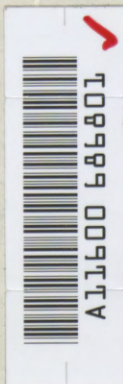


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MANPOWER RETRAINING

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HEARINGS
BEFORE THE
SUBCOMMITTEE ON
EMPLOYMENT AND MANPOWER
OF THE
COMMITTEE ON
LABOR AND PUBLIC WELFARE
UNITED STATES SENATE
EIGHTY-EIGHTH CONGRESS
FIRST SESSION

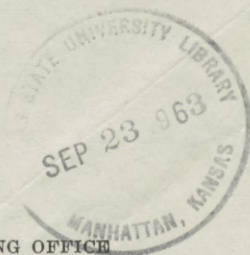
— ON —

S. 1691, S. 1716, S. 1725, and S. 1831

BILLS RELATING TO THE TRAINING AND UTILIZATION OF
THE MANPOWER RESOURCES OF THE NATION,
AND FOR OTHER PURPOSES

—
JULY 16 AND 18, 1963
—

Printed for the use of the
Committee on Labor and Public Welfare



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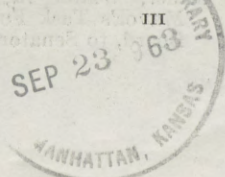
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MANPOWER RETRAINING

TUESDAY, JULY 16, 1963

U. S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 4232, New Senate Office Building, Hon. Joseph S. Clark (chairman of the subcommittee) presiding.

Present: Senators Clark (presiding), Randolph, Pell, Prouty, Jordan of Idaho, and Javits.

Committee staff members present: Stewart E. McClure, chief clerk; Edward D. Friedman, counsel to the subcommittee; Dr. Garth L. Mangum, research director of the subcommittee; and Raymond D. Hurley, associate minority counsel.

Senator CLARK. The subcommittee will be in session.

Today the Subcommittee on Employment and Manpower begins the third group of hearings we have undertaken during 1963 on the Nation's employment and manpower problem.

We have explored the problem in general with qualified witnesses, including Secretary Wirtz, who is with us again today. Then we took a pretty careful look at the various Government programs dealing with the overall manpower utilization and employment question, particularly with respect to the employment service at both the State and Federal level.

For the remainder of July and August, we will concern ourselves with the social and educational roots of unemployment.

Arbitrary racial discrimination and the denial or failure to provide adequate educational opportunities to millions of young people are the cause of a very substantial share of our present national unemployment.

Last year, the Council of Economic Advisers found that the gross national product might rise by two and a half percent if the educational achievements of nonwhite American citizens were fully utilized by removal of discrimination in employment, and if in addition, nonwhites attained the same educational level as white citizens, and there were no barriers to employment, the GNP might rise by 3.2 percent.

I would point out that with a gross national product hovering around \$550 billion a year, this works out a good many billions of dollars, and is no insignificant figure.

Employed workers mean active consumers, and active consumers mean a better economy. The Nation is paying far too high a price for failure to meet the educational needs of disadvantaged young people of all races and colors, and pays a still higher price with racial discrimination in employment.

I would like to offer for the record the study of the Council of Economic Advisers to which I earlier referred.

(Study referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
COUNCIL OF ECONOMIC ADVISERS,
Washington, September 25, 1962.

ECONOMIC COSTS OF RACIAL DISCRIMINATION IN EMPLOYMENT

The Council of Economic Advisers has prepared an estimate of the "economic loss to the United States resulting from racial discrimination in employment." This estimate is at best tentative and approximate. In the nature of the case, it is not possible to calculate with certainty what the full effects of nondiscriminatory employment practices would be, since they would bring about a substantial reshuffling of jobs and occupations among nonwhites and whites. But we believe that the order of magnitude of the figures presented here is roughly correct. It should be kept in mind that they are intended to measure only the economic cost of racial discrimination, and this is only a minor part of the damage done to the social fabric by a deplorable practice.

That there are economic losses resulting from discrimination is clear. These losses result from: (1) inefficiencies in the use of the labor force resulting from failure to utilize, fully, the existing skills of our population; (2) failure to develop potential skills fully. This memorandum attempts to provide rough quantitative estimates of the gains that might accrue if various types of racial discrimination were eliminated. All the estimates herein are based upon a definition of "economic loss" as "amount of national product that is foregone." Measurements, therefore, relate to how much greater Gross National Product (GNP) could be if discrimination were eliminated (or had been eliminated in the past). Because the legacy of past discrimination affects today's occupational, geographic, and capital structure, and the skills, training, and education of the labor force, the gains would only accrue over time as the economy adjusts and the labor force is upgraded.

Part of the gain in output is attributable to increased employment of nonwhites. The calculations assume that in the absence of discrimination, the unemployment rate among nonwhites would be the same as among whites. Thus there would be a net reduction in unemployment, which could be achieved only if the level of demand in the economy were high enough to provide employment for whites and nonwhites on the same basis. One of the economic gains not measured here is the likelihood that the disappearance of discrimination in employment and education would mean a reduction in the volume of structural unemployment, and would, therefore, permit higher levels of output and employment without inflationary pressure.

In measuring the increase in output we have been concerned with two questions:

(1) By how much would GNP increase if the nonwhite were able to utilize his present potential (as measured by years of education) as fully as is the white?

(2) By how much would GNP increase if the nonwhite were able to develop his capacities as fully as is the white?

Our answers to these two questions do not permit treatment of those forms of discrimination, e.g., housing, which have little, if any, direct employment effects. To the extent that removal of such discrimination may affect the economic performance of whites as well as nonwhites, it would have economic implications. The effect on economic performance does not, however, lend itself to measurement.

On the other hand, there exists a type of discrimination in employment which has little direct effect on output. This is the discriminatory practice in employment sometimes identified as "exploitation," i.e., paying the nonwhite less than the white is paid for equal work. This type of discrimination results in a redistribution of income favoring the white at the expense of the nonwhite, but with no necessary reduction in total output. The data do not permit separating out the loss to the nonwhite due to "exploitation" from the loss to the Nation in the form of decreased output.

GAIN FROM FULL UTILIZATION OF PRESENT EDUCATION ATTAINMENT OF NONWHITES

A measure of the contribution that an individual makes to production by his labor is given by his wage and salary income. The income of nonwhites is lower than that of whites and this is the case for persons with the same number of years of education. In large part, this is true because discrimination restricts the nonwhite to positions of lower productivity than he is qualified for. The elimination of such discrimination would make it possible for nonwhites to move from lower-productivity to higher-productivity occupations, thus causing an expansion of total output.

If nonwhites had the same labor force participation and employment rates as the whites and if they were distributed geographically and occupationally (and thus in terms of wage and salary income) as whites with the same educational attainments—if, in other words, nonwhites were able to make the same contribution to production, given their present educational attainment, GNP could be increased by about 1.8 percent.

There are several considerations that lead us to think that the gain would be somewhat higher. The shifting of nonwhites to new work roles would probably lead to the creation of additional plant and equipment (for it is assumed that on the average white workers are equipped with more capital than nonwhites). Simultaneously the creation of this new capital would be facilitated by the increased output and income of labor indicated by the 1.8 percent estimate. The income earned by this new capital should, in principle, be added to the gain.

Furthermore, the 1.8 percent estimate relates only to wage and salary income and does not attempt the difficult measurement of the change in the labor component of entrepreneurial income. Gains will occur in the labor productivity of the self-employed adding further to the 1.8-percent increase in GNP.

The above considerations suggest that the gain in gross national product might well be as much as 2.5 percent (about \$13 billion at today's levels of GNP.)

It is worth noting that today nonwhites represent 11 percent of the labor force and 10 percent of the civilian population 14 and over. Thus, it is not surprising that the estimated GNP gain is not a larger percentage of present GNP. Nevertheless, the loss does mean that we are wasting about one-third of the potential contribution of the nonwhite workers. The shift to full utilization of the present capabilities of the nonwhite population (and the resultant GNP increase of about 2.5 percent) would assist significantly in meeting our economic growth objectives in the coming years.

GAINS FROM RAISING THE EDUCATIONAL LEVEL

The elimination of discrimination in employment opportunities can, however, be considered in a broader framework. Not only is the nonwhite discriminated against in seeking work which enables him to utilize fully his present education, but nonwhites currently possess lower educational levels than do whites. This phenomenon—in part the result of past and present discrimination—limits the employment opportunities for the group as a whole. Furthermore, job discrimination itself contributes to lower educational attainment in a self-reinforcing manner. Thus it is relevant to ask not only how much higher GNP might be today if nonwhites were able to be as productive as whites given their present productive capacities (as measured by education), but also, how much higher GNP would be if nonwhites had been educated as fully as whites. Because we did not accomplish this educational task in the past, we can only do so in the future and the gains, therefore, cannot be realized today but only over a future time span.

If nonwhites had the same educational levels as whites and if the economy fully utilized their education, GNP today might be perhaps 3.2 percent higher (inclusive of the 2.5 percent estimate reported above). This amounts to about \$17 billion at today's levels of GNP.

QUALITATIVE GAINS IN NATIONAL WELFARE

Elimination of racial discrimination would yield gains that raise national welfare while not affecting the level of total output. It would permit, by reducing the level of social costs, a reallocation of output to more fruitful uses or permit more equitable sharing of community responsibilities. At present the

social cost of crime and poor health is differentially associated with the non-white population. The reduction of these social costs would free resources for other uses. This is also true of the resources now allocated to the construction and operation of separate facilities—the result of discriminatory practices.

The elimination of discrimination would have an impact on the distribution of income among whites. Wage and salary incomes of whites in the lower paid occupation (with higher proportions of nonwhites) would tend to rise while the opposite would be true in the higher income occupations. Thus the low income white population would also benefit and a more equal income distribution among whites would result.

Finally, the community responsibilities of tax paying and of military service could be more equitably shared among all the citizens of the Nation. The essential characteristic of such gains is that they are related to allocation and distribution problems rather than to output considerations. But by improving allocation and distribution they do increase the total welfare of the society. While they cannot be added to the GNP gain measured above, they are significant and should not be ignored.

APPENDIX ON DERIVATION OF ESTIMATES

The key figures in the foregoing memo are the percentages by which wages and salaries are assumed to rise in the two cases of (a) no change in education, and (b) a change in education.

For (a) the following method was used, based on 1949 data for individuals. (The 1959 data will not be available for several months, and only decennial census data give the necessary breakdown of income by educational level by age and sex by color.) For each age-sex group the income of nonwhites was changed to the income of whites having identical education. These changes amounted to a 3.1 percent rise in total money income. This 3.1 percent figure was applied to wages and salaries. Since wages and salaries are 58 percent of GNP, this would mean a 1.8-percent gain in GNP. This estimate was raised to 2.5 percent for the reasons given in the text.

For (b) the following method was used, based on 1960 data for families and unattached individuals. Total money income per consumer unit for first, non-white families, and second, nonwhite unattached individuals, was assumed to change to equal that of the appropriate white groups. Then wages and salaries were assumed to rise by the same percentage that total money income rose; namely, 4 percent. Since wages and salaries are 58 percent of GNP, the rise in GNP is 2.3. The final GNP increase was estimated to be perhaps 1 percent higher, or 3.2 percent, because of the additional gains, discussed earlier, due to increasing capital and entrepreneurial income.

The income data required for this study are available in terms of the standard census classification, "white," "nonwhite." The nonwhite classification includes, in addition to Negroes, American Indians, Japanese, Chinese, and others. The Census Bureau estimates that, of the 20.5 million persons in the nonwhite category in the 1960 census, 18.9 million persons (or 92 percent) were Negroes.

Senator CLARK. The subcommittee's concern with training and retraining of disadvantaged youth has already been well documented in our hearings. I emphasize that unemployment among young people is three times that of the rest of the work force. And among victims of discrimination of all ages, unemployment is twice as high as in the rest of the labor force.

The four bills on which we will seek testimony this week are strictly speaking not civil rights bills, because they are directed toward the heart of some of the problems disadvantaged youth of all races find in obtaining work.

These bills are, first, S. 1691, introduced by Senator Prouty, which lowers the age limit to 16 for eligibility under the Manpower Development and Training Act, and has a number of other provisions closely following the substitute bill offered by Senator Prouty during debate on S. 1 earlier this year; that is, the youth employment bill.

(S. 1691 follows:)

88TH CONGRESS
1ST SESSION

S. 1691

IN THE SENATE OF THE UNITED STATES

JUNE 10, 1963

Mr. PROUTY introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

Relating to the occupational training of youth, and the development and use of the manpower resources of the Nation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Manpower Development
4 and Training Act Amendments of 1963".

5

STATEMENT OF PURPOSE

6 SECTION 1. The purpose of this Act is to develop meth-
7 ods for promoting the most effective utilization of the pro-
8 duction potential of untrained and inexperienced youths,
9 and to increase and expand the provisions of the Manpower

I

1 Development and Training Act to permit a greater partici-
2 pation by youth in the benefits of that program.

3 SEC. 2. (a) Subsection (c) of section 203 of the
4 Manpower Development and Training Act of 1962 is
5 amended by striking out "1954" and all that follows and
6 inserting in lieu thereof "1954."

7 (b) Section 203 of such Act is further amended by add-
8 ing at the end thereof the following new subsection:

9 "(k) The Secretary of Labor may pay training allow-
10 ances at a rate not exceeding \$20 a week to youths over
11 sixteen but under twenty-two years of age where such allow-
12 ances are necessary to provide them occupational training
13 except that—

14 "(1) no such allowance shall be paid to any youth
15 who has not finished high school unless such youth has
16 absented himself from school classes for a continuous
17 period of not less than six months immediately prior to
18 the date he begins to receive occupational training under
19 this Act;

20 "(2) during the fiscal year ending June 30, 1964,
21 such allowances shall not be paid to more than forty-five
22 thousand of such youths; and

23 "(3) during each of the two fiscal years imme-
24 diately following such fiscal year, not more than 20 per

3

1 centum of the estimated total training allowances paid
2 annually under this section may be paid to such youths."

3 (c) Section 304 of such Act is amended by adding at
4 the end thereof the following new subsection:

5 " (e) For the purpose of carrying out the provisions of
6 title II with respect to youths over sixteen but under twenty-
7 two years of age, there are hereby authorized to be appro-
8 priated \$45,000,000 for the fiscal year ending June 30,
9 1964, and for each of the four succeeding fiscal years such
10 sums as the Congress may determine to be necessary."

Senator CLARK. The next bill is S. 1716, introduced by Senator Randolph, which has a number of cosponsors, which would eliminate the 50-percent matching grant requirement for the final authorization year beginning July 30, 1964, under the Manpower Development and Training Act and would call for 100 percent Federal financing in the fiscal year beginning July 1 next.

(S. 1716 follows:)

88TH CONGRESS
1ST SESSION

S. 1716

IN THE SENATE OF THE UNITED STATES

JUNE 13, 1963

Mr. RANDOLPH (for himself, Mr. CLARK, Mr. McNAMARA, Mr. PELL, Mr. KENNEDY, and Mr. McINTYRE) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Manpower Development and Training Act of 1962.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) subsection (d) of section 203 of the Manpower
4 Development and Training Act of 1962, as amended, is
5 hereby repealed.

6 (b) Subsections (e), (f), (g), (h), (i), and (j) of
7 such section 203, and all references thereto, are hereby
8 redesignated as subsections (d), (e), (f), (g), (h), and
9 (i), respectively.

10 SEC. 2. The third sentence of section 231 of such Act is

2

1 amended by striking out the words "for the period ending
2 June 30, 1964".

3 SEC. 3. Subsection (b) of section 304 of such Act is
4 amended by striking out the words "a like amount" and
5 inserting in lieu thereof "322,000,000".

Senator CLARK. S. 1725, introduced by Senator Burdick, would reduce the age limitation in section 203(c) in the youth training program under Manpower Development and Training Act from 19 to 18 years, and would increase the allocation for youth training allowance from 5 to 20 percent of the total training allowances.

(S. 1725 follows:)

88TH CONGRESS
1ST SESSION

S. 1725

IN THE SENATE OF THE UNITED STATES

JUNE 17, 1963

Mr. BURDICK introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Manpower Development and Training Act of 1962.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 203 (c) of the Manpower Development and
4 Training Act of 1962 is amended by striking out the word
5 “nineteen” and inserting in lieu thereof the word “eighteen”,
6 and by striking out the words “5 per centum” and inserting
7 in lieu thereof the words “20 per centum”.

I

Senator CLARK. And S. 1831, which I introduced with several co-sponsors, would expand the scope of Manpower Development and Training Act to include programs for the development of functional illiteracy and basic work skills, would enlarge the youth program under section 203(c), and would authorize the Secretary of Health, Education, and Welfare to direct arrangements for literacy and work skills programs through educational agencies other than State vocational agencies.

(S. 1831 follows:)

88TH CONGRESS
1ST SESSION

S. 1831

IN THE SENATE OF THE UNITED STATES

JULY 2, 1963

Mr. CLARK (for himself, Mr. HART, Mr. HUMPHREY, Mr. JAVITS, Mr. KEATING, Mr. KENNEDY, Mr. LONG of Missouri, Mr. MANSFIELD, Mrs. NEUBERGER, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. RIBICOFF, and Mr. WILLIAMS of New Jersey) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To amend the Manpower Development and Training Act of 1962.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the Manpower Development and Training Act of
4 1962 is amended by adding at the end of section 202 the
5 following new subsection:

6 “(h) Whenever appropriate, the Secretary of Labor
7 may also refer for the development of functional literacy and
8 basic work skills those eligible persons who will thereby
9 be able to pursue courses of occupational training, and such

I

1 referrals shall be considered a referral for training within the
2 meaning of this Act, except that the provisions of subsection
3 (d) of this section shall not apply to the selection of persons
4 under this subsection, and such persons shall be eligible for an
5 additional 52 weeks of training allowances."

6 SEC. 2. Subsection (c) of section 203 of such Act is
7 amended by striking out the word "nineteen" and inserting
8 the word "sixteen" in lieu thereof, by striking out "5 per-
9 cent" and inserting in lieu thereof "15 percent", and by
10 striking out the period at the end thereof, inserting a comma
11 in lieu thereof, and adding the following: "*Provided, That*
12 no allowances shall be paid to any such youth who drops out
13 of school, for a period of three months after the date of drop-
14 out."

15 SEC. 3. Section 231 of such Act is amended by striking
16 out the period at the end of the first sentence, inserting a
17 comma in lieu thereof, and adding the following: "except
18 that with respect to referrals under subsection (h) of section
19 202 the Secretary of Health, Education, and Welfare may
20 make arrangements for the provision of the training to be
21 provided under such subsection (h) through other appro-
22 priate education agencies".

23 SEC. 4. Section 302 of such Act is amended by striking

3

1 out the word "vocational" before the words "education and
2 training".

3 SEC. 5. Subsection (b) of section 305 is amended by
4 striking out the word "vocational".

Senator CLARK. S. 1831 implements the recommendations contained in the President's civil rights message insofar as they affect the Manpower Development and Training Act.

The subcommittee has learned that extension of the full Federal funding of Manpower Development and Training Act is essential if the program is to continue. We should remember that money from this program was not made available until last fall, and it is only now starting to get up a full head of steam.

A recent survey of the State directors of vocational education found that 36 State legislatures have not yet made funds available for the vocational educational program under Manpower Development and Training Act. Thirty-nine State legislatures have provided no funds for training allowances.

I would like to offer for the record at this point a survey by States made by the American Vocational Education Association, which implements what I have just said.

(The survey referred to follows:)

SUMMARY OF REPLIES FROM STATE DIRECTORS OF VOCATIONAL EDUCATION REGARDING MATCHING FUNDS FOR THE MANPOWER DEVELOPMENT AND TRAINING ACT FOR 1965

1. If MDT matching funds for vocational education were requested from your 1963 legislature, indicate amount requested.

Thirty-six States replied "none."

Other States replied with amounts ranging from \$83,000 to \$3,150,000.

2. If MDT matching funds for vocational education were appropriated by your 1963 legislature, indicate amount appropriated.

Three States indicated that funds had been appropriated. One of these three States received one-half of the amount requested and no funds were earmarked for training or allowances.

3. If MDT matching funds for training allowances were requested from your 1963 legislature, indicate amount requested.

Thirty-nine States replied "none."

Other States replied with amounts ranging from \$100,000 to \$3,150,000.

4. If MDT matching funds for training allowances were requested from your 1963 legislature, indicate amount appropriated.

None of the States had any funds appropriated.

5. If MDT funds for vocational education are to be requested from your 1964 legislature, estimate amount to be requested.

Forty States indicated "none."

Other States replied with amounts ranging from \$50,000 to \$2 million.

6. If MDT funds for training allowances are to be requested from your 1964 legislature, estimate amount to be requested.

Forty-six States replied "none."

Other States replied with amounts ranging from \$50,000 to \$2,500,000.

7. Will your State be able to participate in MDTA program when matching is required?

Thirty-four States indicated "no."

Six States answered "yes."

Other States replied "doubtful," "probably," "questionable," "depends," "only to a limited extent," "very unlikely," and "yes?"

JULY 3, 1963.

Name ----- State -----

\$----- 1. If MDT matching funds for vocational education were requested from your 1963 legislature, indicate amount requested.

\$----- 2. If MDT matching funds for vocational education were appropriated by your 1963 legislature, indicate amount appropriated.

\$----- 3. If MDT matching funds for training allowances were requested from your 1963 legislature, indicate amount requested.

\$----- 4. If MDT matching funds for training allowances were appropriated by your 1963 legislature, indicate amount appropriated.

\$----- 5. If MDT matching funds for vocational education are to be requested from your 1964 legislature, estimate amount to be requested.

\$----- 6. If MDT matching funds for training allowances are to be requested from your 1964 legislature, estimate amount to be requested.

----- 7. Will your State be able to participate in MDTA program when matching is required?

Additional remarks concerning outlook for availability of State matching funds for fiscal year 1965—

Senator CLARK. Finally, it is quite clear that the retraining program must be modified to get at the heart of the unemployment problem, and that is the dropouts, the young who have no skills to offer in a world with fewer and fewer unskilled job opportunities.

One-fifth of the unemployed lack a high school education. These are the workers that modern technology has passed by, workers we must train to meet the newer and more rigorous conditions of modern society.

Secretary Wirtz, we are very happy indeed to have you back with us again, and I understand you are going to primarily address yourself to S. 1831. However, if you have any comments on the other bills to which I have referred, we will be happy indeed to hear from you.

Will you please proceed in your own way, sir?

Would you like to have your prepared statement placed in the record at this point?

STATEMENT OF HON. W. WILLARD WIRTZ, SECRETARY OF LABOR,
ACCOMPANIED BY ROBERT GOODWIN, ADMINISTRATOR OF
ECONOMIC EMPLOYMENT SECURITY; SAMUEL MERRICK, SPE-
CIAL LEGISLATIVE ASSISTANT TO THE SECRETARY; AND
SAMUEL RUTTENBERG, SPECIAL ECONOMIC ASSISTANT TO THE
SECRETARY

Secretary WIRTZ. We would be very grateful for that.

Senator CLARK. I will ask that that be done.

(Statement referred to follows:)

STATEMENT OF W. WILLARD WIRTZ, SECRETARY OF LABOR ON S. 1831, AMENDING
THE MANPOWER DEVELOPMENT AND TRAINING ACT, JULY 16, 1963

I am here today to urge early enactment of the President's proposals to broaden the Manpower Development and Training Act to provide for basic literacy and expanded youth training programs. S. 1831, introduced by the distinguished chairman of this subcommittee and cosponsored by eminent Senators from both sides of the aisle, embodies these proposals.

It is difficult to overemphasize the need for these programs. Unemployment persists at too high a rate, running at 5.7 percent last month. Fair and full employment for all, both white and Negro, the President said in his message on civil rights and job opportunities, requires not only lack of discrimination and enough jobs for all, but more and better training and education so that all can qualify for the jobs that will open up.

Enactment of S. 1831 is vital to this later part of the President's overall attack on these economic and social problems. It is designed to meet two urgent and immediate aspects of these problems: these of the hard-core unemployed who have too little education, and those of the millions of ill-trained youth who are and will be flooding the job market.

Before I discuss these amendments I would like to urge the most immediate action on the President's recommendation regarding the act's present requirement that the States must begin matching Federal training funds on a 50-50 basis on July 1, 1964—that is, for fiscal year 1965. Of the 50 States and other jurisdictions involved under this act, only 10 have even begun action toward providing these matching funds. As of July 5, of the four States which have enacted enabling legislation, three had completed action appropriating funds (Montana, \$20,000; Tennessee, \$500,000; Connecticut, \$200,000).

Because of the long leadtime involved in developing and approving training projects, as well as the length of many of the important courses, it is clear we will be forced to decelerate the entire training program early in this fiscal year in the absence of assured continuity of Federal financing.

Beginning right now, any training program of 52 weeks will run into the next fiscal year and right up against the matching requirement. Each succeeding week that goes by from now on cuts another week from the length of training programs that can be approved without running into the matching requirement period.

To be forced deliberately to slow down a program which has gotten off to a flying start would be a tragic waste—and more important, a tragic elimination of a new hope and a new opportunity for thousands of jobless workers.

Lack of action by the States does not mean lack of interest. Instead, we have had urgent messages from many State employment service directors expressing their deep concern and earnest hope that these programs can be continued and accelerated.

I therefore earnestly urge the earliest possible action on the bill, S. 1716, which would eliminate this matching requirement. If this bill could be acted upon immediately we would be able to prevent deceleration of the regular training programs under the present act and could instead, move ahead swiftly in building up those critically needed programs.

There is also a compelling necessity to enact S. 1831, so that we can move even more effectively under Manpower and Development Training Act to reach two key aspects of the unemployment problem.

Because of the lack of even a basic education, the gateway to productive employment has remained closed to at least one-fourth of the approximately 1 million adult workers who have been out of work for 15 weeks or more, many for over 6 months. Nonwhites loom disproportionately large in the totals.

The proposed amendment which would authorize basic literacy training is designed to help us deal with this shocking situation.

Under the present act, we cannot reach these people effectively. In 1962, for example, 20 percent of all the unemployed had less than 8 years of schooling. However, to date only 3 percent of all Manpower and Development Training Act trainees have been drawn from this group. When we look at the Negro component, the picture is even more bleak. While 44 percent of all unemployed Negroes have completed no more than the eighth grade, only 5 percent of Negro Manpower and Development Training Act trainees came from this group.

It is clear that we are not reaching enough of this severely disadvantaged group. The people with minimal educational attainment are not able to absorb the types of training available under the present act for the occupations in demand in the labor market.

The public employment offices of the States are "screening" about eight people for every one referred to a training project. Clearly this high ratio results from several variable factors—the type of occupation for which training is offered, the vocational aspirations of the applicants, and the number of training spots open, to name but a few.

One of the factors for the high "screen out" rate, however, is that too many would-be candidates for training simply do not possess the qualifications, educational or other, to reach even the threshold of occupational competence—entry into training. About 500 women were interviewed recently in one public employment office before 30 were found to fill a class in practical nursing. Or again, to line up 20 trainees for a hotel and restaurant cook course, 287 persons had to be interviewed. These were applicants who wanted training but, for the most part, couldn't qualify. The blunt fact is that a man who cannot read and write is simply not prepared to survive in our technology-dominated economy—there is no future for the unschooled, unskilled workers.

S. 1831 will permit us to refer eligible workers to programs that will provide, through appropriate State education agencies, the training in basic literacy and basic work skills necessary to prepare these people to qualify for the direct occupational training now available under the act. The doors of training opportunity would thus be opened for these workers.

Literacy training would include such fundamentals as reading, writing, and arithmetic. Basic work skills would include techniques which are common and necessary parts of a whole range of occupations, but which do not themselves constitute a specific occupation. Familiarity with hand tools and the principles of the application to woodworking and metalworking, certain welding techniques, and blueprint reading are examples of this. Possession of these basic skills will improve any unemployed person's ability to be trained and employed and contribute to his job stability.

In order for these basic training programs to work—to have them followed by suitable occupational training—we propose an additional maximum of 52 weeks of allowances for these trainees, where necessary. The whole purpose of these basic programs will be defeated if we put a person through such pretraining and then, by withholding allowances, make it impossible for him to reach the objective of employment through a subsequent course of occupational training.

The amendments to expand the youth training program under Manpower Development and Training Act are designed to deal with an already critical problem—the waste of youthful talent and energy. They would enable us to help more 16- to 19-year-old youngsters, an age group whose unemployment rate is 3 times that of adult workers.

Although there were some 800,000 more jobs available in the past year, unemployment also rose, by some 400,000, because the labor force continued to grow faster than the economy produced jobs. Nearly the entire impact of this increase is unemployment fell on the most youthful group in the labor market. There were, in fact, 300,000 fewer jobs in June for youths under 20 than there had been last year. Their unemployment rate exceeded 16 percent—3 times the rate of the adult work force—with the rate for nonwhite youths running considerably higher.

This situation will grow worse unless effective action is taken now. The post-war "baby boom" is already reaching working age and beginning to swell the labor force. Over 5½ million new young workers will not be going on to college

between now and the end of 1965, including some 2 million school dropouts. In fact, some 26 million young people will have entered the labor market between 1960 and 1970.

During the school months of 1962, an average of 700,000 young people between the ages of 16 and 21 were out of school and out of work. One out of four were nonwhite. An additional 240,000 were in school but seeking part-time work and unable to find it.

What will these young people find? They will find that unskilled jobs have dried up, that the work is being performed by machines, that they are entering the world of work with tragically incomplete and inadequate training and education.

Under the existing provisions of the act, youths under 19 may take training but they may not receive allowances during the training period. Of the first 20,000 trainees, only 4 percent were under 19 years old. Yet nearly 10 percent of all unemployed are out-of-school teenagers, and most of the school dropouts in 1962 were 16 and 17 years old. Right now there are 1 million more 16 year olds than there were just a year ago.

Our school dropouts live in rural areas and cities alike. Their families generally have inadequate housing, few financial resources, and little understanding of the values of education.

Youngsters who grow to maturity in such surroundings frequently find little to interest them in school and manifest little motivation, if not downright hostility, toward educational attainment. They have a very real awareness of the need to supplement the family income or to obtain money for their personal use.

When social approbation and decent jobs are denied these youngsters, some turn to various forms of delinquency, with all the cost to society in addition to personal tragedy this brings in its wake. About 9 out of 10 of the 16 and 17 year old delinquents are not attending school.

With the limited authority available to us under the existing Manpower Development and Training Act, we have tried out some experimental youth training programs, in cooperation with community organizations working with disadvantaged youth, in St. Louis, Mo., Washington, D.C., Chicago, New York, Los Angeles, Milwaukee, San Francisco, Boston, Detroit, and other communities.

One large-scale project to provide prevocational and job training for unemployed youth is in St. Louis, Mo. The State employment service is selecting 400 out-of-school youth from low-income neighborhoods for intensive counseling, guidance, and referral to training in several different occupations as well as basic academic subjects.

The training will be conducted by the St. Louis Board of Education in a newly equipped training facility which will be used for continued youth training in the future as well as for this project. The St. Louis Manpower Advisory Committee, local voluntary agencies and other groups concerned with problems of youth unemployment are cooperating in this intriguing undertaking aimed at doing something about "big city" youth unemployment. It is our intention that this training program will qualify youths in the 19 through 21 age group to make a satisfactory and productive entry into the labor market.

A similar program for 400 youths will get underway soon in Washington, D.C. It was developed jointly by the U.S. Employment Service for District of Columbia and the public schools, with the cooperation of the Washington Action for Youth.

Through projects such as these, we are increasing our know-how for developing a wide variety of programs to meet the problems of disadvantaged youth. But the total number of youths covered by these projects is relatively small, because of the limitations on youth training allowances under the present act.

Our amendments would do two things: (1) lower the age limit of those eligible for youth training allowances from 19 to 16 years; and (2) increase the proportion of total funds available to pay such allowances from the present 5 to 15 percent.

Fully aware of the need for safeguards to assure that no youngster will be encouraged to drop out of school in order to take advantage of this program, we have included in the amendments a provision to prohibit the payment of a training allowance for a period of 3 months after the date a youth drops out of school. The screening process for the selection of trainees will include intensive counseling of all applicants for training. School authorities will be consulted to identify the problems of individual dropouts and to work out the best apparent solutions, including return to regular school where at all possible.

The effectiveness of the proposed basic literacy and youth program amendments of the Manpower Development and Training Act will depend upon the amount of resources made available for their implementation. The President has requested that the funds for the present fiscal year, 1964, be raised by \$100 million, to be channeled in almost equal amounts into the youth and basic literacy training.

The youth program amendments and additional funds should enable us to train some 56,000 youths this year instead of the 10,000 we now expect to accommodate. Even this effort seems dangerously little when measured against the size of the problem.

Truly, these programs are an investment in human resources, programs where we get our dollar's worth from what we spend in restoring people to gainful employment. The trainees, on the average, more than recoup the entire cost of training in increased income in a single year. This increased income to the individual means more income—a higher level of economic activity—for the Nation as a whole. Moreover, the Government, itself, recoups its direct costs quickly—about one-third in the first year—out of additional income taxes and reduced unemployment insurance and welfare payments alone. It costs only \$1,000 to train a youth. But if he does not get adequate training to become fully employable it costs the Nation \$40,000 to carry him on its back during his lifetime.

Human resources development is vital, indeed determinative, in achieving economic growth. Despite our widely acclaimed economic superiority, we need economic growth today. We will need more economic growth tomorrow as our expanding population and labor force seek to participate as producers and consumers in an ever-growing abundance.

Investment in manpower training is a key element in this process. Broadening and improving the Manpower Development and Training Act as recommended by President Kennedy will make this a much more versatile and effective instrument in reaching our goal of fair and full employment for all.

Secretary WIRTZ. I have with me today, Mr. Chairman, members of the subcommittee, Robert Goodwin, who is the Administrator of Economic Employment Security in the Department of Labor, and Samuel Merrick, who is Special Assistant for Legislative Affairs, and Stanley Ruttenberg, who is Special Assistant for Economic Affairs.

Senator CLARK. We are happy indeed to have all these gentlemen back with us. They are not exactly strangers. Mr. Merrick, as you know, was for quite a while one of our most valued staff members on this committee.

Secretary WIRTZ. The statement which I have submitted for the record, Mr. Chairman, is in a sense a development of the matter which you have already referred to in your opening statement, and therefore I feel that probably I can make my summary of it quite short and then proceed to whatever questions the committee may have about the matter.

You spoke about this matter or referred to its relationship to the matter of civil rights, which is presently a matter of great concern to the country, and it becomes increasingly clear as we get into this matter that there is simply no separation of the problems of fair employment and full employment.

And I have thought that it would be one of the real ironies if we move ahead, as we are moving ahead so rapidly, so successfully, on the fair employment front, only to find that the denial of full employment takes away all the advantages of this gain.

We have got to accomplish both purposes. And that is, of course, the basic matter on which we are here today.

It is equally clear that the prospect of fair employment will be frustrated unless there is adequate training and qualification of the people to whom jobs will now be opening up, and so it is to us a matter

of vital concern that the training program proceed along with the civil rights and fair employment program.

And so although this matter arises in the context of great national concern about civil rights, although it takes some of its meaning from the advance which we are making on that front, the fact continues that full employment and the training programs are essential parts of the development of a developing training program in the country.

In your opening remarks you referred first to the matter covered by S. 1716, and that involves this matter of a change as far as the matching requirements are concerned. I say to you in a quite considered manner that in terms of immediate problems facing us, the problem of changing this situation as far as matching is concerned is far and away the most basic.

We are moving right now in a period which will be characterized, or which is characterized, by the prospect of the brakes being applied to this whole manpower development and training program, just as it has gotten underway.

We have just finished the first year of the administration of this program. We finished it, frankly, with considerable pride in the accomplishment which has been possible to achieve. The thing has just been moved into high gear. And frankly, it will slow down from here on out unless this matching problem is met, and met immediately.

Senator CLARK. Can you give us a little more specific information as to the urgency with which you seem to feel that the matching program will continue for the current fiscal year? Why is there such a hurry?

Secretary WIRTZ. Because most of the programs cover periods which are from 35 to 52 weeks in length, and it has been made dead clear to us by most of the States already that they will not be submitting programs which go beyond fiscal year 1964.

In other words, they will not be submitting to us from here on any programs which extend beyond July of 1964, and this means that as of right now, these programs, which have to look a year ahead in a good many of these cases, because they extend a year, are not going to be submitted from here on.

So I am not talking about a future problem. I am talking about the problem that faces us right now, that from here on we will not, as a practical matter, be in a position to be receiving programs from the States which cover more than the remainder of fiscal year 1964.

So this is hitting us, and it is hitting us right now, and unless it is met and met fast, this program will from here on slow down inevitably.

Senator CLARK. That leads to the question of why you think the State legislatures have been so slow in acting. Opponents of the program are sure to assert that this is due to the fact that the program meets with no real acceptance in the States, and they do not want it. Otherwise, why would they not put up the money?

Secretary WIRTZ. The record can if necessary be completed on that, Mr. Chairman, and perhaps should.

We have received not a single, so far as I know, negative reaction from any State on this, and we have received positive, affirmative reactions from almost all of them, with respect to the matter of the continuance of the program.

I think the answers to your question lie in a couple of facts.

First, the program is now developing on a large scale nationally, yet as far as individual States are concerned, it is still a matter of a comparatively limited number of projects.

And so the meaningfulness of the program is clearer in broad terms today than it is in specific terms.

Senator CLARK. I do not understand that, Mr. Secretary. Would you please amplify that a little? I was under the impression that all of these retraining courses were conducted with the aid of State agencies. What do you mean by developing nationally?

Secretary WIRTZ. I mean that the overall figure now, to the last fiscal year, is 59,800 trainees covered by training programs. Yet if we look at a particular State, the situation is still that a comparatively small number of individuals in the particular State have been covered by these programs. The number is now in the hundreds.

Senator CLARK. Nonetheless, am I wrong in my thought that 59,000 is the sum of the training programs conducted in each of the 50 States?

Secretary WIRTZ. That is correct. It is still, though, not a dramatic figure, in a particular start, that there have been 5 or 10 or even 15 programs developed. It does not make a large impression.

Now, in some States, such as Pennsylvania, I am sure that there would be no possible basis for this reaction, because there it has developed because of the nature of the circumstances in larger terms.

I point this out, too, that the legislative programs of the various States, which have just now been concluded, where they have been meeting—those legislative programs were all developed as a practical matter back last October, November, December, just in the nature of the legislative planning process.

You will see that that was only about 2 or 3 months after this program had been started, so that the time that the State legislatures were developing their programs for this year, manpower development and training was still just a phrase that they had heard as far as the national publicity on it is concerned.

Senator CLARK. Do you have any real hope that a year from now the State legislatures will look with more favor on this program than they appear to do right now?

Secretary WIRTZ. I would have every expectation that they would, and if they do not, then the matter comes down to another point, that there is a feeling that this program can be left on the Federal Government's back rather than on the States'.

And I do not mean, in answer to your question, to disregard that fact. It becomes just a practical situation in a good many States.

The question is whether State money, which is now in particularly short supply, with most of their borrowing power and most of their taxing power having been pretty well exhausted, is to go into a new highway, which all the people in the State can use directly, or whether it is to go into meeting the problem which in one sense is a problem of only 5 percent of the population in that State. And I do not mean to disregard the practicalities of the situation.

Senator CLARK. There is also a high concentration in urban centers of need for this program, is there not?

Secretary WIRTZ. The answer to your question involves in part the problem which we face in meeting the whole unemployment problem in this country. Ninety-five percent of us are doing so well that it is hard to stimulate the interest in meeting the program of the other 5 percent, particularly when, as you say, it is concentrated in particular areas. And that is part of the problem we face.

Senator CLARK. I do not want to push you too far, but I will make the statement. I think it is largely concentrated in urban areas, and that the malapportionment of legislatures plays some part in the lack of interest of the legislatures in facing up to its problem.

I agree with you that there has not been too much time. I have a rather depressed feeling that we are not going to find too much interest from State legislatures next year any more than we do now. I sure hope I am wrong.

Secretary WIRTZ. The situation will have changed in two respects. One will be that there is a much broader program, as far as the actual results are concerned. The other will be that unless we move along this line, the problem is going to be worse, Mr. Chairman, a year from now, than it is now. It is going to be a good deal worse as far as the younger workers are concerned.

I hope we will be able to anticipate the problem. But it is going to get much more serious a year from now than now, if these things do not go forward.

Senator CLARK. This is another indication of the inadequacies of the legislative process under our present governmental setup.

Secretary WIRTZ. I will only say, sir, in all candor and all honesty that you realize our gratitude for the opportunity to come before this committee and the companion committee of the House to talk about these problems. And whenever I raise any suggestion of a lack of appreciation of the problem overall in the country, I would only accompany it with a very real expression of appreciation for the fact that we can come here and make plain here these problems, of which I know this committee is so thoroughly aware.

Senator CLARK. You cannot get your request yet, though?

Secretary WIRTZ. Well, with respect to this first point, I realize that it is going to be hard to get the action we need on what seems to be the unglamorous fact of changing a matching provision to take effect a year from now. At a time when the country is very alive with problems of civil rights and other problems, that is not a very dramatic package.

Yet I can only say that it is just a matter of the gas tank about to empty. If we do not get about it, it will have that effect on the program.

Senator RANDOLPH. Mr. Chairman, I do not want to continue on this point, but if you would desire me to make a comment and ask questions, which I do want to make on this point, I could do so, or I could wait until later.

Secretary WIRTZ. I should be very happy to have them.

Senator RANDOLPH. Mr. Secretary, we find at the present time that our number of people on the farms are decreasing at the rate of 200,000 a year. This has been going on for many, many years.

Now, if we lose 200,000 persons from our farm population each year—this is not just 1 or 2 years; it has been going on for many, many years, at the rate I have indicated—is this not a reason for a program such as we have just begun to get underway?

Secretary WIRTZ. As far as the agricultural area is concerned, Senator Randolph, or as far as the whole program is concerned?

Senator RANDOLPH. These people come from a rural area. Now, where are these people going? They are not going to stay as agriculturists, are they?

Secretary WIRTZ. I understand your point, and would respond to it in terms of two specifics. One is an illustrative figure. Only 1 out of 10 boys growing up on a farm today will work at an agricultural trade when he is adult. The movement is that fast, now.

I refer, too, to a program which we worked out just last week, approved just last week, with Governor Sanford and the administrative officials of the State of North Carolina, to meet specifically the problem you are talking about.

We are taking there three areas, areas which are characterized by exactly the situation to which you refer, meeting the problem of counseling, advice, and referral among the youngsters in those areas, a good many of whom will be moving out, this to be preliminary to the setting up of training programs which will take account of the fact that they grew up in one environment and they are going to work in another situation, and they are not trained for it.

Senator RANDOLPH. I mention this specifically, because our able chairman, here, has discussed this as an urban problem. It becomes an urban problem, but it certainly is a farm problem.

Senator CLARK. In part it certainly is.

Senator RANDOLPH. We find it in our State of West Virginia. We find there is deterioration in our farm population.

Secretary WIRTZ. It is a problem which is being given very real consideration in connection with the whole Appalachian program approach. As you know, we have been talking with the Department of Commerce people about the development of that program.

The transition that is going on now from one area to another and from one kind of job to another is so great that it in itself becomes part of the reason for this program. It is just no longer true that a boy is going to do what his father did.

Senator RANDOLPH. Mr. Secretary, we are finding that today, with the rail systems of the country carrying approximately the same traffic, freight traffic, we are doing it with 40 percent less workers than we were not too many years ago.

Now, where do these people go? Who is to train these people?

Secretary WIRTZ. Senator, it is this problem that has been keeping a number of us awake nights and weekends for weeks, now. It is the basic factor in the railroad dispute in this country today, not just that the people are being replaced, but that the economy is not operating on a basis which makes readily available alternative jobs.

It is the combination of those two factors which underlies the present railroad case, and if it were not for those two factors, we would not have the problem that we have today in the railroad case.

Senator RANDOLPH. Now, in the 1950's, Mr. Secretary, I believe I am correct that we created approximately 21 or 22 million new jobs

in the United States. In the 1960's we are going to have to create at least 35 million new jobs.

Are these statements correct?

Secretary WIRTZ. They are correct, Senator.

