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It's Time For Wall Street To Put America Back To Work

Become a Cosponsor of H.R. 870, "The Humphrey-Hawkins 21st Century Full Employment and Training Act"

March 2011

Dear Colleague,

In order to expand job opportunities for Americans who have been unable to find work during this period of unacceptably high unemployment, I recently reintroduced H.R. 870, the "Humphrey-Hawkins 21st Century Full Employment and Training Act." This bill would establish a comprehensive and innovative federal and local government job creation and training program that would create millions of new jobs for the nation's unemployed.

Under H.R. 870, the Department of Labor would work collaboratively with local and state governments, non-profits, and the private-sector to fund community based "fast track" jobs. This work could include renovating housing and schools, weatherizing homes, fixing our aging infrastructure, expanding access to broadband and wireless Internet, neighborhood beautification projects, or other community initiatives in the health and education sectors. This direct job creation effort would be coupled with a significant increase in funding for job training programs authorized by the Workforce Investment Act. Funds will automatically continue to be disbursed from the Act's Full Employment and Training Trust Fund until a level of "full employment" is reached in the economy.

Additionally, because we are living in a period when concerns about government debt loom large in many minds, my legislation will be fully funded by a tax on Wall Street speculation and will not add a dime to the federal debt. Wall Street was responsible for the financial crisis that began in 2008 and continues to affect us today. Having already received significant assistance from the federal government, it is only fair that Wall Street now pay Main Street back by helping put America back to work.

If you would like to cosponsor H.R. 870, please contact Michael Darner (michael.darner@mail.house.gov) at (202) 225-5126.

Sincerely,



John Conyers, Jr.
Member of Congress

H.R. 870, "The Humphrey-Hawkins 21st Century Full Employment and Training Act"
REPRESENTATIVE JOHN CONYERS, JR.

Summary

Representative Conyers has introduced legislation that is tailored to fit our current economic realities, but which also embodies the spirit of the original Humphrey-Hawkins "Full Employment and Balanced Growth Act:" the "21st Century Full Employment and Training Act." The Act aims to provide a job to any American that seeks work and to, ultimately, create a full employment society.

- The Act establishes of a "Full Employment and Training Trust Fund" with two separate accounts. These two accounts will direct funding to job creation and training programs.
- If at the beginning of each fiscal year, the Chairman of the Federal Reserve determines that the economy is not operating at a level of full employment, 90 percent of the funds in each account will be automatically disbursed.
- 67 percent of all revenues deposited into the trust fund will accrue in the job creation grant program account and 33 percent of the total funds will accrue in the job training account.

Dual Job Creation Focus: Direct Jobs Grants and WIA Training Programs

- *The first trust fund account will direct funds to a new innovative direct jobs program.* Funds will be distributed by formula through the Department of Labor to larger cities, and to states to be passed through to smaller localities and rural areas.
 - The program would allocate funds based on the CDBG formula modified to consider unemployment data. Local elected officials who are closest to our communities and needs on the ground would work with community groups and labor leaders to identify critical projects and connect workers to projects right away.
 - Jobs could be located in the public sector, community-based not-for-profit organizations, and small businesses that provide community benefits.
 - The Program will adopt a two stage approach to ensure immediate job creation and allow for a longer term planning process that involves community input and a focus on education and career development.
 - The program will be open to individuals who are either:
 - Unemployed for at least 26 weeks; or
 - Unemployed for at least 30 days and low-income.
 - Positions will be for up to 30 hours per week, for at least 12 months. They will pay comparable or prevailing wages, averaging \$12-15 per hour, as well as benefits. Appropriate safeguards and strong anti-displacement protections will help to prevent substitution and ensure that workers are placed in new positions.
- *The second trust fund will distribute funds to job training programs covered under the Workforce Investment Act.*

- These funds will fund innovative job training initiatives including 1-Stop Job Training Programs and the Job Corps.

Revenue: Taxing Wall Street Speculation to Pay for Main Street Jobs

- Revenue for the trust fund will be raised through a tax on Wall Street financial speculation, i.e. on stock and bond transactions. The financial transactions tax will cover:
 - Stock transactions (tax rate will be 1/4 of 1 percent--0.25%),
 - Futures contracts to buy or sell a specified commodity of standardized quality at a certain date in the future, at a market determined price (tax rate will be 0.02%),
 - Swaps between two firms on certain benefits of one party's financial instrument for those of the other party's financial instrument (tax rate will be 0.02%)
 - Credit default swaps where a contract is swapped through a series of payments in exchange for a payoff if a credit instrument (typically a bond or loan) goes into default (fails to pay) (tax rate will be 0.02%),
 - And options, which are contracts between a buyer and a seller that gives the buyer the right, but not the obligation, to buy or to sell a particular asset on or before the option's expiration time, at an agreed price (at the rate of the underlying asset).

For additional information, please contact Michael Darner on my staff at 202.225.5126 or michael.darner@mail.house.gov.