against the trustees accused of violating their fiduciary responsibilities. We did this through a unified government position under the Department’s leadership. We still have a lot of work to do to make pensions more secure and to give beneficiaries greater control, but we demonstrated that ERISA could be used to protect the funds from the worst forms of fraud and abuse.

Finally, I take considerable pride in the relationships we established with outside organizations and agencies. We worked very hard at establishing good relations with the Congress; unions; civil rights, employer, and community organizations; the White House; the media; and State and local governments. Our relationships with the Congress were particularly good—we were blessed with strong bipartisan support in both the Senate and the House, but particularly in the Senate, where Senator Jacob Javits, ranking minority member of the Labor Committee, was a staunch supporter of the Department’s programs.

We strengthened the Women’s Bureau and elevated its status within the Department, and the Women’s Bureau maintained close and effective relationships with women’s groups. Similarly, we strengthened the Office of Federal Contract Compliance Programs (OFCCP), consolidated it in the Department, and got close cooperation from civil rights and community groups. Some of our strongest support came from those State and local government officials who gave high priority to workers’ problems in their jurisdictions.

Our relationships with foreign ministries of labor—particularly the Copenhagen Group—were very valuable. We learned a lot from each other about common problems, and these relationships helped us with international political problems. In an international information world, the Department of Labor cannot adequately carry out its mandate without being heavily involved in foreign policy and international economic decisions and activities.

In conclusion, I take the greatest pride in the agenda we formulated to carry out the Department’s mandate and the people, systems, and relationships we put together to carry out that agenda. We had our share of problems and made our share of mistakes, but we also had our share of successes. From my perspective, being Secretary of Labor was a good and satisfying job.

Workforce 2000 agenda recognizes lifelong need to improve skills

William E. Brock

When I came to the Labor Department as its Secretary in May 1985, I told the employees that I hoped we could open ourselves to new ideas and initiatives, not just from within our own ranks, but from all of the people and organizations which have a stake in the Department’s wide-ranging activities. I was not disappointed. There is a growing awareness that the world is changing rapidly and that methods and concepts which served us well in the past must be rigorously reexamined.

We are beginning to have a national dialogue on the relevant issues and questions that will determine our economic future, and I am gratified that the Labor Department contributed to that through a project called “Workforce 2000.”

The programs, policies, and issues that are part of Workforce 2000 are rooted in Labor Department studies and projections of what kinds of jobs our economy will produce in the future, and who will be available to do them. For example, 3 of every 4 workers in the year 2000 will be people who are already in our Nation’s labor force. Eighty percent of the new entrants will come from three groups—women, minorities, and immigrants.
Of the new jobs expected to be created over the next 13 years, every category requiring higher skills will grow faster than those requiring less skills. Almost half of the 20 occupations projected to lead the growth over the next decade are related to the computer and health fields. The occupational mix of jobs also will change, with employment in managerial and professional positions growing almost five times as fast as operative and laborer jobs.

Unless every portent of where the domestic and world economies are headed is wrong, the workers of the future will have to be better educated and better trained than our current labor force, or we will be unable to maintain a leadership position in the high technology industries and services that offer the greatest promise for America's continued prosperity.

Each of the groups that will account for the bulk of new workers—women, immigrants, and minorities—presents particular challenges. The growing number of women in the labor force has highlighted the problem of parents who must balance the demands of the jobs with child care responsibilities. Immigrants often must overcome language barriers that make it difficult for them to find and keep jobs and to learn skills. Minority and disadvantaged youths are more likely to be functionally illiterate, to drop out of school, to become pregnant as teenagers, or to abuse drugs and alcohol.

The specter of millions of youngsters continuing to reach adulthood without acquiring the basic skills needed to become productive, self-supporting, self-respecting members of society is especially disquieting. We run the risk—and it is a risk with grave consequences—of creating a permanent underclass, a group of people who are not just unemployed, but unemployable. Because of the importance of this problem, the Labor Department, as part of Workforce 2000—increased the emphasis on basic education in its youth programs, especially programs serving young people in welfare families. Society must concentrate more employment and training resources, private as well as public, on young parents and children in welfare families because they can benefit most from such help.

Our economy is expected to produce more than 10 million new jobs by 1995. At the same time, our population and work force will be expanding at an unusually slow pace, and the number of young people seeking jobs actually will decline. The convergence of these trends could result in a shortage of workers, particularly at the entry level, but for some higher paying skilled jobs as well. All of this adds up to a potential "window of opportunity" to bring minority youth, the handicapped, and others with longstanding employment problems into the mainstream of the U.S. economy. It is an opportunity we dare not squander by failing to give these people the tools to take advantage of it.

There is no tool more important to workers today than education and training that will enable them to function in a job market requiring more flexibility and adaptability than ever before. Yet many of our educational institutions and job training programs persist in preparing people for a first occupation as though it will also be the last. The average American wage earner today can expect to work in three or more careers in a lifetime.

Education and occupational training too often are viewed as institutional processes that end when a young person begins earning a living. We need to look beyond the classroom and realize that education—especially work-related education and training—is a lifelong endeavor. We must make the rhetoric of "continuing education" a reality. Every industry and every union should be involved in programs to train, retrain, and upgrade the skills of workers. If it has taught us nothing else, the human suffering and economic waste caused by cutbacks in steel and other basic industries should have demonstrated the folly of waiting until workers are faced with redundancy before preparing them for new jobs.