Senator RANDOLPH. Mr. Secretary, are we not moving, then, from what you may have characterized as the less dramatic, or it may have been characterized during our hearing here as the less dramatic legislative challenge, submerged in some of these other urgent and emotional problems which are on the Hill. Is this not going to be a problem of depth and scope, that the Congress had better realize what is happening and be prepared to carry forward a program of this type at the national level?

You know, this is not a problem of a State or an area within a State. This is a national problem—this problem of increasing unemployment—as I see it. That is as I see it.

Now, I understand that in mining and manufacturing, automation has wrought its impact. But we are moving now into the area where the computer, within our economic system, moves into goods and services, as contrasted, a few years ago, with the automated machine in mining and manufacturing.

Therefore, this is going to become increasingly a nationwide problem. We are not going to have pockets of unemployment, pockets of surplus labor, in a West Virginia mining area.

Secretary WIRTZ. That is correct.

Senator RANDOLPH. This is something that if the transition is not intelligently handled, we are going to find the Nation, frankly, in a very, very acute position in reference to the gainful employment of its manpower and womanpower.

And, therefore, I wish to say, today, that far from being, let's say, discouraged as to what may be done, I would like to be almost, let's say, frantic in my desire to see the Congress realize the seriousness of this problem nationwide and do something about it now, before, frankly, it is out of hand.

I hope I have not spoken too vigorously, but I feel this very keenly.

Secretary WIRTZ. You will know the encouragement that such a statement gives me.

I think the view is so much shorter than the country realizes, that it is so dangerous, especially with the younger workers, but also with respect to the whole work force.

And on your point of the national scope of the program, the fact that people are moving around: Senator Randolph, 30 days from today 400,000 people in this country will be working in a different labor market area from the one they are working in today. The movement is today becoming that fast.

Just as another illustration of the kind of thing you are talking about, we are just on the verge of breakthrough, as far as the desalination process is concerned. If we should finally unlock this mystery of how to make fresh water out of salt water, it would immediately mean a redistribution of industry of almost unbelievable proportions.

We have to approach it on an overall national basis, and as we move from production, which was necessarily localized in particular areas, to what is primarily a service economy, again the factor of mobility comes into this picture.

I agree completely that it is a problem which involves a very, very high degree of mobility, as far as the location of the work force is concerned. And you are very right in suggesting, too, that to that extent there will probably be some thinking about this point in connection with the matching question when it comes up, if it does, later on.

Senator RANDOLPH. Thank you.

Secretary WIRTZ. What I would propose to develop briefly, now, Mr. Chairman and members of the committee, is really an extension of what Senator Randolph has just been saying.

The figures, when you come to two aspects of this unemployment problem, are simply frightening in their implications. Those two aspects are, specifically, the amount of lack of educational attainment and basic training as far as a high percentage of the unemployed are concerned, and the concentration of this problem as far as the other workers are concerned.

And my testimony today is directed very largely to those two facts.

I mention this in the light of or as part of the consideration of particularly S. 1831, for this reason. One of the lessons of the experience of the last 10 to 11 months now in the Manpower Development and Training Act is that we realize that as the act is now written, it is not matching the concentration of the unemployment needs.

We are not able, under the present act, to apply as much of the program as the circumstances now appear to warrant to the problem of basic lack of educational and skill facilities, and we are not able to direct enough of the program to the concentration on the unemployment program of youth.

If I could give a single statistic, I think I could illustrate the first problem. Two-thirds of all the unemployed people in this country today did not finish high school. But two-thirds of the trainees under this year's administration of the Manpower Development and Training Act, over two-thirds did finish high school.

Now, what that means is that because of the circumstances of the situation under the present law, we ought to be beaming this program more at those who did not have the advantage of a high school education, but as things worked out, it is beamed much more toward those who did have the advantage of a high school education.

The same kind of situation applies as far as the younger workers are concerned.

I have pointed out, too, in a different form from what I have just said that last year 20 percent of all the unemployed had less than 8 years of schooling, yet only 3 percent of all of our Manpower Development Training Act trainees have been brought from this group.

Twenty percent of all those unemployed had less than 8 years of schooling, but the circumstances are such that we could bring out that only 3 percent of our trainees fell in that group, which throws it off.

With reference to the civil rights picture, this problem is concentrated as far as the minority groups in the work force are concerned. Forty-four percent of all unemployed Negroes today have completed no more than the eighth grade. And yet only 5 percent of the Negro Manpower Development and Training Act trainees came from this group.

To make this same point illustratively, we run into a situation of this kind, which I think I brought to the attention of this committee today.

We will set up a training program. There will be applicants for that training program who will have the requisite attachment to the work force. They will be the heads of families. They will be the people whom we would like most to bring into the training program, and we would have to exclude them from the training program because they do not have the reading and the arithmetic which would permit them to take that training program and to fill a job at the end of it.

Thus, illustratively, with the training program for cooks. There is a shortage of hotel and restaurant cooks in a good many areas of the country. We will set up a program of that kind. There will be as applicants for that program heads of families, with 3 years or more attachment to the work force, some short-order experience.

They would be the ideal candidates for that course. They cannot read menus or recipes. Therefore we cannot take them into the course.

That is the problem, and it is not an isolated problem. It is an exceedingly basic problem.

If you look at the hard-core unemployment in this country, you find also a concentration of the hard core uneducated in this country.

You just do not have a fair chance for a job today if you do not have the basic education and skill.

We have talked before, and I simply refer to it again, about the fact that this problem is tremendously aggravated by the advent of automation, because now the machines are doing the unskilled jobs which these people used to do. And they are not available for human beings.

With respect to your point, Senator Randolph, about the comparative rate at which the economy is growing and the job force is growing, I simply point out one other illustration of this.

There are 800,000 more jobs in the economy today than there were 12 months ago, which is a pretty good record. It is a marvelous record of accomplishment. It means that things are moving.

But there are 400,000 more unemployed in the economy, in the work force, today, than there were a year ago. So we picked up almost a million jobs, but the work force is growing so fast that we fell behind on the employment.

We added a 1.2 million to the work force. And so when you say we have gained 800,000 in jobs, we have done a good job, but it just simply is not enough.

Now, that is not essentially a training program.

Senator CLARK. Would you put in the record at this point the percentage by which the economy has grown during that same 12-month period?

Secretary WIRTZ. In actual dollars the gross national product rose from \$552.4 billion June 30, 1962, to \$579 billion by June 30, 1963. Adjusting for price changes, this is an increase of $3\frac{1}{4}$ percent in the GNP over the year.

Secretary WIRTZ. I want to improve this opportunity to bring the subcommittee's attention to the fact that we realize increasingly now that we used to assume that a growth of so many billion in the gross national product meant that we would have many more jobs.

Well, those figures are changing very, very rapidly, now. So you get a growth in GNP without a commensurate increase as far as the resultant jobs are concerned.

There has been some discussion in this committee and in the previous hearings, which prompts me to say this, Mr. Chairman, specifically and directly. As far as I am concerned personally, and the Department of Labor, we feel very, very strongly that the President's tax reduction and change program is essential to the meaning of this problem. We think that that program will produce a good many more jobs.

We have on previous occasions said that we cannot say specifically how many. We cannot work the multipliers out to detail. But the tax program is today, as far as we are concerned, the most important program as far as the development of increased job opportunities is concerned.

Now, without going into the detail which the statement which has been filed goes into, I turn for a moment now to the concentration of this situation on the younger members of the work force.

In the next 32 months—that is, to the end of 1965—5½ million new workers will enter the work force in this country, 5½ million new ones. And 2 million of them are going to be inadequately trained for the problem they face, for the situation they face.

And that 2 million, I take it, are those that have not finished high school.

I know some people can make their way in this world without going to high school. But I know with the machines taking over the unskilled jobs in the economy, not very many of them are going to do that. Dropping out of school today without having elemental schooling is just about economic suicide for the rest of your life.

In the next 32 months, 2 million who are not ready are going to be coming into the work force, at a time when right now the machines are taking over the unskilled jobs, and there are not enough new jobs to take care of the whole work force.

Those people are in a tragic situation. They do not know it yet, and the country does not seem to. But that is the long and short of it.

Here again I point out that our present Manpower and Training Act, with the limitations on the amount which can be spent as far as the younger workers are concerned, makes it impossible for us to meet this problem.

Of the first 20,000 trainees under this program, only 4 percent were under 19 years of age. That is just not any longer meeting the problem.

We did not anticipate fully the implications of the fact that 1 million more people are becoming 16 years old this year than became 16 years old last year, and this program is not beamed sufficiently at them. I just point out that there are a million more 16-year-olds now than there were a year ago.

I do not need to point out to this committee that if we do not train them, the alternatives are that they will be on the street corners, they will move then into juvenile delinquency of one kind or another, and they will turn into prospects that are so serious that we have simply got to do something about it.

I think the committee would be interested, but there is perhaps not justification for going into detail here right now, about the various projects we are trying to work out in a number of cities and in the Appalachian area to meet this specific problem.

There is a program underway here in the District of Columbia, in New York, in Los Angeles, in Detroit, in Chicago, in St. Louis, and now in North Carolina, as of last week. They are underway now. And in a number of other cities programs will be trying to go into the neighborhoods and pick up these boys and girls who are either off the track or about to get derailed, and get them into these redevelopment and training programs.

When I say we have approved in the last year 59,800 training programs, we have also during this last year established programs of the kind I am talking about here, under which we hope to reach within the next few months as many as 25,000 of these youngsters.

Senator CLARK. You are speaking of fiscal years, are you not?

Secretary WIRTZ. I am speaking of the fiscal year. That is right.

And so it is a matter of vital importance in our judgment that the Manpower Redevelopment and Training Act be revised in these three respects: First, to meet this matching fund problem; second, to reduce the age of those whom we can reach in any substantial number, from 19 down to 16; and third, to increase the percentage of the program which can be directed at youth training, from 5 to 15 percent, and then fourth, to permit the development of adult education programs, adult training programs, which will permit us to train these people for the basic skill elements as well as for the particular skills which are involved.

I think, Mr. Chairman and members of the subcommittee, that I perhaps understated the importance of this program, and that is because of a realization of your full awareness of it.

I want to add in conclusion only one other point. The estimate is that the changes in this program would cost about \$100 million. I can only point out that our developing experience this last year is that it costs about \$1,000, in round terms, \$1,000 to \$1,200—we do not have the complete figure yet—to salvage an individual who is not going to be otherwise salvaged, to give him another chance.

When you combine the on-the-job training programs and the institutional training programs and the special training programs, which include basic literacy, you come out with a range of costs of about \$300 to about \$3,000, and you come out with an average of about \$1,000 to \$1,200.

Now, there are a lot who are already headed for problems whom we will have to be salvaging, and the expense of doing the whole thing is very large. We can do a big piece of it with \$100 million. It costs us about \$1,000 to salvage these people now. If we do not—well, first, if we do, we will spend \$1,000 to \$1,200, and the Federal Government will get back over a third of that in the first year, from the jobs that these people get, from the taxes that they pay from the jobs. I figure that our society will recover its full expenditure within 3 years.

If it does not spend this \$1,000 to \$1,250, the cost to society we estimate now as being about \$40,000 an individual.

So what is important from the individual standpoint is equally important from the Government standpoint.

Our problem has to do with spending for every one of those people who have lost their chance so far, whether through their fault or not does not make any difference, but they simply present a problem to themselves and us.

Thank you, Mr. Chairman.

Senator CLARK. Thank you very much, Mr. Secretary, for your usual very able presentation.

I want to ask you briefly a question in three areas.

First, technically, S. 1831 does not include an additional authorization over and above what you presently have?

Secretary WIRTZ. It does not. That is correct.

Senator CLARK. The committee, therefore, to give effect to your recommendations, will either have to amend S. 1831 by including an additional authorization, or will have to pass other and different legislation, such as S. 1716, which does include an authorization in subsection 3(b) thereof.

In other words, S. 1716 would increase the authorization by \$160 million?

Secretary WIRTZ. That is right.

Senator CLARK. Would you support that?

Secretary WIRTZ. Yes. The only reason there has not been more definitive treatment of that is that because of the matter of what is to be done as far as the matching, it becomes quite hard to predict the legislative situation.

Senator CLARK. We have to face up to that pretty promptly?

Secretary WIRTZ. In reply to your question, my answer would be in the affirmative.

Senator CLARK. I would like to make it very specific.

Are you authorized to tell us that an increased authorization of \$160 million would be approved by the Bureau of the Budget as in accord with the program of the President, if we eliminate the matching and go along with you and with the recommendations contained in S. 1716?

Secretary WIRTZ. Yes, sir, and we will support it very strongly.

Senator RANDOLPH. I would like the record to show that there are six of us on the bill as it is printed, on S. 1716, and I have requested in the Senate that Senator Ribicoff of Connecticut be included as a cosponsor.

Senator CLARK. Next, Mr. Secretary, two of the bills before us, S. 1691, introduced by Senator Prouty, and S. 1725, introduced by Senator Burdick, call for increasing the percentage of the total training allowances which may be used for younger people, from 5 to 20 percent. You are recommending 15 percent. Do you have strong views on that?

Secretary WIRTZ. No, we do not. The 15 percent is not a random figure.

And you realize that in one of the other bills to which you have referred, some assumptions are made about the Youth Employment Act, which we would reject.

And so when we say 15 percent, here, under this program, we have very strongly in mind the necessity of meeting another part of this program under the Youth Employment Act. I would support the 15 percent over the 20.

But in answer to your question, I would not count this as a basic difference, as far as we are concerned.

Senator CLARK. Senator Burdick's bill reduces the age limit to only 18. You go down to 16. Can you give us very briefly the reason why you want that additional drop in the age limit?

Secretary WIRTZ. That is right. And we would support here the 16, as opposed to the 18, for this reason. We appreciate the reason for the 18, because we appreciate the problem that comes when this age limit is moved down into an area where the problem that will arise is whether somebody moved out of school because of the lower age limit, here.

And we realize with the 16 year age limit which we support, it will be incumbent upon us to set up strong, firm administrative procedures to avoid that happening.

Now, the bill, as it has been introduced, provides for a 3-month waiting period. We think, in addition to that, it will be essential that we establish a counseling or consultation program.

We would expect to get in touch with the school authorities when one of these youngsters came to us, and to the fullest extent possible with his family members, or authorities, to be sure that we were not abusing that situation. We will have to meet that.

But the reason we are going from 18 to 16 is that for reasons which we dislike, regret terribly, as a society, there are today a lot of 16- and 17-year-olds who are out of school. We will try to get some of them back, but we will try to get them out of school, and we have to face the fact that whether they ought to be in school or not, they are now headed for street corners or jobs, and we would like to get them into jobs instead.

Senator CLARK. What is the rationale of the 3-month waiting period?

Secretary WIRTZ. There has been discussion as to whether it will be 3 months or 6 months, or as to whether there ought to be any.

Senator CLARK. Do you have any strong views as to whether it should be 3 months or 6 months?

Secretary WIRTZ. I would assume in the administration of this program that regardless of what that period is, we can devise administrative procedures which will meet the problem.

I might say to you that in terms of your earlier question, as to what the position of the administration as a whole is, it is in support of the 3-month period, and I support the 3-month period.

Senator CLARK. Finally, what is your opinion of the impact this legislation will have on youth unemployment, if it is passed?

Secretary WIRTZ. We will under this program be able to meet the problems of an additional 46,000 youngsters.

Under the present setup, we can hit only 10,000, and that 10,000, Mr. Chairman, compares with a figure of 700,000, who are today out of school and out of work.

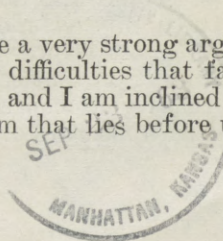
With this we will be able to bring that up to 56,000. We could in the next year move the whole thing up to 100,000. That would be a pretty fair program.

Senator CLARK. Now, are your reasons for setting your sights so low, both in this program and in the Youth Employment Act bill primarily administrative, or are they largely fiscal?

Secretary WIRTZ. Fiscal.

Senator CLARK. Senator Jordan?

Senator JORDAN. Mr. Secretary, you have made a very strong argument, here, certainly pointing up the manpower difficulties that face us, which is a frightening thing as you picture it, and I am inclined to agree with you as to the sharpness of the problem that lies before us.



I believe you have said that basically there is a problem of illiteracy, is there not, in getting young people intelligent enough to take the training to fill the jobs in this environment in which we live?

Secretary WIRTZ. I agree with your statement, expanded to meet the adult, too.

And may I add for specificity, Senator Jordan, that there are today 3 million members of the work force with less than a fifth grade education. That is the core of our problem.

Senator JORDAN. Yes, I agree, and it is an alarming situation.

Mr. Secretary, some time ago we had several gentlemen here from Sweden who addressed themselves to our manpower problems. They related their experience in their own country. And one of the matters that impressed me, that came out of that discussion of those gentlemen from Sweden, is that they have no dropout problem.

As I interrogated this distinguished panel, they said that they had been able to hold young people in schools between the ages of 16 and 18 without an appreciable dropout problem.

Would you care to comment on that? What measures could we take to better interest these young people between school age and the age when they would be more readily employable? What can we do to hold their interest in school better than we are presently doing?

Secretary WIRTZ. I spent most of my life as a school teacher, Senator Jordan. I think the answer to that question lies in the rejection of most of what I felt over that period of teaching.

I used to think that the idea of all education was to get people ready for college, and to carry them along that route. And I know I was wrong.

And I think the answer to your question is that what they have done in Sweden and what we must do here is recognize earlier that a larger percentage of our boys and girls are not going on to college, and we must move them into a vocational education program, not of the old type, but a vocational education which takes its variance from the needs of the work force today.

And the first part of my answer would be that they have done that in Sweden and we have not done it here.

The second part of my answer would be that they have a full employment situation in Sweden, and it is easier to keep kids in school when they know they are going to get jobs than when they are afraid they are not going to get jobs.

Those would be the two principal elements of the answer.

They also have supplemented their program with a training program like our Manpower Development and Training Act, so that if we had last year arranged programs, not for 59,000, but for 350,000, we would have had a program about like Sweden's.

Senator JORDAN. Yes. I gathered that, too, from my discussion, that they were paying much more attention. In their country 85 percent of the high school graduates do not go to college. They were paying much more attention to that 85 percent, that segment of the young people who do not prepare themselves for the professions or for the highly technical jobs, that call for higher training. They are spending much more of their attention and their educational dollar, beaming it on that segment, than we are in this country.

I share your concern. And I think that we need to give more emphasis to that 75 or 80 percent who will not go to college.

I think we need to take some steps—and I wonder if you would agree with me—in perhaps keeping them in school longer. Some of the States have a very low compulsory school attendance age which permits a child to quit school and go out in this competitive world.

Secretary WIRTZ. Senator Jordan, I would hope that we could abandon the age provision in that law. This provision around the country right now, that a child is to stay in school until he is 16, and then leave, is a complete anachronism.

The rule ought to be that he is to stay in school until he has the elements, at least the basic elements, for being a citizen. And the rule out to be that he does not leave school until he has developed those elements.

I do not think we will ever get there until we start recognizing this as an obligation of the schools, rather than as a matter of fault of the individual.

I would like to strike the phrase "dropout" out of the language completely. It overemphasizes terribly the responsibility of the individual, because too many of these dropouts dropped out because they were not being given the opportunity for the kind of training which as a matter of fact is needed.

But in general I would agree with your suggestion that the automatic 16 year leaving is not a good idea. I would say it ought to depend on whether a job has been done with them.

Senator JORDAN. I would agree, too, Mr. Secretary, that rather than prescribing a certain age, the aim should be to keep the child in school until he is employable, until he is able to fit into the society that he faces, so that he is employable in some way that he can support himself and take his place as a citizen, rather than quitting at a specific level.

Secretary WIRTZ. My recollection is that in Plato's Republic that prescription is laid out in about those words.

Senator CLARK. Senator Pell?

Senator PELL. No questions, thank you.

Senator CLARK. Mr. Secretary, I think I inadvertently confused the record a few minutes ago on this question of authorization. I would like to go back and attack it again.

As I understand it, for the new programs of literacy training referred to in S. 1831, you will request an additional authorization of \$100 million.

Secretary WIRTZ. That is correct. That is for fiscal 1964. That sum would be for library training and additional funds for the youth program.

Senator CLARK. And that should probably be written into S. 1831, should it not?

Secretary WIRTZ. It should be, Mr. Chairman.

Senator CLARK. Now, if we eliminate State matching in the third year of the present program, as called for by S. 1760, you will need an additional \$161 million to put Federal money where State money would otherwise have been anticipated?

Secretary WIRTZ. That is correct, and that is provided in one of these bills.

Senator CLARK. That is in S. 1716, where the authorization is changed from \$161 to \$322 million.

Thank you very much, sir.

Secretary WIRTZ. Your question was with a somewhat different question in mind, and I responded affirmatively to the question.

There are two other little points I would like to add with respect to the questions that have come up.

I remind the committee that the Senate in 1961 originally passed the Manpower Development and Training Act with the 16-year-age level in it, so that what we have talked about here is not new to this committee or to the Senate.

I should also refer in the summary of my testimony to the very important point which is developed in the statement, that in order to meet this basic illiteracy, this basic training problem, it will be essential that we add another period to the training period.

We cannot do that in the periods that we have got for the development of basic skills. And so the bill proposes an additional 52 weeks, which is a matter of great importance.

Senator CLARK. There is called to my attention there may still be an obscurity about the authorization.

The amount called for in the illiteracy training program would anticipate a hundred percent Federal payment, would it not?

Secretary WIRTZ. In fiscal year 1964, it would, and then with the change in the matching provision, the answer would be, "Yes, in fiscal year 1965, too."

So that in fiscal year 1964, this would mean the present authorization—and there has been action in the Appropriations Committees—plus an additional \$100 million.

In fiscal year 1965, it would mean the elimination of the matching provisions, which would mean the necessity of an additional \$161 million, as far as Federal funds are concerned, plus, we assume, the additional \$100 million for the amendments that I have been talking about here today.

Senator CLARK. Now I am getting a little confused again.

You want two authorizations of \$100 million, one for fiscal year 1964, and one for fiscal year 1965?

Secretary WIRTZ. The problem will continue on that basis.

The original Manpower Development and Training Act was set up on a projection of the training of 400,000 people during the 3-year period.

Senator CLARK. So actually you are asking us for a package for the two coming fiscal years of \$161 million, to eliminate State matching in fiscal year 1965 and \$100 million for literacy training for fiscal year 1964, and another \$100 million for literacy training for fiscal year 1965. Is that right?

Secretary WIRTZ. Mr. Chairman, it will be the largest saving program this country ever put on.

Senator CLARK. I am not arguing with you about the merits of the program, because I support you in that. But I think we ought to be very clear indeed that what you want is for this whole retraining package an additional authorization of \$361 million for the next 2 fiscal years.

Secretary WIRTZ. That is correct.

Senator CLARK. Senator Pell?

Senator PELL. Mr. Secretary, I apologize for not being here for part of your testimony.

There is one point concerning the basic Manpower Development and Training Act that I wanted to inform myself on. That is, is it being used to capacity now? How many people are being trained under it?

Secretary WIRTZ. Yes, Senator Pell, the situation is this: The estimates at the beginning, and when we were talking about this whole program a year or so ago, were that we would in the first fiscal year be able to develop training programs for between 60,000 and 70,000 people. Those are the figures that were used.

Now, we were thrown 2 months off stride, because we did not get our appropriations until 2 months after the fiscal year started. We have had that 60,000 to 70,000 figure very much in our minds. It haunted us at the first of the year, because we were behind schedule.

We finished up the afternoon of June 30, the end of the fiscal year, with 59,800.

Senator PELL. In training?

Secretary WIRTZ. No, not in training. This is training programs approved. Some of them are just starting, and some of them are finished.

So 60,000 is the answer, plus programs for counseling, advising, and referring youngsters in various cities and rural areas, totaling 23,500.

So we think the answer to your question is a "Yes," of which we are frankly very proud.

And I should like just for the record, frankly, to pay the fullest compliment I can to the Under Secretary of Labor, Mr. Jack Henning, who has undertaken this program, and who was in the administration of it, and who, working with Mr. Goodwin and Mr. Wolfbein, has brought out I think, frankly, one of the most extraordinary jobs of getting a program of this kind underway that I know anything about.

This was new in this country. It did not exist 10 months ago, except that we had had some little experience with the Area Redevelopment Act. And in its first year it was brought to those proportions.

I am grateful to them, and proud to be able to report this answer to the question.

Senator PELL. Thank you very much.

Senator CLARK. Senator Prouty?

Senator PROUTY. Mr. Secretary, I am sorry I was unable to be here earlier but I had other commitments at the Commerce Committee in connection with civil rights legislation.

I have not had an opportunity to study carefully each of these bills nor was I able to be present to hear your testimony. But I can assure you that I feel that we are faced with a very difficult problem, here, and even though I have a bill which I think accomplishes as much as some of the others, I am certainly willing to compromise and bring out legislation which I think will be in the interests of all concerned.

Secretary WIRTZ. I have said on that, in answer to an earlier question, Senator Prouty, that we did not count the differences between that bill and the bill we are talking about here in themselves matters of difference.

We do support this position, but would like to express our feeling of satisfaction that we are on this matter as close together as we are.

Senator CLARK. Thank you, Mr. Secretary.

Thank you, gentlemen.

Secretary WIRTZ. Thank you, Mr. Chairman.

Senator CLARK. I would like to offer for the record at this point the seventh recommendation made by the President's Committee on Youth Employment, of which Secretary Wirtz was the chairman, and Dr. James B. Conant was vice chairman.

That seventh recommendation has reference to the amendment of the Manpower Development and Training Act along the general lines supported by the Secretary in his testimony today.

(The seventh recommendation referred to follows:)

Seventh. The Manpower Development and Training Act should be amended so that a more realistic proportion than the present 5 percent of annual training allowances in the act be made available for unemployed youth. In addition, training allowances should be provided for young people 16 through 18 years of age who have been out of school and out of work for 1 year or more.

The present law provides that 5 percent of the total training allowances paid annually may be used for youth. Substitution of a higher percentage would permit more young people to enter training programs. Extension of training allowances to younger boys and girls would assist them, as circumstances required, to get the training they must have if they are to find jobs.

Senator CLARK. Our next witness is Mr. Eli E. Cohen, the executive secretary of the National Committee on Employment of Youth, and a member of the President's committee, the report of which I have just referred to.

Mr. Cohen, we are very happy to have you with us.

I understand you do not have a prepared statement.

STATEMENT OF ELI E. COHEN, EXECUTIVE SECRETARY, NATIONAL COMMITTEE ON EMPLOYMENT OF YOUTH

Mr. COHEN. That is correct. I regret it very much. I was on vacation when the call came in, and I just had no time to do so.

Senator CLARK. Please proceed in your own way, sir.

Mr. COHEN. I do have an outline, however, so I trust I will not be rambling or incoherent.

May I say first that my name is Eli Cohen. I am the executive secretary of the National Committee on Employment of Youth.

This is a nongovernmental, national organization exclusively concerned with the problems of young people in preparing for and finding job opportunities. It is an outgrowth of the National Child Labor Committee, which was organized in 1904 and chartered by Congress in 1907. Its trustees consist of 30 individuals distinguished in the fields of education, business, labor, religion, social welfare, et cetera.

Senator CLARK. How big is your budget, Mr. Cohen?

Mr. COHEN. Our budget is around a quarter of a million dollars a year, and most of it comes from contributions from about 10,000 individuals per year.

Senator CLARK. You have a membership?

Mr. COHEN. This is a little complicated from a legal standpoint. We have a corporate membership, which is our trustees. But those who contribute to the organization are also considered members, but in another sense.

Senator CLARK. About 10,000?

Mr. COHEN. Yes. I want to express first my thanks for this invitation to appear, and to share with the subcommittee such facts, information, experience, and even wisdom that we may have about this problem of youth unemployment and training.

I have had the pleasure of being before the committee on a few previous occasions, and it has always been a pleasure to receive the courteous, interested, informed, and intelligent reception that I have had.

I would like to offer comments on the proposed legislation based on our knowledge of the situation among youth today with respect to employment and preparation for employment, and based also on our experience working throughout the country with various groups and communities who are considered with this problem, some of whom have actually operated the Manpower Development and Training Act programs for youth.

Let me first say that we are very pleased with the passage of the Manpower Development and Training Act, as an imaginative and constructive approach to the problem of dealing with unemployment through skill training, and to endorse in particular S. 1716 and S. 1831, as a means of further strengthening the effectiveness of the Manpower Development and Training Act.

We think that the Congress's passage of the Manpower and Development and Training Act last year was one of the most important domestic laws enacted, and represented a milestone in the Nation's legislative history.

It recognized a national problem and it recognized Federal Government responsibility in giving leadership and support to training to improve the skills of our work force.

Now, as we see the Manpower Development and Training Act from a nongovernment and non-Washington point of view, we were a little concerned with the slowness with which it got started, although I would agree with the Secretary's observation a few moments ago that a herculean job was done, nevertheless.

But we are impressed with the fact that it is now in high gear, that it shows great promise for many of the unemployed.

But we are concerned about the slowness with which the States have picked up their financial responsibility for matching, next year, as originally scheduled.

Recognizing that this is a new program, many of the States that have been beset by their own financial difficulties, and we would strongly endorse the provision for continuing the 100 percent Federal support for the following fiscal year, and therefore the doubling of the appropriation.

Senator CLARK. Mr. Cohen, how are we going to meet the argument that the failure of the legislatures to act is a clear indication that the program is not desired?

Mr. COHEN. Well, I think we are jumping to conclusions, if we make that statement. I think the reasons for the failure to act are not necessarily due to a lack of the program's desirability. In fact, I suspect there are other kinds of reasons.

I know in some States, speaking bluntly, their failure to act was motivated by political considerations.

I think in other States there are real fiscal problems.

But regardless of one's position on the principle, the theory, the merits, of the ideal State-Federal relationship, the practical fact of the matter is that the States are not picking up their share, and there is a danger, therefore, of reducing the bill's effectiveness, the extent of its coverage, its usefulness, if we do not proceed with 100 percent Federal financing, because the States are unable or unwilling to do their share.

Senator CLARK. Well, to some extent, to be sure, I am being the devil's advocate. But nevertheless, this is a program which was passed last year and gave clear notice to the States that in the third fiscal year period in which the program was authorized, they would be expected to pick up the Federal tab.

I think every State in the country has met since the bill has passed, and most of them, an overwhelming majority of them, have adjourned without taking any action. How can we conscientiously recommend to the Senate that even though the States are unwilling or unable to act, we want the program to go ahead, anyway, and Uncle Sam to pay a hundred percent of it?

Mr. COHEN. As I indicated before, my approach to this is a purely practical one. The need is so great and so crucial and so pressing that I would proceed, if I were in a position to do so, to approve this because of the need and the merits of the program, despite the inability or unwillingness of the States.

I would follow the advice of the President when he instructed the Secretaries of Labor and Health, Education, and Welfare that if the States do not deal with these problems, it is their responsibility to deal directly with the cities and do something constructively about clearing up the problem.

Now, regarding S. 1831, we favor strongly the provisions for literacy training. It is perfectly clear that in an automated economy, basic to any training is the ability to read and write. And we are only being self-defeating regarding the hard core illiterates if we do not do otherwise prior to offering them specific skill training.

In the city of New York, the 1960 census figures indicated that almost half the youth under the age of 25 in the labor force are not high school graduates. Among the teenagers in that group, more than half are dropouts.

Now, occasionally you will find a high school graduate who has trouble reading and writing, but virtually all the illiterates are obviously among those who have not finished school.

With this large number of youth, there is a tremendous urgency about doing something about literacy training.

I have a map which was prepared by the Office of Automation and Training, based on census statistics, showing the rate of functional illiteracy by county in 1962.

There is a heavy concentration here in the Southern States, in some of the large cities, in some of the rural areas.

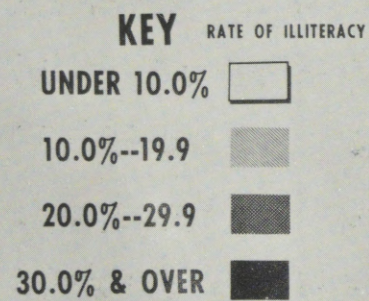
If it is of interest to the committee, I would be very pleased to submit it for the record.

Senator CLARK. Yes. I would like to have it made part of the record at this point.

(The map referred to faces this page.)

RATE OF FUNCTIONAL ILLITERACY BY COUNTY, 1962

PERSONS 25 YEARS AND OVER



SOURCE
COUNTY AND CITY
DATA BOOK
1962

NOTE: A FUNCTIONAL ILLITERATE IS DEFINED
AS ONE WHO HAS COMPLETED FEWER
THAN FIVE YEARS OF SCHOOL

SCALE IN MILES
0 100 200 300
ALBERS EQUAL AREA PROJECTION

Mr. COHEN. Now, I would like to make one comment on section 3 of 1831, which relates to the problem of both literacy training and development of basic work skills.

I know I am entering a hornets' nest when I make a comment on this, because it relates to the relationship between two Federal departments, but I think it is terribly important to differentiate the question of literacy training from the development of basic work skills.

The latter is not a classroom activity, and as such it is something that dropouts are more likely to accept in a classroom situation which they have already rejected.

The development of the basic work skills is done more in workshops, and sometimes on the job. It is done in a situation where real work situations are simulated, where there is a bridge or transition provided between this experience and real employment, where job conditioning, work training habits and attitudes, opportunities for trying out different kinds of work, are provided.

In this sense, the development of the basic work skills, in my opinion, is a continuing testing and counseling function. And as such, I would see this more properly as a function of the Labor Department, with the understanding that the Labor Department would use schools where indicated in this process.

I believe it would be important to eliminate the confusion in the lumping of the two together, and to spell out more specifically the respective responsibilities of the two departments therein.

Now let me go on to the provisions for amending the youth features of the act.

Public Law 415 of the 87th Congress in my opinion unduly restricted the opportunities for youth by limiting their training allowances to 5 percent of the total.

Now, I understand Congress' concern at that time for adult unemployment, and I realize that the public then was not aware, as it is now, of how acute the unemployment problem of young people is and will be.

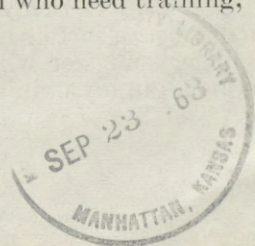
But what has actually happened, as you have already heard, was that almost 25 percent of the trainees in the Manpower Development Training Act were youth under 25, as of early June of this year, and those, incidentally, were most in the 19 to 22 age group, which is eligible for some training allowances.

As a result of this, as you also I am sure know, on February 4, 1963, the Secretary of Labor was forced to enter a kind of cease and desist order to cut back on a number of youth in training to get allowances, for fear of running over that 5 percent limitation, meaning, of course, a serious loss to the young people and to the Nation in terms of training opportunities.

Now, frankly, I cannot say whether the ceiling ought to be lifted to 10 percent, or 15 percent, or 20 percent. I do not know whether anybody really knows. I think the important thing—

Senator CLARK. No matter where we look, we are not going to touch as much as 15 percent of the available youth who need training, are we?

Mr. COHEN. That is correct.



Senator CLARK. I mean we are just scratching the surface.

Mr. COHEN. That is correct.

I am making this comment on the assumption that there are fiscal limitations. If I had my own way, it would be another story.

But as between a figure of 10, or 15, or 20 percent, one cannot say. I think the important thing is to raise that ceiling upward.

I would go along with 15 percent—in order to make it possible for more young people to receive training allowances. And I think all the people who are genuinely interested and informed on the situation of our youth today will applaud your raising that ceiling and increasing the appropriation accordingly.

Let me turn, then, to the question of providing training allowances for 16-, 17-, and 18-year-olds.

If I may be critical, I think it was a mistake for the 87th Congress to eliminate this age group from the allowances. I think I understand the motives. I recognize the concern at that time primarily for the heads of families and their much greater financial need than single youth, and I understand the Congress did not want to encourage drop-outs from schools by offering the inducement of allowances for training.

But I think this was a misguided intention because there are basic reasons why young people drop out of school, and not the lure of the opportunity to earn a few bucks from a training allowance, in a training program. If we are concerned with the dropout problem, then we must face up to some of the basic factors, as was discussed earlier, here, between Senator Jordan and Secretary Wirtz, and deal with them separately.

These youngsters of 16, 17, and 18 also need some financial support during the training period. It may not be as much as that needed by adult heads of households, but there are needs. They need money for carfare, for luncheons, for clothing, and for other incidentals that are involved in the training program.

They need it, furthermore, it seems to me, and this we are finding increasingly so among the hard core unemployed youth, as a kind of psychological incentive.

If there is money involved—I am not passing judgment on this condition—it would be easier for them to be motivated and to accept the training program, than if they were denied.

Senator RANDOLPH. Mr. Cohen, I hesitate to interrupt you.

Mr. COHEN. Go right ahead.

Senator RANDOLPH. I find it necessary to leave, and there is a question that I want to ask, and it is one that may seem perhaps not too pertinent, but I have wanted to present it to some witness, and I believe that perhaps you are the right person.

Mr. Cohen, the young unemployed boy or girl who needs this program—to what degree is that accentuated by the divorce rate, which apparently continues to rise, and which breaks the normal relationships of a family? What source of this increase is falling over into this increased group of young people that need this help?

Mr. COHEN. In my opinion, it is directly related. I think it is one of a number of factors that is accentuating the problem.

The youngster who is a victim of separation or broken homes is scarred, in my opinion, psychologically. There are feelings or rejec-

tion that he may have, feelings of defeat and despair. Sometimes he turns it inwardly to the point where he feels maybe there is something wrong with him, because this happened, even if it had nothing to do with the case.

And so he suffers, in my opinion, from a kind of psychological handicap, which gives him less confidence, less hope, and less desire to aspire. Given that condition, and sometimes they are very disturbed, the youngster is affected in school performance. His learning is affected. It can lead to his dropping out of school.

In his job search, it can often mean that he will not be as effective, in looking for work, in determining what kind of work to get, in thinking through clearly his own need for further training in order to be more employable, et cetera.

Yes; I would definitely say that this is a related factor, one of several.

Senator RANDOLPH. It is being accentuated, is it not?

Mr. COHEN. I would think so. I have no statistical evidence to corroborate that, but from my general observations, I would think so, yes.

Senator RANDOLPH. Would you say that this program, then, has an appeal, has a validity, for this person above the normal type program working in the field of problems of the unemployed?

Mr. COHEN. It would be hard to say, Senator, whether this program would have more appeal than another program. But I would say that this program would definitely help that youngster.

And perhaps the interest shown by the Federal Government, in a kind of vague way, and by the adult individuals with whom he would be dealing at the employment service office, for selection and training, the teachers and the supervisors in the training program—this kind of adult attention might help offset some of the feelings of rejection that come from the separation of one's parents.

Senator RANDOLPH. It must be a matter of guidance, to a degree. Is that not true?

Mr. COHEN. Definitely. This is why I am reluctant to say training alone. Certainly guidance is a very important aspect of this.

Senator RANDOLPH. Thank you, Mr. Cohen, for helping me to think through this problem.

Mr. COHEN. May I go on and say that it is ironic that the 16-, 17-, and 18-year-old group was excluded from training allowance because this is the group with the highest rate of unemployment in the entire Nation.

Senator CLARK. It is not ironic. It was because the bill was pressed very strongly by pressure groups, if you will, who are far more interested in adult unemployment than in youth unemployment. It is just a reaction to the normal pressure which the Congress is subject to.

Mr. COHEN. Yes, I understand. I guess the pressure groups interested in youth were not vocal enough.

And I do realize that the Senate did pass the original bill in this form. But I did want to reemphasize the importance of including the 16-, 17-, and 18-year-olds in the allowance provisions.

Senator CLARK. What is your opinion about this 3-month waiting period?

Mr. COHEN. I was just coming to that.

As I have already indicated, I think the reasons why youngsters drop out are a good deal more basic than the lure of an opportunity to earn \$15 a week while in training. And my personal opinion is that the waiting period is really an irrelevant issue, that if we are concerned with the dropout problem, we must get busy in doing something about changing our schools.

However, I would be willing to compromise and go along with the thought of setting a minimum waiting period. I think this makes a great deal more sense than the original act, which arbitrarily sets an age limit of 19 for being eligible for the training allowances.

And I predict that if these amendments are enacted, you will find many more 16- to 19-year-olds who will be trained.

May I add parenthetically that I would be definitely opposed, as should be obvious, to setting this minimum at age 18.

Thus I am saying that we would support the appropriation bill for an additional \$100 million to deal with both the illiteracy and the increased training allowances for young people.

Senator CLARK. That is for a year or 2 years.

Mr. COHEN. It is for each of 2 years.

Let me make one other comment on the problem of youth training, and then I have a few conclusions I would like to make.

There is one weakness in the original bill that I do not believe is corrected by the proposed amendments. This is the apparent insistence by Congress on training for occupations where there is reasonable assurance of employment.

Now, I think in general this is sound thinking. We do not want to train people for unemployment. But in the application of this principle, of this congressional intent, what has happened in the usual situation is to pick so-called shortage occupations and then find individuals suitable for training.

Now, I think for the average adult this is fine. But when we are talking about hard-core unemployed youth and illiterate persons, I do not think this would work.

I think we have to change the approach around and start with the individual, and see what he is best suited for, and tailor the training program to his needs.

Senator CLARK. You appreciate that in the literacy training bill, the restriction that there must be a reasonable prospect of employment is eliminated.

Mr. COHEN. I am sorry. I was not aware of that.

Senator CLARK. Yes.

Mr. COHEN. This does not cover the youth, though.

Senator CLARK. It does not cover the rest of the training program for adults or for youth, but it does apply to literacy training.

Mr. COHEN. I am not suggesting that this basic principle be scrapped completely. I think for the large majority, the vast majority, of the training programs for adults, it is a sound principle. But if we are concerned with the hard-core unemployed youth, the ones who are disadvantaged and unmotivated and unprepared for employment, I think we would make a mistake in using this procedure.

We have to recognize that many of these young people are still in a kind of state of flux. They do not know quite what they want to do. They are in a period of development and maturation. They

are unsure of their abilities. They are emotional blocks to going to work.

And you just cannot open up training programs in shortage occupations and expect them to flock in and expect them to fit in perfectly.

In many cases I think we have to start with the individual, counsel him into the type of program that is best suited to his interests, needs and abilities, and then tailor the man to the job, rather than vice versa, as we have been doing.

Senator CLARK. I wish you would expand on that a little. It is a little hard for me to see the social benefits of training either a youth or an adult worker in a skill which you do not have any reasonable assurance he will ever be able to use.

Mr. COHEN. Senator, this is not what I am suggesting. Certainly, any good counselor is not going to advise a youngster to take training in a field for which there is little or no opportunity.

What I am talking about really is the approach to the training.

As I have said, most training programs are set up on the basis that here is a skill, here is an occupation, in which there are shortages. Now, let us find people who are suited to it, and put them into training.

And this is fine for most people. But with the young people, I think we ought to start with the youngster and find out what he can do, what his abilities are, what his interests are, and then develop individual plans for him in relation to training for occupations where there is some assurance of employment.

I am not suggesting that we knock out the "reasonable assurance" clause. I am talking about some declaration by Congress of intent, which would make it possible for the administrators of the program to use this other method as well as the method now employed generally.

Senator CLARK. I wonder where you find, in present legislation, the roadblock which you think we should remove.

I could agree with you that it may be well to do as you say, but is this not an administrative determination? What changes in legislation would you advocate?

Mr. COHEN. Well, I would defer to your judgment on this question, Senator Clark. I am simply speaking from random conversations with administrators of the program, and from my periodic junkets to Washington I get the feeling that they believe that it is the intent of Congress to proceed in the manner in which they have been proceeding for the most part.

Senator CLARK. But you do not have any specific language in present legislation which you think we should change?

Mr. COHEN. No. My recommendation is some general statement of intent, and I would be happy to suggest some phrasing at some future time, if you wish, that would, let's say, make the administrators more comfortable in enlarging this kind of approach to the problem.

Now, let me conclude with just these few points.

First, I think yesterday's approaches to the training and employment of young people just are not suited to today's situation. I think this is perfectly obvious and does not need any development.

