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February 19

SUBJECT: LABOR STATISTICS

Regarding AFL-CIO charges of "gimmickry" in January unemployment statistics...

Three points:

1) January figures may have some sampling or statistical problems that are minor (as Greenspan has said all along), but we will have to wait for February statistics. Nonetheless, that is not the point here.

2) Malkiel is correct. While there is a teenage unemployment modification in the January figures, the 7.8% figure would have been the same if we had not used this modified means of calculation; in other words, the teenage modification did not alter the statistic. But that is not really the point, either.

3) The issue is that the BLS used the procedure it has used every year for calculating the January figure. Every year it updates the data, so that it is the best and most complete data available. This January it was calculated in the same manner in which it is always calculated for the first month of the year. * What the AFL-CIO is apparently calculating is using data that is actually inferior to what BLS uses. The BLS methodology is developed by BLS, and is not subject to political manipulation.

The issue of unemployment is, the President feels, sufficiently important that we take pains to maintain the integrity of the system--if anyone would like to debate the techniques BLS has used, we will be happy to do so.

* Without any seasonal adjustment, January figure would have been 8.0%, but that would have completely broken precedent.

ME

02-18-76 13:21EST

NO61
RA
AFL-CIO

BY ROBERT A. DOBKIN

MIAMI BEACH, FLA. (AP) -- THE AFL-CIO TODAY ACCUSED THE BUREAU OF LABOR STATISTICS OF USING "SEASONAL ADJUSTMENT GIMMICKRY" TO MAKE IT APPEAR THERE WAS A DRAMATIC DROP IN JANUARY'S UNEMPLOYMENT RATE WHEN THERE WAS ACTUALLY NO SUBSTANTIAL DECLINE.

THE LABOR ORGANIZATION SAID THAT IF THE BUREAU HAD USED THE SAME FORMULA FOR ADJUSTING SEASONAL INFLUENCES THAT IT USED THROUGHOUT 1975, LAST MONTH'S DROP WOULD HAVE BEEN ABOUT HALF AS LARGE AS REPORTED.

(1)

THE BUREAU SAID THE NATION'S JOBLESS RATE DROPPED FROM 8.3 PER CENT IN DECEMBER TO 7.8 PER CENT IN JANUARY, THE SHARPEST DECLINE IN MORE THAN 16 YEARS. PRESIDENT FORD USED THE REPORT AS POLITICAL AMMUNITION TO SUPPORT HIS ARGUMENT THAT HIS ECONOMIC POLICIES ARE WORKING.

IN REPORTING THE JANUARY FIGURES, THE LABOR DEPARTMENT ACKNOWLEDGED THAT THE BUREAU ROUTINELY REVISES SEASONALLY ADJUSTED FIGURES AT THE BEGINNING OF EACH YEAR TO TAKE DATA FROM THE PREVIOUS YEAR INTO ACCOUNT.

(2)

HOWEVER, THE DEPARTMENT SAID THAT IN COMPILING THE JANUARY JOBLESS RATE, THE BUREAU "INTRODUCED A MODIFICATION IN THE PROCEDURE FOR SEASONALLY ADJUSTING TEEN-AGE UNEMPLOYMENT" IN ADDITION TO THE ROUTINE ANNUAL REVISIONS.

THE DEPARTMENT ALSO SAID THE SEASONALLY ADJUSTED FIGURES "WERE REVISED TO A MUCH GREATER EXTENT THAN IN PRIOR YEARS" BECAUSE OF THE SHARP INCREASE IN UNEMPLOYMENT LAST YEAR.

IN A STATEMENT ISSUED AT ITS WINTER MEETING IN MIAMI BEACH, THE AFL-CIO SAID THE GOVERNMENT'S OFFICIAL REPORT "WAS EXAGGERATED BY A STATISTICAL ABERRATION. ... IN OTHER WORDS, THE UNEMPLOYMENT DECLINE IN JANUARY WAS A MODEST DECLINE -- REFLECTING THE SLOW IMPROVEMENT IN THE ECONOMY SINCE LAST SPRING.

"THE DECLINE WAS NEITHER DRAMATIC NOR SUBSTANTIAL -- ONLY THE NEW SEASONAL ADJUSTMENT FORMULA MADE IT LOOK THAT WAY," THE FEDERATION'S STATEMENT SAID.

