

The Harvest Institute
623 Florida Ave., NW
Washington, D.C. 20001
202-518-2465 p, 301-564-1997 f, www.harvestinstitute.org

September 6, 2011

President Barack Obama
The White House
1600 Pennsylvania St., NW
Washington, DC 20500

Dear Mr. President:

As you prepare to present your Jobs Plan to the nation on Thursday, I hope you will find the recommendations I have developed, useful. I am owner of a large business, former Assistant Secretary of Commerce for economic development in southern states under president Jimmy Carter, president of The Harvest Institute, a think tank, policy and educational organization that advocates for Black America, and I am author of four best selling books on Black history, problems and solutions.

In the job producing recommendations I offer to you for our country, I have applied the principles I proposed in my book, *PowerNomics: The National Plan to Empower Black America*, a book I wrote to help Black America become more economically self-sufficient and competitive as a group. With more than 25 million people unemployed and the *actual* unemployment rate of Blacks in America over 50 percent, the nation's economy must turn around and produce more jobs if Blacks even have a chance of survival. The national plan that I offer today can immediately produce businesses, jobs, tax revenue, and wealth building opportunities. This plan is based on *PowerNomics* principles and does not bow to Republicans, Democrats, liberals or conservatives. It is offered to strengthen our nation. It is based in realities, not political correctness. Some of the recommendations such as closing tax loopholes, and bringing back off shore banking will generate revenues that can be used to finance the recommendations that require funding.

This plan incorporates recommendations in the areas of URBANIZATION, PUBLIC WORKS, DEFICIT REDUCTION, FOREIGN POLICY, and IMMIGRATION. All recommendations would require hiring millions of workers in both the private and public sectors and would make America a more competitive, economically stable, and a safer nation.

URBAN REVITALIZATION

According to Harvest Institute research, which was validated by the PEW Foundation, the most economically depressed areas and dangerous places to live are the ten large urban inner cities which have a majority Black population and a Hispanic minority population.

The extraordinarily high unemployment rates in urban centers are structural and a drag on the national economy. Mainstream businesses and industries abandoned urban inner cities forty years ago but seventy percent of Black Americans presently live in and around these cities which are burdened by poverty, crime, high unemployment, dysfunctional schools, loss of social and medical services, limited number of businesses, deteriorated infrastructure, and hopelessness. Urban job policy should be founded on the concept that businesses create jobs and government policy should help residents build industries with businesses they can own, operate and work in. Just as following World War II, America crafted and funded a Marshall Plan to rebuild war-torn Europe and a Point Four Plan to rebuild bombed-out Japan, a similar rebuilding effort is called for in America.

RECOMMENDATIONS:

1. Establish a **Revitalization Development Fund**, a pot of money that can be used for economic development in our ten most economically distressed urban inner-cities. The funds could be used to finance building businesses and industries in which residents can become stakeholders – owners and workers. Community pride, jobs and economic well-being will follow. Revenue generated from other recommendations in this plan can be use to finance the Revitalization Development Fund.
2. Aspiring entrepreneurs in these communities would have access to the Revitalization Development Fund through established community banks in the ten largest urban areas through low interest, long term, revolving loans. The banks would be stewards of the allocated funds, evaluating, dispensing funds to, and monitoring projects.
3. Revitalization funds, as a secondary focus, could be used as an incentive to attract major manufacturing corporations back into urban centers, especially those who moved their operations overseas to Third World countries in the 1960s and 1970s, taking the nation's production capacity, jobs and wealth with them. Attracting existing manufacturing firms to urban areas could provide additional jobs and business opportunities.
4. Revitalization of the cities is so fundamental to the economic strength of the entire county that the effort should be headed by an **Urban Czar of Business and Trade** who reports directly to the President and functions as a liaison between the federal government, the urban governments and the Revitalization Development Fund.

PUBLIC WORKS JOBS

A person can only do three things to earn a living - work, seek public or family assistance, or steal. If a public job provides a needed service, it is just as important as a private sector job. Consequently, in the worst economic down turn in nearly a century, all levels of government are

obliged to create jobs of any kind, so that public workers can earn a living, provide for their families, and buy consumer goods. President Franklin D. Roosevelt's New Deal following the Great Depression of the 1930s should be a model you use to reduce unemployment, stimulate the economy, and restore public confidence. A modern day program version of the old WPA, CCC and the Peace Corp. should be designed and implemented.