I make the point, however, to emphasize the need for continued experimental and demonstration projects, under the Manpower Development and Training Act program, particularly as it affects youth.

There are some interesting developments, for example, in the partnership between Government agencies and voluntary agencies in dealing with the training of young people, which hold, I think, considerable promise, primarily because I think the voluntary agencies are the ones who really know and understand these hard core youngsters.

And I think that we ought to continue to encourage the development of more special youth training programs, since many of these hard core youngsters cannot be absorbed in the normal adult training projects.

Secondly, as has already been pointed out today by Senator Clark and Secretary Wirtz, while this bill is not specifically concerned with the civil rights and race relations problem, I think it should be perfectly clear that we cannot solve the civil rights problem without opening up job opportunities for Negroes. Negroes will not get these jobs unless they are trained.

Hence, the expansion of Manpower Development and Training Act and special attention to nonwhite minorities, it seems to me, is particularly urgent.

Thirdly, I would like to say that training alone will not solve our youth unemployment problem. It will help a great deal, but I think it is necessary to place this problem in full perspective. We need jobs and we need economic growth.

And let me say parenthetically that there are a great many economists now who are agreed that there is a direct relationship between the skill of the work force and the capacity of the economy to grow.

I know personally a number of large corporations that have held back in their expansion plans because they cannot find the skilled work force needed.

And I think another part of this picture is the Youth Employment Act.

Far be it from me to lecture this committee on that act. The Senate has already passed it. But I think it is part of the total picture.

Finally, let me say that the problem, I do not need to remind you, is getting more critical each day. These unemployment figures are up around 18 percent now. It is perfectly clear that we need a large crash program now. Otherwise, we will be in the position of moving backward on a treadmill, because as the youth population grows, the problem gets much more severe. Thank you very much.

Senator CLARK. Thank you, Mr. Cohen.

Senator PELL?

Senator PELL. One question that comes to my mind, in the light of your testimony, is in connection with the training of youth, in connection with the Navy and the Army, whereby one of the inducements to get people to volunteer is, "Join the Navy and learn a trade," "Join the Army"—

Senator CLARK. "And see the world."

Senator PELL. I was wondering what your impression or reaction was to the training programs in the military services, why a larger percentage of young people—I know most of our military programs are now filled voluntarily—volunteers for the service. I think for every one draftee, there are four volunteers. Why aren't all of our employment positions filled by volunteers, in view of the needs. Or is it a matter of motivation?

Mr. COHEN. I think there are several factors involved. Motivation is one.

I think that a very big factor, here, is the attitude of the Armed Forces toward acceptance of some of these youngsters I have been talking about, the so-called hard core unemployed, undereducated, frequently illiterate youngsters.

I am told that the modern Army is fully mechanized and automated, as many industries are, and hence they have set up minimum requirements for youngsters who want to volunteer.

Senator PELL. Excuse me.

I think the minimum requirements are those of a certain IQ, and I think it is an eighth grade education, and not a high school education.

Mr. COHEN. Well, there is an Army classification test, and they must score above a certain point, and that point changes from time to time.

But nevertheless, I can tell you that in years gone by, many dropouts found the solution of their problem in volunteering for the Army. What we are finding today is that while there are still many who would like to find their solution that way, they are being rejected.

Senator PELL. What is your own reaction to the training programs, in the Navy specifically, with which I have always been rather impressed?

Mr. COHEN. I am not terribly familiar with them, but my general impression is similar to yours, that they are very good.

Senator PELL. Do you have any statistics, or have you come across any figures, as to the relative unemployment rates of young people who have finished one term, one enlisted term, as opposed to those who have not?

Mr. COHEN. I do not have any figures, but I would guess that the unemployment rate is lower for those youngsters.

I must point out, however, that that may be due to factors other than training. While many of the skills for which persons in the Armed Forces are trained are usable in civilian life, many are not.

And I personally have the feeling that it is more the experience in the Army or the Navy or the Air Force, the developmental experience, the stability that is developed, that has made them more employable, in some cases, anyhow, than the actual skill developed.

Senator PELL. Somewhat along the lines that the Youth Conservation Corps would have a good impact on the youngsters who go through it, without getting into the specifics of what they learn?

Mr. COHEN. I fully agree.

Senator CLARK. Senator Javits?

Senator JAVITS. No questions.

Senator CLARK. Thank you very much, Mr. Cohen. We appreciate very much your testimony.

The subcommittee will stand in recess until 10 a.m. Thursday morning.

(Whereupon, at 11:50 a.m., the subcommittee was recessed until 10 a.m., Thursday, July 18, 1963.)

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MANPOWER RETRAINING

THURSDAY, JULY 18, 1963

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 4232, New Senate Office Building, Hon. Joseph S. Clark (chairman of the subcommittee) presiding.

Present: Senators Clark (presiding), Randolph, Pell, Jordan of Idaho, and Javits.

Committee staff members present: Stewart E. McClure, chief clerk; Edward D. Friedman, counsel to the subcommittee; Dr. Garth L. Mangum, research director of the subcommittee; and Raymond D. Hurley, associate minority counsel.

Senator CLARK. The subcommittee will be in session.

Today's hearings are confined to proposed amendments to the Manpower Development and Training Act and our first witness is Hon. Francis Keppel, U.S. Commissioner of Education. We are very happy to have you back with us, sir. I have read your statement and suggest we put it in the record and then you proceed in your own way.

(The prepared statement of Mr. Keppel follows:)

PREPARED STATEMENT OF FRANCIS KEPPEL, U.S. COMMISSIONER OF EDUCATION,
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the subcommittee, may I start, Mr. Chairman, by emphasizing the fundamental interest of the Office of Education in manpower development and training? As a nation, we are coming to have a greater understanding of the need for a national manpower policy. The existing legislation related to manpower training is one indication of that understanding, and represents one phase in the development of a broad national manpower policy.

The Office of Education wishes to aid in the development of the manpower policies which are emerging out of the national effort to achieve and maintain equality of opportunity, full employment and economic growth, and international security. We wish to take a farsighted view of the future and help our varied and decentralized educational system meet the Nation's needs.

The Employment Act of 1946 was a basic step in that direction. It clearly stated the intent of the Federal Government to promote high levels of employment. In more recent years national policy has become concerned with economic growth and stability of prices. Then, in the last few years legislation to deal with problems of rapid economic change has appeared: The Area Redevelopment Act, the Manpower Development and Training Act, and the Foreign Trade Adjustment Act. All bear upon labor markets and manpower, and together with earlier legislation and policy they indicate the areas within which a Federal manpower policy is beginning to be hammered into shape.

In the second half of the 20th century our national policy will become increasingly concerned with manpower development. This statement is based on a de-

velopment which I feel should be obvious to any observer: manpower has become perhaps the most important resource on which economic growth can be based.

The Nation's population has been increasing, and its rate of growth has been rising. From just under 179 million in 1960, the population of the United States is expected to grow to about 214 million in 1970. This would be an increase of almost 20 percent over the decade, the highest rate of growth in recent times. The labor force is growing almost as rapidly. It is expected to grow by almost 13 million persons in the next decade, or by just 17 percent. Never before have we had such increases. The recent and projected pattern of growth in our population and work force is shown in table 1.

A hundred years ago the great untapped resource of the United States was land. We had an undeveloped West to tame, to populate, and to build. National policies were adopted to achieve those goals: land grants to railroads, cheap land for settlers through the Homestead Act, a public land policy directed toward rapid development, and a policy of mass immigration.

TABLE 1.—*Change in population and labor force, 1940-70*

	1940	1950	1960	1970 (estimate)
Population:				
Total (millions).....	132.2	151.3	179.3	214.2
Change from previous decade:				
Total (millions).....		19.1	28.0	24.9
Percent.....		14.5	18.5	19.5
Labour force:				
Total (millions).....	56.2	46.6	73.1	85.7
Change from previous decade:				
Total (millions).....		8.3	8.4	12.6
Percent.....		14.9	12.9	17.3

Source: U.S. Department of Commerce, Bureau of the Census, U.S. Census of Population: 1960, U.S. Summary, tables 1, 10. Manpower Report of the President, table 26, p. 89.

Then, some 50 years ago, with the disappearance of the extensive frontier, a change took place in national policy. Public land policy switched to one of conservation and development. Mass immigration was halted. At about the same time, we began our first efforts at manpower development with passage of the Smith-Hughes Act of 1917, to promote vocational education. The immediate need in 1917 was a national crisis: Entry into World War I and the national need for skilled manpower in the war effort. Nevertheless, vocational education was the first building block of a national manpower development policy. Vocational education has grown and expanded, and further development is needed.

It was not until after World War II, however, that the Federal Government's contribution to vocational training was increased. Passage of the Vocational Education Act of 1946 quintupled the Federal contribution to that important area of education. This legislation arose, in part, from an increased awareness of education's role in stimulating and promoting economic growth and national security. With our manpower resources increasing rapidly, it is inevitable that increased attention be given to education as one of the chief means by which the productivity of that resource can be increased.

Private industry has long recognized the relationship between education, skill, and productivity, and its training programs are an important part of the Nation's educational effort.

Economists tell us that increased productivity is one of the chief sources of economic growth. Although the measurements are crude, it appears that in the last 50 years, perhaps one-third to one-half of our national economic growth has been due to increases in productivity. More capital and more workers have contributed—no one factor can do the job by itself—but increased knowledge and skills, and better organization, have been much more important than we have thought. Education can make a major contribution to economic growth by promoting the advance of knowledge and skills.

A comprehensive approach to educational needs, as embodied in the proposed National Education Improvement Act (S. 580), can provide the investment in education this Nation requires if its educational and manpower needs are to be met, and the goals of our broad economic policies are to be achieved.

Education can perform another function, in addition to promoting economic growth. It can increase adaptability to change on the part of both the economy as a whole and the individuals within it.

We are all aware of the rapidity with which the economy is changing. Technological change is proceeding at a relatively fast pace, and in many instances is requiring new and higher skills for workers. Changes in consumer demand associated with rising incomes have promoted a major shift in emphasis from goods production to services, with corresponding shifts in the structure of job opportunities. Changes in the geographical location of economic activity have resulted in serious economic and employment problems in a number of areas.

Education has a major role to play in the adaptation of manpower to economic change. When the economic structure changes, many individuals must also change if they are not to suffer the tragedies of unemployment and loss of income. Education is one means by which the individual worker can adapt. Let me indicate several ways in which education can foster that adaptation.

First, a worker who is already employed may find himself unable to advance or may find advancement difficult because he does not have the skills needed for the next higher job. Going to school in his spare time, in the evenings, or even on the job, will help him move up one rung of the ladder. Fifty years ago or more, a young man could often start in the shop as a sweeper or stock boy and in that job learn gradually the skills needed for more complicated jobs, and so on up the ladder. This pattern is no longer possible in many areas of our economy, where gaps in the "hierarchy of skills" have been created by highly specialized technologies. Instead, workers increasingly must use formal educational procedures to learn the job to which they aspire next.

Second, when a changing technology wipes out the need for a worker's skills, education can help him acquire others. The knowledge and ability a worker has accumulated by his past experience and education should be thought of as capital which he has invested in himself, to increase his productivity and raise his earning power. When advancing technology develops different methods or products, the workers' capital investment can be wiped out. Retraining can help him replace his lost capital investment in himself, rebuild his lost productivity once more to its former level and return him to the job market as a more productive person, both from himself and for the economy as a whole.

Third, education can fit young people for work opportunities either before they enter the job market and are still in school or after they have entered the job market and find that they do not have the skills or education necessary to place themselves properly. The development of vocational education has already put us well on the way to providing facilities and programs for training before entering the labor market, and has developed adult programs of training for further skills. But it is only recently that we have realized the great need for programs which will reach out to unsuccessful entrants into the labor market—the unemployed, out-of-school youth who thought they could make an adequate start but find after a time that their education and skills are too limited for them to find employment.

We face a national crisis of growing severity: the lack of job opportunities for young people. It is a crisis originating from two great forces over which we have little control. One of those forces is the population explosion. By 1970, it is estimated that there will be about 20 million young people between the ages of 14 and 24 in the labor force. Ten years earlier there were only 14 million persons in that age group in the labor force. We must find jobs for over 6 million more young people in this decade than we did in the last. The problem is complicated by the fact that the number of people in the labor force in the next older age group, 25 to 34 years of age, will also increase. By contrast, in the decade of the fifties, the number of people in that age group did not increase at all. The sixties will find the 25 to 34 age group increasing at the same time that the entrants into the labor force are appearing in greater numbers than ever before. Table 2 brings together the data needed for a picture of the changing age structure of the Nation's labor force.

TABLE 2.—*Increase in the labor force, 1950-70, by age groups*

[Millions of persons]

Age group	1950	1960	1970 (estimated)
14 to 24.....	13.3	13.7	19.9
25 to 34.....	15.1	15.1	16.7
34 to 44.....	14.1	16.8	16.5
45 and over.....	22.2	27.5	32.6
Total.....	64.7	73.1	85.7

Source: Manpower Report of the President, table 26, p. 89.

There is striking evidence that young people are having difficulty in finding employment. During the months of 1962 when school was in session there were between 600,000 and 800,000 unemployed out-of-school youth between the ages of 16 and 21. Although that age group represents only 1 in 14 in the labor force, it constituted 1 in 6 of the unemployed. Unemployment was an even more serious problem for Negro young people. Their unemployment rate has consistently been double that of white youths, and the group in the labor force with the highest unemployment rate is young Negro women.

Between January and June of this year there was a net increase of 400,000 young people between the ages of 14 and 19 in the labor force. Only 100,000 of them got jobs. The remaining 300,000 were added to the unemployed, at least temporarily. In May of this year the unemployment rate for teenagers was 18 percent for boys and 19.3 percent for girls, compared to a national average of 5.6 percent.

Many young people entering the job market have dropped out of school before getting their high school diplomas. Our educational system is making progress in reducing the number of dropouts. Improved schools and the greater realization of the need for education are tending to keep youths in school longer. During the 1960's the high school dropout rate is expected to decline to about 30 percent from the 40-percent rate of the 1950's. This still means, however, that 3 out of 10 youngsters will not complete high school in the 10-year period from 1960 to 1969. The total number of high school dropouts during the decade is estimated to reach about 7½ million. About half will drop out when they reach age 16.

The second force contributing to the jobs and training crisis is technological change. Automation is part of it, but not the whole story. Everywhere in the economy the skills needed for job performance are on the increase. In each industry the advance tends to appear in the most forward-looking firms, but gradually the others take it up as it proves to be effective, until only a few laggards remain. The change does not take place overnight, but in a short time workers find that there is a reduced demand for the lesser skills and an increased demand for the higher. A premium is placed on education and vocational skills. The net result is that unskilled jobs become a smaller proportion of the total number of jobs available.

Enactment of the President's tax program will result in substantial reduction in unemployment among all workers, including young people. Yet we are faced at the same time with an explosive increase in the number of young people entering the labor force in this decade, many of whom will not have completed high school and will be eligible only for employment as unskilled workers. It is imperative that these young people be trained for the skilled and semiskilled jobs that a growing economy will make available to them.

The recent economic changes I have been discussing create problems for many persons, other than young people, who have inadequate educations. These are workers hampered by "functional illiteracy." They lack either basic skills in reading or writing, or basic work skills. Some are unable to fill out simple job application forms or to read and follow simple directions. Others are unable to receive and write down simple messages. Many cannot read help-wanted advertisements. Before persons with such limited educational attainments can be trained for jobs effectively, they must receive basic education.

Many of the workers who have inadequate education for today's job market are older workers. Educated in an earlier, simpler era, they are highly vulnerable to the uncertainties of a more complex economy. In March 1962, only

4 out of 10 (42.6 percent) of workers 45 to 64 years of age had completed high school, compared with 6 out of 10 (57.4 percent) of those in the 35 to 44 age bracket and almost 7 out of 10 (66.1 percent) of those 18 to 34 years old. Any program which would attack the problem of functional illiteracy would be of substantial benefit to older workers.

Inadequate schooling is also a special problem among Negroes and other non-white persons. In 1960 almost 1 out of 4 Negroes, 25 years of age and over, had completed less than 5 years of schooling. The comparable figure for whites was 1 out of 16.

The problem is a national one, although, as one might expect, the highly populated States tend to have the largest number of the poorly educated. Of the over 8 million persons 25 years of age or over who had completed less than 5 years of school, according to the 1960 census, over half lived in just 9 States. Four were Southern States, three were in the Northeast, and one was in the Far West. Table 3 gives the figures in detail.

However, the areas with the highest proportion of functional illiteracy in the total population are in the South. This condition is strikingly shown in attachment 3, a map indicating the rate of functional illiteracy by counties in 1962.

Many of the unemployed have inadequate educations. A recent study by the Department of Labor, summarized in table 4, shows, for example, that over 20 percent of the unemployed had less than 8 years' schooling and over 36 percent had no more than 8 years' schooling. The corresponding figures for the employed were 13 and 26 percent, respectively.

TABLE 3.—States with a cumulative total of more than half of all functional illiterates, 1960—Persons 25 years old and over who have completed less than 5 years of school

[In thousands]

State:	
New York.....	785.0
Texas.....	672.2
California.....	505.0
Pennsylvania.....	453.2
North Carolina.....	380.1
Illinois.....	365.4
Georgia.....	355.3
Louisiana.....	348.8
Ohio.....	292.4
Total.....	4,157.4
National total (50 States and District of Columbia).....	8,302.6

Source: U.S. Department of Commerce, Bureau of the Census, "U.S. Census of Population: 1960, General, Social, and Economic Characteristics," PC series.

TABLE 4.—Educational attainment of employed and unemployed persons 18 years old and over, March 1962

	Percent	
	Employed	Unemployed
Elementary school:		
Less than 8 years.....	13.3	20.2
8 years.....	13.1	16.0
High school:		
1 to 3 years.....	18.9	26.8
4 years.....	32.4	27.7
College:		
1 to 3 years.....	10.9	6.7
4 years or more.....	11.5	2.7
Total:		
Percent.....	100.0	100.0
Number (thousands).....	63,939	4,049

Source: Denis F. Johnston, "Educational Attainment of Workers, March 1962," Monthly Labor Review, May 1963, p. 507.

The same study showed that in the civilian labor force as a whole, over 9 million persons have less than 8 years' schooling. This is better than one out of eight workers (13.7 percent). Among persons who work part time for economic reasons, 28.7 percent have less than 8 years' schooling. Among the long-term unemployed (15 weeks or more) the proportion is 22.9 percent.

Unemployment, low incomes, limited job opportunities, public assistance—these are the costs of functional illiteracy. They are spelled out in greater detail, along with other aspects of the problem, in attachment 2, entitled "Limited Educational Attainment: Extent and Consequences."

I would like to summarize what I have said so far. The United States is gradually building a national manpower policy, of which manpower development and training is an essential part. The Office of Education is concerned that the educational aspects of that policy be developed rationally, directed toward the twin goals of national growth and individual needs. However, we face a situation of mounting gravity created by the forces of population expansion and economic change, which has created severe problems for young people and the poorly educated. It is within this context of both long-range needs and short-term problems that we must now turn for an examination of the Manpower Development and Training Act.

The Office of Education is happy about many of the achievements of the Manpower Development and Training Act. The training projects have been successful in reaching unemployed workers. The trainees have been successfully placed in jobs. An effectively functioning system of public vocational education made a rapid start possible: facilities and personnel were readily available because of longstanding Federal-State cooperation in vocational education. The work of the State employment services, responsible for selection of trainees and their placement after completion of training, has been effectively coordinated with the training effort. Although it is too early for a comprehensive review and evaluation of experience under the act, I would like to refer you to attachment 1 for a progress report on which these conclusions are based.

Nevertheless, three serious problems have arisen. Two concern training of young people and the problem of functional illiteracy. The third is financial. Substantial progress in solving all three problems could be made with passage of the amendments now under consideration by this committee and embodied in bills S. 1831 and S. 1716.

Under the present act the poorly educated among the unemployed are not being adequately served. A substantial number of persons who would otherwise be eligible for training programs must be rejected because they lack either basic skills in reading or writing, or basic work skills. As a result, only about 1 in 10 of the first 22,500 persons enrolled as trainees had 8 years of schooling or less, as compared with over 1 in 3 such persons among the unemployed as a whole.

In three New England areas, 48, 55, and 65 percent of those who were tested at State employment offices for a training course could not pass the basic qualifying examination. This testing took place after the elimination of more than twice as many candidates through preliminary screening. Many of the unemployed recognize this handicap and want to remove it. A research project undertaken in Massachusetts indicated the unemployed were eager for training and over half those wanting training indicated they would also be willing to take a course to improve their skills in reading, writing, and arithmetic.

One of the proposed amendments to the Manpower Development and Training Act would authorize programs for the development of "functional literacy and basic work skills" for persons who are unable to obtain training under the act because of lack of basic education. Such persons would be eligible for 52 weeks of training allowances, in addition to a similar period authorized for actual training. The amendment makes it possible for an individual to go to school for up to 1 year in order that he might be brought to a level of basic literacy at which he would be eligible for further job training. He would then be eligible for a second year of actual job training.

With such a provision, many applicants for training will no longer have to be turned away because they lack basic literacy and work skills, even though they may be fully qualified in every other respect. A great deal of desirable flexibility will be added to the training program under the act.

The second major problem of manpower development which has arisen under the present act is that of youth. This is a second group with special problems in the job market which the present program is unable to reach adequately. The

act permits the payment of training allowances of not more than \$20 per week to youths aged 19 to 22—but only 5 percent of the total amount of training allowances can be paid to this group. As a result, the training of young people under the act has been scanty. Persons under 19 have had to be willing to defray their own living expenses while taking training, or have had to qualify as unemployed heads of families. Furthermore, the 5 percent limitation has forced the disapproval of a number of otherwise worthwhile training programs, because of lack of funds.

Of all unemployed persons in 1962, 15.6 percent were under 19 years of age. On the other hand, only 4.3 percent of the first 22,500 Manpower Development and Training Act trainees were under 19. Other age groups among the unemployed were served more adequately, as shown by table 5.

The proposed revisions of the act dealing with youth would reduce the age for eligibility for training allowances from 19 to 16; would require that such youths have dropped out of school at least 3 months prior to payment of training allowances; and would raise the proportion of the total training allowances which could be paid to youths aged 16 to 22 from 5 to 15 percent.

TABLE 5.—*Age distribution of the unemployed in 1962 and trainees under the Manpower Development and Training Act*

Age	Percent	
	Unemployed	1st 22,500 Manpower Development and Training Act trainees
Under 19 years.....	15.6	4.3
19-21.....	12.5	18.9
22-34.....	25.9	45.0
35-44.....	17.2	21.1
45 and over.....	28.8	10.7

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Monthly Report on the Labor Force," April 1963, p. 15. Program operations section, manpower development and training program, Division of Vocational and Technical Education, Office of Education.

These amendments will give us an additional weapon with which to attack the problem of untrained young people. Our weapon is the existing vocational education system within the schools. Other proposed legislation would increase appropriations for vocational education, provide additional funds for area vocational schools, promote experimental programs, provide funds for special projects, and promote work-study programs. These proposals are based on the recommendations of an advisory panel of consultants which recently reported to the President on its review and reevaluation of the vocational education program. These changes will make vocational education more attractive to young people and will encourage them to stay in school and get the training they need. One of the most promising changes from this point of view, is the work-study plan.

The Manpower Development and Training Act youth amendments, on the other hand, are designed to reach the young people to whom even improved vocational education programs or the work-study plan will not appeal. They provide a means of bringing dropouts back into an educational program designed especially to meet their needs. Full-time, formal education may not necessarily be the best for training all young people. The large number of dropouts indicates that some young people do not feel it meets their needs. Yet we must not permit them to stay in the labor market without the opportunity of obtaining a high school diploma or marketable skills. Education must find new ways to solve their problems.

To make possible these vitally needed training programs for youth and the functionally illiterate, without reducing the planned amount of training or number of trainees under the existing provisions of the act, the administration is requesting an additional appropriation of \$100 million.

The third problem is financial. The present act provides that the States must match Federal funds on a 50-50 basis, beginning on June 30, 1964. We are asking that this provision be removed. Unless this is done there will be a large

reduction in training under the act because very few States have made provision for matching. Some State legislatures meet only every 2 years. In other States, budgets for fiscal year 1965 were largely formulated before there was any appreciable experience under the act. As a result, only four States have authorized matching and only two have appropriated funds. In 30 others the legislatures have adjourned without doing so. In 14 States the legislatures are still in session, but next year only 21 legislatures are scheduled to meet.

The State directors of vocational education were questioned on this point. Their replies may be summed up as follows:

Eighteen stated that there would be no State participation after June 30, 1964, if Federal funds were not provided on a 100-percent basis.

Thirteen stated serious doubts as to whether there would be State participation on a matching grant basis.

Eight expressed reasonable certainty that there would continue to be State participation if matching by the State were required.

Some directors commented that State budgets were very tight. A few indicated the possibility of trying some "back-door" arrangements, such as drawing upon local education funds. A tone of urgent need was prevalent.

In his message on civil rights and job opportunities of just 1 month ago, President Kennedy emphasized that,

"This Nation is in critical need of a massive upgrading of its education and training effort for all citizens. In an age of rapidly changing technology, that effort today is failing millions of our youth. It is especially failing Negro youth in segregated schools and crowded slums."

He pointed out that there must be increased "opportunities and incentive for all individuals to complete their education and to continue their self-development during adulthood."

The proposed amendments to the Manpower Development and Training Act are urgently needed as one means of achieving those goals. They should be approved without delay.

STATEMENT OF HON. FRANCIS KEPPEL, COMMISSIONER, OFFICE OF EDUCATION; ACCOMPANIED BY DR. M. D. MOBLEY, AMERICAN VOCATIONAL ASSOCIATION; AND WALKER ARNOLD, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION, OFFICE OF EDUCATION

Mr. KEPPEL. Thank you very much, Senator. Since the statement is rather long I hope you will permit me to highlight the major points.

The first one that I would like to make, sir, is the position that the Office of Education, with which I am connected, hopes to take in regard not only to the particular amendments before the committee but also in a more general sense.

It wishes to aid in any way it can in the development of manpower policies which are emerging out of the national effort to achieve and maintain equality of opportunity, full employment, economic growth, and international security. We want to take a farsighted view of the future and to help our varied and decentralized educational system to meet the Nation's needs.

It is perfectly clear to me, sir, that in the second half of the century the Nation's policy on manpower development is going to become a matter of ever greater concern. This statement is based on developments which I, at least, take to be obvious that manpower has become perhaps the most important source on which economic growth can be

based. If this is the case, increased attention must be given to education as one of the chief means by which the productivity of that resource can be increased.

I would remind the committee that the proposed National Education Improvement Act, S. 580, is a part of this overall consideration.

Senator CLARK. Let me ask you, Mr. Commissioner, what arrangements you have for coordination of your views with those of the Secretary of Labor in the preparation of the annual manpower report.

Mr. KEPPEL. The coordination that I have observed so far, and what I am looking forward to in the future is as follows:

First, with regard to the report, title I of the Manpower Act, the Office of Education, through its program staff, has responsibility for drafting those aspects of the report which are included under the responsibilities of the Secretary of HEW, and there is in effect a special office now of review.

I think it is important, Senator, to note that what we are trying to do within the Office of Education is to have the individuals who are working on this, be men and women who are trained in economics and in those fields related to economics which would make it the natural collaboration with the Department of Labor's personnel easy, would flow naturally based on a common intellectual tradition if I may put it that way.

This is one part of the answer with regard to the report. But I think your question, sir, seems to me to go further than that. It goes into the whole question, the deeper question, of the relationship between the Office of Education and the Department of Labor.

Senator CLARK. I think this is terribly important, I am going to interject this observation. I hope that you personally will get into the preparation of next year's manpower report and that you will disseminate your own able views both downward within the Office of Education, upward to the Secretary of Health, Education, and Welfare, and across to the Secretary of Labor.

As these hearings progress it becomes more obvious to me and I expect to Senator Jordan and other members of the subcommittee, too, that we have a very difficult administrative problem here. Just as one example, we have a program under the Manpower Development and Training Act carried out in large part by local educational systems with, hopefully, the cooperation of the State employment services financed with Federal funds and the local educational systems have to go to HEW for the vocational and technical money that comes along. I do not see any real line of authority there by which one administrator is responsible for the program in a particular area. It calls for an awful lot of coordination and cooperation and if you get individuals who are rather bureaucratically inclined and do not want to really go to work and make this thing work it could be very difficult.

So, it would seem to me that this is one of the administrative problems which ought to get careful attention both in your office and in the Department of Labor.

Mr. KEPPEL. I completely agree, sir; I do not feel I am on top of details of that administrative process, but I think it presents different problems. Whenever that word "coordination" is used it always involves that.

I might perhaps, Senator, report not action, but hope that my colleagues and I have in this regard that may be significant. First, I hope what I have said before suggests that I personally and my colleagues are eager to reduce the complications that may arise from this complex coordination at local, State, and Federal levels. One admirable way of doing this is to have the individuals working together of a common mind on it, but second, in order to accomplish that, my colleagues in the vocational education division and others in that part of the office, are thinking very hard about the possibilities as funds become available to us to do so, of including within their own staff men and women trained in the social sciences who have a lively interest, of course, in the whole problem of vocational education, but who would help for us to see this issue in the totality of the American economic picture.

This, I think, has to be done by people who naturally think in those terms, who would naturally try to fit the programs of the training aspect of the Manpower Development and Training Act into that larger context. I am speaking of hope, Senator. This is not easy to accomplish, but we are taking a real try at it.

I think that will help more than it looks. It sounds like an academic man talking about the mixture of academic discipline which is usually a dull topic, but I think in this case it might be useful.

Senator CLARK. I think what you have in mind is entirely sound, we don't expect miracles, the program has been underway only a little over a year.

Mr. KEPPEL. It is in that context, sir, that some of the rest of that long prepared statement may more usefully be read, I think. If I could focus just on two or three points in which education can foster the adaptation of individuals to new kinds of jobs, which is the whole shift in our society. The first category is a worker who is already employed, who may find himself unable to advance or find advancement difficult because he does not have the necessary skills. That is a clear one.

The second is when the changing technology wipes out the need for the skills at all. Here education in its broadest sense can help him acquire others. It is almost as if we were dealing here with the worker's own capital investment which happens to be in education and skills. The third is obviously that of fitting young people for work opportunities either before they enter the job market and therefore are still in school or after they have tried to enter the job market and find they don't have the skills to get in. Those are the three obvious areas, I think, sir.

Senator CLARK. One thing bothers me on which I would like you to comment. I would think it would be very natural to have the vocational educational people concentrating on the third class there because, after all, their primary duty is to educate young people in useful skills. Yet the Manpower Development and Training Act puts emphasis on retraining older people, and to some extent on upgrading older people, which are your first two categories.

I wonder whether you think there is a problem in assuring that the vocational educational people in the field pay adequate attention to the first two categories? I am very sympathetic with them, because the third category is their job. They are probably going to find funds

in short supply. If they have to clip the coin, the temptation would almost inevitably be I would think, let us get our primary job done, if we have any money left over we will go to the other two.

Mr. KEPPEL. Well, Senator, I think I can see the line of reasoning but I am not quite sure that the figures would support this. At the present time if my memory is right there are about 4 million American adolescents and older people engaged in training under existing vocational education acts.

Now, half of those are in formal schooling; half, in other words, roughly 2 million, are older, so there has been a rather long tradition here of dealing with individuals who are older than the normal school age. However, this suggests that the problem is perhaps less severe than perhaps your question implied, but I think your point still has validity.

Senator CLARK. Of course, you are right on your figures. You know them much better than I do. But now we are proposing to increase the percentage of youth that can be trained from 5 to 15, or some suggest 20 percent, to put more money in the till to do that. I think if I were a vocational educator I would see a gleam in my eye when I looked in the mirror which would say, gee, let's do something for these young people. I don't blame them.

Mr. KEPPEL. Neither do I, sir.

Senator CLARK. But the other two are important from what Congress wants done, I think.

Mr. KEPPEL. In fact, if Congress passes the several bits of legislation that are relevant here, that is the rather substantial and almost radical change in the nature of vocational education in the way the States would handle it and the amount of it under the older bills plus the Manpower Development and Training Act changes, plus the programs for literacy which seem so clearly to be the basis of further training—if all of these pass, we are entering a new era, Senator. It will be an era in which the interconnection of these various programs becomes either a difficult problem, if you want to look at it that way, or a challenge, as I would prefer to look at it, of being able to do something that we clearly have not succeeded in doing in adequate scale.

This is why I think the nature of the personnel and the way they think about it is of such importance and I am in complete agreement with you.

Senator JORDAN. Mr. Chairman, at this point——

Senator CLARK. Senator Jordan.

Senator JORDAN. I think we are pretty well agreed on the figure of 12.6 million, I have seen 12½ million, that the change in population might bring into the labor force in the decade of the sixties——

Senator CLARK. Is this table 1 you are referring to?

Senator JORDAN. Yes, I am referring to table 1 now. I have seen varying figures as to the number of people in the decade who may be replaced by automation or cybernation and that figure varies, Mr. Chairman, from 12 to 24 million.

I wonder if this witness would have any figure on that number of people who might be forced into the labor market by reason of being replaced in this world of automation and cybernation.

Mr. KEPPEL. I am afraid, Senator, that this witness would have to disqualify himself as being in any way expert on that point. I have,

of course, looked at the several figures as you have, Senator, and I take it we are engaged, as in so many areas of predictions in a most difficult one here.

Senator JORDAN. I think we are all agreed it is going to be a sizable number, perhaps even greater than the youth, persons who come in by reasons of population increasing.

Mr. KEPPEL. In my statement, Senator, I review some of the forces which affect these matters, the very forces to which Senator Jordan has referred. But I would bring particular attention as I think you might expect, to the human impact that comes as a result of the increase in the birth rate and to the nature of these changes.

I would like to draw particular attention to the fact that in May of this year, and this I think comes closer to bear on the amendments before you for consideration, that in May of this year the unemployment rate for the teenagers was 18 percent for boys, 19.3 percent for girls, compared to the national average of 5.6.

Obviously the recent economic changes have effects not just on these teenagers but also on others without adequate education to prepare themselves and particularly, sir, the group who have been described as functionally illiterates.

Senator CLARK. What do you mean by functionally illiterate?

Mr. KEPPEL. It is another one of those educational words that has too many syllables, I think. The one operating definition that makes sense to me—let me give you two, sir, one that I think is easy to use. Trying to discuss the matter in informal context, one brief definition is a man who can't read or understand a help wanted ad.

Another is to take something like fifth grade of education, that is a total of five grades of education, and say anyone who has less than that is in our complex kind of society effectively or functionally illiterate. This makes our statistics uncomparable to those of other nations.

Senator CLARK. Why do you need the adjective?

Mr. KEPPEL. In my shop we need to and that is why we are using it. We need the word functional because we are in constant communication with other nations on the problem of literacy or illiteracy. Technically a lot of these people according to an international definition might be said to be able to read or write. We have put this clumsy functional word on to show that we are speaking of an operating definition in a complex society. That at least is why I have kept it on.

Senator CLARK. I am still grasping for it. Does it mean that while they might be able to read and write a little, they cannot read and write enough to hold a job?

Mr. KEPPEL. In some cases clearly not enough to hold the job, in other cases clearly not enough to know what is going on, where the job is.

Senator CLARK. So they can't read and write much, so if we want to use a blunt instrument as we often do in Congress, they are just illiterate.

Mr. KEPPEL. For this purpose; yes. For the U.S. purpose; yes. People in my profession have a tendency to make it sound fancier than perhaps it is, but there is a real reason from the point of view of comparison with other nations who are facing quite different economic and social problems. For our purposes I suggest, Senator, that it is

worth thinking of literacy not only in verbal terms but also mathematical. Therefore speaking to this point, I am pointing particular attention to that part of that amendment which proposes that Manpower Development and Training Act be amended so that a period of up to 52 weeks may be added for training in this kind of literacy, verbal and mathematical.

Senator CLARK. When you speak of mathematical illiteracy, are you pretty well confining yourself to addition, subtraction, multiplication, and division?

Mr. KEPPEL. Yes, sir; I think the more normal language in the way one ordinarily uses it in common talk would be arithmetic. The amendment of Manpower Development and Training Act which my colleagues and I support so vigorously, would make possible the training of individuals who could then go on to the more advanced training.

Senator CLARK. Now, to pursue Senator Jordan's thought, do you have any idea how many functional illiterates there are in the country?

Mr. KEPPEL. Well, again, I am plucking it out of my memory, sir, but as I recall it, we are dealing with—if one takes those over 25 years of age with less than fifth grade education, we are dealing with about 8 million—

Senator CLARK. How many?

Mr. KEPPEL. 8 million. May I check that with one of my colleagues, Senator? It seems to be right, I have a lot of heads nodding. It is a shocking figure.

Senator CLARK. Actually you have it on table 3.

Senator JORDAN. Mr. Chairman?

Senator CLARK. Senator Jordan.

Senator JORDAN. Would it not be true, then, that the basic problem of these 8 million who are functional illiterates would be to upgrade their literacy before we expect to upgrade their skill?

Mr. KEPPEL. Yes, sir; I think it is worth pointing out to the committee that the point that Senator Jordan has made, is, because of the very enormity of these figures, a problem that cannot be dealt with only under the purpose of Manpower Development and Training Act. Therefore we are proposing, the administration is proposing to the Congress, the increase in funds to stimulate State activity in general literacy programs.

Senator CLARK. And this is the adult education title of the omnibus education bill?

Mr. KEPPEL. That is right, sir, and we have come before you recently as a part of the general concern under civil rights and related matters, propose no change in the purpose of the adult education program, but a quadrupling of the funds in order to create greater stimulation. Clearly Manpower Development and Training Act, with its purposes, which are very properly more focused, cannot undertake the problem, which is a problem for the future and for which this adult education program would be in our judgment desirable.

This comment, then, on the literacy problem, is directed to the second of the major amendments that are before the committee for consideration. The third major amendment, as you know, sir, is that having to do with the age of the individuals under Manpower Development and Training Act who can be trained with fiscal support while doing so.

The sensitive point, I take it, is the dividing line as you so well suggested, Senator, in another question on another point, the dividing line between as it were formal education in the school sense and the program of Manpower Development and Training Act. The proposal before you suggests at least a 3-month period after the individual leaves school and before he could become eligible for this training.

As I recall it Secretary Wirtz testified that this was inevitably an arbitrary number of months. I certainly would not, and I gather Secretary Wirtz would not feel terribly strong that we knew what the right number of months was, the point is that we think clearly it is not desirable to permit, if I can put it that way, these funds to serve as a kind of suction pump or magnet to pull the young people out of school. There would seem to us two major ways of protecting ourselves as a society against that danger.

The first is the rather obvious one—closest collaboration between the management of the Manpower Development and Training Act and the school authorities. I think there is no disagreement on anyone's part that the most desirable thing is to keep those pupils in school where the school is actually being useful to them. I think there is no disagreement there.

The second is the suggestion that we venture to make that there be made available as a part of the regular school vocational training, a work study program in which the students enrolled in the schools could earn amounts that bring them close to the same amount that could be obtained under Manpower Development Training Act.

It is worth emphasizing, perhaps, sir, that the \$20 a week, if my memory serves me, is a top figure, not necessarily a fixed figure. The same line of reasoning would apply to our proposals for a work study for the vocational student. I think, however, in addition to this point, sir, my colleagues and I are under no illusions, at least I hope we are not, that the schools are necessarily the perfect instrument to handle young men and young women, all young men and young women, who are facing the types of problems which Manpower Development Training Act is seeking to solve. In some cases the schools cannot provide it.

Manpower Development and Training Act would be better. We therefore vigorously support the proposals presented here.

Senator CLARK. Now, you are proposing this work-study program in the omnibus education bill?

Mr. KEPPEL. It is part of the more recent additions that came along, sir, but I think it is fair to consider it as a part of the overall education pattern we are proposing.

Senator CLARK. I would like your judgment as an educator on this 3-month period. Secretary Wirtz indicated that he was not wedded to it but he thought on the whole there ought to be some period and 3 months was better than 6. How do you feel about it?

Mr. KEPPEL. This is a case, Senator, in which two branches of the Government are in hearty agreement. Secretary Wirtz, who is obviously senior to me, is absolutely right. I don't think we have a body of experience that can tell us that 3 months is better than 4 or 5 months is better than 6.

I would hope that the Congress might be willing to let us go at it at 3 months and if we find that the magnet is too close to the pin and

it is having the negative effect on school holding power to come back and propose revisions in that. Let me put it this way, sir. In my judgment as an educator, I do not think that 3 months presents to misuse Justice Holmes' language, a clear and present danger—I do not think so, sir.

Senator CLARK. What is your view about dropping the eligibility age from 19 to 16? Senator Burdick has a bill which drops it only to 18. From the educational point of view, are there advantages in permitting a youngster to get Manpower Development and Training Act training if he is only 16 years of age?

Mr. KEPPEL. I do not see any educational disadvantages, if I may put it that way. The issue is perhaps the broader social one of where, in the judgment of the Congress, it is wise to steer these young men and young women. I am forced, of course, in my job to look out over a very broad scene with young people of very differing abilities, very differing motives.

I cannot help thinking we are at the point in our society where we know one thing very well; namely, that the next decade is going to be tough for youth, in view of the numbers coming out and in view of the change in our society. On that point I think we are very clear.

I doubt if there is any one proper way of doing this. I think we are at that stage now of experimenting with a number of methods. Senator Burdick may be quite right in the age. I myself would support tending to going down in age, because I think it gives us a greater likelihood of being able to keep 17- and 18-year-olds off the streets and out of that really dreadful situation of being both out of school and out of work, which in effect means out of communication with society, and I would be prepared to take this risk, sir.

The final point, Senator, that my longer testimony urgently brought to your attention was the question of the matching on a 50-50 basis which under the present act carries on through June 30, 1964. We are, as you know, proposing that that be amended. This is based on experience to which others, I believe, testifying this morning can probably speak with greater detail. The facts of the case, as the Secretary and others have brought to your attention, are that State legislatures have not had the time or as yet have not wished to make the necessary arrangements for the matching. It is of very grave concern to us, in an office of education which increasingly and certainly so far as I am concerned ever more will measure itself by the success to which it contributes to the solution of the manpower problem.

It would be tragic from our point of view if the States and localities were not able to provide the matching funds, and therefore the contribution of the Manpower Development and Training Act program were reduced. We are gravely fearful that this is exactly what would happen based on the record so far. We therefore strongly urge the consideration of the committee in extending that 100 percent funding.

Senator CLARK. I wish you would turn for a minute to your prepared statement, where you refer to the survey you have made of State directors of vocational education. Eighteen said there would be no State participation, 13 raised serious doubts, 8 expressed reasonable certainty that there would continue to be State participation if matching were required.

That is something less than the 50 States, it is only about 38. What would be your view as to the attitude of those State directors from whom you did not hear?

Mr. KEPPEL. I would like, if I may, Senator, to ask one of my colleagues. I do not think I have the sensitivity of view on this that I should have. May I turn to one of them in a moment, with an introduction first. I do have the general feeling that we have a problem of mood or climate of thought, or some comparable phrase with regard to this type of training in many of the States. There is a tendency for vocational educators and legislators to feel that vocational education, as you yourself said earlier, is in a sense something for the young. There is a certain rigidity in thinking on this, accompanied in a few States, and I believe my memory is right in saying that Oklahoma would be one of them, in which there are constitutional limitations on State activity in appropriations for what might be called adult education. With that general remark may I ask Dr. Arnold, who happens to be in the room today, to say something.

Senator CLARK. Yes; hello, Dr. Arnold.

Mr. KEPPEL. Dr. Arnold is the Assistant Commissioner of the Division of Vocational and Technical Education.

Dr. ARNOLD. This is almost like a triple pass, Mr. Commissioner, this study was done under the good offices of the Vocational Education Association. Dr. Mobley is here, I think he could answer more specifically to that point.

Senator CLARK. What do you say, Dr. Mobley?

Dr. MOBLEY. I would be glad to answer the question.

Mr. KEPPEL. Might I say this is Tinker to Evers to Chance, but this is not the same.