BURTON G. MALKIEL, A MEMBER OF PRESIDENT FORD'S COUNCIL OF ECONOMIC ADVISERS, HAS SAID THE LABOR BUREAU COMPUTED THE JANUARY UNEMPLOYMENT RATE ACCORDING TO BOTH THE OLD AND NEW SEASONAL ADJUSTMENT FIGURES AT HIS REQUEST AND CAME UP WITH THE SAME RESULTS.

BUREAU COMMISSIONER JULIUS SHISHKIN AND CHAIRMAN ALAN GREENSPAN OF THE COUNCIL OF ECONOMIC ADVISERS BOTH HAVE SAID THERE COULD BE SOME MINOR STATISTICAL PROBLEMS IN THE JANUARY UNEMPLOYMENT REPORT AND THAT THE JOBLESS RATE COULD RISE AGAIN SLIGHTLY IN FEBRUARY. BUT SHISHKIN HAS MAINTAINED THE FIGURES ARE BASICALLY ACCURATE.

02-18-76 13:28EST

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LABOR 2-18 44

187 LD 8042

BY SARA FEITZ

ORLANDO, Fla. (UPI) -- AFI-CIO economists charged today the labor department used statistical "gimmickry" to exaggerate a decline in the nation's unemployment rate in January.

The economists, in a report to the annual winter meeting to the AFI-CIO executive council, said unemployment actually made a "modest decline" last month.

The labor department report released earlier this month showed a decline in the unemployment rate from 8.3 per cent to 7.9 per cent during January. The substantial drop was loudly hailed by the administration as proof that President Ford's economic policies are working.

But the AFI-CIO report said "it is now generally accepted that the labor department's official report on unemployment in January... was exaggerated by statistical aberration."

The report, entitled "Seasonal Adjustment Gimmickry in Official Unemployment Figures for January," noted that the department's Bureau of Labor Statistics revised its system for seasonally adjusting the figures in January. It said the annual revision will tend to reduce unemployment rates in the first five months of the year and increase them or allow them to remain unchanged during the final seven months.

"Had the seasonal adjustment formula remained the same, the officially reported unemployment figures for January 1976 probably would have been down only about half as much as reported," the report said.

"In other words, the unemployment decline in January was a modest decline -- reflecting the slow improvements in the economy since last spring. The decline was neither dramatic nor substantial -- only the new seasonal adjustment formula made it look that way."

AFI-CIO President George Meany Tuesday put the administration on notice that the appointment of former union official W.J. Usery as labor secretary will not ease labor's bitterness toward President Ford.

PICKUP 2ND PAG: USERY, WHO WAS

UPI 02-18 11:47 AFS

August 3, 1976

SUBJECT: LABOR-HEW APPROPRIATIONS

The House-Senate conferees yesterday could not reach agreement on a controversial anti-abortion amendment to the Labor-HEW appropriations bill, and so they returned the issue to the floor of the House for a vote.

What is the President's position on the Labor-HEW appropriations bill in general, and specifically the anti-abortion amendment?

The Labor-HEW appropriations bill is well over the President's budget request, but since we don't at this point know what will happen to the specific provisions of the bill, I cannot prejudge what the President's reaction will be. We will wait and see what we get down here.

ME

December 9, 1975

SUBJECT:

LABOR-HEW APPROPRIATION
BILL APPROVED

The Senate yesterday approved and sent to the White House a bill giving HEW and Labor \$45 billion through next September 30. In addition, the appropriation carries an amendment barring HEW from forcing school districts to bus students beyond the school nearest their home for racial purposes.

Will the President sign the Labor-HEW Appropriation bill even though it appears to be considerably over budget?

GUIDANCE: The Labor-HEW Appropriation bill is yet another example of the Congress' appropriating massive increases over the amounts requested by the President, thereby adding immeasurably to the deficit which is already at or over \$70 billion.

The Administration has consistently indicated its opposition to this excessive appropriation. Once the bill arrives here at the White House, it will be evaluated in terms of the deficit we already have in FY '76 and the added effect for FY '77.

Is the President pleased by the amendment barring HEW from forced busing?

GUIDANCE: It is my understanding that the amendment only bars HEW from busing students, and as you know, most school desegregation plans have been ordered by the courts and not HEW, so this amendment would not affect most school desegregation plans. I have not heard the President comment specifically on this amendment.

JGC

UNITED STATES DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY

September 3, 1975

John Carlson

This matter may come up during the President's trip tomorrow. It was released today to our press regulars. The Bill has not yet been sent to the Congress nor made public.