Although the private sector must take the lead in worker training, the government has a role to play. To improve the effectiveness of the government’s efforts, the Labor Department’s Workforce 2000 agenda includes a proposed new worker adjustment program.

Helping dislocated workers must be a cooperative effort that brings together labor and management in a common cause. The same can be said of every aspect of our Nation’s drive to produce quality goods and services that are fully competitive in what is fast becoming an integrated world economy. Confrontation no longer is a viable approach to labor-management relations. American business and industry must not just accept but invite involvement in every phase of their operations from design to production to marketing. Organizations that stress employee participation will be the most successful and the best prepared to lead America into the competitive cauldron of the next century.

Acceptance of the need for change, however, is not necessarily followed quickly by substantive change in the way government operates. That should not be surprising—the laws of human nature are not easily revoked—nor is it all bad. Government services and protections that affect millions of people should not imitate the commercial consumer market where periodic remodeling of products all too often reflects advertising considerations rather than improved quality. Still, in looking back on 2½ rewarding and stimulating years, I must admit the measured pace of institutional change probably ranks as my chief frustration.
The Employment Service, for example, has been bringing together workers and employers for more than half a century. Techniques for matching jobs and jobseekers have changed, but the relationship between this essentially local activity and the Federal Government is little different than it was during the depression years of the 1930’s. That does not make much sense. Labor and job market conditions vary widely in a Nation as geographically vast and economically dynamic as ours. Workers and employers would benefit if States exercised greater control over the financing and programs of the Employment Service. We made a start in that direction, but a good deal more remains to be done.

Few, if any, Labor Department responsibilities are more important than protecting the health and safety of America’s workers. It is a daunting mission in size and complexity as well as in the controversies and passions it engenders. Rulemaking is at the heart of administering the job safety law, and it can be, and at times has been, a cumbersome if not chaotic process.

In its first 16 years of existence, the Occupational Safety and Health Administration approved fewer than 20 standards for handling toxic substances. Admittedly, developing such standards is difficult, involving as it often does passionate partisans for and against every proposal, substantial economic considerations, and complicated and even conflicting scientific data. But part of the problem was the agency’s decision to set out on a course of establishing a separate standard for each of the hundreds, or perhaps thousands, of substances that might be hazardous to workers. That way lies madness.

Generic regulations and mediated rulemaking are better approaches. In generic rulemaking, a general standard is established for a whole range of hazardous substances. The standard requires employers to inform workers about hazardous substances they may encounter on the job and to train them in the proper handling of such substances.

Mediated rulemaking involves the establishment of committees composed of all interested parties to draft regulations on specific job safety and health issues. Participants normally include representatives of labor, management, government, and, where appropriate, the scientific community. The Occupational Safety and Health Administration reviews the work of the committee, makes any changes it deems necessary, and then issues the rule as a proposal for public comment. The idea is that disagreements will be diminished and the process accelerated if those who have the biggest stake in job safety regulations are given a role in formulating them. Although mediated rulemaking is no panacea, its potential for resolving difficult issues is evident in the progress that has been made on establishing a standard for methylenedianiline.

Generic standards and mediated rulemaking are steps in the right direction. That they are not yet standard operating procedures, and that they have been so long in coming attest to the difficulty of achieving institutional change.

Rules governing working at home, a new program to help dislocated workers return to productive employment, and stronger protections for private pension plan participants are some other areas in which we sought to alter the status quo in ways that would make Labor Department programs and policies compatible with our changing economy. None of these efforts was complete at the time of my departure, but home work rules based on common sense and fair play were near the finish line, an expanded program to help displaced workers had broad support, and pension issues were nearing a very positive resolution on Capitol Hill.

My disappointment in the inertia that seems built into most large institutions was tempered by the acceptance of the need for change in what some might consider an unlikely quarter—labor-management relations. Cooperation may not yet be the dominant theme in labor-management relations, but it is gaining adherents on both sides of the bargaining table at a rate that only the most optimistic would have thought possible just a few years ago. The Labor Department has played a limited but important role in this development by encouraging labor and management to work together and by serving as a clearinghouse for a broad range of information on innovative approaches to employee participation.

The growing interest in an acceptance of labor-management cooperation could not have come at a better time. Labor-management cooperation, or employee participation, which is another name for the same concept, is an essential element in building the skilled, flexible work force the Nation will need as we move into the 21st century.

America faces a future of great challenge and great opportunity. We have an unmatched history of accomplishment and keen competitive instincts. Time and again, we have demonstrated our ability to adapt to change. But the term “adapt to change” implies taking action after the fact. That is no longer good enough. We must anticipate change and be ready to make the most of it.

Change has been one of the constants of the American experience. As a Nation, we have embraced it, not feared it, because we are optimists. We must maintain that philosophy, but adopt a new timetable in applying it. If we do, and if business, labor, and the academic community work together—in the national interest as well as in mutual self-interest—then when the 21st century dawns, Americans will be ready.