STATEMENT OF DR. M. D. MOBLEY, EXECUTIVE SECRETARY, AMERICAN VOCATIONAL ASSOCIATION

Dr. MOBLEY. I am M. D. Mobley, executive secretary of the American Vocational Association, an organization composed of some 35,000 members residing throughout the Nation.

Senator CLARK. You have representatives in all 50 States?

Dr. MOBLEY. Yes, we do, and also from the District of Columbia, Virgin Islands, and all the other territories. About a month ago we sent out a questionnaire to all the vocational education directors of the Nation, dealing with questions under consideration. I have here before me, sir, a copy of a summary of the replies to this questionnaire. If you like, it may be included in the hearings.

Senator CLARK. Did you look at Mr. Keppel's statement? Is yours the same as his? What I am trying to find out is how about the other States which are not represented in the statement.

Dr. MOBLEY. I had replies from all the States except one, Rhode Island, so the picture is really worse than he gives it in his testimony. If you like I will read the brief summary of replies from State vocational directors.

Senator CLARK. I will ask that the results of that study be printed in the record at this point.

(The report referred to follows:)

SUMMARY OF REPLIES FROM STATE DIRECTORS OF VOCATIONAL EDUCATION REGARDING MATCHING FUNDS FOR THE MANPOWER DEVELOPMENT AND TRAINING ACT FOR 1965

1. If MDT matching funds for vocational education were requested from your 1963 legislature, indicate amount requested.

Thirty-six States replied "none." Other States replied with amounts ranging from \$83,000 to \$3,150,000.

2. If MDT matching funds for vocational education were appropriated by your 1963 legislature, indicate amount appropriated.

Three States indicated that funds had been appropriated. One of these three States received one-half of the amount requested and no funds were earmarked for training or allowances.

3. If MDT matching funds for training allowances were requested from your 1963 legislature, indicate amount requested.

Thirty-nine States replied "none." Other States replied with amounts ranging from \$100,000 to \$3,150,000.

4. If MDT matching funds for training allowances were requested from your 1963 legislature, indicate amount appropriated.

None of the States had any funds appropriated.

5. If MDT funds for vocational education are to be requested from your 1964 legislature, estimate amount to be requested.

Forty States indicated "none." Other States replied with amounts ranging from \$50,000 to \$2 million.

6. If MDT funds for training allowances are to be requested from your 1964 legislature, estimate amount to be requested.

Forty-six States replied "none." Other States replied with amounts ranging from \$50,000 to \$2,500,000.

7. Will your State be able to participate in MDTA program when matching is required?

Thirty-four States indicated "no." Six States answered "yes." Other States replied "doubtful," "probably," "questionable," "depends," "only to a limited extent," "very unlikely," and "yes?"

JULY 3, 1963.

Dr. MOBLEY. To summarize there are 34 States that in which there will be no State funds for matching, that was a positive no.

Mr. KEPPEL. If I may interrupt, Senator, that means the first part of the report which evidently was not complete, 18 goes to 34.

Dr. MOBLEY. There are six States in which State matching funds will be available. Replies from the remainder of the States stated "doubtful," "probably," "questionable," "depends," "only to a limited extent," "very unlikely," and like replies.

Senator CLARK. The figures don't add up and I don't know that it is particularly important that they should. In the opinion of you and Dr. Arnold and Mr. Keppel, the States are not going to respond to the matching fund requirement of Manpower Development and Training Act. Therefore, we are faced with the problem of either abandoning Manpower Development and Training Act in large part at the end of the current fiscal year or having the Federal Government take over hopefully temporarily, possibly permanently, the entire funding program.

Now, I think this is a pretty big responsibility for Congress to take only 1 year after the act has been passed. I am sure a lot of Senators are going to ask, why should the Federal Government pick up this tab? What is the matter with the States and the State legislatures?

Does this not reflect the fact that the program is not popular and is not wanted? And this is what bothers me.

Mr. KEPPEL. May I ask Dr. Arnold to comment on that, Senator? Senator CLARK. Yes.

STATEMENT OF WALKER ARNOLD, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION

Dr. ARNOLD. Mr. Chairman, we have had some experiences in the past that are somewhat similar to this situation with the practical nurse education bill in 1956, and then with the National Defense Education Act of 1958. In the case of the practical nurse bill the Congress provided for 75 percent Federal money the first year and then it went to 50-50 matching in the second year.

It seems to be a pattern in the States, particularly in State legislatures, that they would like to see some outcomes of the programs before they take very much of a step in the way of appropriating funds. So in this case now the States have had a little less than 1 year's experience with this program and I believe there is just a natural reticence to the matter of appropriating funds immediately in matching without some greater experience.

I believe that is the feeling on the part of some of the States.

Senator CLARK. I am sure you are going to find some Senators saying, look, if this program is really effective in the States they are going to pick it up. If it is not any good they do not want it. We don't feel the Federal Government so soon after passage of the act should move in and pick up this entire tab. Frankly, I think there is a vulnerable spot there which I would like to have some arguments to rebut.

Senator JORDAN. Mr. Chairman, may I make an observation at this point? I have served in a State legislature, I have served as Governor of a State, and I would make this observation, that the millings of the gods grind very slowly at the State level, that legislature, you may get a turnover of a third new people coming into the legislature, new programs they are hearing about it for the first time, it has no experience behind it, their term in session in many States is limited to 60 or 90 days, and many legislatures meet only on alternate years, so it is expecting a good deal, Mr. Chairman, for these States to come out wholeheartedly in support of this program although given time they may rally to its support as I would hope they would.

Senator CLARK. Your comment as a former legislator and Governor gives me great heart. If we can get Idaho behind this program I think we will probably bring in Pennsylvania.

Dr. ARNOLD. Mr. Chairman, may I add one more thing. The response of the States to this program, as the record shows, for each State has been very favorable and our communication with the States would indicate that they feel very highly about the program and think that it is having some very favorable implications upon the total vocational educational program.

Senator CLARK. What you mean is the State vocational directors feel that way. That does not mean the legislature feels that way.

Dr. ARNOLD. I should say all of those persons who are involved in promoting an administrative program beyond the vocational education.

Mr. KEPPEL. I do not believe, sir, that I am qualified to give any more arguments although I think it is worth underscoring Senator Jordan's point of the length of time involved here, the alternate year meeting of the legislatures and the fact that the experience has not been built up before the meeting of the State legislature which I think is a very fundamental point.

In general, sir, I have come to speak strongly in favor of the proposed amendments, believing that they will meet the social problems of unemployment in a way that experience has shown it must be met.

Senator CLARK. You, I take it, would concur with Secretary Wirtz in advocating an additional authorization of \$100 million a year for each of the next 2 years in connection with S. 1821, S. 1831, and an additional \$161 million for S. 1716 to pick up the tab for the State contribution, is that right?

Mr. KEPPEL. I was trying to explore the implications of the additional \$100 million to see its effect on individuals in numbers. I realize the extraordinary difficulty of calculating precisely in advance the effects on numbers, I take it that it would have the effect, broadly speaking, of something like doubling the present, roughly \$60,000, affected by Manpower Development and Training Act.

Senator CLARK. You see, the thing that bothers me is that the administration comes down here with a lovely bill asking for all these improvements, and then they do not put in any initial authorization, so the buck is passed to us. Secretary Wirtz said, "Well, let us say \$100 million for each of the next 2 years," and then he said that the figure of \$322 million, which is in S. 1716, which in effect is an increase of \$161 million, is it.

But I want to get the administration tied down that this is what they want and I take it, without pressing you too far, that if that is the administration's position you support it?

Mr. KEPPEL. That is most certainly my understanding of it, sir.

Senator CLARK. One final question. I made this observation to Secretary Wirtz: In the light of the need for retraining at the adult and the youth level, this program is pretty small.

I asked him whether it was small because administratively this was about as much money as you thought you could usefully spend and as many people as you thought you could usefully train, or whether the difficulty was fiscal, and he said fiscal. Would you agree?

Mr. KEPPEL. I suspect this is another area in which my personal competence can be brought to doubt. I am certainly clear that fiscal is a major part of it. I think I would add one other point, sir—that in order to get it into context, the administration is also proposing, as you know, very substantial changes in the existing vocational education programs which would have an effect on the need here.

Senator CLARK. Yes, but you have what, 700,000 school dropouts a year?

Mr. KEPPEL. Yes, that order of magnitude.

Senator CLARK. And if this program is adopted at the level the administration recommends, you will not touch more than one-seventh of them.

Mr. KEPPEL. That is right.

Senator CLARK. Could you touch more administratively if we gave you more money?

Mr. KEPPEL. I think we could, sir. It is, however, when one deals with the school dropout problem, not alone a problem of picking them up after they have dropped but of trying to see to it that they don't. I myself would urge that the energies be put equally or more into the preventive side of medicine than the therapeutic at this point.

The Senator may be interested in knowing that we are now attempting to mount a very substantial program of persuasion to keep the young people in school with this point in mind.

Senator CLARK. We have to be pragmatic about this, I hazard a suggestion that the omnibus education bill is up for rough sledding. Thank you very much. Senator Randolph?

Senator RANDOLPH. Yes. Mr. Keppel, I would like to ask you, it is not clear in my mind, what do you count as a literacy course? What does it embrace? How far does it go?

Does it give a person the power to comprehend? I would like for you to cover it.

Mr. KEPPEL. The reason I think, Senator Randolph, that in the bill—I am sorry.

Senator RANDOLPH. I am sorry, I am told by the Chair that you have already indicated this.

Mr. KEPPEL. I will go back. It is really the ability to follow instructions, to read in order to follow instructions on the job, and I think I would like to emphasize this again, an arithmetical capacity as well as verbal.

Senator CLARK. Also, it requires the ability to write simple English, does it not?

Mr. KEPPEL. It does.

Senator RANDOLPH. What about the next techniques, educational procedures that would be used in these literacy courses in what do you do in placing emphasis on let us say research and experimentation. I would wonder how long you would think it would take to bring the illiterate up to fifth or sixth or seventh grade levels?

Would it take 4 months, 6 months, 8 months?

Mr. KEPPEL. I think this is one in which it would be unwise to predict length of time, Senator, because individuals come with quite differing capacity. Actually the proposals before you say up to 52 weeks of training, and I think the emphasis should be on "up to," because a good many would probably not need more than 4 to 6 months.

Senator RANDOLPH. Four to six weeks?

Mr. KEPPEL. No, I think months, one would have to think in terms of months for a great many of them, but no more than 52 weeks in all is proposed here. As to the text involved, Senator, this is an area in which some advance has been made by new text under another program in the Office of Education on Cooperative Research matters, quite a lot of work has been and is being done on some of the new text which are described as programmed instructions with the use of teaching machines and the like.

I have some hopes that we can speed up this process but I would have to report in candor that I do not think we have made major advances yet.

Senator RANDOLPH. Commissioner Keppel, could you rationalize for me, others presumably would not need it, but I would like to have a rationalization on the 52 weeks, the additional weeks for the training allowances, that period for the trainee in the literacy program?

Mr. KEPPEL. Well, I think the best reason behind this, Senator Randolph, is to look at those who have up to now been selected for training from among the unemployed, and to note the small percentage of those with very little education, the point is that they were not prepared to take the manpower development training for lack of literacy, they could not be selected, they could not do it.

Therefore, the proposal is to add only in their cases the authority to extend the period of training by no more than 52 weeks to prepare them for the type of training which the act originally proposed.

I think, sir, that is the best argument. The record shows that if we are to get into that group of what has been called hard core unemployed, this first step has to be taken.

Senator RANDOLPH. Mr. Chairman, this is just a final comment. I am from a small State populationwise, areawise, to a degree, and perhaps we are oversensitive at times, we are rather the butt of constant focus in certain areas of this country as not having adequate educational facilities and seemingly we are contrasted with great States populationwise that have, let us say, very intensive educational programs, and yet is it not true that you are finding that the illiterates are in New York State?

Mr. KEPPEL. The largest number of individuals who would be defined as functional illiterates are in New York; the next largest, if my memory serves me right, are in California, then Illinois and elsewhere.

Senator RANDOLPH. So, with the excessive or rapid growths of population and the suggestions of metropolitan areas you have found that here looms a very great problem of a person who is illiterate, is that true?

Mr. KEPPEL. That is entirely true, sir.

Senator RANDOLPH. So there has been a shift here, has there not, in this problem, its impact?

Mr. KEPPEL. I quite agree, Senator. This is, as you look at the figures, a national problem, not a regional one; not a problem that can be defined in advance by some economic clusterings. This is one that has spread across the country. In my judgment no State has the right to be either proud or sore, this is simply what has happened in our changing society.

Senator JAVITS. Will the Senator yield at this point, to show we have the largest number, and so does California, of course, we have the largest population.

Senator RANDOLPH. Yes. I understand that.

Senator JAVITS. I think the significance also is the percentage, we are about in the middle bracket, many other States have very much higher percentages of persons 25 and over with less than 8 years of schooling. What I would like to really say—

Senator RANDOLPH. I was not disparaging New York or California, we have followed this to problems in certain areas of the country.

Senator JAVITS. I am sorry, that was not my point.

Senator RANDOLPH. I understand that.

Senator JAVITS. The Senator is chauvinistic about that. I did want to underline what Dr. Keppel states, we are liberal in our thinking of people, of what happens in other States, and the one thing I hope will be developed in these hearings which I have not had nearly enough time to join my colleagues in because of other problems of investiga-

tion, et cetera, is the need for greater mobility which directly contributes and is contributed to by this situation.

I think we have all thought a lot about upgrading skill and we have all thought a lot about the need for training and the need for basic education, but I think one of the things we have overlooked is the fact that the needs for mobility in the labor force, mobility in enabling people to move from place to place, mobility in not tying them to the job because of pension rights or seniority rights or union situations and other matters of that character.

Senator RANDOLPH. Well, Senator, I would like to follow through. The day before yesterday when Secretary Wirtz was before the subcommittee I know the Senator from New York would have wished to have been here had his schedule allowed, the statement was made that there are 400,000 persons working in the labor force today that a year from now will be working in some other section of the country.

He brought out the point our labor force is moving; in other words, 400,000 persons now, a year from now they will be working in another section of the country. This is a development.

Senator JAVITS. Maybe not enough.

Senator CLARK. I would like to make this observation to my friend from New York. I think the executive arm of the Government is in complete accord with you, so am I, but the Congress was unwilling when we passed the act originally to put in relocation allowances which are almost a sine qua non if we are going to get maximum mobility. It is pretty hard for a man with a wife and a family to be a member of a mobile labor force if he cannot get the money to go some places.

Senator JAVITS. I think one of the attributes of this chairman and a number of the members of this committee are they are undismayed by failure; we will very likely try again.

Senator RANDOLPH. Thank you. I will close and wait for tomorrow.

Senator CLARK. I thank my generous friend from New York.

Senator Jordan?

Senator RANDOLPH. I do want at this point—forgive me, Senator Jordan, I yield.

I remember what Charles Kettering said in his 70's, he said:

My interest is in the future because I am going to spend the rest of my life there.

Sometimes I think all this is perhaps a point that is not well taken.

The chairman here continues to plug away at this problem in the tomorrows just as today. Frankly I want the record to show that the manner in which he gives intensive helpful leadership to this subcommittee.

Senator CLARK. I thank my friend. Senator Jordan?

Senator JORDAN. Mr. Commissioner, I am concerned, as we all are, about this matter of functional illiteracy of some 8 million of our working force. Could we say that this problem could be broadly divided into two sectors, one having to do with the upgrading the literacy of those who are now regarded as functionally illiterate.

Secondly, teaching marketable skills to those after they achieve some level of literacy which would permit them acquiring new skills and new knowledge.

Mr. KEPPEL. I would agree, sir.

Senator JORDAN. With respect to the training of the first group, then, that would not require much in the way of equipment or machines or modern devices commonly used in vocational training courses, would it?

Mr. KEPPEL. Certainly under the presentation the capital cost, if I may put it that way, would be less.

Senator JORDAN. Yes; the capital costs, however, in the second group would be substantial.

Mr. KEPPEL. Varying, of course, with the nature of the program.

Senator JORDAN. I would think they would be substantial. It would seem to me, Mr. Commissioner, that not only should this equipment be very modern and up to date, and cover a great many facets of the industrial world in which these trainees go out to seek employment, but there is no use training them on obsolete machines to go out and work on the machines of tomorrow.

We have to be as modern as we possibly can be; in that connection I wonder if any thought has been given to bringing into this work on this problem the industrialists of the country to solicit their help in getting them to take their plants and make their equipment and their technicians available for night classes or something of that order.

I have in mind a specific proposition; a television station in my State has indicated their willingness to let their engineers and their technical people run night classes and use their equipment in the training of young people and older people who have been misplaced by machines for several reasons.

One, that out of these classes of trainees they might recruit technicians for their own work. Secondly, upgrading the purchasing power of the entire community would have an effect on their own prosperity.

Thirdly, as a matter of public relations, and this impressed me and I wonder if this aspect of the problem has been explored enough to know whether we could get substantially from business and industry and from the private sector of our economy in working about the public sector in this field.

Mr. KEPPEL. May I ask the Senator's leave to start an answer and ask my colleague, Dr. Arnold, to carry on? In preparing for these hearings I attempted personally to get hold of data and statistics, if I could, that would suggest or give some rough measure of the extent to which American industry and commerce in the broadest sense is itself engaged in various forms of training which would be at least roughly related to the types of programs that we have before us this morning.

I understand that this is a very difficult thing on which to get detailed data. A study by Clark & Sloan which I read, published 4 or 5 years ago, makes some effort at getting an estimate of the costs by dollars, some measure translated into dollars, of this type of training in industry, which, of course, varies from the most complex to the most simple.

I was unable to satisfy myself in this information. I think we need a lot more of it. We do, of course, Senator, have particular examples of the type of thing that you are speaking to, and perfectly clear to me this is the sensible way to proceed, the question of how well we are ordered through our vocational and technical training programs to

take advantage of is a matter I would like your leave to respond to later.

I did not feel that I had a firm hold on this when I tried to prepare for the meeting. I know it is going on, sir; but I would like to be able to report to you the extent of it, the extent to which private industry is doing it on national terms. It is perfectly obvious to me that the Government enterprise is only a part of what is going on here. Dr. Arnold may want to speak more particularly to the issue.

Dr. ARNOLD. There is a specific thing with this relationship. In both the Department of Labor's part of the program and that of HEW is a requirement of a representative State advisory committee, with representatives of business, industry, and labor, and the public.

In addition to this and more to the point of your question, I think with very few exceptions every project in the Manpower Training and Development Act, as well as the other vocational and educational programs has what is commonly known as craft advisory committee which is representative of employees and employers in that particular occupation, so that there is this kind of built-in, working relationship which assures not only modern, adequate equipment, but qualified instructors, and all of the other aspects of an effective training program.

I think a classic illustration of this, Mr. Chairman, is in your own city in the instrumentation laboratory that you have at the Dobbins Vocational School. The several instrument manufacturing industries there really lent full-time engineering personnel to come in and design the equipment and install this laboratory.

This is close cooperation between the school and the local industry, and very profitable.

Senator JORDAN. I have another question following that; we do know there is substantial evidence of this cooperation from the private sector, but has anyone made an inventory of the extent of that cooperation, the number of people involved, the cost to the corporations supplying the training, and so on.

Dr. ARNOLD. You are speaking about industries efforts itself?

Senator JORDAN. Yes.

Dr. ARNOLD. I don't think there is any nationwide study that would reveal the extent of this, number of corporations that have revealed some facts about their own programs and indicate a very heavy investment in education and training within their own firms, but as far as a national study is concerned, I do not think there is anything on the record.

Mr. KEPPEL. This, Senator, is what was troubling me in trying to prepare for the hearing, I just could not get at it.

Senator JORDAN. Then I ask this question, Is any effort being put forth by your Department to encourage the cooperation of the private sector with the public sector in attacking this whole problem?

Mr. KEPPEL. Well, I think the whole structure of the committees to which Dr. Arnold referred to a moment ago, which has long been in operation, gives us the basis not only for what we have done in the past but in my judgment for a good deal more in the future.

I think that the whole network of advisory relationships is worth what you make it.

Dr. ARNOLD. I think it is pretty well established across the country now, that a training program will have great difficulty in being effective unless it is tied closely with the business and industry which it is intended to serve.

Senator JORDAN. I agree, and perhaps I am asking my question of the wrong people, perhaps labor would know better the extent of the work that is presently going on in this field by the private sector, but I hope, Mr. Chairman, that that information could be compiled by someone and made a part of the record.

Senator CLARK. I would be glad to ask the Secretary of Labor to let us know what he has. When this bill was originally before this subcommittee and Mr. Justice Goldberg was the Secretary of Labor, he had a real preoccupation with the development of on-the-job training, in fact he was quite insistent that on-the-job training should be handled by the Department of Labor and not the Department of Health, Education, and Welfare.

I think there have been some disappointments as to the extent to which this program has become effectual. I will ask the staff to direct a query to the Secretary of Labor to see if we can get more information.

(The material referred to follows:)

EXTENT OF USE OF PRIVATE INDUSTRY FACILITIES BY STATE VOCATIONAL EDUCATION
FOR MANPOWER DEVELOPMENT AND TRAINING ACT TRAINING PURPOSES

1. Very limited use of training facilities of private industry has been made under the Manpower Development and Training Act so far. This is primarily because these facilities are generally not open to the public. Several examples follow where private industry has been used:

Culinary Institute of America, Connecticut.

Flex-Steel Industries (upholsterer), Iowa.

Auto body repair shop, Wyoming.

JAC School for Welding, New Mexico.

2. Use of private training schools has been more extensive. As of June 30, 1963, there were—65 active training projects in 32 different private schools in 14 different States for 2,578 trainees.

3. In on-the-job training, the following statistics show the picture to date:

(a) Contracts approved to date.....	56
(b) Total number of trainees approved to date.....	2,068
(c) Projects approved to date.....	157
(d) Projected wages to be paid by contractors.....	\$1,738,093
(e) Number of States involved.....	23

These projects, of course, use employer facilities.

Senator JORDAN. I think it might be fruitful at this time because the success of this program bears in large measure on this kind of co-operation and the ability of these trainees to work with plants and with equipment that would be way beyond their availability because of the funds allocated for this purpose.

Senator CLARK. A lot of it gets into the question of paying training allowances to individuals who are not going to school but who are doing on-the-job training in the shops of private industry.

Mr. KEPPEL. May I say I agree heartily with Senator Jordan on this?

Senator CLARK. Senator Pell?

Senator PELL. I have no questions, Mr. Chairman.

Senator CLARK. Thank you very much, Mr. Commissioner; it has been a pleasure to have you with us. Thank you, Mr. Arnold.

Our next witness is Mr. Andrew J. Biemiller, director, Department of Legislation, AFL-CIO, accompanied by Matt Goldfinger.

Senator CLARK. Off the record a minute.

(Discussion off the record.)

Senator CLARK. Back on the record.

I will ask that Mr. Biemiller's formal statement be placed in the record at this point and I will ask him to summarize it and we are happy to have you, Mr. Goldfinger, here also.

(The prepared statement of Mr. Biemiller follows:)

PREPARED STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, my name is Andrew J. Biemiller. I am director of the Department of Legislation of the American Federation of Labor and Congress of Industrial Organizations. I am here to testify on proposed amendments to the Manpower Development and Training Act.

We are pleased to have this opportunity to participate in this subcommittee's reexamination of the provisions of the Manpower Development and Training Act. Although the act has been in operation for less than 1 year, the need to sharpen this instrument of manpower policy is apparent, and it is a credit to the chairman and the members of this subcommittee that these hearings are taking place.

It is our earnest hope that the MDTA will be the subject of constant reexamination and refinement as we seek to upgrade the skills of our work force and enable an ever-increasing number of citizens—the unemployed as well as the employed—to compete more effectively for jobs.

Before I turn to a discussion of the proposed amendments contained in S. 1691, S. 1716, S. 1725, and S. 1831, and before I suggest to this subcommittee additional areas which we believe warrant the attention of the subcommittee, I must underscore the fact that the basic need in the United States continues to be jobs. For the better part of 10 years we have had a growing gap between the number of people seeking jobs and the number of jobs seeking people.

Retraining is important and helpful. It makes a contribution. It has our support. But unless we have more jobs for which to train people, training programs will leave us with a better trained workforce—but still unemployed. Along this line, I am reminded of the experience of an AFL-CIO colleague who, earlier this year, noticed the following sentence written on the blackboard of a Tulsa high school, put there apparently by a student with a humorous bent: "You must learn a skill or you won't know what kind of work you are out of." This is concise and to the point, and it carries the message.

This is not the forum to go into a discussion of job-creating measures that the AFL-CIO believes are needed. We simply wish to convey to this subcommittee our conviction that training programs, though essential, are not a substitute for jobs and that there is an urgent need for more jobs—jobs for workers displaced by automation; jobs for workers whose skills have been made obsolete by technological change; jobs for the new young workers who are now pouring into the labor market in unprecedented numbers; and jobs for nonwhite workers—of all ages—who form the largest single disadvantaged group in our society.

No doubt, many of the problems encountered thus far in the operation of the MDTA are related to the lack of job opportunities. It is only in the climate of a full employment economy—with rapidly increasing job opportunities—that the full potential of the MDTA can be realized. However, even within the limitations of our present high unemployment situation, the MDTA can make a positive contribution. It is with this in mind that we appear here to present our views at this hearing.

I. STATE MATCHING

S. 1716 proposes to eliminate the State-matching requirement beginning July 1, 1964, and, necessarily, to authorize the additional appropriation of \$161 million. We regard this amendment with utmost urgency because, without such an amendment, we believe that none of the other amendments can have any real meaning.

For all practical purposes, this is a life-or-death proposal. According to the Secretary of Labor, even the most initial steps to provide matching funds have been taken by only 10 States; only 4 States have enacted enabling legislation; and only 2 States have actually appropriated funds—Montana, \$20,000 and Tennessee, \$500,000. With many of the State legislatures not scheduled to meet next year, it is clear that the MDTA program is threatened with annihilation unless Congress acts quickly to eliminate the necessity for State matching.

II. BASIC EDUCATION

The correlation between education and unemployment requires no elaboration. It is a well-known fact that the incidence of unemployment is higher among those with the least education.

It is clear from the operations of the MDTA thus far that insufficient attention was given to this problem when the act was originally adopted. Not only are those with inadequate education handicapped in the job market, they are also at a handicap in the efforts to enter training programs. How can you train people who can't read? Without adequate basic education too many of the unemployed are simply unable to absorb the content of a training program, while the types of jobs that they might fill are vanishing.

The unskilled jobs in the factories, in the mines, and on the farms that do not require much reading, writing, and arithmetic are disappearing. In their place are the jobs—even the unskilled jobs—which do require these abilities.

The employment shifts that are taking place in our economy—away from blue-collar jobs and toward white-collar jobs, and away from goods-producing industries and toward service industries—present an extra burden for those without adequate education. In a service-oriented economy, even the unskilled occupations will frequently require more ability to read, to write, and to do arithmetic than do the unskilled jobs that are characteristic of a goods-producing economy. For example, an individual who is unable to write cannot be a waiter; and if he cannot do arithmetic with some accuracy, he will even find it difficult to get a job as gas station attendant where he must make change. Yet it is jobs of this kind—jobs in service industries—to which the unskilled must look for employment opportunities in the future.

The disadvantage of the uneducated, unemployed worker is depicted vividly in the data of those who have been enrolled under MDTA programs. Only 10 percent of the first 19,000 trainees had 8 years of schooling or less, although such individuals made up 36 percent of all unemployed in 1962. Furthermore, as the Secretary of Labor has pointed out, among the Negro trainees only 5 percent had this amount of education, although 44 percent of all unemployed Negroes have had 8 years of schooling or less. Thus, it must be said that the opportunities that may be provided by the MDTA have so far not extended in any meaningful way to those who comprise the most intractable unemployment problem—those with very little education.

The AFL-CIO has previously expressed its concern about this matter, and we are, therefore, pleased to see that S. 1831 seeks to remedy what we regard as a basic deficiency in the MDTA, and that it proposes to provide allowances for workers undergoing such training in basic education.

We think this is a farsighted approach and a proper recognition of the value we should place on investment in human resources. We, of course, support the proposals but we much prefer to use the words "basic educational skills," rather than the language of S. 1831 which talks about "functional literacy." We regard the latter terminology as too restrictive, since there are obviously many workers who are functionally literate—which is merely a technical term indicating 5 or more years of schooling—but who still require further education in order to compete—even for the unskilled jobs—in a labor market in which more and more education is increasingly in demand.

In fact, we would urge Congress to express to the administrators of the MDTA program the opinions that basic education should be built into each and every training program wherever possible—and not just for those who border on being illiterate. Upgrading the ability of trainees to read, to write, and to do arithmetic, while learning a basic work skill would, in the long run, pay untold dividends. It can very likely help to keep a trainee from becoming unemployed again, and a trainee in a future program.

III. YOUTHS

S. 1691, S. 1725, and S. 1831 propose to expand Manpower Development and Training Act opportunities for youths by reducing the age at which the \$20-per-week allowance can be paid, and by increasing the amount that might be spent for youths. At present a youth must be 19 years of age in order to be eligible for the allowance, and no more than 5 percent of the total Manpower Development and Training Act funds spent on allowances may be used for such purposes.

S. 1725 would make the allowances available to 18 year olds, and would increase the proportion for youths to 20 percent.

S. 1691 and S. 1831 would lower the age to 16 and, in the case of S. 1831, require that the individual have been out of school for 3 months, with the proportion for youths increased to 15 percent of total Manpower Development and Training Act fund spent on allowances.

S. 1691 would require a 6-month waiting period beyond the date of leaving school and limit to 20 percent—after the current fiscal year—the proportion that may be spent on youth allowances during the next 2 fiscal years. During the current fiscal year, S. 1691 would limit to 45,000 the number of youths who might receive such allowance, for which it would authorize the additional appropriation of \$45 million. Furthermore, it would authorize a like appropriation for each of the 4 fiscal years following June 30, 1964, which would extend this provision beyond the termination date presently provided for the Manpower Development and Training Act.

We are in favor of the general aim of these amendments. We take this position because of our great concern—indeed, fear—over the exploding youth population. An analysis of the problem and the dangers of joblessness among youths has been prepared by the AFL-CIO Department of Research and published in an article titled, "The Coming Crisis: Youth Without Work," which I am offering as an appendix to my statement because I think it will be of interest to the members of this subcommittee.

Even the most brief perusal of the data in that article—and their implications—will quickly explain why we endorse the proposal to increase the proportion of Manpower Development and Training Act funds to be spent on young people, and why we recommend that 20 percent of total allowances be spent on youths, and that eligibility be lowered to age 16.

So far as the waiting period is concerned, whether it is to be 3 or 6 months or something in between, we have no strong feelings, although we lean toward the shorter period. If, as is clearly the case, the proposal—in both S. 1691 and S. 1831—is designed to bring school dropouts into a training program before they fall into antisocial pursuits, then 6 months might be too long. We suggest that the subcommittee carefully examine all aspects of this problem to determine what the waiting period should be.

We do not support those provisions of S. 1691 which would extend those portions of the act dealing with youths so that they are not coterminous with the rest of the Manpower Development and Training Act. The Manpower Development and Training Act is not a youth bill; it is a general retraining bill with some special provisions for youth.

I would now like to present to the subcommittee some additional proposals for amendments to the Manpower Development and Training Act which are not covered by S. 1691, S. 1716, S. 1725, or S. 1831. We believe that these changes which we will recommend are needed in order to strengthen the retraining effort.

(1) Although a proposal for relocation assistance was included in some of the original proposals when retraining legislation was first under consideration, it was removed before the act was passed. We think this was a mistake, because its omission tends to reinforce the local orientation of our manpower activities at a time when all of the trends indicate that we must move in just an opposite direction. In fact, the Manpower Development and Training Act itself was the result of recognition of the need to break new pathways in the field of manpower handling, and we, therefore, urge the subcommittee to give consideration to relocation allowances of an amount called for in the Trade Expansion Act.

A program of relocation allowances makes a lot of sense if it means putting into a job an unemployed worker. Not only is a jobless worker not a producer; he also represents a cost to society. And if it is less costly to help him relocate, and if he wishes to do so, then we should have a policy which would facilitate such relocation.

Investors can pursue a profit by investing capital without having to move personally. They can take it out of one business and put it into another. There

is no added cost to the mobility of capital. But for a worker to pursue a job he must go where the job is, and he will usually have a family and belongings which also must be moved. This takes money that the average worker, especially the unemployed worker, does not have.

(2) Because we believe that the local orientation of our labor market activities bears little relationship to the realities of the modern economy, we recommend that the Congress strike from section 202(b) the following sentence: "Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence."

We do not want people to be forced to move, or to move unnecessarily. Neither, however, do we feel that a citizen should be denied training or a job simply because of a State boundary line. This is one Nation, one economy, and one people, and internal political boundaries should not be used to deprive anyone of economic opportunities.

The AFL-CIO has been quite critical in our discussion with the administrators of the Manpower Development and Training Act program and in previous congressional testimony, of the attempt to deal with our manpower problems as local problems or State problems, when the operations of our economy cut across these boundaries. To deny someone in New Jersey, for example, the opportunity to train for a job in New York, simply because of the State boundary lines, makes no sense at all to us.

(3) We think it should be made easier for a trainee, otherwise eligible for a daily subsistence allowance of \$5, to commute between home and the training institution. Instead of the subsistence allowance he should be given the right to receive travel expenses at the stipulated rate of 10 cents per mile of perhaps \$6 or \$8 per day since there may be trainees who would gladly commute 30 or 40 miles each way in order to live at home.

(4) It is our belief that section 202(d) should be written to provide that no training programs shall be undertaken until it has been established that there are no unemployed workers, who already possess the occupational skills, who are prepared to accept employment in the locality in which a job vacancy may be found to exist. At the present time, the program is operated with each local community being treated as a separate labor market entity. In our opinion, this results in an unnecessary expenditure for training and is unfair to individuals who already possess the skills that might be in demand. Individuals who already have the skills should be given an opportunity to accept any vacancy, wherever it exists, before additional workers are trained to fill those vacancies.

It goes without saying, of course, that such mobility can be greatly facilitated through the adoption of a program of relocation allowances. However, it should be clearly understood that the AFL-CIO is not advocating the indiscriminate movement of workers. It is merely that we believe in many instances it will be less expensive and more equitable to facilitate such mobility.

(5) Even among the unemployed, because the training allowance is so minimal, it may be difficult to induce an individual to go into, or to remain in, a training program when he has reasonable opportunity for a job—any kind of a job at just about any rate of pay. It is simply impossible to support a family over a period of months on the training allowances that we provide. As a consequence such an individual may well be unemployed again in the near future and may well be once again a cost to the community. We should ask ourselves if, in such a grudging approach to our manpower training activities, we are not being penny wise and pound foolish. In our opinion an increased training allowance of perhaps two-thirds of the going rate for the occupation for which the individual is being trained would pay dividends to our society many times over.

Along these lines, I would like to quote from an article that appeared in the New York Times of June 24, 1963, written by John Pomfret:

"One problem has been the meagerness of the training allowances paid to students to support themselves and their families * * * many of them were impoverished to begin with, and have been slowly sinking deeply into debt. Many are being pursued by creditors. They are not able to provide their children with proper clothing. Some with large families are eating poorly."

Mr. Pomfret wrote those words in describing some of the problems involved in a demonstration project undertaken in Norfolk, Va.

I might digress here to mention to the subcommittee that we are particularly impressed with this demonstration project in Norfolk and with the efforts of the Department of Labor to develop demonstration projects for different groups of

disadvantaged workers in various communities. We would like to see an expansion of such demonstration projects.

(6) Section 205 establishes a National Manpower Advisory Committee which, among other things, is instructed by the law to "encourage and assist in the organization" of labor-management-public advisory committees at the regional State, and local levels. However, a surprisingly large number of States—approximately 20—have not yet established such committees, with the result that consultation in the development of training programs with interested groups is inadequate. The same can be said about such advisory committees at the community level.

The result of all this has been complaints and criticisms over some of the programs that have been undertaken—complaints and criticisms that may have been avoided if more of the interested groups had been involved in the planning.

We have, for example, had complaints from union representatives that projects have been undertaken to train workers where unemployed workers already possessing the skill in question could readily have been found in the community. This could not have happened had there been the sort of consultation we believe should take place.

Union representatives have a wealth of knowledge about labor market conditions, and so have other persons in the communities and the States. It would be to the benefit of the Manpower Development and Training Act program to involve as many of them as possible—to draw on their expertise, to seek their advice, and to consult with them. We don't think enough of this has been done.

For this reason, and in order to broaden the interest and participation of interested groups and individuals in our manpower problems, we urge this subcommittee to recommend the amendment of section 205(b) so as to read that the National Manpower Advisory Committee shall require the establishment of such committees before training programs are approved.

In closing, let me reiterate once again our very strong support for the Manpower Development and Training Act and our desire to have it sharpened as an effective instrument of manpower policy. It is this objective that we have in mind in making the recommendation we have made, both with regard to the amendments pending before this subcommittee and with regard to the proposals we have made that go beyond such pending amendments.

Mr. BIEMILLER. Mr. Chairman, may I also submit as an appendix an article which I mention in the piece.

Senator CLARK. We will be happy to receive it.

(The article referred to follows:)

[From AFL-CIO American Federationist, Economic Trends and Outlook, April 1963]

THE COMING CRISIS: YOUTH WITHOUT WORK

When young people reach working age, they are at an important stage in their lives. It is the time to begin developing some work experience and skills. It is the time to assume a greater understanding of the responsibilities of being an adult and a member of a community. They are no longer children. For many, it is a time of marriage and the start of their own families.

These are important, formative years. It is a time when their ideas and attitudes, toward life and toward society, begin to take on a permanent mold. But without a decent opportunity to get started, without jobs, the ideas and attitudes developed during these formative years are bound to be twisted by the disappointments and frustrations they suffer.

It is for this reason that the problem of unemployment among young people warrants special attention. Jobless, disappointed youths quickly grasped at the "solutions" offered by Hitler. They provided a good base upon which to build the Nazi movement in prewar Germany.

Any totalitarian movement, be it Nazi, Fascist, or Communist, directs its efforts toward those who have grievances, whether real or imaginary. And in the United States, in the years ahead, the grievances of our rapidly expanding youth population can be quite real indeed—if they are denied a reasonable chance for jobs.

The dangers of large-scale unemployment among youths is not only a matter of economic hardship and deprivation and wasted manpower. Even more important is the fact that it represents a potential threat to society, not only in

street gangs, crime, and delinquency, but in even more serious forms. It can become a threat to our way of life—not only from the young people who are unemployed—but from the adults who today are passing through the years of their youth without a decent opportunity to get started in life. It is, therefore, only logical to be vitally concerned over the prospects for the future, with 26 million youngsters entering the labor force during this decade.

During the 1960's, the United States will feel the impact of the largest labor force increase for any 10-year period in its history.

By 1970 the labor force will total 85.5 million—a rise of 12.6 million or 17 percent over 1960, according to Department of Labor estimates.¹ Of even greater significance, however, is the tremendous increase in the number of young people who will be seeking work for the first time.

Almost one-half the total increase in the labor force during this decade will be youths 24 years of age and under. In 1970, there will be nearly 20 million young men and women in the work force. In 1960 there were only 13.7 million.

In other words, while the total labor force is growing by 17 percent, the number of youths in the labor force will be increasing by 45 percent—nearly three times as fast. By way of contrast, in 1960 there were only 400,000 more youths in the labor force than in 1950.

All told, between 1960 and 1970, 26 million young people will enter the labor force to seek work for the first time. Between 1950 and 1960, only 19 million did so.

The sharp rise in the number of young workers in the 1960's is the result of the baby boom of the 1940's, particularly after the end of World War II. Previously, during the years of the great depression the United States had a low birth rate. As a result, the number of young people who entered the labor force during most of the 1950's was relatively low—less than 2 million each year.

The number of young men and women entering the labor force began to rise during the late 1950's and has been rising ever since. It will continue to move up in the years ahead as more of the babies of the 1940's become young adults.

In 1960 over 2 million new young workers entered the labor force for the first time; in 1965 there will be over 2.5 million; in 1970, 3 million. Furthermore, the high birth rate of the 1950's makes it certain this level—3 million new young workers each year—will continue beyond 1970.

The big expansion in the number of young people in the labor force, when considered in combination with the present high rate of unemployment among young workers, is cause for concern. Unemployment currently is very high for the labor force as a whole, but it is two to three times worse for young people. And with 26 million new young workers entering the labor force in the 1960's, unemployment can become a dangerously explosive problem in the next few years.

YOUTH UNEMPLOYMENT IN 1962

In 1962, the unemployment rate for the country as a whole was 5.6 percent. But that figure is nothing more than an average—the average of the impact of unemployment on all workers in the labor force—men and women, the skilled and unskilled, the self-employed and the wage earners, the young and the old, the white and the nonwhite. For some groups, the unemployment rate was less than 5.6 percent and for others it was more. And, in the case of young people under 25 years of age who generally suffer from a lack of skill and experience, it was considerably more.

Although the labor force includes boys and girls who are 14 and 15 years of age, as a practical matter there are relatively few of these youngsters in the work force. By and large, those of this age group who are in the labor force are part-time workers, employed outside of school hours. Compared to older youths, these youngsters have relatively low unemployment rates—7.3 percent for boys and 6.7 percent for girls.

The picture changes sharply, however, for teenagers between 16 and 19 years of age. For them, the unemployment rate in 1962, for both boys and girls, was over 14.5 percent—nearly three times the rate for the full labor force. About one out of seven of these teenagers was unemployed in 1962.

¹ The labor force includes all persons 14 years of age and over who are (1) working or (2) are unemployed and seeking work. The labor force increases each year because there are more entrants into the labor force than there are those who leave it through death, retirement, or other reasons.

It is this age group, 16 through 19, that makes up the vast majority of new young workers seeking jobs for the first time. Most, of course, are high school graduates but many are school dropouts who leave at the first opportunity—at 16 years of age or soon thereafter.

For youths between the ages of 20 and 24, the unemployment rate declines as compared to 16- to 19-year-olds. In the 20- to 24-year age group are young people who have graduated from college and who have, of course, reasonably good chances for employment. And those in this age group who have graduated from high school, or dropped out, already have been in the labor market several years. As a result, they have accumulated some work experience and some skills which enable them to fare better than those under 20 years of age. Last year, the unemployment rate for the 20- to 24-year-old youths, both men and women, was about 9 percent—somewhat less than double the rate of 5.6 percent for the Nation as a whole.

Within each of these age groups, as is true of older groups as well, there are wide variations. Unemployment is more frequent among youths with less education and among those who are nonwhite—that is, Negroes, Indians, Orientals, Filipinos, and other darker skinned people.

The net effect of these high rates of unemployment among young people was that 1.4 million youths between 16 and 24 years of age were counted as unemployed in 1962. This was more than one-third of the total unemployment in the Nation—4 million—although these young people accounted for less than 17 percent of the labor force. Taken as a group, the unemployment rate for youths 16 through 24 years of age was 11.3 percent—double the rate for the labor force as a whole. This means, of course, that one of every nine youths in this age group who were in the labor force was unemployed.

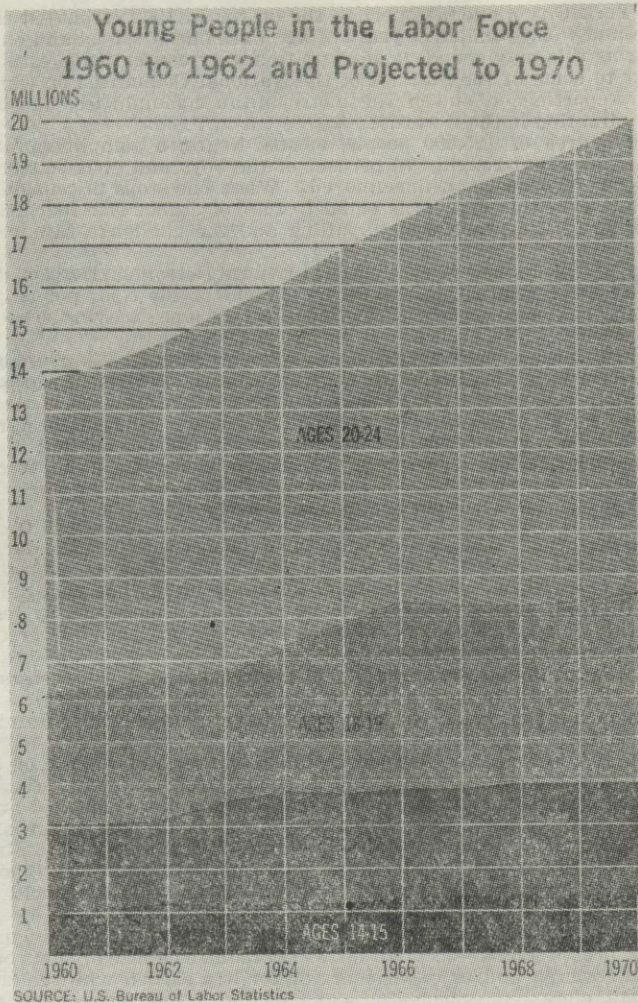
Some of them, of course, were still in school and were looking for part-time work only. The vast majority, however, were seeking full-time jobs.