John T. Dunlop

NEWS



U. S. DEPARTMENT OF LABOR
OFFICE OF INFORMATION, WASHINGTON, D. C. 20210

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USDL 75-489

For Release: Immediate, Wednesday
September 3, 1975

Secretary of Labor John T. Dunlop today made available the attached summary of legislation being drafted to revise the framework of collective bargaining in the construction industry.

The bill will be submitted soon to the Congress by the Labor Department.

#

September 2, 1975

Construction Industry
Collective Bargaining Act of 1975

The purpose of the bill is to revise the framework of collective bargaining in the construction industry. It provides an enhanced role in negotiations for national labor organizations and national contractor organizations working as a group, while at the same time preserving the flexibility and variations that appropriately exist among localities, crafts, and branches of the industry. The proposed legislation seeks to improve dispute settlement, with a minimum of government interference in the collective bargaining process. The proposed machinery does not constitute wage and price control, nor is it a form of compulsory arbitration. It applies solely to standard labor organizations and to contractors and their associations engaged in collective bargaining. It is not applicable to independent unions and to the nonunion sector of the construction industry.

The major provisions of the proposed legislation are as follows:

(1) The Construction Industry Collective Bargaining Committee is comprised of 10 management representatives, 10 labor representatives, and up to 3 neutral members, all appointed

(more)

by the President. One of the neutral members shall be appointed Chairman. The Director of the Federal Mediation and Conciliation Service and the Secretary of Labor shall be ex officio members. The role of the parties is enhanced by providing that the management and labor members and neutrals shall be appointed after consultation with the national organizations.

(2) Local labor organizations affiliated with the standard labor organizations in the industry are required to give 60 days notice to their national unions before the expiration or reopening of agreements, and contractors or associations engaged in collective bargaining with them are similarly required to notify either the national organization with which they are affiliated, or the Committee directly if there is no national affiliation. The standard national labor organizations and the national contractor associations engaged in collective bargaining are required to forward such notices to the Committee.

(3) The Committee may elect to take jurisdiction of the matter, in which case any strike or lockout is deferred for up to 30 days past the expiration or reopening date.

(4) The Committee may decide to refer a matter to a

national craft board or to the national machinery established by a branch of the industry, on which national unions and national contractor associations are represented, in an effort to assist the parties to reach agreement. The Committee may elect to meet with the parties itself.

(5) The Committee may also request the standard national labor organizations and the national contractor associations whose members are directly involved to participate in the negotiations. In that event, any new or revised collective bargaining agreement shall be approved by the standard national construction labor organization with which the local labor organization, or other subordinate body, is affiliated in order for the agreement to be of any force or effect. In the event the standard national labor organization or national contractor association participates in such negotiation, it shall not suffer any criminal or civil liability arising out of such participation; nor shall the standard national labor organization be subject to any civil or criminal liability arising out of its approval, or failure to approve, a collective bargaining agreement.

(6) The statute specifies the standards which the Committee shall take into account in taking jurisdiction of a

(more)

matter and requesting the participation of the standard national labor organizations and the national contractor associations. These standards broadly specify improvements in collective bargaining procedures and practices.

(7) The Committee is authorized to make broad studies of collective bargaining in the industry and to make general recommendations with regard to negotiating structures, improvement of productivity, stability of employment, differentials among branches of the industry, dispute settlement procedures, and other related matters.

(8) The proposed legislation runs for a term of 5 years. The Committee shall submit annual reports to the Congress and, 6 months in advance of the 5-year limit, the Committee shall make recommendations with regard to the extension of the legislation.

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June 26, 1975

SUBJECT: HOUSE PASSES LABOR-HEW
APPROPRIATIONS BILL

The House yesterday passed a \$45 billion appropriations bill for Labor and HEW programs. This exceeds the President's budget request by \$871 million. The bill now must go to the Senate.

Will the President veto the Labor-HEW appropriation bill since it exceeds his request by almost \$1 billion?

GUIDANCE: We are very concerned about the huge increases provided in the House-passed Labor-HEW appropriation bill. In addition to the increases, the House completely ignored the cost-saving items the President proposed last February totaling over \$3 billion.

The combined effect of the increases and the disregard of the cost-savings brings the bill to nearly \$4 billion over the President's budget proposal.

Therefore, we strongly urge the Senate to produce a responsible bill that the President can sign.

