PUBLIC PROGRAMS TO CREATE JOBS**

1. Programs to Create Jobs in Selected Areas


Burlington (Vermont), Utica-Rome (New York), Altoona (Pennsylvania), Evansville (Indiana), and Helena-West Helena (Arkansas) are the five communities studied in this report. The historical roots of the unemployment problem in each locality and the methods adopted by each community to develop new jobs are reported in great detail. Although each of the five communities has unique problems and advantages, certain features seem to be common to all successful development programs. These include: (1) central coordination and direction, (2) a continuing organization capable of sustained effort, (3) the support of all sectors of the community including labor, management, government, and the schools, (4) a plan based on a thorough study of the entire area, and (5) specific activities to attract new employers.


Dr. Levitan has described the legislative history of the Area Redevelopment Act, the political and administrative problems of the Area Redevelopment Administration, the economic issues, and budgetary problems. The particular problems that have plagued ARA include exaggerating its past or expected accomplishments and attempting (under political pressure) to help too many communities, thus spreading its limited resources too thinly. Dr. Levitan suggests that the criteria for eligibility for ARA aid be tightened and that we accept the fact that some depressed communities are not worth saving.


The Area Redevelopment Act of 1961 is the focus of this study. Dr. Miernyk surveys early local and state attempts to revitalize declining areas and the first tentative involvement of the Federal government (preferential defence procurement and accelerated amortization) in the early 1950's. The legislative history of the Act and its provisions and operation are described.

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** Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

This book is written from the viewpoint of the community that seeks to attract a firm by paying a subsidy. Theoretical discussions of various aspects of subsidies and of the problem of unemployment in the South are supplemented by descriptions of actual efforts to attract industry. Dr. Moes finds that subsidies are an effective and appropriate method for overcoming locational disadvantages and wage rigidities.


Dr. Gallaway disagrees with Dr. Moes on many points. He finds that efforts at industrial development by depressed areas have been unsuccessful. Reasons for failure include: (1) the stigma of the “depressed area” label, (2) lack of good industrial and public facilities, (3) the inability of depressed areas to finance improvements in facilities, and (4) competition with other areas for industry. Gallaway concludes that Federal assistance is necessary to alleviate unemployment in depressed areas and discusses the form such aid should take.


The most ambitious regional development project in the United States is that suggested for the Appalachian Mountain region. The report of the Commission surveys some of the problems of Appalachia including low income, lack of urbanization, deficient education, and unemployment. Recommendations include coordination of local and state development efforts, highway construction, rational development of resources, and improved education.


This summarizes the political debate on the Appalachian Regional Development Act of 1964, which was an outgrowth of the *Appalachia* report.

2. **Programs to Create Jobs for Selected Groups**


The authors contend that the work-training programs of the war against poverty do not help unemployed young people. The programs teach “habits of work discipline” and “positive attitudes toward work” rather than saleable skills. They do not remedy the illiteracy of the trainees or the defects of the educational system that are responsible for the illiteracy. Furthermore, the programs stigmatize those who drop out, but many drop out because they perceive (correctly) that the training does not lead to employment.

This whole issue is devoted to questions raised in the Cloward-Ontell article. Melvin Herman contests the criticism that vocational training is not a significant part of the work-training programs. He also suggests that the relationship between literacy and employability is unproved. S. M. Miller and Martin Rein raise the question of the extent to which youth programs are work relief rather than work training; the work camp may be an "aging vat" to keep juveniles from delinquency and rioting.


A summary of the political debate on the usefulness and desirability of increasing spending on public works is preceded by a survey of past and present work-relief and work-training programs.


The employment-generating effects of public works are discussed in this study. The author finds that both the long lead time and the limits on the possible expansion of public construction make it unsuitable as a contracyclical tool. As an alternative, Freeman suggests work relief. Projects can be designed to use the unskilled, who are most likely to be unemployed. Furthermore, most of the jobs are generated at the place where work relief is undertaken, which makes work relief suitable for alleviation of pockets of unemployment in a generally prosperous economy.


The Civilian Conservation Corps and the Job Corps are similar in many respects, as are the National Youth Administration student work projects and the part-time jobs for students provided under the present anti-poverty program. Even the goals of the Depression programs—to maintain and improve the quality of the labor force and to contribute to the elimination of poverty—have a contemporary sound. Dr. Lorwin's study of youth work programs in the Depression provides many useful insights into problems relating to the goals and methods of such programs and the integration of work training, education, and employment.


Dr. Mangum analyzes the process of creating jobs, distinguishing between that process and specific "job creation" programs. Jobs can
be created by increasing aggregate demand through monetary and fiscal policy, but specific "job creation" programs can be defended if they reduce inflation or provide a hiring advantage to the disadvantaged people who are the last ones to find jobs in a general economic expansion. The remainder of the paper includes descriptions of existing job creation programs of the Federal government and suggestions for other jobs that might be developed in both the public and the private sectors of the economy.


In preparation for the hearings on a bill to hire the unemployed to work on conservation projects, inquiries were sent to 2000 state, county, and city conservation and recreation officials. The appendix to the hearings includes 467 replies describing the kinds of projects that would be undertaken by various agencies if manpower were available. The responses indicate that local officials are prepared to employ a vast amount of unskilled labor in useful projects if the wages are substantially subsidized by the Federal government.


Selective measures of job development for the hard-to-employ are analyzed in this report. The specific recommendations deal with: (1) subsidized training under MDTA, (2) the need for communication between employers and the disadvantaged, (3) the establishment of a "Senior Health Corps," (4) use of domestic labor in agriculture, (5) the relationship between job development and rehabilitation of slums, (6) job development in the service industries, (7) the improvement of metropolitan mass transit, (8) the development of entrepreneurship, (9) the effect of payroll taxes on employment, and (10) wage-subsidy approaches to job development. Appendices to the report include: "Job development within existing government programs," by Arthur Ross and Curtis Aller; "Job development and slum rehabilitation," by John Dunlop; "Job development in the service areas," by George Shultz and Albert Rees; and "Job creation," by Eli Ginberg.


This study concludes that, despite the considerably higher cost compared with direct financial assistance, work relief can be worthwhile in preparing welfare recipients for regular jobs. Few existing projects are adequate to fulfill this training function, however. Furthermore, projects useful to the community are likely to interfere with regular employment. The publication includes several tables of data about work relief in 1961.