More important than the number of young people who were seeking part-time jobs is the number of youths who were working part time and who wanted full-time work but could not find it. In 1962, there were over 400,000 youths between 18 and 24 years of age who were working part time in nonfarm industries, involuntarily. About 170,000 of them were on short workweeks, although their jobs were normally full time. In addition, nearly 250,000 had jobs in which they regularly worked only part time because this is all the job called for—but they would have taken full-time jobs if they could have found them.

Even these figures—that is, the high rate of unemployment and the forced part-time employment—do not tell the full story of the failure of the economy to measure up to the job needs of America's young people. Persons are counted by the Government as unemployed only when they are actively looking for work. However, when jobs are scarce, as they have been during recent years, many who want jobs do not bother to look for work because they are discouraged and feel it is hopeless. Such persons are considered not in the labor force and, therefore, they are not counted as unemployed even though they would take jobs if they could find them.

It is difficult to determine the exact number of people who fit this description. But in 1962 there were nearly 400,000 young men and women—mostly young men—between the ages of 16 and 24 who were not in school, not at work and not keeping house and not seeking jobs, even though they were physically able to work. They were not in the labor force and no doubt account for the thousands upon thousands of youths who were just "hanging around."

Thus the situation is much more critical than even the high unemployment rate suggests. Even after eliminating those unemployed youths who were still in school and looking only for part-time work, it is a safe guess that approximately 1.5 million youths 16 to 24 years of age were out of school and out of work last year—over 1 million counted officially as unemployed and some 400,000 who were no longer in the labor force. And when those who were forced to work part time simply because full-time jobs were not available are included, it would appear that nearly 2 million young people in America were unemployed or underemployed in 1962.



THE "SOCIAL DYNAMITE"

With the tremendous boom in the Nation's youth population during the current decade, there is no telling what youth unemployment might total by 1970—when there will be 20 million youths in the labor force. Large-scale unemployment among the younger generation can have disastrous results. Even now, as has been suggested by Dr. James Conant, former president of Harvard University, youth unemployment has all the makings of "social dynamite."

Street gangs, delinquency, and crime already have become major problems in many of the Nation's cities. There can be no doubt that this antisocial behavior is rooted in large-scale unemployment and the deprivation and disappointment that go with it. Without jobs, it is too much to expect that the unemployed young people will be constructive members of the community. Rejected by the society in which they live, they rebel against it and society pays the price. Few American cities are free of this burden.

In New York City alone, a report to the mayor in 1962 estimated that 75,000 young men and women under 25 years of age were out of school and out of work.

Shocking as this may sound, it adds up to a very conservative estimate when placed next to some of the findings of the National Committee on Children and Youth. In reporting on one of the metropolitan communities, Dr. Conant described the situation in these words:

"In a slum area of 125,000 people, mostly Negro, a sampling of the youth population shows that roughly 70 percent of the boys and girls between ages 16 and 21 are out of school and unemployed. When one stops to consider that the total population in this district is equal to that of a good-size independent city, the magnitude of the problem is appalling and the challenge to our society is clear."

Similarly, a recent study of graduates of a large Detroit high school discovered that, 3 years after graduation, nearly 50 percent of the class not only was unemployed but had had no work experience at all since leaving school 3 years earlier.

While youth unemployment, like unemployment generally, is especially heavy among Negroes, it is not limited to nonwhites only. Whites in the labor force far outnumber the nonwhites. Basically, it is a problem of inadequate job opportunities for all young people, white or nonwhite. And with the rate of increase in the youth population in this country during the current decade, this can have implications that go far beyond the antisocial behavior of crime and delinquency.

IMPACT OF AUTOMATION

Given the performance of the U.S. economy over the last 10 years, during which unemployment has doubled, there is little cause for optimism over the future. Not only has unemployment increased substantially but so has part-time employment. While total employment—full time and part time—rose by less than 6 million in the United States between 1953 and 1962, at least 50 percent of the total was in part-time employment only.

Without a boost in economic activity in the years ahead, youngsters will find it exceedingly difficult to secure decent jobs—especially in an era of increased use of automation for which workers must have more education and training than in the past.

The plain fact is that, for the modern labor market, not enough of them will go to college and too many of them will be school dropouts—while the increased use of automation will be causing employers to seek a more educated and a more skilled work force. It is true a greater proportion of youths are staying in school longer and the percentage of dropouts will decline. But it also is true that during the 1960's—with 26 million young people new to the labor force—about 30 percent of all the new young workers, some 7.5 million, will be school dropouts.

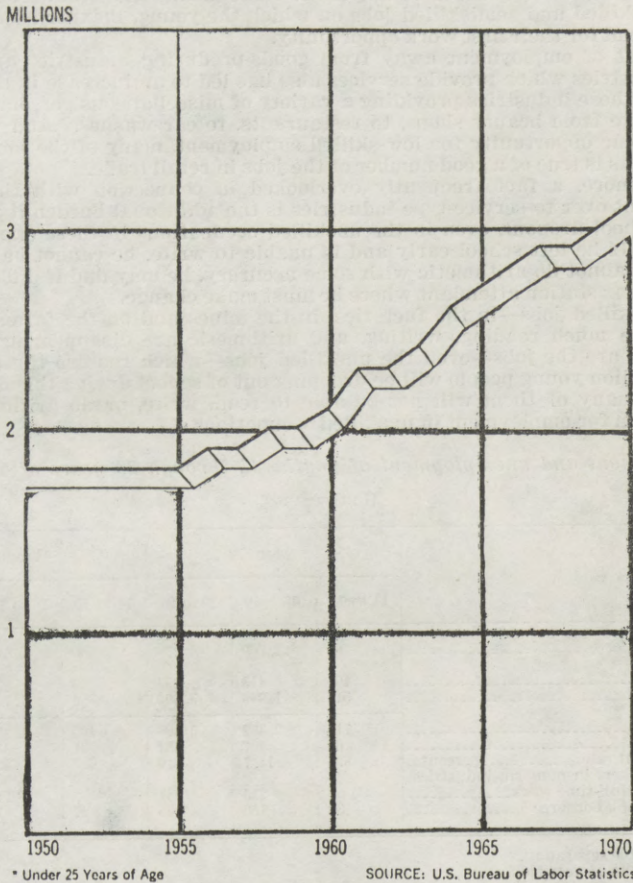
Increasingly, the job market is for scientists, engineers, technicians, skilled workers and professionals—occupations which require college or some other form of advanced training and/or experience; or for less skilled white-collar occupations—typists, clerks, salesmen—for which many of the youths, and especially the school dropouts, are not readily qualified.

The problem of job opportunities for young people—something which is a problem even when jobs are plentiful—has been aggravated by these employment shifts in the economy. More and more manpower is being devoted to providing services and relatively less to producing goods. As a consequence, many jobs which formerly offered youngsters their first employment experience, such as production and maintenance jobs in manufacturing, have disappeared.

Between 1953 and 1962, the number of production and maintenance workers in manufacturing fell from 14 to 12.4 million, a loss of 1.6 million jobs, and the trend has been the same in other goods-producing industries.

Over the same period, employment in agriculture has been reduced to 5.2 million, a decline of nearly 1.5 million jobs. Although farming is still a source of employment for many youngsters, it is a shrinking one. And many of the jobs it provides are only part time, on family farms where productivity is low and where the family is barely eking out a living. For many young people, it is something they fall back on simply because they cannot find regular, full-time employment in the city.

Young People*
Entering the Labor Force Each Year
1950 to 1962 and Projected to 1970



In bituminous coal mining—another goods-producing industry which formerly provided many with their first work experience—employment has declined by over 250,000 since 1948.

Actually, the only major goods-producing industry in which employment has not decreased is construction. But here it has not increased much either. Between 1953 and 1957 total employment in construction rose by 300,000—but since 1957 it has declined 200,000. And many of these jobs require skills that youngsters, just out of school, simply do not have.

While employment has been dwindling in the goods-producing industries—such as manufacturing, mining, and agriculture—which employ predominantly blue-collar workers, the reverse has been true for those industries which employ mainly white-collar workers. In wholesale and retail trade, in finance and insurance and in government, employment has been rising—not enough to meet the demand for jobs from a growing labor force—but nevertheless rising. Similarly, there has been an increase in white-collar jobs in manufacturing—such as professional, clerical, technical, and sales—although not nearly as much as the decline in the number of blue-collar jobs.

In recent years the impact of automation also has been felt in the industries employing mainly white-collar workers. In warehousing, in retailing, in insurance, and in public utilities, for example, many of the operations have been automated and apparently this trend will continue. As a result, employment growth in these industries has slowed down. And, as in the goods-producing industries, the increased use of automation has meant the elimination of many of the unskilled and semiskilled jobs on which the young, inexperienced workers could depend for their first work opportunity.

The shift of employment away from goods-producing industries and over to those industries which provide services also has led to an increase in the number of jobs in those industries providing a variety of miscellaneous personal services. These range from beauty shops, to restaurants, to car washes. And while they provide some opportunity for low-skilled employment, many of the jobs are only part time, as is true of a good number of the jobs in retail trade.

Furthermore, a fact frequently overlooked in connection with the shift of employment over to service-type industries is the additional burden it represents for the school dropout, even in the unskilled occupations in these expanding industries. If he left school early and is unable to write, he cannot be a waiter; and if he cannot do arithmetic with some accuracy, he may find it difficult to get a job as a gas station attendant where he must make change.

The unskilled jobs—in the factories, in the mines and on the farms—that do not require much reading, writing, and arithmetic are disappearing. And in their place are the jobs—even the unskilled jobs—which require these abilities. Yet 7.5 million young people will be dropping out of school during this decade and no doubt many of them will not be able to read, write, or do arithmetic well enough even for employment in unskilled occupations.

Employment and unemployment of youths 14 through 24 years of age, 1962

[In thousands]

	Men			Women		
	14 to 15	16 to 19	20 to 24	14 to 15	16 to 19	20 to 24
Civilian labor force.....	780	2,769	4,279	460	2,146	2,803
Employed:						
Farm.....	197	413	293	49	70	50
Nonfarm.....	518	1,949	3,605	380	1,763	2,498
Total.....	715	2,362	3,898	429	1,833	2,548
Unemployed.....	65	407	381	31	313	255
Unemployment rate..... percent..	8.3	14.7	8.9	6.7	14.6	9.1
Part-time workers in nonfarm industries who wanted full-time work.....	(1)	² 215	141	(1)	² 141	95
Dropped out of labor force ³	30	156	125	27	72	43

¹ Not available separately.

² Includes 14 to 15-year-olds.

³ Average for year (excluding June, July, August, and September) of those not in school, not keeping house and not at work although physically able to work.

Source: U.S. Bureau of Labor Statistics.

THE DISADVANTAGED DROPOUT

The sum total of these employment shifts in our economy is making it more and more difficult for young people to find employment.

For those who go on to college, the job outlook is, of course, good. At the other extreme—for the school dropout—it is bleak because even high school graduates find it exceedingly difficult to gain the first foothold in the labor market.

*Occupations of high school graduates and dropouts,¹ age 16 through 24,
1960 and 1961*

[Percent]

	Men		Women	
	Graduates	Dropouts	Graduates	Dropouts
Professional and technical workers.....	0.9	1.3	2.7	2.0
Farmers and farm managers.....	2.3	.6	-----	-----
Business owners and managers.....	3.4	.6	1	-----
Clerical workers.....	12.5	4.8	63.8	17.0
Sales workers.....	4.2	2.2	5.6	9.5
Craftsmen.....	11.7	4.5	3	-----
Semiskilled workers.....	32.8	33.3	8.5	14.3
Private household workers.....	-----	1.3	4.1	19.0
Service workers, except household.....	6.0	9.3	11.4	21.8
Farm laborers.....	10.0	20.5	3.2	16.3
Nonfarm laborers.....	16.2	21.5	.3	-----
Total.....	100.0	100.0	100.0	100.0

¹ As of October 1961.

Source: U.S. Bureau of Labor Statistics.

It is often assumed that those who drop out of school are not good students. This is not always the case, for many of the dropouts apparently are of average, or above average, intelligence. They leave school for many reasons—because they do not like it or because they are failing in their studies or because of the need to go to work or because of marriage.

In a special study² covering seven cities, the U.S. Bureau of Labor Statistics found that over half of the high school dropouts—54 percent—were of at least average intelligence. While this number was well below that for the school graduates—79 percent of whom were generally found to be of average intelligence or higher—it does indicate a substantial portion of school dropouts are capable of doing satisfactory school work. By quitting school, however, the dropout not only shuts the door on further formal education but also on any real opportunity in the job market. This fact is borne out by reports of the U.S. Bureau of Labor Statistics, which conducts surveys each October on the labor force experience of recent high school graduates and dropouts.

In October 1961, 4 months after they graduated from high school, 18.5 percent or nearly one of every five of the boys who did not go on to college were unemployed. They totaled 55,000. This is, of course, a very high rate of unemployment and should be a source of considerable concern.

A source of even greater concern, however, is that the unemployment rate among those who dropped out of school in 1961 was 28 percent—42,000 out of 179,000 or nearly 3 of every 10.

With such difficulty in finding jobs, it is not surprising that discouragement takes hold and many young people stop looking for work. They simply leave the labor force even though they may want to work. Accordingly, in addition to those boys who were officially counted as unemployed in October 1961—the 55,000 graduates and the 42,000 school dropouts—there were an additional 48,000 who graduated from school in 1961 and 29,000 who had dropped out who were out of the labor force by October.

² "From School to Work—The Early Employment Experience of Youth in Seven Communities, 1952-57," U.S. Bureau of Labor Statistics.

As these figures indicate, the dropout is at a distinct disadvantage as compared to the high school graduate. And this disadvantage is not remedied by the passage of time. The handicap remains. Consequently, of the young men who had dropped out of school in 1959, more than one out of six was unemployed in October 1961. In contrast, among those who had graduated high school in 1959, only about 1 out of 14 was unemployed in October of 1961.

The disadvantage of the school dropout, as compared to the high school graduate, is not limited to more frequent unemployment. He must also face the prospect that, when employed, it will frequently be in occupations which are not only low paying and unskilled, but which also are often just part-time jobs.

Although forced part-time employment has been an increasing problem for the entire economy over the last 10 years, it is the school dropout who, apparently, is most apt to suffer this fate. In October 1961, among those who had graduated high school that year, and who were employed in nonfarm industries, less than 8 percent were working part-time involuntarily. On the other hand, among the 175,000 youths who had dropped out of school in 1961, and who were employed in October of that year, 40,000—more than 20 percent—were compelled to work only part-time because they could not find fulltime jobs.

The explanation of the high proportion of part-time work among school dropouts can be traced to the types of jobs in which they managed to find employment. For example, among the boys who dropped out of school in 1960 or 1961, over 50 percent of those who were employed in October 1961 were found working as farm and nonfarm laborers or in service occupations, which would include gas station attendants, messengers, busboys, etc. These are occupations in which part-time work is frequently the norm. In contrast to this, the majority of the employed youngsters who graduated high school in 1960 and in 1961 were working outside these occupations in October of 1961.

The same pattern holds for young girls. Nearly two-thirds of the girls who graduated high school in 1960 and 1961, and who were at work in October 1961, were employed in clerical occupations. Among the girls who had dropped out of school during those 2 years, nearly 60 percent of those who were employed were working at farm labor jobs and in service work, including private household work—occupations in which part-time work is quite usual.

Because the dropout is often unemployed and because he frequently can find only low-paying and part-time work, he has less income in comparison with those workers who graduated school. Indeed, in the job market, education is worth money because there is a direct relationship between income and education of workers.

The BLS seven-city study of the work experience of high school graduates and dropouts showed the earnings of the graduates were considerably above those of the dropouts. According to that study, at the time they were interviewed only 15 percent of the young men graduates were earning less than \$50 per week, while 44 percent of the school dropouts were earning below that amount.

Similarly, among the girls the graduates fared much better than the dropouts. Fifty percent of those who graduated high school were earning less than \$50 per week, but among those who dropped out of school there were 82 percent whose weekly income was less than that amount.

The money advantages of more education also are shown by the income reports for the population of the United States. According to the U.S. Bureau of the Census, (1) men with less than a high school education have annual incomes below the national average and (2) men with a high school education or more are above the national average. In 1961, while the average income for the year for all men was \$4,189, those who had not attended high school at all averaged \$2,651; those with some high school averaged \$3,865; those who graduated high school averaged \$5,052; and those with 4 years of college averaged \$7,261.

However, because of the impact of racial discrimination on employment opportunities, the income of nonwhite workers was less than it was for white workers—given the same amount of education. Nonwhite men found it necessary to have more than a high school education in order for their incomes to be above the national average. At the same time, white males were able to surpass the national average with only a high school education.

RACIAL DISCRIMINATION

As these figures on the incomes of workers suggest, nonwhites in the labor market have a very special problem. Forced into crowded slums and lacking in equal opportunity to compete on the basis of ability, too many nonwhite young-

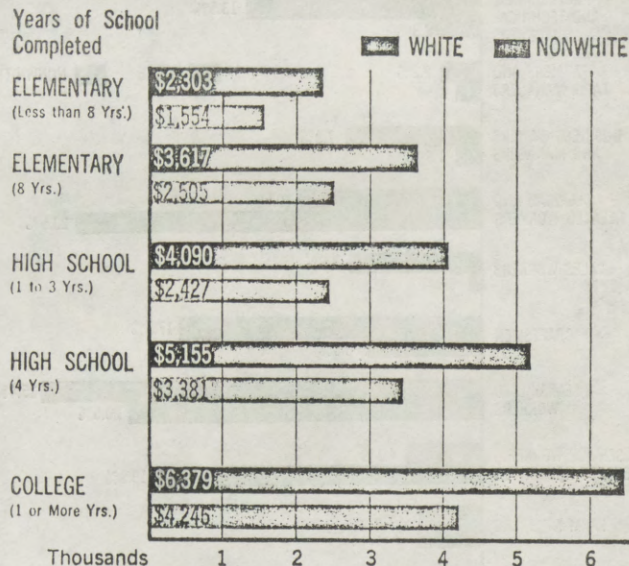
sters are being robbed of any motivation to stay in school. A high percentage are not completing their education. In 1961, there were 102,000 nonwhite graduates from school while 71,000 dropped out. In contrast, among the whites, for each dropout there were three high school graduates. And inevitably this lack of education leads to a higher incidence of unemployment.

In 1961, for example, the unemployment rate for nonwhite boys ages 14 to 17 was 25.4 percent. For white boys of the same age, it was half that amount—13.3 percent.

This pattern of discrimination in employment starts with the youngster's entry into the labor force—as evidenced by the unemployment rate for the 14- to 17-year-old nonwhite boys—and it remains. Accordingly, the unemployment rate for nonwhite young men who had graduated high school in 1959 was 16.7 percent—one out of every six—in October 1961. At the same time, the unemployment rate for the white youths who had also graduated in 1959 was only 7.2 percent.

In addition to more opportunities for unemployment, nonwhite youths—when employed—have fewer opportunities to break out of unskilled occupations, even though they graduate from high school. As a consequence, in October 1961 nearly one-half of the nonwhite young men between 16 and 24 years of age, who had graduated school before 1959, were found in occupations requiring few skills. They were in service work and performing labor jobs, which are often part-time work at low wages. On the other hand, less than 20 percent of the white young men who had graduated before 1959 were found in these occupations.

Average Income of Men By Education and Color 1961



SOURCE: U. S. Bureau of the Census

The picture painted by these statistics is an ugly one, but even more disturbing were the findings of the special studies conducted by the National Committee for Children and Youth. This is how Dr. Conant described the situation in one city, where the problems of discrimination and school dropouts interact:

“ * * * In a slum section composed almost entirely of Negroes in one of our largest cities the following situation was found: A total of 59 percent of the male youth between the ages of 16 and 21 were out of school and unemployed. They were roaming the streets. Of the boys who graduated from high school, 48 percent were unemployed in contrast to 63 percent of the boys who had dropped out of school. In short, two-thirds of the male dropouts did not have jobs and about half of the high school graduates did not have jobs. In such a

situation, a pupil may well ask why bother to stay in school when graduation for half the boys opens onto a dead-end street?"

And when he drops out of school the cycle starts all over again. He marries and because of the disadvantage of being a dropout—combined with the added disadvantage of being nonwhite—he is unable to provide adequately for his family. They will live in slums and his children, deprived of decent surroundings, may lack the necessary motivation to stay in school—or because of the family's financial situation be forced to quit school for work. And so the cycle starts again for yet another generation.

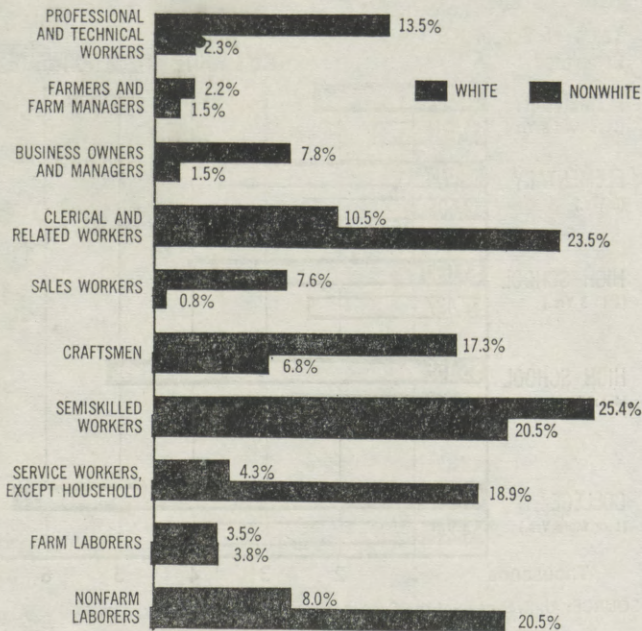
TOWARD A SOLUTION

If the challenge represented by the tremendous increase in new young workers during this current decade—26 million by 1970, of whom 7.5 million will be school dropouts—is to be effectively met, it will require a fullscale attack on the causes of high unemployment among youths. These causes include the lack of job opportunities, the lack of adequate education and training of youngsters before they enter the labor market, the high rate of dropouts and the existence of discrimination which leads to a denial of equal employment opportunity for nonwhites.

Occupations of Young Men, By Race*

Graduated High School Prior to 1959

Ages 16 through 24



*As of October 1961

SOURCE: U.S. Bureau of Labor Statistics

The young people coming into the labor market must be given the opportunity to have decent jobs—full-time jobs at decent wages—and they must be given the chance to become constructive members of society instead of a social problem loaded with dynamite. At the present rate of progress, or lack of it, they are more apt to be a problem—full of discontent and despair and at war with society.

A truly effective program to combat youth unemployment must include an attack on the deprivation and poverty—and the unemployment and underemployment—suffered by their parents and the social conditions which force them into slums. For these are at the roots of the lack of proper motivation for education.

Proper motivation, however, is difficult to establish in slums and in homes in which the major concern is not with long-range plans and hopes, but with the very real problem of "the next meal." And the home surroundings are crucial in developing the drive and desire for more education. A youngster is more apt to acquire the right attitude in a home in which education is appreciated and in which the reading of books is the usual thing. But this type of atmosphere is hard to come by in low-income families where there is a feeling of want and despair and constant concern for next week's income.

It is obvious that many boys and girls who quit school would not do so if the family financial circumstances were different. Some are forced to quit because the family urgently needs some added income. Others do so because they want "spending money" which the family breadwinner cannot provide and because there is no great desire to remain in school or there is even disinterest in education.

What is lacking in motivation from the home can frequently, at least in part, be provided by the school itself. But not in crowded classrooms, where teachers are overworked and where the atmosphere is dingy, if not depressing. Especially for the youngsters who are of at least average intelligence—and over 50 percent of the dropouts are—improved surroundings might have a very beneficial effect in reducing the number of dropouts. If the education process could be made more pleasant—in terms of the physical facilities and the quality of instruction, with smaller classes—there can be no doubt that more youngsters could be motivated to continue their education.

For those who are not academically inclined, proper counseling could induce them to stay in school for vocational training, especially if the training made it more certain that a job could be found upon graduation. This means, of course, that vocational education for the potential dropout as well as for those who plan such careers must be improved and updated because much of the training today is for skills now obsolete.

Together with the drive to keep more boys and girls in school longer, rapid progress must be made in the field of equal employment opportunity. Without this, efforts in the area of education will prove futile. If nonwhite youths believe they will face a color barrier—no matter what education they have and no matter how skilled they are—the desire and the drive, the motivation, will be drained from them.

All these efforts, however, will come to naught if there are not enough job opportunities. For this reason, the most urgent need is for an increase in the number of job opportunities. And for this there must be vigorous action by the Federal Government in many areas to stimulate the economy and increase employment—such as a tax cut this year, concentrated among the low and middle-income groups and an expanded public works program to put people to work. In addition, legislation such as the youth employment opportunities bill now moving through Congress is essential to help youth progress from school to work.

YOUTH EMPLOYMENT OPPORTUNITIES BILL

The youth employment opportunities bill is an effort, although a small one, to meet this need. It proposes to establish a youth conservation corps—patterned after the very successful Civilian Conservation Corps of the 1930's—and a Home-Town Youth Corps. It will enable young people 16 through 21 years of age to perform meaningful work in the field of conservation of natural resources and in the public service facilities such as libraries, hospitals, playgrounds, etc.

The bill is, of course, a step in the right direction; it will permit young people to earn a modest income and at the same time to make a contribution to society by the constructive use of their time and energy. In doing so, they will be gaining experience in the simple but very important area of work discipline. At the same time they will be receiving some training. All this activity will help them to make the transition from school to work more easily.

The youth employment bill proposes to enroll in the Youth Conservation Corps up to 15,000 youths during the first year and 60,000 thereafter. For the Home-Town Youth Corps, the bill would require each participating State or local agency to match the Federal Government's expenditure and it provides for 50,000 youths during the first year and whatever number Congress decides thereafter.

Compared to the job needs of America's growing number of youths—approximately 2.5 million per year now and 3 million per year by 1970—and the number already unemployed, this bill must be looked upon as an extremely modest effort.

It could easily absorb two or three times the number of youths presently planned for. It is to be regarded, therefore, as but a first step.

The cost of the program will be more than outweighed by the contributions in resources, conservation and public service work that these young people will make. Even without this, however, the cost would be money well spent. For society cannot reject its young people without paying the consequences in terms of higher rates of delinquency and crime and the more direct costs associated with continued relief and unemployment.

**STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT
OF LEGISLATION, AFL-CIO**

Mr. BIEMILLER. Mr. Chairman, let me summarize if I may. First, I want to point out that we recognize that this whole matter of training is greatly complicated by the fact that our biggest need today is jobs, and when you try to put a training program into an economy where there is a shortage of jobs, we run into a great many problems. I also want to say for the record: It has been said by President Meany for the AFL-CIO and backstopped by President Reuther of the Industrial Union Department, that we do not think the action of the Federal Reserve Board in raising the rediscount rate is going to help the job situation any. We are fearful it is going to make it worse.

When you get into this bad situation, retraining, always a difficult thing to handle, because much more difficult than during a period of full employment. We are for the retraining program, we want it continued. We have high hopes that changes can be made.

We have recognized from the beginning that certain changes would have to be made. Now, specifically, in terms of the proposals that are in front of the committee I want to say first of all that we certainly back the proposal to eliminate the State matching requirement beginning July 1, 1964.

We think that unless that is done it is going to be difficult to continue the program and that the amendments whether adopted or not, would be almost meaningless because in many States you just will not have a program, unless this is done. You have had testimony before you, I am sure, there are only 2 States that have actually appropriated money, only 10 States that have taken any moves at all in the direction, and we just do not believe that you can rely upon State funds, particularly for fiscal 1965.

Futhermore, as far as we are concerned, I think our record has been consistent, we regard this as a national program in any event and we think it ought to be handled even more than it is on a national basis.

Second, we welcome the suggestions in many of the amendments that have been proposed that some real attention be given to basic educational training.

We have told this subcommittee before that without basic education many of the presently unemployed just cannot be retrained, the statistics that you had presented to you by other witnesses have borne out this fact, and we think that it is highly desirable that this change be made.

We would like to suggest, and at this point I want to read one paragraph. We support the proposals, as I said, for providing allowances for workers undergoing training in basic education, but we much prefer to use the words "basic educational skills" rather than

the language of S. 1831 which talks about "functional literacy." We regard the latter terminology too restrictive since there are obviously many workers who are "functionally literate" which is merely a technical term indicating 5 or more years of schooling, but who still require further education in order to compete even for the unskilled jobs in a labor market in which more and more education is increasingly in demand.

In fact, we would urge Congress to express to the administrators of the MDTA program the opinion that basic education should be built into every training program wherever possible and not just for those who border on being illiterate.

Upgrading the ability of trainees to read, to write, and to do arithmetic while learning a basic work skill would, in the long run pay untold dividends. It can very likely help to keep a trainee from becoming unemployed again and a trainee in a future program.

Now, third on the youth section, you have several proposals in front of you. Basically we agree that the age should be dropped to 16 and that the amount that can be set aside for a youth program should be upped.

We prefer 20 percent rather than 15 percent as far as that aspect is concerned.

The waiting period that is proposed in several bills has us a little puzzled, we think this is something the committee ought to look into very carefull, we tend to think that a short waiting period probably has value at this time, it is in this connection particularly that we offer an article from the AFL-CIO Department of Research, entitled, "The Coming Crisis, Youth Without Work," to backstop our basic arguments in this area.

Senator RANDOLPH (presiding pro tempore). We will include that as part of your statement.

Mr. BIEMILLER. We do not agree with those provisions of S. 1695 which would extend those portions of the act dealing with youths. We ask that they be made coterminous with the rest of MDTA.

This bill in front of you is not basically a youth bill, it is a general retraining bill with some special provisions for youth, we think it would be a mistake to single out this section of the bill for a greater extension than the rest of them.

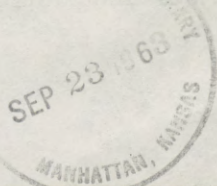
Now, I want to make certain suggestions over and above those that are actually before you in the form of legislation. Matters that we believe ought to be given full consideration by the subcommittee.

We recognize that the relocation assistance matter was in the original legislation and then dropped. We think this was a mistake and we think it is important that relocation allowances should be put back into the legislation.

You cannot relocate workers unless they do have some assistance and we think they are entitled to it.

Second, I want to read this one in detail, because we believe that the local orientation of our labor market activities bears little relationship to the realities of the modern economy. We recommend that the Congress strike from section 202B the following sentence:

Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and second, within the State of their residents.



Now, we do not want people to be forced to move or to more unnecessarily. However, we do not feel that a person should be denied training or a job simply because of a State boundary line.

This is one Nation, one economy, and one people, and internal political boundaries should not be used to deprive anyone of economic opportunities.

The AFL-CIO has been quite critical in our discussions with the administrators of MDTA program and in previous congressional testimony of the attempt to deal with our manpower problems as local problems or State problems, when the operation of our economy cuts across these boundaries.

To deny someone in New Jersey, for example, the opportunity to train for a job in New York, simply because of the State boundary lines makes no sense at all to us.

In the third place, we think that the subsistence allowance might be changed into a travel allowance and be made a little greater so that people could travel a greater distance for their training.

The fourth of our suggestions is one we feel very deeply about. It is our belief that section 202B should be written to provide that no training program shall be undertaken until it has been established that there are no unemployed workers who already possess the occupational skills who are prepared to accept employment in the locality in which a job vacancy may be found to exist.

At the present time the program is operated with each local community being treated as a separate labor market entity. In our opinion, this results in an unnecessary expenditure for training and is unfair to individuals who already possess the skills that might be in demand.

Individuals who already have the skills should be given an opportunity to accept any vacancy, wherever it exists, before additional workers are trained to fill those vacancies.

Now, obviously if this is to be done it must be linked up with a program of relocation allowances.

Now, fifth, we find that with the training allowance as minimal as it is you have difficulty getting people to go into training programs.

They are likely to grab whatever job may come along that would have no reference to an intelligent relocation or an intelligent remaking of our labor force and we think serious thought ought to be given to upping the amount of money that is allowed under the training allowances. We suggest going as high as two-thirds of the going rate, and along these lines I want to quote from an article that appeared in the New York Times of June 24, 1963, written by John Pomfret in which he says:

One problem has been the meagerness of the training allowances paid to students to support themselves and their families. Many of them were impoverished to begin with and slowly sinking deeply into debt, many are being pursued by creditors, they are not able to provide their children with clothing, some with large families are eating poorly.

That article was written in connection with the demonstration project in Norfolk, Va. We might add we are all for these demonstration projects and would like to see more of them.

The last suggestion we have is in section 205, which establishes a National Manpower Investigation Committee and which among other

things is instructed by the law to encourage and assist in the organization of labor-management public advisory committees at the regional, State, and local levels.

However, a surprisingly large number of States, about 20, have not yet established such committees with the result that consultation in the development of training programs with interested groups is inadequate.

The same can be said about such advisory committees at the community level. The result of all this has been complaints and criticisms that may have been avoided if more of the interested groups had been involved in the planning.

We have, for example, had complaints from union representatives that projects have been undertaken to train workers for unemployed work where unemployed workers already possessing the skill in question were already in the community.

This could not have happened had there been the sort of consultation we believe should take place. We believe that union representatives and other elements in the community have the kind of knowledge that should be tapped when we are planning these programs and that we could avoid some of these situations and so we would suggest that the law be amended in such a way that State and local advisory committees shall be established without any argument about it any further.

In closing, let me just reiterate that while, as I said in opening, we believe that jobs are still the biggest problem facing us and we recognize that this complicates the retraining program, we still think that this retraining program is a basic and valuable part of our national policy, we hope that you will improve the law and that from time to time we shall have a chance to review the working of this law with the Congress.

We think that the basic concept, Mr. Chairman, which you and others put through a year ago is certainly worth continuing and we hope that improvements will be made in them.

Senator CLARK (presiding). Thank you very much, Mr. Biemiller. I studied your six recommendations with some care and personally I am very sympathetic with them. I think the subcommittee has a real problem of parliamentary tactics to determine to what extent we can go beyond the recommendations of the President in the amendments to Manpower Development and Training Act which you are presently seeking. I can assure you that your suggestions will be given very careful consideration by the subcommittee when we come to mark up the bill.

Senator Randolph?

Senator RANDOLPH. I would like to embrace your thinking, Mr. Chairman, in reference to the proposals which are made in behalf of the AFL-CIO through Mr. Biemiller.

I feel more positive on one or two of them than on all of them, but generally, I am in support of the thinking which you have expressed.

Mr. BIEMILLER. Thank you, Senator.

Senator CLARK. Thank you very much, sir.

Our final witness this morning is Mr. Clarence L. Greiber, director of vocational education of the State of Wisconsin representing the American Vocational Association.

We are happy to have you here. I am sorry we had to keep you waiting, sir.

STATEMENT OF CLARENCE L. GREIBER, DIRECTOR, VOCATIONAL EDUCATION OF THE STATE OF WISCONSIN, THE AMERICAN VOCATIONAL ASSOCIATION

Mr. GREIBER. Thank you, Mr. Chairman, and members of the subcommittee, I have a rather brief statement which I would like to read—

Senator CLARK. I would be happy to have you read it.

Mr. GREIBER. I also would like to file with the subcommittee a letter signed by the three members of the industrial commission in Wisconsin supporting the provisions of S. 1716 and S. 1831.

Senator CLARK. Thank you, sir, that will be done.

(The letter referred to follows:)

STATE OF WISCONSIN INDUSTRIAL COMMISSION,
July 17, 1963.

Re S. 1716 and S. 1831.

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower, Senate Committee on Education and Labor, Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: We urge support by your committee of the changes—in the manpower development and training program—proposed by S. 1716 and S. 1831, now pending before your committee.

The Industrial Commission of Wisconsin is responsible, pursuant to an agreement under the Manpower Development and Training Act, for selecting jobless workers for suitable Manpower Development and Training Act training courses, for paying Manpower Development and Training Act allowances to trainees, and for placing them in jobs.

Based on our operating experience, we strongly favor the above Senate proposals to maintain and to improve this basic program.

As to S. 1716, to postpone the law's present "matching" requirement until 1965, our attached May 20 letter not only explains the need for such a 12-month postponement. It suggests, further, that a 15-month delay should be considered—to keep Manpower Development and Training Act training courses going, while the 1965 State legislatures are appropriating the required "matching" money.

We also favor the various changes proposed by S. 1831. We believe they're needed, and important—not only to the individuals affected, but also to our economy, and to our democratic society.

Our large numbers of unskilled jobless youth are one of our critical (and potentially explosive) domestic problems. They badly need practical training to become stable and productive citizens—in an economy which has less and less use for the unskilled brawn of untrained school dropouts.

Changing the age limit from 19 to 16 and the fund limit from 5 to 15 percent will permit and encourage training where it will often do the most good. Nearly every State, including Wisconsin, has found the present 5-percent limit a real handicap.

We also believe that functional illiteracy is a more widespread and more serious problem, in this technological age, than most people realize. So we welcome those features of S. 1831 which face and deal with that neglected problem.

In short, we urge your vigorous support of the needed changes in the Manpower Development and Training Act program, along the lines proposed by S. 1716 and S. 1831.

MATHIAS F. SCHIMENZ, *Chairman*.
R. G. KNUTSON, *Commissioner*.
CARL E. LAURI, *Commissioner*.

STATE OF WISCONSIN INDUSTRIAL COMMISSION,
May 20, 1963.

Re manpower development and training "matching" after June 30, 1964.

Hon. W. WILLARD WIRTZ,
Secretary of Labor, Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: To keep the new manpower development and training program from grinding to a halt in most States during the coming fiscal year, we believe that the law's requirement for State "matching" money after June 30, 1964, should be postponed at least 1 year, by the present session of Congress.

Very few State legislatures have acted—or will act, in 1963—to appropriate, for fiscal 1965, the State "matching" money required to continue the manpower development and training program beyond June 30, 1964. Many 1963 legislatures have already adjourned. Most will not meet in 1964. So there'll be no "matching" money available for 1964-65, in most States—mainly because the manpower development and training program began operating so late in 1962 that it couldn't reasonably hope to command, early in 1963, large State appropriations for a fiscal year occurring 18 to 30 months later.

No matter how sound the manpower development and training "matching" requirement, its mid-1964 timing hasn't proved practical for those biennial legislatures which meet only in odd-numbered years.

Congressional action—postponing the "matching" deadline—cannot well wait until early 1964. Action by the current 1963 session is needed. Otherwise, in most States, as fiscal 1964 moves on, only those training courses can be planned and started which will wind up by June 30, 1964. Very soon now, no more 52-week courses could be started. By early 1964, when the next session of Congress might act, very few courses of any length would be planned and starting. So this new and worthwhile program could lose most of its momentum, long before the close of the coming fiscal year.

We don't believe that Congress would want that to happen, after giving the manpower development and training program such wide bipartisan support. So we're sending a copy of this letter to Wisconsin's Senators and Congressmen.

Several California Representatives have recently introduced identical bills—H.R. 5172, H.R. 5205, H.R. 5237—to postpone the manpower development and training "matching" requirement for 1 year. (A 15-month postponement might be even better, to keep training courses going while the 1965 legislatures are acting.)

We trust that the authorized life of the manpower development training program will also be extended, beyond 1965; and that efforts along those lines will have your active support.

Respectfully,

MATHIAS F. SCHIMENZ, *Chairman.*

Mr. GREIBER. All of us are aware of the many problems created in the several States by chronic unemployment in our work force. Studies made of the characteristics of unemployed workers reveal that many of them are "unemployable" because they do not have the basic skills required by our industrial and business economy.

While our country is continuing to support an increasing army of unemployed workers, thousands of jobs in each State "go begging" because of the lack of vocationally and technically trained workers who can meet the responsibilities which would be assigned.

I agree with Mr. Biemiller that we need more jobs, but jobs are now going begging because skilled people are not available to fill them.

Senator RANDOLPH. This will be accentuated here by you, with our developing technology?

Mr. GREIBER. Yes, sir; fewer unskilled jobs. More skilled workers required. I am going to comment on some of the problems that we have in the States in convincing our State legislatures of those facts.

In recognition of these major problems the Congress in 1962 enacted the Manpower Development and Training Act with the directive that skill training programs be initiated to train unemployed workers and thereby reduce their number in the several States and territories.

The members of the subcommittee are fully aware of the statistical facts covering the problems of unemployment and I will not take your time in reviewing data which already has been made available by the Department of Labor.

We do want to point out, however, that the Manpower Development and Training Act of 1962 has provided to us in vocational education an opportunity to establish needed training programs for unemployed workers so that they may be trained with skills which will enable their employment.

The several States and territories have had less than 1 complete year of experience with the development and operation of training programs authorized and established under the provisions of the Manpower Development and Training Act of 1962.

However, this short period of time has been sufficient to provide experience which shows the program is meeting a basic need of unemployed workers.

The numbers already trained are small when compared to the total number of unemployed. However, the program has demonstrated that it is a sound step in the direction of alleviating this blot on our economic structure.

On behalf of the American Vocational Association, I am pleased to advise the committee that the results as reflected by successful placement of trainees have been most satisfactory and in our opinion have made a positive contribution to our economy.

The objectives of the Manpower Development and Training Act of 1962 are comparable to those established for the program of vocational education which is operated by the States and territories with the assistance of Federal funds allotted under the Smith-Hughes and George-Barden Vocational Education Acts.

Vocational education has as its primary objective the development of salable skills for trainees to enable them to become gainfully employed in specific occupations and the upgrading and updating of workers to enable them to cope with new methods and techniques.

The training responsibility assigned by the Manpower Development and Training Act is primarily in the development of new skills for unemployed persons who are certified for training in occupations where there is a reasonable assurance that they may be employed upon the completion of training. This responsibility has been given priority in most training programs throughout this country.

In our own State we looked at the total problem last fall and determined that our major responsibility was to provide training to heads of families.

Other provisions of the act which include training in skills for youth and underemployed workers have in most cases received secondary attention because of the need to train unemployed heads of families or households for jobs.

These latter objectives of the act are most worthy and require urgent attention, but the lack of funds and importance of providing training to unemployed heads of families has prevented most of the States from giving suitable attention to the critical training need problems of youth and underemployed persons.

In our State, as in other States, we have attained a high level of working cooperation between the State boards of vocational education and the State agency which administers the offices of employment security. The close cooperative liaison which has been developed between the several agencies on the State level responsible for certification and training has resulted in a smooth functioning operation in the States.

All provisions of Public Law 87-415 have at all times been adhered to in all phases of the program in Wisconsin. The Wisconsin Employment Security Agency has made intensive studies of employment potentials in all of the major labor markets of our State.

These studies were made so that training programs might be developed in occupations in which there was a reasonable assurance that trained workers would be employed. Based upon this information the Manpower Development and Training Act technical training committees have been established for all areas of the State where substantial unemployment exists. The Manpower Development and Training Act technical training committees typically are composed of the district manager of an employment security office, a superintendent of schools, a director of vocational education, representatives of organized labor and management, and a representative of the Bureau of Apprenticeship and Training. In areas where farm labor may be involved in training, a representative of agriculture serves on the area committee.

These area committees have been functioning committees.

When it is established by the employment security office that there is a reasonable assurance that trained workers will be employed in a specific occupation, a training project is initiated by the vocational education authorities.