Are you inferring that the President will veto this appropriation bill?

GUIDANCE: We will be working with the Senate to produce a responsible appropriation bill, and believe it would be premature to comment on what the President will or will not do.

JGC

April 25, 1975

SUBJECT:

THE PRESIDENT'S MEETING WITH THE
LABOR MANAGEMENT COMMITTEE

Do you have any kind of a readout from yesterday's Labor Management meeting with the President?

GUIDANCE: There was a photo at the beginning of the meeting, and we posted a list of the attendees, so you know who were there.

The President opened the meeting at 2 o'clock by thanking the Committee for their time and said he was pleased and grateful that labor and management could work together to help focus in on the problems facing this country. The President also said that he appreciated their recommendations calling for a tax cut, which he proposed. The President then stated that he knew the Committee had been meeting all morning and in the early afternoon, so wanted to hear their observations and recommendations.

Richard Gerstenberg, of GM, summarized the first hour of the Committee meeting. He stated that they went around the table and each of the Committee members gave their assessment of the present status of the economy and outlook for the future. To summarize their thoughts, they said there were some few bright spots, but these were minor. There is great uncertainty in the country and a lack of confidence. There is also a cost squeeze on business which is cancelling a great deal of capital spending.

George Meany summarized the second part of yesterday's meeting. He stated that the immediate problems that the country faces is jobs and getting people back to work. Real workers income went down again last quarter, and we are now worse off than at the end of last year. He said that those in the trade unions look to the Federal government and believe that the government should be the employer of last resort. He stated that the 8.7% unemployment rate is not real, and that the real unemployment rate is above 10%. Mr. Meany also stated that the President's vow to hold Federal deficit at \$60 billion indicated a lack of confidence by the Administration in our economy. He stated that if we don't get jobs, the economy will not get revived. He said the Administration should have more confidence in our economy.

(More)

PRESIDENT'S MEETING WITH THE
LABOR MANAGEMENT COMMITTEE

The President then remarked to Mr. Meany that we do appreciate his concerns, and that we have testified and requested an extension of unemployment benefits. The President also stated that by drawing a line at \$60 billion, this was an example of faith in our system. The President also pointed out that the Senate and House are very close to our way of thinking and are agreeing on close to a \$60 billion deficit. The President then reiterated his request for \$1.9 billion including \$1.6 for public service jobs and \$412 million for summer youth employment.

Mr. Meany commented that the alternative is that, using the President's own figures, in three years we will still have 7% unemployed. This means 6 million people out of work and on welfare. Also, we have to keep extending unemployment benefits.

Secretary Dunlop closed up the meeting stating that half the morning yesterday was spent on the special problem dealing with utilities. He stated that they discussed speeding up regulatory procedures, stretching out environmental standards and improving the financing. The entire Committee agreed that something must be done and that Congressional action is needed to shorten the long lead time needed for new or expanded utility construction. Mr. Dunlop commented that the Committee was going to try and work up some language and a package to present to the President and to Congress on this whole area.

The President also commented near the conclusion of the meeting that this country is going to face one of the most serious natural gas shortages next winter unless we do something about deregulating natural gas. Plants will close for lack of fuel, this will mean greater unemployment and less and less production. Other Committee members pointed out that intra-state natural gas sells for \$1.58 per cubic feet while inter-state, which is regulated by the Federal government, sells at .51 per cubic feet. Others pointed out that even if we do regulate new natural gas this year, there is still a long lead time needed before any results will begin to show. It was also pointed out that this winter has been 3% warmer than usual.

The President concluded the meeting by saying that we can all benefit from your help, the Committee's help, no matter which side of the table you are on, no matter which company you work for, no matter which union you work for, etc. We need your help in many

areas, passage of energy legislation, etc. If we have another embargo, we'll be 25% worse off now than we were at the time of the 1973 embargo.

The meeting concluded at 3:15 p.m.

Attached is a list of the participants.