RECOMMENDATIONS:

1. A **National Infrastructure Revitalization Project** that upgrades water and waste disposal systems and repairs streets, highways and bridges in urban areas as well as dams in rural areas is critically needed and could directly employ thousands of workers. Many sewage deposal plants are inadequate and impede business and industrial growth. Water pipes that carry drinking water in urban areas are crumbling and creating health hazards.

2. A **Mobile Disaster Corps** should be established under FEMA to provide supportive assistance to communities impacted by the increasing number of man-made disasters such as oil spills, and climatic generated natural disasters such as hurricanes, tornados, forest fires, floods, and earthquakes. Unemployed youth, from college graduates to inner-city residents, could be employed, trained and temporarily dispatched to work in disaster areas. Like the Peace Corps, this program could aid people in distressed areas and offer jobs to the unemployed.

DEFICIT REDUCTION

President Bill Clinton left the White House with a \$5 billion surplus. President George Bush ignited an economic downturn that evaporated the surplus when he invaded Iraq and Afghanistan and changed the income tax code to award nearly seven trillion dollars to the wealthy. The Bush tax cuts and wars created a \$4 trillion to \$5 trillion dollar budget deficit.

RECOMMENDATIONS:

1. Mr. President, I urge you to **ignore the anti-tax, anti-government mantra of conservatives** and Republicans. Rescind the Bush Tax cuts, close non-essential corporate loop-holes, and raise taxes on the wealthy rather than cutting basic entitlement programs for those who can least afford economic and medical losses. Reversing Bush tax cuts would restore trillions of dollars into the United States Treasury within a ten year period.

2. Consumer Tax Relief

It is consumers demand for products and services that creates jobs in businesses. Consumer demand is fueled in part by the perception that the economy is good. Today consumers are fearful, insecure and are not spending money. The reality and looming possibility of job losses contribute to fear and insecurity. The constant barrage of media and political negativism promotes even more fear and insecurity. Those that have disposable income stop spending. Companies quit hiring because there is little or no consumer demand for their products. Enact measures that give the consuming public some tax relief so they can purchase goods and services. Tax savings could stimulate job creation and put money in consumers' pockets.

- ◆ Stimulate spending by changing the federal income tax code to allow consumers

- ◆ to deduct the interest paid on **credit cards, student loans, and state sales taxes.**
- ◆ Establish an **Unemployment Adjustment Fund** to provide low or no interest funds for unemployed workers seeking re-training for employment in new professions, business or industry.
- ◆ Enact a **Re-employment Alliance** which would allow an employer who hires an unemployed person to pay only half of the person's salary for 52 weeks with the remaining portion of the salary paid by the Re-employment Alliance program. Both the employer and the new employee would pay a small portion of the subsidized salary to fund the new program.

3. Enact **Repatriation Policies** that require major American corporations who have used off-shore banking to shift **\$1.2 trillion dollars** in profits to tax havens around the world like Panama, Cayman Islands, and Singapore, to bring that money back to this country. Tax the corporations that comply at a rate no more than 10 percent rate, without penalties, if they declare the funds and deposit them in American financial institutions by a date certain.

FOREIGN POLICY

World War II era military expansion policies have cost our treasury trillions of dollars. Financial commitments America made to rebuild Europe with a Marshall Plan and Japan with a Point Four Plan are financial commitments that remain intact and have spread to an endless number of other countries. The role our nation has assumed of super cop and military interventionist has depleted our treasury, sapped our resources and hampered our ability to care adequately for our own people, including stimulating job creation when necessary. Every rocket fired into Libya costs a million dollars; the fighting in Afghanistan costs \$10 billion dollars a month. Yet, the nation receives no quantifiable returns.