This training project is reviewed carefully by the area Manpower Development and Training Act technical training committee and approved when they are satisfied that there is reasonable assurance that trained workers will be employed and that this employment will not result in displacing workers presently employed in the occupation for which training is planned. What is the sense of training workers for an occupation if other workers are going to be displaced and unemployed as a result of that training? We are avoiding that potential in our State.

The other necessary procedures including review and approval by State agencies and the Governor are completed before the project is submitted to representatives of the Department of Health, Education, and Welfare, and the Department of Labor for final approval.

Senator CLARK. Mr. Greiber, let me interrupt you there.

Mr. GREIBER. Yes.

Senator CLARK. I am delighted to have you testify that this what to me seems to be an extremely cumbersome procedure with very little authority of its administration and direction is working smoothly. I think it is a great tribute to you people of Wisconsin to get along together.

I believe we do know this is working well because Milwaukee is often cited as a city where all aspects of this subject that we are discussing is being carried out in a far more satisfactory extent than any other city in the country.

In your experience whose responsibility is it to initiate the first move toward establishing a retraining course?

Mr. GREIBER. The employment service notifies us if there are potential job vacancies or openings in a particular occupation and also if they have unemployed persons who meet the criteria necessary for their certification to a vocational training program.

Senator CLARK. So the initial step should come from the employment service which has, I suppose, local offices around Wisconsin?

Mr. GREIBER. Right. They have 26 different offices in the State of Wisconsin, Senator, and they advise us when there is a need for a training project.

Senator CLARK. Wait a minute, before you get to that. Are they concerned with the local employment situation or are they operating on a statewide basis?

Mr. GREIBER. They are operating both on a local and statewide basis. For example, workers are being trained in the northern part of the State for industries located in the southern lake shore cities, Kenosha and Racine. After it has been determined that job vacancies exist in some of those cities and can be filled by persons from outside of those communities without interfering with the employment of community residents, people will be trained in other sections of the State for work in southern cities of our State.

There has been a great deal of that done in Wisconsin, Senator.

Senator CLARK. Now, how far away from a home of the worker who is being trained might the job be?

Mr. GREIBER. There have been instances where workers were trained in the Hurley area for employment in Beloit, Racine, and Kenosha. The Hurley area is the old mining section in the extreme north of the State which has been abandoned and where they have had hundreds of unemployed workers in recent months and in the past several years.

Senator CLARK. How far away are those cities?

Mr. GREIBER. That is about 250 or 300 miles away, sir.

Senator CLARK. Do you have any trouble in arranging to have the workers move themselves and their families to new locations?

Mr. GREIBER. Here is what we have had happened. We have had a good many of the workers, all of the workers who were trained in those locations, of course, agree that they would move to the city where the job was available after the training program was completed.

We have found that after the training program was completed some of them refused to do so. A good many of them, however, have done so, and have left their families in the northern part of the State until they could relocate them in the southern part of the State.

Now, there have been a few instances where they have completed the training program and said, "We have our home here in Hurley, we cannot sell it, we don't want to leave our family here and we are not going to leave." On the other hand—

Senator CLARK. What happens to them, they still draw unemployment compensation?

Mr. GREIBER. They go on to welfare, Senator, but that is fortunately a comparatively small number.

Senator CLARK. What is your own view as to the desirability of providing relocation allowances?

Mr. GREIBER. I think it would be very desirable that relocation allowances be provided.

Senator CLARK. Is one of the problems disposing of a home?

Mr. GREIBER. One of the problems is disposing of a home. The home may have been purchased for, say, \$7,000 or \$8,000 when the mining operation was going at a good speed. Now, the home is valued at probably \$2,500 or \$3,000.

Senator CLARK. They may have a mortgage on it?

Mr. GREIBER. The individual may have a mortgage on it, he has a family of small children, he is afraid to move, he is rooted in that section of the State.

Senator CLARK. That is exactly what happens in Pennsylvania.

Mr. GREIBER. You have the same thing happening in other States, too, I presume, but fortunately a very small percentage.

Senator CLARK. Do you still find a local resistance of chambers of commerce, perhaps unions and the like, to having a family move out of the district where they were born and brought up in order to take a job elsewhere?

Mr. GREIBER. No. We do not have a resistance. The resistance that we find is this, Senator. The people of the northern areas of the State which have had a reducing population—because of the fact that it is cut overland, the climate is cold in the winter and it is not a suitable place for industry because of transportation—bemoan the fact that the young people are leaving, they have no roots whatsoever. Most of our northern counties in Wisconsin, of course, over the period of the last 10 years, have had a very definitely reducing population, everyone is concerned about what might be done to redevelop them. It is a tremendous problem.

Senator CLARK. We have that same problem in many areas of Pennsylvania, in fact, there is one where no graduate of a local high school has been able to get a job in the home locality for several years. Is there some of that up your way?

Mr. GREIBER. Yes, sir; that is starting to develop in our State also.

Senator CLARK. Now, do you think the amendments to this act which are presently under consideration will enable you to train some of these young people in their home districts so when they do move away they will have an employable skill?

Mr. GREIBER. Yes. I think the provisions of the act which extend the age from 19 to 16 and increase the percentage from 5 to 15 will enable us to do more than we have done in the past, but I think it is only going to do part of the job.

I think that in the final analysis the thing that we need is an extended program of vocational education as has been recommended by the Panel of consultants to the President.

Senator CLARK. Well, that we are hoping to make a starter on in the Omnibus Education Act if we ever get that passed.

Would you now go back and resume your answer to my question as to what happens after the State employment office notifies the educational authorities that there are jobs available for which workers can be trained?

Mr. GREIBER. The educational authority then goes about the organization of a project for the training of workers for that particular

job. After the paperwork has been completed, a meeting is held with the area committee to discuss the project which has been developed. Approvals are obtained from the members of that area committee before it is submitted to the State for consideration and approval.

After the project is submitted to the State, it is doublechecked again to see whether there may be any interference with established going programs or with the continued employment of workers employed in that occupation. If there are none, then the project will be approved and sent to the Federal authorities for their consideration and approval.

Senator CLARK. What has been your experience as to the timelag between the initiation of the project by the State employment office and the actual opening of the retraining course?

Mr. GREIBER. We have had a very, very fine experience, Senator. Maybe it is unusual in our State, but we have had a very excellent experience from the standpoint of getting a project initiated, approved by the local committee, submitted to the State office and approved by the respective authorities there and then getting approval from the Federal authorities.

We have had a very excellent experience and I presume that other States probably have not been as fortunate, but on the basis of our experience I cannot be critical of the existing machinery.

Senator CLARK. Well, it is nice that you are not, but how about answering my question? How long does it take from your experience between the time when the State employment officer first recommends that a training course be established and the opening of that course?

Mr. GREIBER. On the average possibly 3 to 4 weeks.

Senator CLARK. You can get that done with the area committee and the reference to the State and reference to Washington for the hiring of teachers?

Mr. GREIBER. Insofar as Washington is concerned they have stepped up the procedure, Senator. We no longer have to submit the project to Washington, we merely call Chicago and within a day, representatives of HEW and Labor are in our office in Madison and have approved the project.

As far as Washington approval is concerned, it has been speeded up tremendously. This compares to the situation in ARA. The procedures under ARA are still very cumbersome because the project must go to Washington.

Under the Manpower Development and Training Act the projects are approved in the States themselves. That has been our experience in Wisconsin.

Senator CLARK. Well, Chicago is not in Wisconsin yet. What do you have down there, a regional office?

Mr. GREIBER. The regional office is in Chicago, Senator, and we can get service—

Senator CLARK. Of HEW, or of Labor?

Mr. GREIBER. Both, HEW and Labor.

Senator CLARK. They have been decentralized to Chicago and they can give final approval to the projects?

Mr. GREIBER. Yes, sir.

Senator CLARK. You are a refreshing witness, because you seem to think everything is working fine and the administrative setup is perfectly workable. I take it that is your view?

Mr. GREIBER. Here are the things that slow up procedures:

No. 1, policies that are not clearly stated or are not clearly understood.

Second, personalities of people. I think we have solved these two things. I think that we understand the respective responsibilities of each agency and the policies and I think that the personalities of the people fit together and they cooperate in seeing to it that a job is done in this program.

Senator CLARK. Now, does the imposition of the Manpower Development and Training Act training and retraining program place a very heavy strain on your existing vocational educational system?

To amplify that, I have been concerned that you might have all you were able to handle—considering the funds which were available to you from local sources and under Smith-Hughes and George-Barden—the vocational needs of your local education system and that the priority would more or less naturally be given to meeting that need with the result that you would not be able to handle the retraining requirements imposed on you by the Manpower Development and Training Act, or if you did handle it you would have to handle it at a lower priority, what would be your comment on that?

Mr. GREIBER. Senator, our experience in the handling of the project has created no problems. We, in Wisconsin, always have concerned ourselves with the development of training programs for unemployed and unskilled adults. Two years ago the city of Milwaukee experimented with a pilot training program for persons who were on welfare. In this program the welfare agency sent them to our Milwaukee Vocational and Adult School and provided subsistence benefits to them while they were in training. Before the Manpower Development and Training Act of 1962 was initiated we had had experience throughout the State in developing training programs for unemployed. So, this is something that is not new to us, at all, and that fits into our going responsibility for the program in the State.

Senator CLARK. So, really, about all Manpower Development and Training Act did for you in Wisconsin was to give you a little more Federal money?

Mr. GREIBER. Give us a little more Federal money and the means of doing the job and I would like to comment on that.

I point out here, Senator, that we have had 20 projects approved in the past year with 764 trainees and, of the trainees who completed the training, approximately 80 percent have been employed.

As of yesterday, when I left the office, the figure showed 77.2 percent of the trainees who completed the training have been employed.

Senator CLARK. Of the remaining 23 percent what would be your guess as to how many of them had agreed to take a job and then refused to move after they had been trained? You mentioned that earlier.

Mr. GREIBER. Oh, probably half of that number. And then you have a certain number of trainees who are sent to you by the employment service and who drop out of training. A certain number who are sent to you are dropped after they have been in training for 2 or 3 weeks and it is found to be unfeasible to train them. We consider that we place 77 percent of the people who are sent to us by the employment service.

Now, let me talk for just a minute, Senator, on our problem of financing. I would like to give you some viewpoints on that. On behalf of our State board, I presented a budget request to our legislature (which is still meeting) for Federal funds to match the training funds which would be made available under the act effective on July 1, 1964. The industrial commission (which sent the letter which is in the record) also made a request for similar funds to pay training allowances.

The legislature and the committee have refused to make the funds available at this time. Now, I think there are some reasons for that.

No. 1, I do not think that people in the States and members of State legislatures, in many cases, appreciate the impact of unemployment on our economy to the same degree that it is appreciated here in Washington.

I think there are many people who still think that a strong back will enable any individual to get a job regardless of what the circumstances might be, and we know that that is not the case.

I have been told that by members of our legislature, that any individual who wants to work can still get a job. We know that is not true.

Second, this is an entirely new type of program. We have never had a training program before which provides training allowances to maintain people while they are in training for a particular skill. It is an entirely new approach to dealing with this tremendous load of unemployed people—this tremendous load of unemployed people that we have.

Senator CLARK. Actually, you do not have a very heavy level of unemployment as compared to other States?

Mr. GREIBER. That is right.

Senator CLARK. I suppose many legislators come from districts where unemployment is not much of a problem.

Mr. GREIBER. That is correct, Senator. And one of the reasons we do not have as much unemployment in Wisconsin as they have in some other States is because of the fact that we have given attention to the vocational training needs of adults and have provided educational training opportunities for adults so that they could train themselves if they were unemployed. We carried on training programs during the depression years in the 1930's, training workers in salable skills so they could be employed when industry called them back. So, we have had experience with those kinds of programs. But we find, however, that many people who are unemployed will not come into employment unless the training allowances are made available. I think that the training allowances have been a tremendous incentive.

Furthermore, I think there is another factor that has to be kept in mind. The unemployment compensation laws in many of the States have a provision that an individual must take a job the minute that that job is offered to him.

So, an individual is not going to move into a training program, which might involve 24 or 25 weeks of full-time training without training allowances as readily as he will with the training allowances.

Furthermore, there is always the chance that that job opening might come which will help him maintain his family, and I think

that the appreciation of this impact of unemployment upon our economy is much greater here in Washington than it is back in the States. Especially upon our rural legislators.

Senator CLARK. I wonder what your opinion is as to whether the Wisconsin Legislature will eventually come around and make a matching grant or whether you would feel the Federal Government is going to have to pick up the whole tab for the foreseeable future?

Mr. GREIBER. In the future, I think that our Wisconsin Legislature may and will come around to meeting the need. Now, here is what happened insofar as our legislature was concerned.

The amounts that we felt were needed were included in our budget request for the next biennium. This biennium which began on this July 1.

Senator CLARK. They were approved by the Governor?

Mr. GREIBER. They were approved by the Governor. They were deferred by the subcommittee on a split vote, Senator, so you can see that there are many people who do believe in programs of this nature and the States assuming the proper share of the costs.

Going on to the other bill which is before the committee, and the one which involves the change in the youth age from 19 to 16, we believe that is sound also. When we have in this country more than a million youth who are unemployed teenagers, you better start doing something about meeting their problems of unemployment.

One of the ways of doing it is to provide training opportunities to them. We also feel that the increase in the allowances and the total overall percentage of the money which may be used from 5 percent to 15 percent is sound.

Now, on this question of the illiterates—this was discussed in quite some detail already this morning, but I know that without question we are going to meet that problem as the program continues.

Up to the present time, we have had a very fine caliber of trainees certified to us by the employment offices. We know that as additional persons are certified the caliber of those people will become lower and lower and that we will have certified people who are illiterate, people who cannot do simple arithmetic calculations, who cannot communicate, who cannot read, who cannot make reports. For that reason we believe that the extension of the 52 weeks provision (or whatever period less than that is needed to provide literacy training which will be the basis for the skilled training to be provided later on) is a sound provision in the act. We support the provisions of 1831 and 1716, Senator.

Senator CLARK. Thank you very much, Mr. Greiber, for your most helpful testimony.

(The remainder of Mr. Greiber's statement follows:)

CONCLUSION OF MR. GREIBER'S PREPARED STATEMENT

Wisconsin has developed 20 Manpower Development and Training Act projects serving 764 trainees since August 1962. Several sections of certain projects have been completed and approximately 80 percent of the previously unemployed persons are now gainfully employed. The average training cost has been \$658 per trainee, exclusive of training allowances.

Training has been for the occupations of welder, ship welder, machine operator, auto mechanic, auto body repairman, clerk-stenographer, electronics technician, and maintenance worker. One pending project involves the development of basic employment skills for functional illiterates.

We know that other States have had comparable effective results in the development and operation of manpower development and training programs. Now let us look at some of the problems we are facing and some suggested solutions.

The Wisconsin State Legislature has been in regular session since January 14, 1963. The State board of vocational education requested the 1963 State legislature to appropriate State matching funds for the fiscal year beginning on July 1, 1964 to match Manpower Development and Training Act funds which would be allotted to the State after June 30, 1964. We regret to advise you that our State legislature has not appropriated funds whereby Public Law 87-415 may be continued beyond June 30, 1964 on a 50 percent State, 50 percent Federal matching basis. This, we understand, has been the experience of most of the States. In a recent survey made by the American Vocational Association 34 States indicated that matching funds would not be made available beginning on July 1, 1964, and only 6 States gave a qualified affirmative answer. It is my understanding, however, that in only two States has the legislature taken the necessary action to provide funds for matching purposes.

The American Vocational Association and the State board of vocational education in Wisconsin have, therefore, authorized me on their behalf to support S. 1716 which amends Public Law 87-415 by extending 100 percent Federal financial participation in Manpower Development and Training Act programs through June 30, 1965. Failure to enact this amendment to Public Law 87-415 will result in a discontinuance of most training projects on June 30, 1964.

The unemployed workers certified for training during the past year have been those screened, tested, and found to be the ones most likely to profit from vocational instruction. As the program continues and unemployed persons with limited educational backgrounds are certified for training, new approaches must be undertaken if training and placement is to be successful. Persons with such limited educational backgrounds that they are classified as "functional illiterates" must be given special preskill training in order that skill training may be effective. This training will involve such elementary skills as simple communication, arithmetic, and human relations training. We, therefore, support the amendments to Public Law 87-415 contained in S. 1831 which will extend the training period to 2 years where justified so that the hard-core unemployed may be given the basic educational skills which will make them trainable for employment through vocational instruction.

I have already pointed to the efforts in our State to provide training programs to unemployed heads of families and households and the fact that these efforts have resulted in a minimum of program activity for unemployed youth who are not heads of families or households. The growing number of out-of-school unemployed youth in our Nation requires that attention be given to their skill training needs or we shall continue to have a vastly expanding army of unemployed youth who are also unemployable. We, therefore, support the amendment incorporated in S. 1831 which enables the payment of training allowances to an increased number of youth 16 years of age who have been out of school and out of work for at least 1 year. The Department of Labor stated in the June 24 issue of the U.S. News & World Report that one out of six teenage white youth is unemployed and that among teenage Negroes, one out of three is unemployed. We must take preventive action with youth as well as attempt to cure the problems of the older unemployed person.

Therefore, it seems quite apparent that the 5 percent limitation on Manpower Development and Training Act training allowance funds should be sizably increased. Idle youths soon drift into trouble. If we do not provide means to train them we will have to support the rising cost of delinquency, crime, and welfare. With nearly 1,150,000 teenagers unemployed, our responsibility should be clear-cut.

In summary, the American Vocational Association supports bill S. 1716 which proposes to continue the 100 percent Federal payment provisions for the full 3 years of authorization of the act. They also support bill S. 1831 which extends training benefits to 2 full years for functional illiterates, reduces the youth age of eligibility from 19 to 16 years of age and increases the percentage of funds which may be expended for the training of youth from 5 to 15 percent of the estimated total training allowances paid annually.

We do not submit that the Manpower Development and Training Act is a cure-all for the basic unemployment problems that I have cited gentlemen, but it can certainly pave the way and help alleviate a great socioeconomic cancer on our society.

Senator CLARK. Mr. Greiber's testimony completes the verbal presentation of evidence. The subcommittee, however, will keep the record open for 1 week in order to receive written statements, telegrams, or letters from interested parties. It is contemplated that the subcommittee will meet to markup these bills approximately in from 2 to 3 weeks from now.

The subcommittee will stand in recess until Wednesday, July 24, when we will begin our hearings on FEPC legislation.

At this point I will insert the report from the Bureau of the Budget. (The report referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, DC., August 5, 1963.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, 4230 Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for comments on S. 1831, a bill to amend the Manpower Development and Training Act of 1962, and similar bills, S. 1716, S. 1691, and S. 1725.

S. 1831 would amend the training provisions of the Manpower Development and Training Act in the following respects: (1) Training for functional literacy and basic work skills would be authorized under the act, and persons receiving such training would be eligible for up to an additional 52 weeks of training; (2) the minimum age limit for training allowances for youths would be lowered from 19 to 16; (3) the proportion of total training allowances for youths under 22 years of age would be increased from 5 to 15 percent; and (4) to assure that youths are not encouraged to drop out of school to benefit from the above provisions, no allowances would be paid to youths until 3 months after dropping out of school.

S. 1716 provides for two amendments to the Manpower Development and Training Act. First, it eliminates the State matching provision in the act. Secondly, it increases the maximum authorization for title II in fiscal 1965 from \$161 to \$322 million to finance the elimination of matching.

S. 1691 provides for improved provisions for training allowances to youths similar to those embodied in S. 1831 except that: (1) The maximum proportion of total training allowances which could be spent on youths would be increased to 20 percent rather than 15 percent in 1965 and the maximum number of youths to receive such training in 1964 would be 45,000; (2) a 6 months' waiting period after leaving school would apply rather than 3 months; and (3) the authorization would be increased by \$45 million in fiscal 1964 to finance such provision. As in S. 1831, this bill would also lower the minimum eligible age for training allowances to 16.

S. 1725 would also amend provisions of the act respecting training allowances for youths. The minimum age limit would be lowered to 18 rather than to 16 as in S. 1831, and the maximum proportion of such allowances to be used for training of youths would be increased to 20 percent, as in S. 1691, rather than to 15 percent as in S. 1831.

Neither S. 1691 nor S. 1725 provide for literacy training as embodied in S. 1831.

As indicated in the President's message on civil rights to the Congress on June 19, 1963, improvements and expansion of the training provisions of the Manpower Development and Training Act is fully supported by this administration. This position was reiterated in the Secretary of Labor's testimony on S. 1831 and S. 1716 before your committee on July 16, 1963, when he fully en-

dorsed enactment of these two bills. The Bureau of the Budget concurs fully with the Secretary's testimony. S. 1831, however, as introduced, does not include the increased authorization which had been requested for these purposes. We recommend that the committee amend the bill to provide these funds.

While the general nature of the amendments proposed in S. 1691 and S. 1725 are also along the lines supported by this administration, the specific changes proposed in each differ materially from those in S. 1831 or S. 1716. The latter two bills more accurately reflect the President's proposals in this area as outlined in his message to the Congress on civil rights, and therefore this administration would favor their enactment.

I am authorized to inform you that enactment of S. 1831 and S. 1716 would be in accord with the program of the President.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

(Whereupon, at 11:55 a.m., the subcommittee recessed, to reconvene on July 24, 1963.)

APPENDIX

PREPARED STATEMENT OF FRED Z. HETZEL, DIRECTOR, U.S. EMPLOYMENT SERVICE FOR THE DISTRICT OF COLUMBIA

Mr. Chairman and members of the Senate Subcommittee on Employment and Manpower, as Director of the U.S. Employment Service for the District of Columbia, I welcome the opportunity to incorporate this statement into the record of the hearings on the proposals to amend the Manpower Development and Training Act of 1962. I am happy to give you the benefit of the year's experience which we have accumulated in the operation of this program in the District of Columbia.

We heartily endorse the proposed amendment that will permit the payment of allowances to unemployed, out-of-school youths between the ages of 16 and 19. Our experience has been that it is virtually impossible to keep any significant segment of these students in a training program lasting from 12 to 52 weeks without allowances that would, at least, cover the costs of public transportation and lunch. However, we feel that such allowances should not be paid to any youth who has been separated from school for less than 6 months. This provision would greatly diminish any desire on the part of some of these youths to deliberately drop out of school in order to get weekly allowances from a Manpower Development and Training Act program.

An experimental program under the act for the combined development of functional literacy and basic vocational skills for educationally disadvantaged persons was first put into effect by this agency. We have received requests for information on the procedures for establishing such programs from all sections of the country. The concept of this particular program has met with nationwide acclaim. It has received widespread coverage by press, radio, and television. We are in full favor of any amendment to the present law that will facilitate the inclusion of basic elementary education in conjunction with the vocational training that would qualify these trainees for employment in today's labor market.

We have found that the 5-percent limitation on training allowances to youth under the present act is unrealistic and a severe handicap to the operation of the program. For example, in a project for the training of 30 clerk-typists here in the District of Columbia, we found that better than 50 percent of the available trainees were recent high school graduates between the ages of 19 and 22. All of these young women would be available for youth allowances. Most of them were denied allowance payments because the 5-percent quota for youth had been exhausted several months earlier on projects for training practical nurses, service station salesmen, and typewriter repairmen. And, as we have said before, it is virtually impossible to keep these young people in a training program extending for a period of several months without any source of income. We believe that if any limitation at all is placed on the inclusion of youth in these Manpower Development and Training Act programs, it should be approximately 20 percent rather than 5 percent.

The concept of manpower development and training is an important weapon in the nationwide struggle against a high level of unemployment. And unemployment does not stop at the State line. It is a national problem. Unless we meet this problem on a single front across the Nation, there will always be pockets or areas of unemployment and idleness which will serve as a menace to the national well-being. Some States are not in a financial position to divert funds to meet the growing unemployment in their areas. They need help from the Federal Government in combating this problem over which they have no control. This program should continue to operate in fiscal 1965 as it has done in the past with 100 percent Federal financing.

These proposed amendments have been thoroughly analyzed, discussed, and approved by the Manpower Advisory Council for the District of Columbia. The council is composed of nine highly representative citizens from management, labor, and the public. Its chairman is Mrs. Richard W. Bolling, wife of the distinguished Congressman from Missouri. Other public members are Mrs. Charles Weston, of the League of Women Voters; and Sterling Tucker, executive director of the Washington Urban League. Management is represented by Col. William Press, executive vice president of the Metropolitan Washington Board of Trade; Mr. Gibson Wright, past president of the Merchants & Manufacturers Association; and Mr. Berkeley Burrell, president of the National Negro Business League. From labor we have Mr. J. C. Turner, president of the Washington Labor Council; Mr. Walter Bierwagen, attached to the national office of the AFL-CIO; and Mr. Cyprian Tilghman, of the Hotel Service Workers Union.

PREPARED STATEMENT OF ROBERT H. RYAN, PRESIDENT, REGIONAL INDUSTRIAL DEVELOPMENT CORP. OF SOUTHWESTERN PENNSYLVANIA

My name is Robert H. Ryan, president of the Regional Industrial Development Corp. of Southwestern Pennsylvania. Briefly, this organization, known in Pittsburgh and southwestern Pennsylvania as RIDC, is a nonprofit corporation reorganized in early 1962, and is concerned with the industrial development and economic growth of an important nine-county area which consists of the counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Lawrence, Washington, and Westmoreland, in the Commonwealth of Pennsylvania. The region with which RIDC is concerned is an area of approximately 6,000 square miles and approximately 3 million people, an area which has been an important industrial backbone of the economic structure of this country for 100 years. The RIDC program is, for the most part, privately financed, but does obtain some funds for specific projects from the Commonwealth of Pennsylvania and from some but not all of the local governmental units of the 9 counties with which it is concerned.

Because it is an unusual type of organization which combines both public and private interests, I want to take just a moment to point out that the Regional Industrial Development Corp. is not a special interest group, and likes to feel that it is approaching the problems of employment and economic growth in the region in terms of the public interest. Its board of directors consists of leaders from industry, labor, and government of the area. It maintains its offices in the city of Pittsburgh and it has a small but we think effective staff of approximately 12 people.

I am pleased to testify and offer some views on this question of manpower development and training, because we have had some experience in connection with this matter due to the fact that the region with which RIDC is concerned has been an area of high and consistent unemployment. In addition, many of the changes which are taking place in our area which affect its future potential for economic growth relate very closely to the matters with which your committee has been concerning itself generally and throughout the Nation.

Let me begin by emphasizing what I consider to be an imperative; namely, that this whole question of manpower development and training is, especially at this time, a dynamic and a fluid kind of a problem for which there are no clear-cut answers. But it is also a problem which can get tied up in a lot of detail and "nit picking" which could blur the real issues. I speak as one who is not an educator, but who has been in the economic development field most of his adult life and who went through the period of economic shift and change in the New England economy before coming to Pittsburgh about a year and a half ago. And while the problems of New England may have been far different from the problems of southwestern Pennsylvania (and mainly these differences had to do with the kinds of industrial activity which have taken place and are taking place in both of these important regional economies), I cannot help but feel very strongly that both situations contain some common elements, and I would hope that these common elements would come through as I point out what seem to be basic and fundamental points on which I would like to see everyone concerned with this problem reach agreement.

This whole question of economic growth of this country, and problems of employment and unemployment and training are closely interrelated. They are also related to one of the big issues of our lifetime; namely, "can we grow economically as fast as we have to grow?"

Without oversimplifying the problem or the solution, it would appear (and this is certainly the situation as it exists in southwestern Pennsylvania) that economic growth and new employment opportunities are a direct result of investment. However, the investment is of different types and changes with the times. For example, much of the economic growth of the 19th century occurred as a result of investment in the exploitation of natural resources. More recently, economic growth has come about as a result of investment in plant and equipment. Still more recently, the new demands of our society clearly call for investment in "human" resources, in people, in education, and in training. The \$64 question always is, how much of this should be public investment and how much of it should be private investment?

Returning to the problem of training and our experience with training and retraining over the past year or so, we at RIDC went so far as to add to our staff, on a full-time basis, a Ph. D., who has specialized in the field of adult vocational training. While a nonprofit, quasi-public agency, we did this because it was clear from the time when the Manpower Development and Training Act was enacted that there were going to be some early shakedown problems which would have to be ironed out, and we wanted to facilitate and expedite and take advantage of the Manpower Development and Training Act to the fullest extent possible. As a result of this, approximately 40 retraining courses have been initiated in our area of southwestern Pennsylvania in a whole variety of curriculums, extending from electronic technicians to machine tool operators, automotive repair specialists, etc. The most popular course in terms of demand and present and anticipated results is electronic technicians. This, it seems, is only as it should be, because electronic technicians are in increasing demand everywhere, and it would appear are going to be in increasing demand to the point where I have heard a representative of a Federal agency concerned with education state that in his estimation, the supply of electronic technicians will not meet the demand nationally probably in our lifetime.

From what I have said thus far, it should be fairly obvious that our region, while suffering from a high level (and what has been a chronic type) of unemployment, is undergoing a tremendous change. This change is taking place in all of our traditional industries, such as coal, steel, railroads, etc. As this change is taking place as the result of fast-moving technological and scientific advances, it not only is making great demands upon the capabilities and composition of the labor force, but it also seems that it offers as well great opportunities. While we could debate for a long while the issue of whether or not technological change creates or diminishes employment opportunities, it is a fact that in an area such as ours which is a mature industrial economy which must constantly create new live tissue on its economic frame, that upgrading the labor force and keeping the labor force up to date through continued retraining is now a necessary ingredient for us. As a matter of fact, we have no choice because the costs of not doing this would be so overwhelming as to leave southwestern Pennsylvania and the Pittsburgh area in a permanent state of what has been described recently in the New York Times as "a crippled giant, immensely powerful, but chained by unemployment; potentially a vast unified industrial empire stretching up the river valleys * * *". All the political, economic, and social problems of urbanized and industrialized America are dramatized here * * *" (New York Times, Apr. 3, 1963, James Reston).

What I am saying in large measure boils down to the fact that we have great resources in southwestern Pennsylvania, but we are going through a period of transition during which we can utilize your help and Federal assistance in order to make the region a growing vital asset very important to the future economic growth of this Nation.

The Pittsburgh area has distinguished itself for many years by being a model of urban revival, and with Federal assistance, has demonstrated that a physical renaissance is possible for mature cities. The same opportunity lies before us in connection with developing our human resources, and we have some suggestions as to how this might be accomplished.

In order to take a more careful look at our unemployed, and know more about them, we have done our own analysis of the unemployed and have concluded that regardless of how the unemployed are broken down by age or location or whether they have been made unemployed because of plant closings or cutbacks within existing plants, most all of the unemployed suffer from the great disadvantages of having a lower basic educational level than is now required and having no specialized technical skill. As a matter of fact, I would suspect that by now there is enough evidence in the offices of the Bureau of Employment Security to validate my impression that many unemployed workers otherwise capable of retraining, "washout" in the initial instance by being unable to pass relatively simple examinations, the successful completion of which would qualify them for retraining in specific areas of technical skills. Furthermore, that these unemployed people could be brought up to a level, by some additional education, which would permit them to go on to more specialized technical training if they were better equipped to handle the elementary tools, which conceivably means even reading, writing, and arithmetic, from which they could move forward into more sophisticated areas of learning. It is not their fault that the industrial structure in which they have lived most of their lives has not demanded, until comparatively recently, the kind of education and training that we are talking about. But the fact of the matter is that our present industrial and economic structure (whether we like this or not or whether we plan this or not) clearly gives us a pattern in which, now and in the future, there are going to be more jobs for the skilled and fewer jobs for the unskilled.

In the course of my lifetime I have found very few statistics or projections about which there could be developed general agreement by government, business, labor, and professional educators, but I do believe there is general agreement from all of these groups that in the next 10 to 20 years (which is probably as far into the future as one dare to project) there will be a significant increase in the demand for professional skills, a significant increase in the demand for the technically skilled, and a substantial decrease of major proportions in the demand for unskilled workers. Now, if this is the trend, it would also appear that our investment decisions to create future economic growth must recognize this trend, and I would say that these investment decisions would have to recognize that we must invest more in education, more in training, and more in retraining than we have ever had to in the past.

I would like to avoid any reference to specific proposed legislation that may be pending and speak rather in terms of principles. It may very well be that these principles which we think are fundamental would have some direct bearing upon the legislation which is now pending.

The principles which seem to make sense as we face this period of technological change and new scientific advance would be as follows:

1. That we lift our sights as to the numbers of people involved nationally in retraining programs. Whereas in southwestern Pennsylvania, we have a mere 800 to 850 trainees in the 40 Manpower Development and Training Act courses underway since the Manpower Development and Training Act was initiated, we feel that we should have a minimum of 5 percent of our unemployed currently undergoing retraining, which in our case would mean 5,000 people undergoing retraining at all times (for the past several years we have had close to 100,000 unemployed in southwestern Pennsylvania).

2. That we free any program of unnecessary narrow restrictions, including the certification of reasonable assurance of employment. To date our experience would indicate that this has bogged down the program. We are dealing here with a very dynamic and changing kind of situation. There are national shortages of certain skills and our continuing investment in people to the extent that they are being trained in the new skills which are in increasing demand would appear to be a prudent investment. The underlying philosophy of the GI bill was, as I understood it, to better equip returning servicemen to attain and achieve an education and to equip themselves to hold better positions in life. This same philosophy could be extended to the unemployed who qualify for retraining, because the problem is the same, to better equip these people to attain and hold jobs and live in decency and dignity. The development of pools of trained technicians in the technical areas where employment opportunities can be expected to increase can, in fact, provide future economic growth, whereas our failure to utilize otherwise productive workers by not preparing them in the proper skills can just as easily be shown to be an economic "drag" which hinders economic growth.

3. Restrictions on age should be eliminated for the reason that young people newly entering the labor force are potentially going to be faced with the same problem as those currently unemployed if they as well are not trained to obtain and hold the kinds of jobs which our changing economy now proffers. By artificially restricting those who are qualified because of age, we could be very easily led into the trap of simply postponing a problem which is going to become larger than that with which we are already faced.

4. Arbitrary limits on the amount of money that can be spent on equipment for retraining should be eliminated. The fact of the matter is that some of the communities in which there is the greatest need for retraining are stymied by virtue of the fact that sometimes sophisticated training equipment is unavailable either from their own limited resources or under any Federal program. While we have tried to track down exact formulas as to what is "allowed" for equipment, we have only been able to conclude that there exist in fact administrative restrictions on how much can be spent for equipment. This administrative roadblock proves to be rather nonsensical if we want to face the facts squarely, and the facts are that the kind of training which is required demands increasingly sophisticated and expensive equipment with which to work.

5. Increased consideration should be given to a Federal program which has great flexibility in terms of "experimentation." Since no one would be so bold as to say he has all of the answers to all of the problems of structural unemployment, we should approach the problem with an open mind and be willing to "learn as we go." Far from being a wasteful procedure, such freedom in the right hands could save a great deal of time and much money in the long run.

6. The early period for 100 percent Federal assistance should be extended in order to permit States to develop a fiscal program to accommodate themselves to a matching Federal fund program. However, the understandable early steps in this new retraining effort have resulted in time delays not caused at the Federal level which have resulted in some training programs not getting started as soon as they might otherwise have. This shift of the time frame has placed many local areas in situations where they are currently considering, under Manpower Development and Training Act, programs and courses ranging up to 1 year duration which extend into fiscal periods which go beyond the present Federal 100 percent financing plan. The extension of 100 percent Federal financing for at least 1 year and possibly 2 in order to build the administrative flow which such a program requires would result in a sound continuity and the development of a more effective program. Much of the momentum which is now developing as it relates to retraining would be lost without this extension of 100 percent Federal support for a reasonable period of time.

7. A great deal of confusion exists in many people's minds (including potential retrainees and potential employers) because of the fact that there are currently two programs of retraining, one the so-called Area Redevelopment Administration retraining program, and the other the more significant program under the Manpower Development and Training Act. Such criticism as we have encountered in connection with retraining has not involved substantive Manpower Development and Training Act programs which are providing skills in what could be called the industrial skills area. Our placement record, for example, for such important industrial skills as electronic technicians, refrigeration mechanics, machine tool operators, template makers, inert gas welders, verifies this fact. On the other hand, these shorter term Area Redevelopment Administration courses, in what are other kinds of skills, difficult to classify, do not appear as impressive. This would lead us to conclude that all retraining should be part of a single program rather than to have two different programs operating concurrently and resulting in great confusion and producing varying results.

I doubt that the basic problems on the basis of which these recommendations are made are new to any member of the committee. The problems of chronic labor surplus have been with us now for several years and I would hope that we are gradually moving toward some more effective means of dealing with this problem. Fundamentally, what retraining can do on this broadened basis is to increase the ability of individuals in areas of chronic labor surplus to qualify for and find employment, either in these places or elsewhere. As such, it seems logical that retraining programs should prepare

people for jobs in the regional and national labor market as well as for openings in the local labor market. It also follows that we need better information, more current and more meaningful information about job opportunities and about future job opportunities. As for providing greater flexibility and funds for retraining experimentation, it has been pretty well established that Federal funds for the "thinking stage" of a problem have been of great value in connection with the urban renewal program, and this concept should be extended to problems related to retraining.

In June of 1961 the Committee for Economic Development, CED, issued a policy statement having to do with "Distressed Areas in a Growing Economy," which statement, in fact, reiterated an earlier CED policy statement "Paying for Better Public Schools" which stated that an educational system of public education should be provided as the first basic step in helping people to qualify for employment. It is also an essential step in enabling people to grasp the opportunities and meet the responsibilities for citizenship.

I would simply like to add to what I consider to be a substantive statement on the part of CED an additional consideration to which I have already alluded: namely, that we broaden our understanding of "education" in this country to include "training and retraining." And as our economy goes through the kind of transitional stage through which it is now passing that one of the more meaningful and productive investments that we can make is investment in our human resources and that as part of that investment a substantial Federal program be that of providing retraining for a labor force which is and which will continue to be faced with the problem of upgrading its skills and adapting itself to continued technological change.

NEW YORK CITY YOUTH BOARD,
OFFICE OF THE MAYOR,
New York, N.Y., July 19, 1963.

HON. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: I am writing in response to a request from your committee counsel to comment on some of the proposed amendments to the Manpower Development and Training Act of 1962, with special reference to their effect on youth. As you know, the New York City Youth Board has been deeply involved in the field of youth employment and related services for many years. I, therefore, welcome the opportunity to comment on the constructive proposals now before your committee.

We regard as of major importance the lowering from 19 to 16 of the age group for whom training allowances may be paid under the Manpower Development and Training Act. Our experience in New York City with demonstration youth and work training programs has shown the great value of payment of money to young people as an incentive to them to take advantage of skills training, remedial services, and vocational counseling. The impact on the motivation of the youths with whom we have worked far outweighs the relatively small stipends which have been paid to them.

We endorse the increase in the percentage of youths who will be eligible to receive training allowances. Young people in the age group of 16 to 21 constitute somewhere between 20 and 25 percent of the Nation's unemployed. Ideally perhaps, there should be no quota set for the percentage of trainees in this age group who are to be eligible for allowances. Practically speaking, the increase from 5 to 15 percent as proposed in S. 1831 will be of substantial help to communities in aiding youth to take advantage of training opportunities.

Thirdly, we wish to express our hearty endorsement of the proposal, also contained in S. 1831 to define programs for the development of functional literacy and basic work skills as training within the meaning of the Manpower Development and Training Act. Here again in our experience with youth and work training programs we have found that many of our young people require remedial work in reading and arithmetic as a prerequisite for specific occupational training.

We endorse the intent of S. 1716 to continue the 100 percent Federal funds for manpower programs through the third year of the act. Programs under the Manpower Development and Training Act are still relatively new and we

believe that they need a further period of full Federal support so that their value to the States can be more fully demonstrated.

We therefore wish to go on record as endorsing S. 1831 and S. 1716 as valuable amendments to the Manpower Development and Training Act.

Sincerely,

ARTHUR J. ROGERS, *Executive Director.*

MAYOR'S TASK FORCE ON YOUTH AND WORK,
NEW YORK CITY YOUTH BOARD,
OFFICE OF THE MAYOR,
New York, N.Y., July 19, 1963.

Hon. JOSEPH S. CLARK,
*Chairman, Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.*

DEAR SENATOR CLARK: As chairman of the Mayor's Task Force on Youth and Work in New York City, I welcome the opportunity to comment on the proposed amendments to the Manpower Development and Training Act of 1962 as they affect youth. The steering committee of the task force has considered these amendments and asked me to transmit their opinions to you for inclusion in the record.

We endorse the provision contained in S. 1716 for the continuation of 100 percent Federal financing through the third year of the act. We believe that this will enable local communities to explore to the fullest the best possible combination of resources which must be utilized to help our young people become better prepared.

Secondly, we strongly endorse the expansion of youth training allowances to include youth 16, 17, and 18 years old. Our experience in New York City has already borne out the value of a stipend to motivate our seriously deprived youth to take advantage of training opportunities.

We also endorse the increase in the number of youth eligible to receive training allowances from 5 to 15 percent under the act. In view of the high proportion of young people between 16 and 21 who are unemployed, we believe that the 15 percent allocation is a more realistic percentage.

Our endorsement of S. 1831 which provides for the development of functional literacy and basic work skills as prerequisites to participation in courses of occupational training is also based on the reality that the vast majority of youth who are currently participating in our demonstration youth and work training programs have severe gaps in basic reading and arithmetic skills. These gaps prevent many of our young men and women from pursuing skills training for which they often have interest and aptitude.

In summary, we would like to go on record as endorsing S. 1716 and S. 1831 as essential and vital amendments to the Manpower Development and Training Act.

Sincerely,

WALTER A. MILLER, *Chairman.*
Mrs. WILLIAM GREENBURG, *Cochairman.*

CHAMBER OF COMMERCE OF THE UNITED STATES,
Washington, D.C., July 22, 1963.

Hon. JOSEPH S. CLARK,
Chairman, Employment and Manpower Subcommittee, Labor and Public Welfare Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: The enclosed statement, prepared by Mr. John Harmon, director of the national chamber's manpower development and training program, summarizes the views of the Chamber of Commerce of the United States on pending legislation to amend the Manpower Development and Training Act.

I sincerely hope that you and the members of your subcommittee will give careful consideration to the national chamber's recommendations on this important subject.

I also would appreciate your making this letter and the various enclosures a part of the record of your subcommittee hearings on this subject.

Sincerely yours,

THERON J. RICE.

STATEMENT OF CHAMBER OF COMMERCE OF THE UNITED STATES ON AMENDMENTS
TO THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

The Chamber of Commerce of the United States appreciates the opportunity to submit its views to the Employment and Manpower Subcommittee, Senate Labor and Public Welfare Committee, on the Manpower Development and Training Act of 1962 and proposals in S. 1691, S. 1716, S. 1725, and S. 1831.

REVIEW OF THE UNEMPLOYMENT PROBLEM

The chamber recognizes that unemployment is a serious and continuing problem in the American economy. The problem is most pronounced among the youthful group under 25 and the age group over 45. The unskilled and semi-skilled, particularly the dropouts in the teenage group, are experiencing difficulty in finding employment. Obsolescence of skills in the older group will continue as technological change proceeds.

It is important to remember that high levels of economic activity and growth are closely related to greater employment and require better utilization of the skill potential of the labor force. Lack of trained manpower is holding back the Nation's economic growth. The business community recognizes that, to strengthen the economy, greater effort must be made to improve the employability of the labor force. The space age has brought with it an increasing demand for skilled workers and for well educated people. This demand is not being met adequately.

This means that vocational and technical training and guidance must be improved for non-college-going youth and that opportunities for retraining must be continually available, especially for the underemployed and the unemployed who have aptitude for unfilled jobs. Other basic factors in making employable those now unemployed are the identification of job opportunities and the extent to which retrained persons are willing to relocate. Even retraining for identified jobs is useless unless the retrained person is willing and able to move to the job site.

Studies of all aspects of the unemployment problem stress the inadequacy of information now available for accurate definition of the unemployment problem. While many students of the problem question the quantitative statements now being made about the number of unemployed, these studies all agree that information is not available to describe properly any of the three areas of the problem:

1. The characteristics of the unemployed persons—their ages, educational levels, previous experience, aptitude and ability-potential, environmental ties, etc. (Limited studies have been completed and others have been contracted for by the Office of Manpower Training of the U.S. Department of Labor.)