JGC

APRIL 24, 1975

Office of the White House Press Secretary

NOTICE TO THE PRESS

LEFT TO RIGHT

2:00 PM Labor Management Committee
(Clockwise from the President)

The President
Richard C. Gerstenberg, GM Corporation
Rawleigh Warner, Jr., Chairman, Mobil Oil Corp.
Murray H. Finley, President, Amalgamated
Clothing Workers of America
Secretary Dunlop
Paul Hall, President, Seafarers International Union
Arthur M. Wood, Chairman, Sears Roebuck & Co.
George P. Shultz, Executive Vice President,
Bechtel Corporation
Walter B. Wriston, Chairman, First National City Ba
R. Heath Larry, Vice Chairman, U.S. Steel Corp.
Stephen Bechtel, Jr., Chairman, Bechtel Group
of Companies
John D. Harper, Chairman, Alcoa
William Seidman
Frank Zarb
Stephen Gardner, Deputy Secretary of the Treasury
Leonard Woodcock
Lane Kirkland
George Meany

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November 27, 1974

SUBJECT:

\$33 BILLION LABOR AND HEW
APPROPRIATION BILL APPROVED

Congress yesterday approved a compromise \$33 billion Appropriation bill for the departments of Labor and HEW. The bill is apparently \$485 million less than requested by the Administration.

Will the President sign the Labor-HEW Appropriation bill?

GUIDANCE: I think it should be pointed out that both the House and Senate made "cuts" in the uncontrollable public assistance accounts and then added budget authority to other accounts. The apparent effect of the action was to reduce spending, while the most probable real effect would be to raise spending by \$410 million.

As a result of discussions with members and staff of the Committees, language has been included in the Conference report on the bill recognizing this problem and stating that the "apparent cuts" they made in public assistance, medicaid, etc., will probably turn out not to be real cuts. Therefore, they invited the President to submit spending deferrals until it is clear whether the Executive or Congressional estimates on public assistance are correct.

Because of this added language to the Conference report, it is expected that the President will sign the Labor-HEW bill.

JGC



NOTE FOR RON NESSEN

FROM THYM SMITH

Q'S AND A'S FOR NLRB CHAIRMANSHIP WHICH ~~BY~~ EXPIRED LAST NIGHT....

Q: By law, the President has to appoint a new Chairman or designate an Acting Chairman for the NLRB. Does the President intend to do this?

A: YES, the President intends to designate someone shortly.
(FYI: PERSONNEL OFFICE HAD A CANDIDATE WHO ASKED THAT
ONLY HIS NAME BE WITHDRAWN, (tracy ferguson)
JOHN FANNING ~~WAS~~ TO BE DESIGNATED TODAY AS ACTING
CHAIRMAN..... *(possibly this Afternoon)*)

Q: Does the White House have any reaction to the criticism by Edward Miller, former Chairman, of the White House delaying the appointment of a successor?
(SEE ATTACHED UPI WIRE)

A:

Q: Is John Fanning being considered for the Chairmanship of the NLRB at this time?

A: I have not heard of any plans for that.
(FYI: FANNING IS NOT A CONTENDER FOR THE CHAIRMANSHIP;
HE IS A DEMOCRAT)

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(NLRB)

WASHINGTON (UPI) -- EDWARD MILLER STEPPED DOWN TODAY AS CHAIRMAN OF THE NATIONAL LABOR RELATIONS BOARD WITH CRITICISM OF THE WHITE HOUSE FOR DELAYING APPOINTMENT OF A SUCCESSOR.

MILLER, 52, AN ILLINOIS ATTORNEY, ASKED PRESIDENT FORD LAST AUGUST NOT TO CONSIDER HIM FOR REAPPOINTMENT, BUT NO SUCCESSOR HAD BEEN NAMED ALTHOUGH IT WAS MILLER'S LAST DAY.

"IT IS ALSO VERY DISTURBING THAT APPOINTMENTS TO THE BOARD HAVE SO OFTEN BEEN DELAYED BY WHATEVER ADMINISTRATIONS HAVE BEEN IN OFFICE," HE SAID. "THE DELAY IN APPOINTMENT OF A SUCCESSOR FOR ME IS, UNFORTUNATELY, ALL TOO TYPICAL.

"IT IS DIFFICULT ENOUGH FOR A FULL BOARD TO KEEP PACE WITH ITS WELL-NIGH OVERWHELMING CASELOAD AND UNFILLED VACANCIES IN BOARD MEMBERSHIP CREATE SERIOUS DELAYS AND ADMINISTRATIVE LOGJAMS WHICH OFTEN HURT ALL PARTIES," HE SAID.

THE NLRB OVERSEES COLLECTIVE BARGAINING ELECTIONS AND ADMINISTERS THE U.S. LABOR LAWS PROTECTING EMPLOYES AND EMPLOYERS FROM UNFAIR PRACTICES.