RECOMMENDATIONS:

1. Institute a **Foreign Policy of Reciprocity** to correct the problem that America receives no material or financial benefit for its military expenditures in nation building. Requiring Reciprocity means that before the United States sends its military into a country to benefit that country, the country must agree to reciprocate by giving the United States tangible or monetary resources equal to our investment and involvement. If applied to Iraqi, Libya, or Afghanistan, for instance, Reciprocity would mean that we should have received trillions of dollars of oil in exchange for the trillions we have invested in ten years of military action.

Negotiating a tangible exchange of resources in advance of military conflicts has numerous advantages. Reciprocity would create new areas of employment directly and indirectly. If Libya, and Afghanistan, for instance, paid us in oil, creating the infrastructure to handle that oil would employ thousands of workers and business to build underground oil storage facilities, operate oil haulers, build and operate new oil refineries. The cost of gasoline could drop. Low cost oil would reduce the cost of energy and the price of consumer goods would also drop.

2. Institute a **Disaster Corps and Infrastructure Revitalization Project**. People hired for this project would assist the Border Patrol and extend their capabilities to patrol more of the

nation's borders. This corps of people would also be deployed to assist and provide relief in response to the increasing number of natural disasters such as fires, floods, tornados, hurricanes, and earthquakes.

3. Close most of the 700 military bases the United States operates and funds around the world that are no longer necessary for our security and use the savings to revitalize our urban cities and national infrastructure.

4. Institute **New Trade Policies** that stimulate businesses and jobs in the United States. End current policies that provide incentives for manufacturers and producers to locate outside of the country and outsource jobs. Existing trade policies have caused this nation to lose its dominance in automobile manufacturing, electronics, clothing and textiles, footwear, toys, seafood, and other areas of manufacturing. These losses represent lost jobs, income, wealth, businesses, and international power.

- ◆ Institute new **Anti-Dumping Trade Policies** to stop other nations, especially Third World countries, from dumping surplus products into our market places.
- ◆ Institute a national public relations campaign to 'Buy American made products first.'
- ◆ Establish **food health standards** and requiring **health certificates** for all imported fruits, vegetables and meat. While 90 percent of all the seafood consumed in the U.S. is imported from Third World countries less than one percent is inspected. New food health standards would reduce seafood imports and allow us to stimulate our own seafood industry.

IMMIGRATION

Unchecked illegal immigration across our southern and northern borders supplies cheap labor but exacts a high socioeconomic cost. The Center for Immigration Studies (CIS) estimates that as of 2009, there were 20 million illegal immigrants in the country and that as many as 5,000 cross the borders every day. The cheap labor they provide drives down wages of native low-skilled workers, displaces natives from jobs, increases welfare, public assistance costs, and criminal rolls. The United States allows illegal immigrants access to unearned benefits such as social security, reduced education costs and participation in affirmative action programs. Their numbers are so great that cities are often forced to suffer overcrowding or build new schools, add more public transportation and absorb more medical costs. Hospitals, especially emergency rooms, are overwhelmed by the sheer number of illegal immigrants they must treat and the complexity of their medical issues. This compromises the over-all quality of medical care. CIS estimates the net annual cost of illegal immigrants is between \$67 and \$87 billion. The National Academy of Sciences says that in addition to the estimated \$166 and \$226 billion a year in direct costs to American taxpayers, illegal immigrants also displace Americans in the job market.

The following recommendations aim to protect the security of this country while preserving its jobs, wealth, businesses, health and culture:

RECOMMENDATIONS:

1. Halt the uncontrolled flow of illegal aliens and create jobs for Americans by hiring thousands of border patrols.
2. Cease rewarding illegal immigrants with preferential status and unearned benefits such as affirmative action, job preferences, social security, free medical care, free college tuition, and non-English language tutoring.
3. Charge illegal immigrants a naturalization fee which would be used to finance the Urban Redevelopment Fund.
4. Deny illegal immigrants unearned benefits and preferences.
5. Close the H1B program that solicits educated skilled immigrants and train America's native population, especially Blacks, to fill those skilled jobs.

I hope these recommendations are helpful to you. Please contact me at 202-518-2465 or harvest623@aol.com if you wish further information.

Sincerely,

Claud Anderson

Dr. Claud Anderson, President