2. The extent of unfilled job opportunities, the types of jobs, their location and probable duration.

3. The extent to which facilities appropriate to or adaptable to retraining are actually available. Some communities and States have completed inventories. Many more are in progress or in the planning stage.

This lack of adequate data on job vacancies was emphasized only a few days ago by Dr. Arthur F. Burns, president of the National Bureau of Economic Research and former adviser to President Eisenhower, in an article which appeared in the Morgan Guarantee Trust Co.'s latest monthly report on the economy. Dr. Burns said comprehensive figures on job openings are "a vital missing link in our entire system of economic intelligence." Only by having such figures and then setting them against those for unemployment, according to the Columbia University professor of economics, is it possible to know whether the economy is failing to provide "sufficient employment opportunities to permit a job for all who are able, willing and seeking work." He terms the lack of such statistics "deplorable."

A White House sponsored Panel of Consultants on Vocational Education, in a recent review of the formal vocational education programs of Federal and State Governments, found that no surveys had been made of the appropriateness of these programs to the manpower demands of either the States or most communities, although in some communities advisory committees were coordinating supply to demand. Likewise, there were no surveys of the total facilities for vocational training, or of the job uses, if any, of the skills acquired by graduates of these programs.

While extensive training and retraining programs are known to exist in virtually all major business enterprises, there is a similar dearth of overall information about them.

STANDARDIZED SOLUTIONS ARE NOT THE ANSWER

Finally, in attempting to define the unemployment problem, it should be noted that diversity in unemployment, both in regions and in industries, and comparable diversity in unfilled job opportunities—even though nowhere summarized for the country—are very evident in the studies and figures that are available. This means:

1. The diversity of the unemployment problem rules out any single Federal solution.

2. Effective solutions must be planned and directed by local and State authorities, after they have acquired needed information about the characteristics of the unemployed in their area, the training facilities available, and the job opportunities in which the retrained personnel might find employment.

EXAMPLES OF WIDESPREAD ACTIVITY CITED

The nationwide interest in manpower development is demonstrated by the several State programs outlined below:

Georgia: In addition to the 2 State vocational-technical schools that have been in operation for a number of years, 12 new area schools will open in September. Fifteen additional area schools approved by the State board of education are in the planning stages. The building program, involving State and local funds, will cost approximately \$21 million.

South Carolina: Nine technical education centers have been approved by the State committee for technical education, and the one in Greenville is now operating at capacity. Five centers are scheduled to open this year with more to follow. The centers are built as community do-it-yourself projects with the communities providing 87 percent of the cost and the State 13 percent.

Minnesota: The area vocational-technical schools now number 12, with 3 additional schools to begin operating on or before September 1963. Minnesota now has such schools in all geographic areas except the southwest where at least one school will be started at an early date. All area schools provide vocational-technical-education programs at both the high school and post-high-school levels.

Wisconsin: The State board for vocational and adult education has approved six new area locations for business data processing. The six centers will offer extension courses for employed persons in addition to a 2-year fluid power technology curriculum. In addition, an instructor is conducting extension courses in basic industrial hydraulics throughout the State.

Oregon: A followup study of graduates of electronic technician programs offered by community colleges and vocational-technical schools in Oregon has been completed. Returns from the schools indicate that graduates have no difficulty in securing employment or advancing on the job. The study also revealed that only minor refinements of the electronics curriculum were desirable at this time. The findings of this evaluation study were reviewed at a statewide conference of electronics instructors.

Arkansas: A new State vocational-technical school, under construction at Morrilton, will open in September. Offerings at the post-high-school level will include electronic data processing and civil technology. A similar school is also under construction at Agricultural, Mechanical & Normal College, Pine Bluff.

Illinois: Businessmen and educators are finding new ways to reduce the number of dropouts and help those who have already discontinued formal schooling.

Officials of a large department store in Chicago, after consultation with the superintendent of schools, decided to undertake an experimental work-study program with 60 young dropouts from a range of racial groups and of widely varying mental abilities. For 3 weeks, during which they received a minimal salary, these young people attended orientation courses dealing with requirements of personal appearance and the communication skills necessary for department store work. Then the regular program began. Each of them works 3 days a week at one of the store's regular jobs—as salesclerk, stock-room worker, or clerical assistant—at a salary of \$1 an hour.

The other 2 days a week they attend classes in a nearby office building where they receive instruction in areas important to the development of

their marketable skills—reading, speech, mathematics, and citizenship. Only 5 of the original participants have been found unsuitable, and, of the 41 still in the program at last report, 80 percent have received 2 merit salary raises.

Pennsylvania: The Chamber of Commerce of Greater Pittsburgh, in cooperation with the board of education and the State employment office, conducted a comprehensive survey on the kinds of skills that are now needed in the Pittsburgh area. The purpose of this survey was to provide information that will make it possible for the educators to adjust the school curriculum to better equip students to qualify for employment. Eighty-seven percent of the firms surveyed answered the questionnaire. The results of the survey indicated the growing need for more highly trained and skilled manpower.

The respondents to the questionnaire indicated that 6 percent of their future job placements can be hired with less than a high school education; 23 percent require high school graduation, including specialized training such as clerical, business, distributive, occupational, or vocational; 33 percent require 1 to 3 years of post-high-school education or training; and, 24 percent require 4 years of college or more.

Presently less than 4 percent of all high school students in the Pittsburgh area attend vocational schools. To meet the requirements of the future, their high school population should be trained approximately as follows: 20 percent in occupational programs, 20 percent in vocational programs, 20 percent in pre-technical programs, and 40 percent in college preparatory programs.

In addition to the numerous State and locally financed vocational-technical programs, there are hundreds of private schools that are training persons for employment. The total effort in this area is not known. In addition to this type of in-school training, more than 3.5 million persons were enrolled in correspondence courses in 1962.

Dr. David A. Lockmiller, executive director of the National Home Study Council, said in June that "correspondence schools are salvaging thousands of high school dropouts." He states further that the range of instruction is from sixth grade through college.

In recognition of the unemployment problem, the education department of the national chamber has urged its 3,200-member chamber of commerce executives to take immediate steps to—

- Encourage review of their schools' curriculums.
- Launch stay-in-school campaigns.
- Establish programs for guidance counselors.
- Cooperate in surveys of training facilities and job opportunities.
- Review adequacy of vocational-technical programs in schools.
- Encourage business leaders to serve on local and State advisory committees of the Manpower Development and Training Act.
- Publicize the need for establishing all types of on-the-job training programs. (See attached letters, booklets, special supplements, and press releases, and a stay-in-school poster distributed to over 1,500 places by one firm alone.)

Even though local action is increasing in all of the areas mentioned above, more adequate unemployment and job opportunity statistics, developed on area as well as statewide bases, is vitally needed for planning purposes. This situation exists despite the fact the Secretary of Labor is charged, by title I of the Manpower Development and Training Act, to "promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization * * *."

CHAMBER POSITION ON PROPOSED AMENDMENTS

Lowering the age limitation on the youth training allowance from 19 to 16 (S. 1831 and S. 1691) and from 19 to 18 (S. 1725) and requiring only 6 months (S. 1691) or 3 months (S. 1831) time interval before dropouts become eligible to enter the training programs, would not serve the cause of dropout prevention. It would encourage many students to terminate their education as soon as they reach the maximum compulsory school attendance age in their States. The present age requirement of 19 does not serve as an incentive to discontinue high school, as would lowering the age to 16 and placing thousands of selected students on the Federal payroll.

Increasing the allocation for youth training allowances from 5 percent of the total authorization to 20 percent (S. 1691 and S. 1725), or from 5 to 15 percent (S. 1831), would provide the administration with some needed flexibil-

ity and would give the States a more valid basis for evaluating this phase of the Manpower Development and Training Act.

The proposal to amend the Manpower Development and Training Act to enable the Secretary of Labor to establish a program in basic education skills—the three R's—is ill advised (S. 1716).

At the turn of the century only about 10 percent of our youth completed high school. By 1961-62, according to the U.S. Office of Education, 70 percent of our youth graduated from high school. Thus, we see that great progress has been made in preparing Americans for the world of work. While some local studies indicate that a disproportionate number of unemployed have less than a 12th grade education and, in some instances, have not sufficiently mastered the basic education skills to be able to understand simple directions, it does not follow that another Federal program can solve this problem.

There has been no demonstration of unwillingness or inability, on the part of the States or local communities, to establish training programs for these persons. Already, activities are underway in many communities in this adult education area. And as needs are defined and understood, more such programs will be developed.

Therefore, the program proposed in S. 1831, to establish a basic education program under the Department of Labor should be rejected.

The chamber also recommends that the Congress disapprove the several proposals:

1. To extend the training periods beyond 52 weeks (S. 1831);
2. To increase Federal expenditures for the Manpower Development and Training Act (S. 1716, S. 1691, and S. 1831);
3. To eliminate the 50 percent matching requirement for the final authorization year under the act (S. 1716).

We recognize that training programs will have to terminate at the close of the fiscal year 1964 unless States have provided matching funds. By then, however, the States will have more experience upon which to judge the wisdom of their participation under the Manpower Development and Training Act. Such a Federal program can best serve the people if they have an opportunity to evaluate the service rendered and its cost.

The chamber regards manpower development and training as being responsibilities of local communities and the States. To this end, policies and programs under the Manpower Development and Training Act should emphasize the aim of eliminating Federal direction and financing so that the States and local communities will carry forward, upon their own responsibility, such programs as are necessary.

(The enclosures to which reference is made consists of material which at the request of the chamber, has been condensed to indicate the extent of the chamber's activities in this field.)

CHAMBER OF COMMERCE OF THE UNITED STATES,

Washington, D.C., January 4, 1963.

To All Persons Interested in the Prevention of Dropouts:

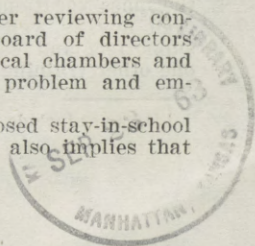
One-third of all high school freshmen quit school before graduation. Unemployment among youth under age 21 in the labor force is three times as high as in the adult population—and over half of these unemployed youth are dropouts.

The tragedy of youthful failure and the cost of unemployment compensation and welfare benefits resulting from this waste of human potential should concern every community leader. Our shortage of technicians and skilled manpower contrasts sharply with the 1 million youth now unemployed.

The dropout rate from our high schools declined during the last decade, but the actual number of dropouts increased, due to the rising proportion of young people of high school age. If the same dropout rate continues throughout the 1960's, 7,500,000 teenagers will drop out, and 2,500,000 of them will not even complete 8 years of formal education.

The Education Committee of the National Chamber, after reviewing considerable research on this problem, recommended to the board of directors that every effort be made to get education committees in local chambers and other interested organizations and persons alerted to this problem and embarked on a program to improve the situation.

As a first step in this program, we have prepared the enclosed stay-in-school poster to carry the message to young people everywhere. It also implies that



schools should provide experiences appropriate to the needs of noncollege going youth and, therefore, encourage all youth to complete the education that will give them salable skills and a career plan.

The poster was devised to assist you in launching a campaign to encourage all teenagers to stay in school. Working in cooperation with your educators, publicity can be given to the value of education and the unemployability of dropouts. These posters should be placed not only in schools, but wherever youth may congregate in your community, i.e., in the YMCA, YWCA, theater lobbies, church, and recreation centers.

In addition to the poster barrage, we would urge you to work with the guidance departments of schools to inform young people about the job opportunities available in your community and the educational requirements for them. Our booklet "Career Conferences for Teen-Agers" suggests ways to carry out such an activity. Of course, the guidance personnel of schools must first be informed about job opportunities and requirements; they should visit business firms regularly.

In some communities where school guidance departments have identified potential dropouts, businessmen and other community leaders have taken a personal interest in individual students. Such a "big brother" program has given schools new meaning and greater value to the individual and to the community.

After assessing the dropout situation in your community, you or your organization could plan spot announcements on radio or television programs, appearances by businessmen before youth groups or other means of making the value of education known to your town's teenagers.

If you desire additional copies of the stay-in-school poster, please use the order form below.

Please tell us about any program you now have in operation or are planning to prevent dropouts and improve the holding power of your community's schools.

Sincerely yours,

JOHN E. HARMON.
Assistant Manager, Education Department.

[From Washington Report, Chamber of Commerce of the United States, Nov. 30, 1962]

AN ANSWER TO TRAINING NEEDS OF BUSINESS

The secret is long out: business and industry desperately need trained and trainable employees at all levels and in all fields—managerial, technical, administrative, machine operators, clerical. From 1960 to 1970 the U.S. Labor Department estimates¹ that we shall need—

- 41 percent more professional and technical personnel;
- 27 percent more clerical and sales trained personnel;
- 24 percent more proprietors;
- 24 percent more skilled workers;
- 18 percent more semiskilled workers;
- 25 percent more service workers;
- 0 percent unskilled (no increase).

Millions of jobs will become available by 1970, but—at the present rate of training—we could have many unemployed.

EXPANDED TRAINING CAPABILITY NEEDED

What is the answer? Employers have found only a small part of the answer in variations of the traditional classroom method of training. Inplant instruction, short courses, evening classes, late afternoon classes, Saturday morning classes, early morning television, and off-campus programs to outlying communities have not supplied enough training fast enough to enough employees at costs which are economically feasible. Although they are unable to provide the mass vocational training required to meet the automation revolution that even now is well underway, these traditional methods should be continued, supported, and used more intensively than ever. However, there is at least one other training method that can be called on to help in the task before us.

¹ Does not include replacements.

CORRESPONDENCE EDUCATION INDUSTRY TESTED

In looking for the answer, we found that most employers, large and small, have overlooked a method that has been used most effectively in a limited way for a long time—correspondence training. It is true that 7,000 businesses and industries have used and more than 10 million people have been instructed and upgraded through correspondence study, but from what we have been able to learn, the vast potential of the method remains largely untapped. Based on our probe, the results are good. One company, for instance, reports its maintenance and repair costs were reduced 30 percent as a result of a company correspondence program.

Why correspondence? Because we need an approach which will provide a wide range of course offerings while allowing for development of the individual learner's ability. Most vital: home study permits the trainee to adjust to the time and place of study. The mass training of individuals for their work today and tomorrow requires an approach which is flexible. It must—

Permit students to study subjects at numerous educational levels;

Allow them to complete instruction in a short time or over an extended period—at their own choice;

Meet the diversified interests and needs of people who have unlike backgrounds and differing abilities.

After surveying the problem and looking at the methods, it appears that correspondence education provides the majority of blue- and white-collar workers a convenient and a valuable means to participate in a learning situation on an organized basis.

CORRESPONDENCE METHOD SOUND

In the past, some have had doubts about the correspondence method. It probably is true that a serious student who has the benefit of a skilled and competent teacher and a well-organized curriculum can learn and learn well in the classroom—perhaps better than in any other way. The employer's problem is: How to get the student and the teacher together—the teacher teaching and the student learning the subject matter needed for the efficient operation of your industry or business. Without an expensive in-plant training program, the problem often is insurmountable, and the training is neglected. As a result your business continues to produce at a status quo rate; you are unable to expand production and to increase the profit margin obtained by greater volume.

Actually, all of the ingredients of any learning situation are present: the student, the instruction materials, and the instructor. The difference is that communication between teacher and student takes place through the written rather than the spoken word. This appears to have advantages; students must learn every part of the subject matter and respond in writing to every part of every lesson. In contrast, not everyone has the opportunity to recite at every meeting of every class on all parts of the subject under discussion. Students studying University of Wisconsin correspondence courses learned just as well as in a lecture course where they were able to question their instructor directly, research has brought to light. Although the test scores of students taking classroom and correspondence courses did not vary significantly, a University of Michigan study showed that home study students retested 4 months after taking a course retained more than the regular classroom group.

EMPLOYEE INCENTIVE—FUTURE JOB CAPACITY

Motivation? It appears to be built in. If your people need to know more to increase production, to keep their jobs, to advance within the company, to prepare for major or minor changes within your plant in the future, you should have no trouble encouraging good personnel to study in their off hours. If they are reimbursed, in whole or in part, for costs upon completing the course, good employees will find this additional incentive hard to resist. Employees provided this motivation will come to know that their company not only has an enlightened self-interest, but it also has the interest of its employees at heart—an important factor in reaching maximum production in any business, large or small.

ROLE OF CORRESPONDENCE COURSES IN BUSINESS, MILITARY, AND GOVERNMENT

Most Americans are not aware of the role correspondence education is playing in business, in the military, and in Government. In industry, more than 7,000 (including over 290 of the largest) business firms use it or carry out all of their training through correspondence. Most recent enrollment figures show—

About 1 million active and reserve military personnel are enrolled in military-type courses through one of the services;

Two hundred forty thousand active duty military personnel are enrolled in academic courses through the Armed Forces Institute;

One hundred thousand seven hundred and eighty-eight are enrolled in vocational and cultural courses in 45 colleges and universities;

Eight hundred thousand are enrolled in 56 accredited schools, according to the National Home Study Council, in technical, vocational, and high school level courses;

An estimated 700,000 are enrolled in nonaccredited schools.

DIRECTORY OF ACCREDITED SCHOOLS AVAILABLE

How can employers be certain that their employees will receive quality courses, that the business ethics of the schools are reliable? We knew you would need help in this area. Although substandard schools operate from coast to coast, we were able to obtain a list of accredited schools and their course offerings in more than 400 subject areas. Write to us, and we shall send you a limited number of directories without charge.

The educational service and reliability of accredited correspondence schools have been gone over by an independent accrediting commission which is approved by the U.S. Office of Education as a "nationally recognized accrediting agency." Having looked at the accrediting standards, we are convinced that the commission's standards for a school are rigorous, indeed—

It has a competent faculty;

It offers educationally sound and up-to-date courses;

It screens students carefully for admission;

It provides satisfactory educational services;

It has demonstrated ample student success and satisfaction;

Its tuition charges are reasonable;

It advertises its courses truthfully;

It is financially able to deliver a high quality of educational service.

EMPLOYER AND EMPLOYEE GAINS FROM CORRESPONDENCE EDUCATION

Having been satisfied that the high standards provided ample protection, we checked more thoroughly into the advantages employers and employees could expect from correspondence study. From our research, we have found that those business and industry operatives which use home study to train employees utilize it for several reasons:

Many workers can be trained in different fields at the same time;

Each worker can learn at his own rate because study is carried out on an individual student basis;

As a method of training workers, it can be the most economical way. (A full in-plant training program is expensive and usually insufficient to meet multiple company needs.)

Still other employer advantages were uncovered:

No time is lost from the workday;

Home study can be tied into an in-service training program, and examinations and progress can be checked by company supervisors and training personnel;

Certain schools can provide diagnostic testing services for business and industry embarking on a group training effort by means of home study. Testing is used to find the skill-knowledge level of employees in order to design a course which will begin and continue training at a proper level for employees, as well as meet the company's training objectives;

Courses are specific and concentrated; the emphasis is on learning which can be applied immediately to the employee's work. Courses range from air conditioning, arithmetic, and architecture, to welding, wiring, and work simplification.

In a recent survey of hundreds of correspondence school graduates, the employee gains were significant. Here is a summary of the findings among students:

- They learned from the course what they anticipated it would provide;
- Based on prior earnings, pay increases averaged \$22.50 per week—about 90 percent received those increases;

- They were promoted (over 40 percent) or were able to relocate in better jobs;

- Graduates were well satisfied—in fact, enthusiastic—about the quality of the subject matter as well as the correspondence study method;

- More than three-fourths of the men reported receiving better wages;

- More than three-fifths said they now had a better chance for promotion;

- More than one-third emphasized receiving a greater supervisory role;

- Three-tenths of the respondees reported that their status in the neighborhood where they lived had improved;

- More than half of those surveyed felt better about their work;

- More than four-fifths of the students said that they would study through home study if they had to make the choice again.

In addition to these advantages, several personal benefits were noted:

- Employees can pay for the courses by installment as they learn;

- Each man receives individual attention from the instructor;

- A student can study subjects not available locally—business courses, skilled trades, preparation for professional licenses, hobbies, academic subjects;

- Employees can continue to learn while remaining at home and can do it without travel;

- Where the skill requires equipment, a kit often is furnished giving a student practice in his skill—e.g., assembling a radio or TV set as part of a course.

Still another benefit: many adult workers have dropped out of high school and now want and need a high school program both for background and basic skill knowledge. High school programs and preparation for an equivalency diploma are offered through home study. With high school training, an employee then can fruitfully continue his education in courses dealing with his particular job.

TUITION REIMBURSEMENT PLAN

Savings for employers and employees? As compared to in-plant training, the savings are considerable, even if the company supports a cooperative refund plan for employees. If a firm needs additional skill development among its employees in a reasonably short time, it is wise to start a cooperative training plan. In this program, an employee pays the original tuition and training costs, and the company refunds part or all of the costs on satisfactory completion of training. A brochure describing variations of the plan will be sent to anyone requesting it.

Noteworthy under a cooperative training plan are the tax considerations—

- For the company, tuition refunds are written off as operating expenses;

- For the employee, under Treasury ruling, expenditures for education are deductible if undertaken primarily for maintaining or improving skills required by the student to perform duties of employment “when the educational expense was incurred,” or for meeting the mandates of the employer who has imposed the educational requirement “as a condition for the retention by the student of his salary, status, or employment.”

CORRESPONDENCE EDUCATION OFFERS MANY ADVANTAGES

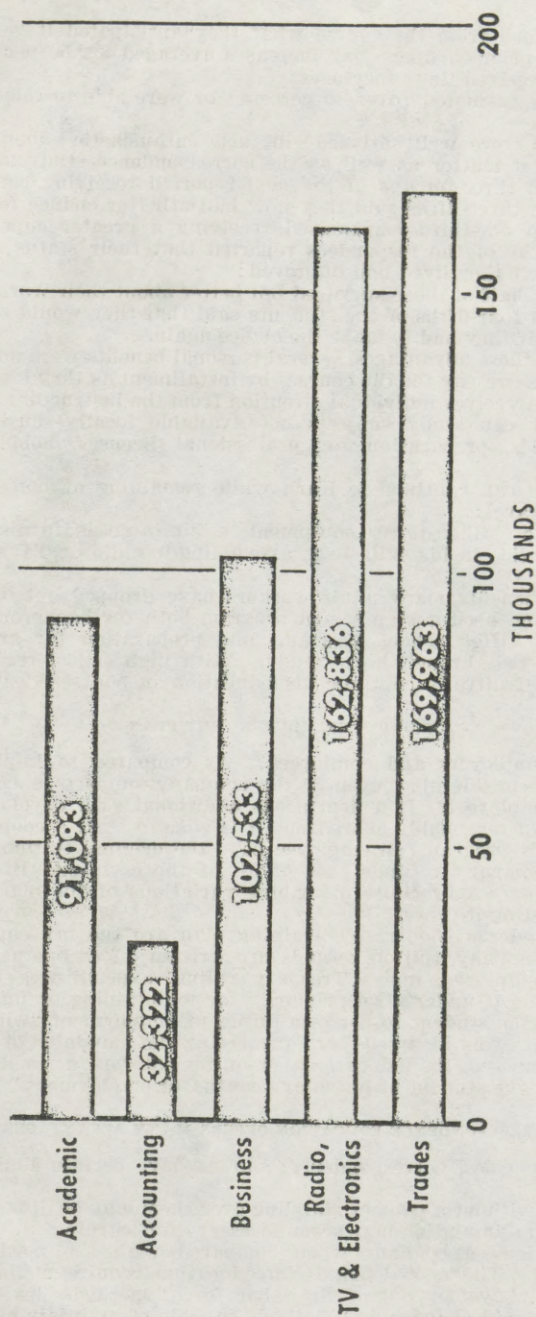
For some employees, correspondence courses have certain limitations. For instance—

- Learning without a teacher standing over them may be difficult.

- Classroom stimulation may seem necessary for learning.

These limitations are minor when compared with the need for another educational tool. The new demands on education require methods which do not take men and women out of the labor force; methods flexible enough to keep pace with rapid change; and methods capable of maintaining high quality during periods of unparalleled growth. Home study meets some of these demands, and in our view it has become a significant part of the new adult education.

RECENT ANNUAL ENROLLMENTS IN HOME STUDY COURSES OF SPECIAL INTEREST TO BUSINESS & INDUSTRY



This graph provides a comparison of subject area enrollments selected by new students enrolled in accredited home

study courses in one year. 558,747 of 860,190 students chose courses vocationally beneficial for working adults.

On request, we shall send you additional information on correspondence education.

[From Washington Report, Chamber of Commerce of the United States, Feb. 8, 1963]

AN ANSWER TO TRAINING NEEDS OF BUSINESS

WHAT IS APPRENTICESHIP?

Leaders of business and labor who are serving on the Federal Committee on Apprenticeship define apprenticeship as a method of learning a skill through a predetermined schedule or training outline which consists of not less than 4,000 hours (a minimum of 2 years) of on-the-job training, and related theoretical instruction.

An apprentice learning a skill receives on-the-job training, but a person receiving on-the-job training is not necessarily an apprentice. To avoid confusion, the above definition is utilized in this supplement.

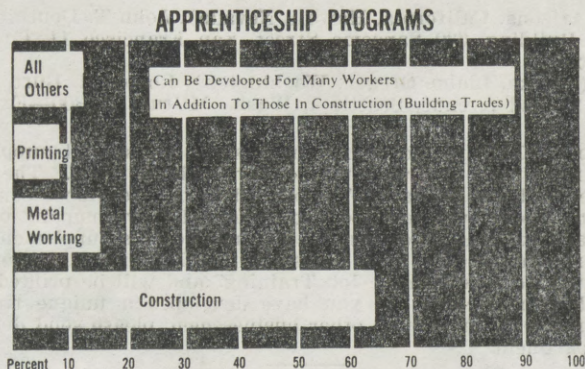
WHAT APPRENTICESHIP DOES

Apprenticeship provides employers with an effective training plan whereby employees help themselves develop a wide and diverse range of skills. As a training plan, it is designed to afford a qualified person an opportunity to earn while he learns a skilled occupation. A sound apprenticeship program stresses quality workmanship and creates a keen sense of its awareness in the apprentice. An integral part of his training is that he is taught to recognize the full meaning of quality workmanship and intuitively strive for it in his work.

* * * * *

WHERE AND HOW MANY APPRENTICES ARE EMPLOYED

The U.S. Department of Labor's Bureau of Apprenticeship and Training reports there are more than 150,000 registered apprentices in training, most of whom are in construction industries. Of course, there are a number of apprentices being trained in other industries. The following graph shows distribution of registered apprentices by industry:



Apprentices are being trained in every State in the Union, for example:

Aero-jet mechanics in California.

Electronic technicians in Massachusetts.

Foundrymen in Pennsylvania.

Furriers in Alaska.

Maintenance mechanics in pineapple plants in Hawaii.

Tool and die makers in Michigan.

The number of apprentices must be substantially increased to meet scientific and technological innovations in business and industry. Those now in training are insufficient to cover losses resulting from deaths, retirements, and transfers to other occupations, to say nothing of meeting demands for supervisors, foremen, and industrial managers.

Do you know the U.S. Department of Labor's Bureau of Apprenticeship and Training and cooperating State apprenticeship agencies provide consultant service available to you on request?

Specifically, they will—

Assist in determining your training needs;

Furnish information on training aids, programs, and materials;

Assist, where necessary, in planning training activities to meet specific needs.

If additional information on apprenticeship and training is desired, contact the Bureau of Apprenticeship Training official in your region listed below:

Region I (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut), Ernest R. Sias, room 501, 18 Oliver Street, Boston 10, Mass., LIberty 2-2115—Ext. 12, 13.

Region II (New York, New Jersey), Cornelius L. Kort, room 903, Parcel Post Building, 341 Ninth Avenue, New York 1, N.Y., PEnnsylvania 6-7700—Ext. 577, 578.

Region III-IV (Delaware, District of Columbia, Maryland, North Carolina, Pennsylvania, Virginia, West Virginia), Robert F. Handley, room 321, Professional Arts Building, Chambersburg, Pa., COlony 3-4181—Ext. 41, 42, 43.

Region V (Alabama, Florida, Georgia, Mississippi, South Carolina, Tennessee), Charles N. Conner, room 525, 1371 Peachtree Building, 17th and Peachtree Streets N.E., Atlanta 9, Ga., TRinity 6-3311—Ext. 5405, 5406.

Region VI (Kentucky, Michigan, Ohio), John R. Newland, room 1008, Engineers Building, 1365 Ontario Street, Cleveland 14, Ohio, CHerry 1-7900—Ext. 520, 521.

Region VII (Illinois, Indiana, Wisconsin), Alvin A. Dost, room 1000, Bankers Building, 105 West Adams Street, Chicago 3, Ill., STate 2-9510—Ext. 46, 47.

Region VIII (Minnesota, Montana, North Dakota, South Dakota), P. Wesley Johnson, 106 Federal Building, 110 South Fourth Street, Minneapolis 8, Minn., 334-2597—Ext. 2638, 2639.

Region IX (Iowa, Kansas, Missouri, Nebraska), Taylor F. Custer, room 2811, Federal Office Building, 911 Walnut Street, Kansas City 6, Mo., BAItimore 1-7000—Ext. 212, 213.

Region X (Arkansas, Louisiana, Oklahoma, Texas), Fred W. Erhard, room 212, 1114 Commerce Street, Dallas 2, Tex., RIverside 8-5611—Ext. 2901, 2902.

Region XI (Colorado, New Mexico, Utah, Wyoming), D. L. Frodine, room 832, Equitable Building, 730 17th Street, Denver 2, Colo., KEystone 4-4151—Ext. 204.

Region XII (Arizona, California, Hawaii, Nevada), John T. Douthit, room 108, Appraisers' Building, 630 Sansome Street, San Francisco 11, Calif., YUKon 6-3111—Ext. 482, 483.

Region XIII (Alaska, Idaho, Oregon, Washington), Roscoe H. Burt, 1809 Smith Tower, 506 Second Avenue, Seattle 4, Wash., MUtual 2-3300—Ext. 453, 454, 455.

EDITOR'S NOTE.—This is the second in a series of special supplements on training and retraining programs utilized by business firms. The first, "Accredited Correspondence Education," published in the November 30, 1962, issue of Washington Report, was received enthusiastically by company officials and by personnel and training directors. If you missed this supplement, you may obtain a complimentary copy upon request to the National Chamber. A third in this series will feature "On-the-Job Training" and will be printed in a later issue of Washington Report. If you have developed a unique training program that might be of interest to other businessmen, please send details to the Education Department.

[From Washington Report, Chamber of Commerce of the United States, Apr. 12, 1963]

AN ANSWER TO TRAINING NEEDS OF BUSINESS

The jobless rate among youth is two to three times that of the rest of the population. The heart of the unemployment problem is the uneducated and unskilled who are not wanted for jobs. Jobs for the skilled and educated are plentiful. There are answers to the problem of youth unemployment. The answers involve programs, such as those sponsored by the Chamber of Commerce of the United States to prevent high school dropouts. These include improvement in local vocational training and retraining programs, close co-operation between schools and businesses so youths are taught skills that are needed in business, and better apprentice training.

PILOT STUDY OFFERS A SOLUTION

A pilot study (called the "Everett plan") sponsored by the Everett (Mass.) Chamber of Commerce working in collaboration with the Center for Continuing Education of Northeastern University and the Massachusetts Department of Labor and Industries, Division of Apprentice Training, has been completed. An annual program is now in effect which is utilizing pilot study findings to bring community resources to bear on this problem.

* * * * *

A SOLID PROGRAM

It took 10 months of advanced planning and research before the pilot study was introduced in May 1962. Five additional months of work were devoted to analyzing the evaluation of the pilot study and to further program planning before the full year's program was presented to Everett youth in October 1962.

A continuing evaluation of club members, leaders, and sponsors is an important part of the current program and will prove valuable in keeping the project in tune with the career interests of members, changes in the demand for various types of work, new training techniques, educational needs, and changes in the nation's economy.

The center for continuing education of Northeastern University in Boston conducted the research studies, prepared evaluation procedures, and developed the contents of the program in collaboration with the chamber, school authorities, sponsoring firms, and State and Federal agencies.

HOW WILL THE NATION'S ECONOMY BENEFIT?

A reduction in youth unemployment will ensue.

The number of school dropouts will be reduced.

More youth will pursue formal apprentice training to fill the increased demand for skilled craftsmen.

The waste of valuable human resources will be reduced.

A more knowledgeable work force better prepared to accept and cope with technological changes will be provided.

More youth will be motivated to seek advanced training and education.

The number of job turnovers will be reduced.

America's youth will be better prepared to find earlier and satisfying employment.

The program will produce better citizens, more knowledgeable, as it relates to our free enterprise system and how our economy operates.

A new meaning will be placed on the value of all useful occupations.

Our youth will be better adjusted and happier workers.

A closer working relationship will be established between youth who represent our future manpower resources, school authorities, guidance directors, the business world, other community segments, and government agencies.

[From Washington Report, Chamber of Commerce of the United States, June 28, 1963]

AN ANSWER TO TRAINING NEEDS OF BUSINESS

WHAT IS ON-THE-JOB TRAINING?

A method of training, which combines instruction with work experience to see that an employee acquires better management of production skills, is called "On-the-Job Training." The exact length of a training period will vary depending on the skills taught.

WHY ON-THE-JOB TRAINING?

On-the-job training is a program with a definite purpose. It is an action plan whereby businessmen offer their employees the opportunity to develop skills. This type of training—learning while doing—provides common interest goals between the employer and the employee. Common interest goals encourage people to be better informed, more productive, and more responsible citizens.

Business and industry have long accepted the fact that there is a direct relationship between the development of their product and the development of the people who do the work.

Most employees have that quality which is conducive to American progress—a natural desire to advance in their work. Employers can do much to stimulate mutually helpful training opportunities for employees. Self-improvement goes hand in hand with management skills and production goals. For a successful enterprise, there should be a mutual appreciation and concern for management and production goals. On-the-job training improves the overall social and economic position of the employer, the employee, and the community.

U.S. LABOR DEPARTMENT OFFICIAL LAUDS EFFORTS OF BUSINESS

"Trade associations and chambers of commerce have demonstrated a real interest in helping in this area of manpower development," stated John Shouligian of the Office of Industry Promotion of the Bureau of Apprenticeship and Training. "Since your supplement on 'Apprenticeship' the activities of our 12 regional offices have definitely increased." He further stated, "We want to assist business in every way possible to establish apprenticeship and on-the-job training programs. Our field staffs in every State are making personal calls on businessmen daily to assist in organizing training activities."

"Whenever a chamber of commerce or trade association invites one of these BAT representatives to talk to a large group of plant and store owners, it multiplies the effectiveness of each apprenticeship and training representative and gives every taxpayer a better return on the funds appropriated to finance BAT."

WHERE DOES ON-THE-JOB TRAINING APPLY?

On-the-job training is not limited to any single business or profession. A medical intern receives on-the-job training, so do literally thousands of other people in all industries.

A survey by the Bureau of Apprenticeship and Training of the U.S. Department of Labor shows that, in the spring 1962, more than 2½ million employees in American industry were being given some type of formal training in programs sponsored by their employers or through joint labor-management arrangements. Almost half of these workers—about 1¼ million—were employed by large firms with 500 or more employees. Manufacturing firms alone accounted for more than 1 million of the worker-trainees, followed next by retail trade establishments which were training well over one-half million. (See chart below.)

TO WHOM DOES IT APPLY?

All types of employed persons, from the managerial level to employees at the worksite, participate in on-the-job training programs. The following classifications are most common:

Supervisors	Apprentices
Engineers	Semiskilled operators
Technicians	Co-op students
Journeyman	Clerks

Every type of occupation requires skills. The properly trained person possesses the aptitude for his occupation. He has the knowledge of and competency for performing all phases of his work.

IDENTIFYING EMPLOYEE TRAINING NEEDS

Many companies have set up functions that help employees develop skills through on-the-job training. Various methods are used to identify training needs of the employee, such as—

Testing.

Individual counseling, etc.

WHO DOES THE TRAINING?

Not too many years ago, owners and operators of business and industry not only operated and managed their business but also trained their employees. Now, because of the diverse demands of the company owner or official, on-the-job training programs are developed, supervised, and administered by employment managers, training directors, or supervisors. Today, public and private agencies provide business and industry with up-to-date services for their training needs.

Business and industry employ specialists who develop training programs and transfer skills as well as knowledge to employees on and off the job. Many companies which do not require a full-time trainer arrange for private or public assistance. Various management associations pool their resources toward acquiring professional trainers.

WHAT TYPE OF TRAINING IS PROVIDED?

Management.
Supervisory.
Production.

Apprenticeship.
Safety.
Sales.

DO YOU NEED A TRAINER?

Many large companies employ a specialist who does the training. In smaller firms, supervisors who have the responsibility for training often delegate training functions to a journeyman, skilled operator, technician, etc.

Today, line supervisors are often required to instruct new and old employees working under them. As a result, supervisory training on how to instruct is essential to accomplish desired goals.

BENEFITS THAT ACCRUE

Business and industry stress the importance of recognizing and guarding human values in today's world of technological advance and material progress.

More leaders of business and industry are taking time out from their many chores to participate in training programs which promote self-reliance and initiative among their employees.

Their specific objectives for participating in such activities are to keep business and industry dynamic and expanding, and to create new job opportunities.

Business and industry need flexibility in—

Meeting demands.
Work force.
Skill requirements.
Training programs.
Sales approach.

On-the-job training programs of business and industry usually are influenced by—

Competition.
Expansion.
Diversification.
Demand.
Quality control.

THE MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

Congress included in the Manpower Development and Training Act of 1962 specific provisions for on-the-job training programs throughout the country. This act establishes a nationwide program for both institutional and on-the-job training to meet current and future occupational demands.

The Bureau of Apprenticeship and Training, U.S. Department of Labor, has the responsibility for implementing the on-the-job training features of this act. Assistance is available to employers and other organizations to set up

training programs and, in some instances, funds to defray training costs. There are provisions for trainer salaries, consumable supplies, and other allowable costs. Employers should contact the Bureau of Apprenticeship and Training Office in their vicinity for specific details.

BY 1970, 87 MILLION AMERICANS WILL BE WORKING FULL TIME

Fifty-eight million now at work will still be employed: They need training to keep pace with new methods, new materials, new opportunities. Many will require retraining as their jobs disappear due to automation and economic change.

Twenty-six million young workers will start work, 1960-70: Their aptitudes, skills, and education must match the needs of a changing economy. The 8 out of 10 who will not complete college must gain occupational competence in other ways.

Three million women will switch from housework to jobs, 1960-70: These wives, mothers, and widows will need marketable skills in the decade ahead. On-the-job training will not only help the individual but will assist businesses of all sizes in meeting the manpower needs of a changing economy.

EDITOR'S NOTE.—This is the fourth in a series of special supplements on training and retraining programs utilized by business firms. This article, "On-the-Job Training," is a companion piece to the one on "Apprenticeship." Previous Washington Report supplements: "Accredited Correspondence Education," November 30, 1962; "Apprenticeship," February 8, 1963; and "Career Guidance for Youth," April 12, 1963, were received enthusiastically by business. If you missed any one or all of these supplements, you may obtain complimentary copies upon request to the national chamber. A fifth in this series will feature "Vocational Education: Trade Extension Training" and will be printed in a later issue of Washington Report.

PREPARED STATEMENT OF JOSEPH T. NERDEN, DIRECTOR, DIVISION OF VOCATIONAL EDUCATION, STATE DEPARTMENT OF EDUCATION, HARTFORD, CONN.

I am Joseph T. Nerden, director of the division of vocational education for the Connecticut State Department of Education, located in Hartford, Conn. I am very much appreciative of this opportunity to present testimony to the Select-Committee on Labor of the U.S. House of Representatives, concerning the activities of community-centered organizations in assisting in (1) the provision of appropriate training facilities and (2) the determination of employment possibilities for young people and adults. The testimony is in accordance with the best traditions of vocational education and relates specifically to the provisions of the Manpower Defense and Training Act.

My background in the field of vocational education includes 36 years of experience in industry and in education, ranging from mechanical engineering through teaching, supervising, and administering vocational education programs. I hold a diploma in mechanical engineering from the evening college at the Massachusetts Institute of Technology, and a master's degree and a Ph. D. degree from Yale University in New Haven, Conn. My purpose in presenting testimony at this hearing is to provide information regarding the developments that have already occurred in the manpower defense and training activity, involving Community Progress, Inc., in New Haven, Conn., and further to emphasize that this community-centered activity with its contribution to the solution of unemployment problems of youth and adults deserves the further consideration and support of social and governmental agencies.

Community Progress, Inc., of New Haven appears to have developed a very effective means of identifying some of the groups in the Greater New Haven area that have need for training, and have at the same time identified industries in the Greater New Haven area where opportunities for the trained individual exist, and have, through the State labor department, requested that training to be given, in order to make the identified individuals employable. The assistance which Community Progress, Inc., can render in the future is considerable and deserves both moral and financial support from local, State and Federal agencies.

The U.S. Department of Labor, through its Office of Manpower, Automation, and Training, has pointed out in several publications that the individual who is prepared to enter a specific trade or occupation today must plan to be retrained

four or five additional times during his or her lifetime. This retraining comes as the result of advances in technology and in the growth and improvement of business and commercial procedures. The problem which was once faced in this Nation of training an individual for a lifetime occupation has now been multiplied several times. Hence, the work of the State labor department, in continually identifying positions into which individuals may go following training, has also been multiplied. Organizations centered in communities and having the greater good of the greater number of the inhabitants of the community can assist the State labor department personnel in identifying persons whose updating and upgrading will provide them with new skills and new technical information, the result of which will be employment in new job categories. It is a matter of record that neither Community Progress, Inc., as a community-centered group nor the State labor department provides the actual training of the enrolled groups. This is the sole responsibility of the respective divisions of vocational education in the 50 States in the Nation. Connecticut, which has established a most harmonious relationship between education and labor over a long period of years, has, through this partnership, developed training programs which have been (and still are) immediately responsive to indicated needs for training, from whatever agency the identified need proceeded. Therefore, as a matter of procedure, requests for training from Community Progress, Inc., have been routed through the Connecticut State Labor Department to the division of vocational education. In every case, the training has been provided.

Needless to say, the joint efforts of a number of agencies in Connecticut of which Community Progress, Inc., has been an important one, has resulted in removing people from the unemployment compensation rolls and the welfare rolls, and has provided these individuals with new purpose in life, a job and a means of supporting themselves and their families. Also, the ultimate economy of the State has been affected, and as the activity continues to flourish, will result in more observable positive results.

The Division of Vocational Education of the Connecticut State Department of Education has been cooperating with Community Progress, Inc., of New Haven for the past year. The division as a whole regards the Community Progress, Inc., Agency as one whose purposes and objectives are excellent and an agency whose community concern is striking directly at the roots of some of our social and economic ills. Throughout the Department, CPI is admired for its excellent beginnings, and the educational consultants in the division believe that as CPI continues to grow it will serve many more people than it has in its very brief history to date. Our knowledge of the operations of CPI indicate that a very careful analysis of communities in the Greater New Haven area is first carried on in order to determine the numbers and kinds of individuals who are (1) available for work and (2) who are capable of receiving training. Further, CPI next examines the employment field in the Greater New Haven area, and through its activities with employers identifies specific jobs into which trained individuals can move and be reasonably successful. In continuing its work on the problem of providing jobs following training, the identified individuals in the many communities are referred to the employment security division of the State labor department where they are screened by means of appropriate tests and interviews. Once these candidates are carefully screened and made up into groups of a fairly homogenous nature, the actual numbers and training requirements of the groups are referred to the Division of Vocational Education of the Connecticut State Department of Education. The task of providing appropriate training is the sole responsibility of the division of vocational education, and this responsibility has been carefully identified in the Manpower Defense and Training Act.

It is vocational education's responsibility to make the analysis of the training needs. This includes the required skills and technical knowledge needed by the individuals to make them employable.

It is vocational education's responsibility to select well-qualified instructors for the classes which have to be set up to provide the training. These instructors must be in possession of all the necessary skill and technical information needed to provide effective, efficient instruction in accordance with the skills and technical information demanded by the employing industries.

It is vocational education's responsibility to provide an appropriate place of learning, to provide all the necessary equipment and the facilities, or to contract for any of these, in order that the learning may proceed in job-oriented and industrially oriented facilities and locations. As a general rule, since Connecticut has in operation 14 regional vocational-technical schools, strategically located

throughout the State, all of which have well-equipped laboratories and shops, it is possible to conduct the training in these schools at times when the schools are not in use by regular day preparatory students.

It is vocational education's responsibility to turn out in a specified length of time individuals who are trained in accordance with the analysis which we made of the needs of the individual and industry. This is a large order, but one which Connecticut vocational education has been meeting for many years under a variety of titles. These names include apprentice training, vestibule training for industry, area redevelopment training, short-term training courses, and other such designated titles.

As vocational educators in an industrial State such as Connecticut, we may be biased, but we see the training of individuals who have been identified by any agency as the keystone to the entire process. Further, we believe that the future successes of any community-centered activities will rest upon the successes achieved in training, and measured by employment. We believe that regardless of the steps that are taken to identify and place individuals in jobs, the training is the one characteristic by which industry will judge the entire project.

During one year of cooperation with Community Progress, Inc., of New Haven, a number of individuals have been trained. These include some 50 individuals in courses specifically set up under project numbers as follows:

Project 050: Industrial X-ray technician, 15 trainees (240 hours).

Project 051: Industrial draftsmen, 15 trainees (540 hours).

Project 052: Chemical laboratory technicians, 20 trainees (240 hours).

Projects 050 and 052 were recently completed, all 30 of the trainees successfully completing the requirements established for the two courses. Although placement of the individuals is not the function of the division of vocational education, as identified under the responsibilities of the several agencies provided for in the manpower development and training activity, from all of the reports coming to the division of vocational education almost all of the trainees have been, or are expected to be placed in employment. Project 051 is still in its training operation and will continue through to the end of September. Of the 15 students originally enrolled, 14 are still in attendance and are proceeding satisfactorily through the program of instruction.

Other individuals have been identified by CPI and have been directed through the channels of the State labor department into manpower training projects that were being made ready to be placed in operation. These include a small number of individuals who have been trained as cooks and waiters. Training for these cooks and waiters was provided by the division of vocational education under contract with the Culinary Institute of America, a private school located in New Haven.

The supervisory staff and the teaching staff which operates under the authority of the division of vocational education has been very much impressed with the quality of the students that have been referred for training. All have been excellent students, and there is every likelihood that upon completion of the training and with placement, their success on the job is assured.

Since all of the referrals coming to the division of vocational education from CPI automatically become enrollees in a manpower defense and training program, it may be important to report on the scope of the total Manpower Development and Training Act program carried on by the State of Connecticut.

On July 1, 1962, almost 6 weeks in advance of the time when Federal funds were actually made available for the operation of manpower programs, Connecticut put into operation over 40 programs designed to provide enrollees with opportunities to qualify for jobs which had already been identified by the department of employment security of the State labor department. It is the operating philosophy of the division of vocational education that if the training is required, steps must be taken to provide this training. Thus, even though Federal funds were not to be made available until mid-August, beginning in July the 40 programs were put into operation at a cost to the State of Connecticut of very nearly \$70,000. For the fiscal year July 1, 1962, through June 30, 1963, training has taken place in 13 of our 14 vocational-technical schools, in 3 private schools by means of a contractual arrangement, and also in 5 public high schools under a contractual arrangement. The total program has embraced 50 projects and has covered such areas of training as machine shop work, welding, automotive repair, typing, machine drafting, industrial X-ray technician training, chemical laboratory technician training, electronic unit assembly, power sewing machine operator training, training of cooks, training of waiters, pre-apprentice carpentry, pre-apprentice sheet metal work, automatic screw machine

operator training, training of pipefitters, sheet metal workers, and training for retail selling. As of June 30, 1963, the division of vocational education, through its manpower unit, has trained a total of 1,605 people under Manpower Development and Training Act, almost all of whom were immediately placed in employment. Under the Area Redevelopment Administration program over this same period of time, 380 people were trained and all were placed in employment immediately following the successful completion of the training.

For the purpose of carrying on manpower training and defense activities, funds were allocated to the State of Connecticut during the 1962-63 fiscal year for training purposes in the amount of \$392,055. In addition, \$31,000 was allocated for the purposes of State supervision. The accounting of the actual costs of operation is not complete as of this moment because of existing encumbrances in some of the accounts and projects. The probable actual costs of operation are estimated at approximately \$285,000 for training and \$27,500 for supervision. With these figures, it would appear that the costs of training under the manpower defense and training activity averages out at approximately \$180 per individual. This is certainly an excellent way to take unemployed personnel and through the application of approximately \$180 of training, make them ready for a wage-earning job.

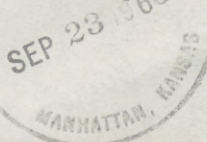
One of the principal areas for retraining has been the Norwich-New London area, where in one of Connecticut's regional vocational-technical schools alone (the Norwich Regional Vocational-Technical School), over 1,350 people have been trained since May of 1961. This considerably antedated the beginning of the Manpower Development and Training Act, which illustrates the fact that Connecticut has always been responsive to the needs for emergency training and retraining. However, since the advent of the Manpower Development and Training Act, some 625 people have been trained in the 1962-63 fiscal year for the principal employer of these people, the Electric Boat Division of the General Dynamics Corp.

It may be of interest to the Select Committee on Labor to know what kinds of facilities are available in Connecticut for carrying out the training programs identified by the State labor department, Community Progress, Inc., or any other community-centered agency. For the convenience of the committee, I have identified herewith the agencies which are operated, supervised, and administered by the State of Connecticut through its State department of education, division of vocational education.

THE AREA VOCATIONAL-TECHNICAL SCHOOLS

As the result of its intensive, industry-oriented effort, the State of Connecticut has in operation throughout the day and evening hours, 14 area or regional vocational-technical schools, offering a full high school level program of English, social studies, mathematics, science and physical education, in addition to an effective program of 32 trade-preparatory curriculums. These trade programs include toolmaking, diemaking, machine shop practice, industrial electronics, lithography, industrial chemistry, and many of the building trades, as well as offerings for young ladies in the fields of cosmetology, fashion design, licensed practical nursing and dental assistant training. I have indicated that our programs of instruction are effective, and I submit to you that each year of the last 25 years, our annual graduate followup studies have indicated that not less than 92 percent of our graduates accept and hold jobs in the trade or allied trades for which training was provided. Some, by virtue of the high school diploma earned during the training program, continue their education in evening and extension college programs and earn associate and baccalaureate degrees. Because of the effectiveness of our trade-training programs, our schools operate at capacity and for September 1963, have already selected on an average of one enrollee from each four qualified individuals who made application for admission. One might well ask about the three potential craftsmen who were denied admission. They represent a serious loss to the industrial economy of the State and the Nation, and as a group they are one of the major reasons why, on an earlier appearance before the Subcommittee on Education and Labor, I urged the favorable consideration of H.R. 4955, since additional Federal support will do much to solve the problem of providing young people and adults with skills critically needed in so many geographical areas of this Nation.

From the foregoing, it is apparent that the State of Connecticut, an industrial State with over half of its people engaged in industrial pursuits, has carried out its philosophy of providing programs which prepare individuals for specific



areas of occupational life, as well as to update and increase the technical knowledge and skills of those already employed. Further, the State of Connecticut sees the need to provide technical and related information and instructional programs to individuals serving apprenticeships in various occupations. Such programs are an integral part of the educational opportunities provided to the citizens of Connecticut, in a design to meet the needs, aptitudes, and interests of individuals who desire such programs. In all programs, the purpose is to educate as well as to train. The operating philosophy is to educate for:

- Earning a living.
- Active constructive citizenship.
- Social competence.

THE STATE TECHNICAL INSTITUTES

Because of increasing needs for technicians in industry and expressions of need by industry for the training of technicians, the Connecticut State Department of Education, in cooperation with industries in Connecticut, made a study of such needs and published the report of this study of a few years ago. This document is entitled "Technicians for Connecticut Industry," a study of need for technical institutes.

Connecticut has under State auspices operated a technical institute in Hartford since 1946. Any qualified person in the State is eligible to attend this institute if he or she shows evidence of ability to do the laboratory and class work required. Requirements for admission include graduation from high school or vocational-technical school, and evidence of ability as determined by an engineering-oriented examination. Experience has shown that students who have a good foundation in mathematics and science have the best chance for success in the Connecticut State technical institutes.

The State technical institute in Hartford has been continuously accredited since 1955 by the Engineers Council for Professional Development, the influential engineering council whose membership is composed of the major engineering societies. Our other institutes will make application for accreditation when they have been in operation the required number of years to meet the ECPD criteria. In September 1962, the Hartford institute was able to admit, because of limited facilities, only one out of eight qualified applicants. Graduates from the institute are in demand by industry and reports from industry are highly gratifying as to their high grade of performance on the job. Our reports indicate that the June 1963 graduates had five engineering aid positions apiece to choose from, and the average starting salary was \$460 per month.

In addition to the full-time, 2-year program, the institute also provides an extremely valuable service to industry in the evening adult and extension division, in which 3,500 persons are enrolled. The associate in applied science degree is awarded to those that complete the 5-year evening program.

Because of the rapidly accelerating need for the training of technicians, and based upon the statewide study carried on in cooperation with industry referred to earlier, the Connecticut State Board of Education supported by the Connecticut Development Commission and by the extensive industry in the State proposed the development over the next several years of additional State technical institutes.

In October 1960 a new State technical institute for Hartford replaced the older facilities, and in September 1961 a new \$3 million State technical institute began operation in Norwalk. Included in the offerings at both operating institutes are the technologies designed to prepare engineering aids for the fields of mechanical, electrical, metallurgical, electromechanical, civil, chemical, tool (or production) engineering, and data processing. Completion of any one of the required 2-year curriculums earns for the graduate the degree of associate in applied science.

The 1961 Connecticut General Assembly appropriated sufficient funds for the building of two additional State technical institutes and one of these located in Norwich, Conn., will be ready for its first group of enrollees in September 1963. By January 1, 1964, the Waterbury State Technical Institute will be ready for occupancy. All of this development points to the steps that have been taken by the State of Connecticut to support and reinforce industry with highly skilled technicians needed in the conduct of highly skilled industry for which our State has long been noted. By the rapid growth of its broad program of area vocational-technical schools, and by the rapid development of its program of area State technical institutes, Connecticut, through its general assembly

and the Connecticut State Board of Education, is providing education and training for its citizens and support for its very vital industries. Connecticut industries are not only important to the people of our State, but since so much of our industry is highly technical and in the interests of the national defense, our industries affect the Nation.

THE AREA VOCATIONAL-AGRICULTURE DEVELOPMENT

Since 1917, vocational-agriculture classes have been conducted in high schools in the State. In most areas, local school boards have been unable or unwilling, because of constantly increasing demands on their resources, to provide adequate facilities for such programs.

In order to provide equal educational opportunities for Connecticut youth, the 1955 session of the Connecticut Legislature passed an enabling act and appropriated funds for the first area vocational-agriculture center, now in operation at Middletown, Conn. The 1957 session appropriated funds for another area vocational-agriculture center which is located in the town of Vernon. Since then, five additional centers have been requested and built. Succeeding legislatures in Connecticut, recognizing the value in providing area centers for vocational-agriculture, have authorized additional centers in order to fill out the recommended pattern of 11 centers to meet the needs of in-school youth, out-of-school youth, adult and extension activities.

Working cooperatively with public education authorities, and with excellent advice and guidance from area consulting committees, the area vocational-agriculture centers now in operation, and those soon to be in operation, represent Connecticut's solution to the problem of meeting the needs and interests of a valuable segment of its population. Throughout the many years of its vocational-agriculture development, Federal funds in support of the venture have been exceedingly helpful. Additional Federal funds such as are requested in H.R. 4955 will make it possible for more and improved programs to be offered to greater numbers of Connecticut youth and adults, and to make certain that Manpower Development and Training Act projects in agriculture can be offered in well-equipped facilities.

OTHER VOCATIONAL PROGRAMS

Time does not permit the detailing of other areas of vocational development that have proved successful in Connecticut. Brief mention is made at this time, however, of the other kinds of vocational training that are being provided, and I point out that greater general support of the program would insure that greater numbers of individuals could be served, both in regular programs and in Manpower Development and Training Act projects. At the present time, 12 large Connecticut high schools offer programs of distribution education and many more centers offer extensive evening programs designed to administer to the needs of employed adults.

Vocational homemaking is offered in 46 Connecticut high schools and is augmented by very large enrollments in adult homemaking classes.

Connecticut industry is served continuously with the programs of the supervisory development training activity aimed at updating the foremen, middle management and supervisory personnel in industry with the skills of supervision, safety management, effective waste reduction and such valuable, short, in-plant training courses. Much more of this kind of training is necessary to strengthen the industrial potential and the industrial economy of this Nation.

Apprentice training programs, in cooperation with State and Federal labor agencies, are offered throughout Connecticut. The facilities and staffs of the 14 regional vocational-technical schools are involved in this tremendously important activity. Much more attention will have to be given to apprenticeship, however, in the next few years as the need for skilled workers continues to increase.

NEED FOR ADDITIONAL VOCATIONAL GROWTH IN CONNECTICUT

Notwithstanding the fact that in the spring of 1963, the 14th brand new area vocational-technical school was dedicated and placed in service as a contributing factor in the preparation of skilled craftsmen and technicians for Connecticut industry, and as a facility for Manpower Development and Training Act projects, steps were taken to request additional building appropriations from

the Connecticut General Assembly for the expansion of our present facilities and the provision of new and additional facilities.

As the result of legislative action, some expansions were provided along with an appropriation sufficient to construct, equip, and operate an entire new school in the lower Naugatuck Valley. When ready for occupancy, this school will be the 15th in the system of vocational-technical schools, all totally State operated.

This committee must be cognizant of the urgent need for craftsmen and technicians everywhere in the industries of the Nation. Connecticut, which has had 53 years in this field of preparing and training these kinds of individuals now finds itself with all of its brand new institutions crowded, such that on a state-wide basis only one out of four qualified individuals making application for training can be accepted. This is critical in our economy and certainly in the industrial economy of the Nation, since the lack of sufficient training facilities severely limits the number of skilled craftsmen and technicians which can be prepared and which every engineering and trade journal indicates are sorely and urgently needed. Additional Federal funds to inaugurate, stimulate, maintain, and promote vocational education will provide the much needed motivation in this field of endeavor.

In conclusion, it is apparent that with the facilities indicated above, and with the wide-scale cooperation of agencies such as can be brought into play as Community Progress, Inc., the State labor department, and the division of vocational education of the State department of education, tremendous inroads can be made on the social, economic, and industrial problems which face the State of Connecticut. With Community Progress, Inc. in close contact with the people of the area which it serves, identifying individuals who have potential for training, and identifying specific job opportunities for these individuals, with the trainee screening reserved for the State labor department, and with the actual education and training provided by the division of vocational education, there appears to be reason for hope in the solution of the problems of unemployment and retraining.

APPENDIX

SUPPLEMENTARY INFORMATION CONCERNING VOCATIONAL EDUCATION IN CONNECTICUT

A. THE 14 REGIONAL VOCATIONAL-TECHNICAL SCHOOLS IN CONNECTICUT

As early as 1903 the Connecticut General Assembly directed the Governor of Connecticut to appoint a commission to investigate "practical means and methods of industrial and technical education." As a result of the work of this commission and by legislative action, the first "State trade schools" were established in 1910 at New Britain and Bridgeport. The original legislation stressed that:

Such schools were to be open to all residents of the State.

They were to be regional or "area" in character.

They were to meet certain standards established by the Connecticut State Board of Education.

Since 1910 there have been established 14 regional vocational-technical schools.

(NOTE.—In 1945 the names of the schools were changed from State trade schools to regional vocational-technical schools. This change was made as a result of strong suggestions from industry.)

The original method of support was for the town in which the school was located to provide the building, maintain it, furnish heat, light, and power, and pay for one half of the janitorial services. Due to the dispersal of population, the extending regional character of the schools' services, and the need for expansion and modernization, the State board of education and the Connecticut General Assembly decided that the function of such schools, because of their regional character, had become a State function, and that it was no longer feasible to expect a local school district to provide such facilities.

Accordingly in 1948, the State board of education proposed for the regional vocational-technical schools in Connecticut, a building program in which the State would build modern up-to-date buildings, equip them and staff them, and that the State would assume all costs of buildings, equipment, and operation.

Since then and including the 1963 legislative session, approximately \$50 million has been appropriated for this purpose. Most of these new buildings have been erected and are in operation, and additional buildings are currently under construction.

It is of importance to note that before this program was officially acted upon by the State board of education or by the general assembly, it was critically examined by a statewide committee of top-level representatives of industry, organized labor, school officials, and other representative citizens. This committee recommended the adoption of the program as essential to the economy of the State and a justifiable investment of public funds.

It is also of major importance to note that prior to the adoption of the extensive building program, and indeed making such modern facilities necessary, there was need for a reorganization of the instructional program in the light of technological advances, social change, and the need for greater competencies in modern industry. In these new schools there are modern physics, chemistry and testing materials laboratories, adequate libraries, carefully designed and well-equipped shops, recreational facilities, food services, and other facilities necessary to a modern educational program.

It was intended that these facilities should reflect Connecticut ideas as to—

The dignity of skilled labor.

The importance of industrial education in the economy of the State and that they should be—

(a) Favorably located.

(b) Dignified in appearance and design.

(c) Functional, to serve the purposes of young people, adults, and industry.

Instruction in the day trade preparatory program in the 14 regional vocational-technical schools is provided in 32 trades with present enrollment of approximately 7,000 and extension services to adults and apprentices of approximately 40,000 persons.

The program of studies in the day trade preparatory program provides for instruction in English, mathematics, science, social studies, health and physical education, and trade shop. Fifty percent of the students' time is given to trade instruction and related theory. On the State administrative staff, specialists in science, mathematics, general education, vocational research, curriculum development, and technical subjects are provided to supervise, develop, evaluate, and maintain high standards of instruction.

In accordance with a State statute, transportation to these regional vocational-technical schools must be provided by local boards of education to all day trade preparatory classes for persons under 21 years of age. The State reimburses the local district for 50 percent of the cost.

In the 14 new regional vocational-technical schools now operating in modern facilities, there has been—

Increases in respect for the educational program from industry, labor, school officials, and the public.

Improvement in the educational program made possible by modern facilities, functionally designed.

Improvement in quality of students desiring to enter these schools to prepare for entry into the skilled trades.

Improvement in quality of instruction for adults and increased use of facilities by adults desiring to update their knowledge and skills.

It is important to emphasize that many citizens of the State have contributed to and taken a direct part in these developments. Through statewide committees, local consulting committees, special craft committees, joint apprenticeship committees, representatives of industry, labor, school, and public officials, the State labor department, the Connecticut State Development Commission, and other citizens have worked with the professional staff of the State department of education with constructive help, advice, and criticism—all with one purpose—to provide an educational program which will assist in the development of Connecticut's primary natural resource—the skill and know-how of its citizens.

B. THE STATE TECHNICAL INSTITUTE DEVELOPMENT IN CONNECTICUT

A "technical institute" may be defined as a postsecondary institution whose curriculums are (1) of 1 to 3 years' duration, are (2) technological in character, and (3) emphasize understanding and application of mathematical and scientific principles more than manual skills. A technician in industry is a person trained in the application of mathematics, science, and technology for occupations of a technical nature lying between the skilled craftsman and the graduate engineer.

In the advancement and development of technology, experience has shown

that there are many technical jobs which can be done by the technician, under the direction of and as an assistant to the engineer. Developments in industry show that the ratio of technicians to engineers is increasing.

The technical institute instructional program is intensive in mathematics and science with particular application to the "technology" in the special areas. The curriculums are terminal in nature, designed to prepare for technical work in a particular area, and are not designed to prepare the student to go on to a 4-year engineering college. However, some graduates do go on to engineering colleges and are given partial or full credit based on individual ability or accomplishment and the requirements of the particular college.

For the last several years, due to specific needs and requests from Connecticut industry, the State has been developing "technician level" courses in adult and evening programs, using the facilities of its statewide area vocational-technical schools. During the 1962-63 schoolyear approximately 3,500 persons were enrolled in these classes. Many of these enrollees were matriculated in the 5-year associate degree curriculums. However, many other industrially employed individuals enrolled to take such courses as data processing, statistical quality control, metallurgy, or to select courses from over 100 special and highly technical offerings. Following is a sample of the offerings in one of the evening State Technical Institute centers.

COURSES OFFERED AT HARTFORD STATE TECHNICAL INSTITUTE (EVENING DIVISION)

Mr. THOMAS V. RAIMONDI, Director

Mr. JAMES G. MEADE, Assistant Director, Adult and Extension Services

<i>Course title</i>	<i>Course title—Continued</i>
Technical mathematics II	Electric circuits II
Technical mathematics III	Elementary physical metallurgy II
Electricity II	Process engineering II
Electronics II	Physics II
Calculus II	Jig and fixture design II
Architectural drafting II	Professional engineering II
Professional engineering	Technical report writing
Highway design	Advanced mechanical drafting II
Technical mathematics review II	Elementary physical metallurgy II
Technical drawing II	Methods engineering
Elementary surveying II	Industrial organization, management II
Advanced surveying II	Heating, ventilating, air conditioning
Semiconductors II	II
Chemistry II	Introduction to data processing II
Technical mathematics review II	Calculus II
Basic statistical quality control	Surveying law
Advanced computer data processing	Introduction to data processing
Time study II	

C. THE AREA VOCATIONAL-AGRICULTURE CENTERS

Several years ago, a State consulting committee on vocational-agriculture was organized. This committee was composed of farmers, representatives of farm organizations, the commissioner of agriculture, the dean of the school of agriculture, representatives of the high school principals associations, school superintendents, and others. After careful study, this committee proposed to the State board of education (and that board approved) the development of regional vocational-agriculture centers at carefully selected high school centers in the State.

The legislation provided for the approval of such centers by the State board of education. It provided for building and equipping modern farm shops, laboratories, greenhouses, classrooms, and other facilities, the cost to be borne by the State. It also provided a formula for paying "the excess costs of vocational-agriculture education including adult and young farmer programs" and also to assist towns sending students to this center by paying part of the tuition costs. Such centers serve a number of towns. Mandatory legislation requires towns to pay transportation of full-time students, with 50-percent reimbursement from the State up to a stated limit.

Results of the operation of the several vocational-agriculture centers during the last few years have exceeded expectations. The centers, in addition to serving the purposes for vocational-agriculture instruction, have become centers for

farm meetings, demonstrations, etc., in cooperation with the Agriculture Extension Service. Those responsible for this development are convinced that such a development of area vocational-agriculture centers is more efficient, more effective, and less costly by providing such services over a larger area, rather than having a smaller, inefficient and inadequate programs and facilities provided by one local community.

PREPARED STATEMENT OF JAMES B. CAREY, VICE PRESIDENT, AFL-CIO, SECRETARY-TREASURER, AFL-CIO INDUSTRIAL UNION DEPARTMENT, AND PRESIDENT, INTERNATIONAL UNION OF ELECTRICAL, RADIO & MACHINE WORKERS, AFL-CIO

My name is James B. Carey. I am president of the International Union of Electrical, Radio & Machine Workers, AFL-CIO, which represents 425,000 workers in the electrical manufacturing industry. I am also a vice president of the AFL-CIO and Secretary-Treasurer of the AFL-CIO Industrial Union Department, which represents 59 national and international unions with a total membership of approximately 6 million.

I am grateful for the opportunity to appear here in support of the proposed amendments to the Manpower Development and Training Act.

Although the act has been in effect for little more than 10 months, it is apparent that amendments to this legislation would enable the program more effectively to accomplish its purposes. Of course, it is too early to attempt any detailed analysis of performance thus far, but IUE does enthusiastically support the kind of program that the act projects and anticipates.

We are aware of additional proposals to strengthen and augment the program. My testimony will be confined to the specific proposals in the amendments to which this inquiry is directed. However, we wish to urge consideration of other improvements at an early date. It is our hope that this valuable legislation will be under continuous scrutiny and refinement to enable the Nation to upgrade the skills of its work force, thus facilitating large parts of our citizenry—both the employed and unemployed—to maximize their contributions to our society.

I want to say to the members of this subcommittee, right at the outset and quite frankly, that the basic problem, as we see it, is the lack of adequate job opportunities. For most of the past decade, there has been a widening gap between the number of jobseekers and the number of available jobs. Until this disbalance can be overcome, piecemeal approaches to domestic unemployment and underemployment cannot truly achieve their purpose.

The Nation's jobless rate in June 1963, as reported by the U.S. Department of Labor, was 5.7 percent, compared with 5.5 percent in June a year ago. The postwar June low was in 1953, when the rate was 2.6 percent.

Between May and June this year the number of jobless increased by 800,000, to a total of 4,800,000. We are faced today with a situation in which 57 out of every 1,000 persons in the work force, who are actively seeking employment, cannot find jobs.

It has been widely commented on and editorialized upon that in June the Nation recorded a total employment of 70 million for the first time. However, it was in June 1948 when total employment hit 60 million. Thus, in a period of 15 years the American economy has created only 10 million new jobs. As a result, unemployment is 1,500,000 greater today than it was 15 years ago.

This problem is accentuated by the fact that the labor force growth rate in the 1960's will be twice that of the preceding decade.

Thus, we need a program to spur economic growth and create more job opportunities. Among other things, this would include tax cuts, Federal spending, and public works projects. Unless this happens the effect of retraining will be to give us better trained unemployed workers.

Unless we can absorb the workers seeking jobs, we run the danger of doing little more than moving the jobless from one closed window in the employment office to another.

Let me reemphasize to the members of this subcommittee: No matter how successful the training programs may be, they cannot substitute for actual employment.

All of our efforts to deal with mounting unemployment are like an arch from which you cannot remove one stone without jeopardizing the structure.

Jobs are desperately needed for workers who are displaced by automation and technological changes. The record shows what technological changes did to employment in the mining industry. It is the crux of the problem in the current

railroad dispute. It was one of the key issues in the recent east coast longshore strike. It was also an important issue in the newspaper and airlines disputes, and others.

Jobs are needed desperately for the large number of young workers who are entering the labor market in record numbers. The postwar "baby crop" is now entering the labor force. It is estimated that between 1963 and 1965 approximately 5,500,000 teenagers will enter the labor market.

Unskilled jobs are vanishing. They are being replaced by machines and, on the other side of the coin, too many teenagers are entering the work force ill-prepared by training and education. The magnitude of the teenager dilemma was reflected in the June 1963 unemployment figures which showed that teenage jobseekers totaled 1,900,000 for the month. The teenage jobless rate was 16 percent in June. This means that 160 out of every 1,000 teenagers were looking for jobs in vain.

Finally, jobs are needed for the Nation's nonwhite workers—of all ages—who unquestionably constitute the largest single disadvantaged group in our society.

The statistics are brutal:

In 1962, approximately one-fourth—25 percent—of the nonwhite youths in the employment force were without jobs as against a rate of 12½ percent for white youngsters.

Nonwhite adult males (who have been denied opportunities and given inadequate preparation) find themselves in serious straits. According to U.S. Department of Labor reports, about 20 percent of adult nonwhite men in the labor force had less than 5 years of formal education. This was about 5 times higher than the rate for adult white males.

The unemployment rate among nonwhite married men with families is 8 percent, compared with 3 percent for whites.

In 1962, about 25 percent of the long-term unemployed (out of work for 26 weeks or longer) were nonwhites, although nonwhites account for only a tenth of the workforce.

Negroes are concentrated in low-paid service and unskilled occupations which are characterized by high employment fluctuations. Approximately 75 percent of Negro workers are employed in these occupations.

These are statistics. The hard, everyday facts and patterns of living which they reflect are even more horrible.

Employment shifts and the need for different types of skills are most evident in the industry with which I am most familiar—the electrical equipment industry.

In May 1963 this industry employed 1,526,100 workers of whom 1,026,600 were production workers. These workers are engaged in the manufacture of everything from minute, finely made components to huge turbogenerators. Therefore, the location of plants, the type of labor, the processes of production, the wages paid, and other elements differ substantially from place to place.

General Electric, Westinghouse, and a few of the other giants, manufacture a comprehensive range of products. Many medium and smaller size companies exist, on the other hand, which are highly specialized, calling for highly skilled labor. The trend, in both the giants and smaller firms, has been toward diversification, particularly to take advantage of the large field of Government orders.

In addition, those sectors of our industry associated with electronics and automation are moving ahead rapidly. Other sectors, associated with the older products, have been stagnant and even declining. The latter include power-plant equipment, motors and generators, transformers, and electric lamps. This deterioration is likely to continue, unless the economic growth of the country plus plant and equipment expenditures are considerably increased.

The workers who are losing their jobs in the older sectors of the electrical manufacturing industry must have their skills modernized and augmented to compete for available jobs in the newer branches.

While the major durable goods industries such as fabricated metals products, nonelectrical machinery, and transportation equipment suffered serious declines in employment in the period of 1953-63, the electrical machinery industry, as a whole, registered a sharp increase.

For example, in 1953 the transportation equipment industry had 600,000 more employees than did electrical machinery. By the end of 1962 this gap had been reduced to 150,000. The increase in the electrical industry, of course, is due in the main to the sharp employment rise in electronics.

However, within the electrical machinery industry there is no uniformity regarding employment changes. A peak in employment was reached in 1959

in such products as transformers, switchgears, motors and generators, refrigerators and freezers, housewares, lamps, lighting fixtures, and electric tubes.

However, increases to new highs in employment have been registered more recently in industrial controls, electrical measuring instruments, radio-TV receiving sets, communication equipment and electric components. These are all items dealing with the new technology centering around electronics.

Notable in the increases in employment have been those in electronic components. Depressed for several years while it depended upon the ups and downs of the radio-TV set industry, the component industry is flourishing as a result of the great demands upon it by communication equipment, industrial controls, computers, and similar production areas.

There is a rapid and continuing shift from production to nonproduction workers. The following have been the changes from 1953 to 1962 in the percentage of nonproduction workers to production:

Industry	Percent, 1953	Percent, 1962
Fabricated metal products.....	19.5	23.5
Transportation equipment.....	22.0	32.0
Nonelectrical machinery.....	25.0	30.5
Electrical machinery.....	23.0	30.5
Durable goods.....	(1)	27.0

¹ Not available.

In electronics alone, 37 percent of the employees are nonproduction workers.

A significant landmark is the fact that at the end of 1962 more than 51 percent of the employees in the electrical industry were in electronics.

The shift from unskilled and semiskilled employment on hand and simple machine operations continues with their replacement by operators of semiautomatic and automatic operations and the supporting skilled, technical, and professional employees. This has already become the irreversible rule in the production of tubes and lamps, and is rapidly taking over in such fields as appliances, components, motors, and generators.

There is no doubt but that every process which is repetitive or which can be mechanized with the saving of labor cost will suffer this change.

We will find on the factory floor fewer and fewer direct production workers and a growing number of skilled maintenance workers and technicians.

We must exert ourselves to see that training for the new emerging jobs is offered to semiskilled and unskilled employees who are being displaced and bearing the brunt of technological advances.

Against this backdrop, let me reassure this subcommittee that the International Union of Electrical, Radio & Machine Workers wholeheartedly endorses the Manpower Development and Training Act, and we enthusiastically support the amendments proposed.

Basic education

Experience under this legislation to date has strongly indicated that, in general, the training programs are not reaching the hard core, least educated group among the unemployed.

Immediate need for the passage of this amendment is underscored by the fact that current data show that one-fifth of all the unemployed have completed less than 8 years of schooling. But as of now, only 3 percent of these workers are in training under the act.

Here, too, Negro workers are much worse off than their white fellow workers. At least 44 percent of the Negro unemployed have completed eight or fewer years of school, but only 5 percent of the Negro MDTA trainees are drawn from this group.

Experience shows that these workers are unable to absorb and retain the type of training necessary to allow them to compete for the occupations newly in demand in the labor market. As the Secretary of Labor made clear in his testimony before this subcommittee, the benefits of MDTA have not been extended in any meaningful way to those who make up the most intractable unemployment problem—those with little, if any, formal learning.

We think it is a necessary step forward to allow those who are developing functional literacy and basic work skills under MDTA, to be eligible for 52 weeks of training allowances, in addition to a similar period authorized for actual

training. Under this approach, applicants for training will no longer have to be turned away because they do not have "basic literacy and work skills" but who may be fully qualified in every other way.

The passage of this amendment will allow those who most need the training under MDTA and who will benefit from it the most, to get it. Moreover, "basic literacy" is an excellent tool for good citizenship.

Youth

Experience under the MDTA has shown that a second major manpower problem is that of youth. Similar to the group discussed above, the present program has been unable to adequately reach this group. Of the first 20,000 trainees, only 4 percent were under 19 years old, although about 16 percent of all unemployed are teenagers.

The present MDTA permits payment of training allowances of not more than \$20 a week to youngsters aged 19-22, but only 5 percent of the total amount of training allowances can be paid to this group.

As a result, the training of young persons under the act has been spotty. In the past, teenagers under 19 years of age have had to pay their own living expenses while taking training. That's awful. Moreover, the 5 percent limitation has restricted the number of training programs, because of lack of funds.

The proposed amendment—to get at the heart of this problem—would reduce the age limit from 19 to 16 for those eligible for youth allowances and increase the proportion of total funds available to pay such allowances from the present 5 percent to 15 percent.

We favor these amendments because of our concern for our disadvantaged youth. The lack of job opportunities for inadequately trained youngsters presents a potentially explosive situation in many major cities around the country. It has accurately been characterized as "social dynamite."

We owe it to our youngsters and we owe it to ourselves to do everything possible to see that they are equipped to enjoy the better things in life, often denied them because they are inadequately trained for a highly competitive job market.

In this connection, we support the administration's request for additional funds to expand the manpower development and training program, especially in its intent to cope more effectively with the hard-core problem of unemployed youngsters and to provide literacy training.

State matching

Under terms of the existing authorization in the MDTA, States are required to begin to match Federal funds on a 50-50 basis at the beginning of the next fiscal year, July 1, 1964. S. 1716 would provide that the effective date of State matching requirements be postponed.

We urge the immediate adoption of this amendment because without its speedy passage, none of the other amendments can be really effective.

Since training programs up to 52 weeks can now be authorized, some will run into difficulty with the State matching requirement in their late stages unless this amendment is approved.

When the Secretary of Labor testified before this subcommittee, he noted that only 10 of the 50 States had taken any action toward providing matching funds; only 4 had enacted enabling legislation; and, that only 2 States have actually appropriated funds.

Next year, only 21 State legislatures are scheduled to meet. Therefore, it is clear that the MDTA—which has shown every advance proof of being successful in its young existence—is threatened with slow death, unless Congress acts early and favorably on S. 1716 and companion legislation. Without this, thousands of unemployed workers, instead of looking forward to new opportunities, will be faced with the same old disappointments and frustrations.

In closing, let me say that I have confined my testimony largely to the proposed amendments, but as I stated, these to me were only necessary first steps and somewhat limited.

Our problem then is to develop a large part of our human resources and, for the economy, to create more jobs for these people.

There is concrete evidence that the manpower development and training programs have made a notable contribution in assisting those unemployed workers who lack marketable skills.

The amendments that I have discussed would not only give day-to-day effectiveness to existing programs and would be a step forward in aiding those disadvantaged workers to achieve literacy and marketable skills but also redound to the benefit of our entire economic society.

As I said at the outset, the entire problem of rising joblessness is acute. Our main task is to get Americans back to work. To do this, a comprehensive range of programs must be undertaken. MDTA is only one such program. We support it enthusiastically but with the realization that its true contributions can be made only as there are more and better jobs created.

PREPARED STATEMENT OF DR. MELVIN HERMAN, CHIEF OF WORK PROGRAMS,
MOBILIZATION FOR YOUTH, NEW YORK, N.Y.

Mr. Chairman and members of the subcommittee: I would like to take this opportunity to express my deep appreciation for having been invited to express my views on some of the modifications in the Manpower Development and Training Act of 1962 which are being considered by this committee. I would also like to introduce Mr. James E. McCarthy who is the administrative director of Mobilization for Youth.

Mr. Chairman, before offering my views on the proposed legislation I would like to identify further both myself and the program with which I am affiliated.

Mobilization for Youth is a nonprofit voluntary organization which was formed in 1958 by a group of welfare, civic, and religious institutions located on the Lower East Side of Manhattan. It is a social experiment in the prevention and control of juvenile delinquency using as its laboratory an urban residential area large and diverse enough to be representative of problem areas in many communities throughout the Nation. The project area spans 67 blocks, exclusive of public, cooperative, and private housing developments. Tenements comprise 55 percent of its housing with public projects accounting for 31 percent. Over a third of the residents earn less than \$55 weekly. Of the area's population of 107,000, 34 percent are Negro and Puerto Rican.

The action programs of Mobilization are based upon the hypothesis developed by Dr. Richard A. Cloward and Dr. Lloyd Chlin, sociologists on the faculty of Columbia University. One of their major views of the sources of delinquency is that poverty imposes handicaps upon the potential of young people for achievement as does discrimination based on race and religion, and that young people, unless they are offered a chance to be like everyone else, will tend to reject our society's values and traditions.

The Mobilization for Youth project was launched officially on May 31, 1962, when President Kennedy announced at the White House that \$13,224,000 had been granted for a 3-year period beginning July 1, 1962, from the following sources:

(1) National Committee on Juvenile Delinquency and Youth Crime	\$1,915,000
(2) National Institute of Mental Health	5,264,000
(3) City of New York	4,200,000
(4) Ford Foundation	1,845,000

The major aspects of Mobilization's program include education, individual services, community organization and group work, training, research and youth work programs. I am the chief of youth work programs.

The youth work programs are designed to provide a variety of services including vocational evaluation, vocational guidance, work preparation, acquisition of relevant work skills, overcoming reading and psychological disabilities, and reducing restrictive practices in hiring—all with the aim of making it possible for young people to find their way into stable employment in private industry. These services are provided through a youth job center staffed by vocational counselors, a remedial education program, a subsidized work program, on-the-job training, trade school training, and job placement. Youngsters between the ages of 16 and 22 who are unemployed and out of school at least 3 months and who live within the Mobilization area are eligible for service.

Since the work programs began on October 15, 1962, more than 1,500 youngsters have applied for service. As of July 15, 1963, 380 of these youngsters had received training in our own work groups, 65 in on-the-job training with private employers, and 242 had been placed in private industry. The remainder have either been referred for other services, are receiving counseling services, or, unfortunately, are on a waiting list.

With this as general background, I would now like to discuss the experiences which we have had thus far with the Department of Labor through its Office of Manpower, Automation, and Training, which in turn led to certain recommendations I will make later.

We have received two separate contracts under the Manpower Development and Training Act. The first became effective on April 1, 1963, and provides for the training of 120 youngsters annually in automotive trades while the second signed on June 28, 1963, provides for on-the-job training with private employers in a variety of occupations.

The first project is particularly interesting in that it required the active participation of the Shell Oil Co. in leasing to use one of their new stations. It is the first time that a major oil company has leased a station to a nonprofit organization. This station is open to the public 24 hours a day and provides training opportunities for 10 youngsters at any one time under the supervision of skilled foremen. At the same time they receive remedial instruction and vocational counseling.

Trainees receive a training stipend of \$1 per hour and work 35 hours per week. They may advance to \$1.25 per hour depending on their work performance. After completion of training at our station, they may participate in a special, more advanced training program operated by the Shell Oil Co., or they may move to our own automotive repair program, or they may be referred for job placement. It should also be noted that this entire program has also received the active support of Local No. 259 of the U.A.W. which selected a member of its executive board to work as the manager of the station, and the Inter-City Gas Dealers Association which plays an active role in arranging for job placement.

This novel program, involving the active cooperation of a major oil company, a local union, a trade association, a local nonprofit organization, all in partnership with the Federal Government on behalf of unemployed and unskilled youth has gotten off to a most impressive beginning. At this point, 5 trainees have graduated from the advanced Shell training program, 7 graduated from the automotive training program, and a total of 10 youngsters have now moved to either further on-the-job training or direct placement. (I have attached a reprint of a recent article from Business Week magazine which describes this program more fully.)

The second contract is also of interest in that it was the first contract under the Manpower Development and Training Act to provide for on-the-job training with private employers and also in that it modified previously existing regulations limiting such training to relatively large employers. While this program has just begun, we believe that it will offer a flexible opportunity for 100 youngsters annually to acquire work training in actual employment in a variety of occupations. Trainees receive the entry wage in the particular trade, with employers receiving partial reimbursement for the cost of training.

I would like to mention that in our negotiations on these contracts with the Office of Manpower, Automation, and Training, we have been most impressed with the imagination and flexibility demonstrated by their staff who assisted us in the development of these pilot programs.

I should like to turn now to some specific recommendations which may be of value to this committee.

1. *Training allowances.*—We strongly endorse the proposed change which would permit the payment of training allowances to those under 19. We believe that such allowances will both help motivate and make it possible for many youngsters to apply for training. The allowance will help defray costs incurred while training, as well as providing a few dollars for clothing and other necessities so important to young people. In addition, the payment of the allowance strengthens the ability of foremen to make demands for adequate performance.

2. *Public assistance.*—We recommend that the proposed legislation express the view that the training allowance should not be considered as income in computing the budget of a family receiving public assistance. Many of the youngsters who may apply for training will be members of families receiving public assistance. If local departments of welfare deduct the training allowance from the family budget, an important financial motivating factor will have been lost which in turn will reduce the program's ability to attract many of the youngsters whom we must reach if we hope to break the cycle of continued financial dependency.

It is our view that such a statement of intent in the legislation is of critical importance in providing guidance to departments of welfare. Dr. Ellen Winston has expressed the view that the 1962 amendments to the Social Security Act permit these allowances to be fully or partially excluded. However, at present, it appears that few, if any of the States are making use of these liberalized changes in the law.

3. *Basic and remedial education.*—We strongly recommend that basic and remedial education be provided as part of an integrated work training program. Our experience thus far has shown that many youngsters resist education which is offered either prior to or separated from work. We also recommend that such education not be restricted to being provided within the schools. Here, it is important to recall that for many of these youngsters, the school unfortunately represents the scene of their most recent failure and they will be reluctant to return even for specialized education. We have been most encouraged to note that of some 250 youngsters now in our subsidized work programs, more than 100 are voluntarily participating in either remedial reading, remedial arithmetic, or conversational English after work hours. This instruction is provided by qualified teachers in our own work centers. We believe that our experience tends to support the view that for many youngsters, particularly those who are school dropouts, their willingness to accept remedial or supportive education is enhanced if such education is clearly relevant to work rather than separated from it.

In closing, I would like to express the hope that those who will be responsible for administering the experimental and demonstration portions of the amended act of 1963 will continue their work with the spirit of excitement, imagination, and creativity which they have already demonstrated in carrying out the intent of this most vital legislation in 1962.

Mr. Chairman and members of the committee, on behalf of the members of the board of directors and the staff of Mobilization for Youth, I would like to thank you for providing us with the opportunity to share with you some of our experiences and views concerning the grave national problem of unemployed youth.

PREPARED STATEMENT OF LYMAN B. BROOKS, PROVOST, NORFOLK DIVISION,
VIRGINIA STATE COLLEGE

Mr. Chairman, and members of the subcommittee, I testify from deep conviction, on the operations of the Manpower Development and Training Act of 1962 and on the provisions for changes in S. 1716, S. 1725, S. 1831, and S. 1691.

My testimony is based on a very deep involvement with the problems of the hard core of our Nation's unemployed through a demonstration-research project to retrain these workers which has been in operation at the Norfolk Division of Virginia State College for the past 9 months.

This project is a pioneering piece of research in that it is concerned with devising methods of training the semiliterate as well as the literate unskilled worker. The project is concerned with the problems of the hard-core unemployed. These are the workers who are most affected by automation and other technological changes and thus, they are among the chronically unemployed. The project is supported by joint grants from the Division of Cooperative Research of the U.S. Office of Education and the Office of Manpower, Automation, and Training of the U.S. Department of Labor.

The nature of the project

The project is designed to demonstrate how vocational education, general education, and counseling can be effective in increasing the capabilities of unemployed, unskilled adult workers for getting into a different occupation and for holding their jobs in the new occupational classification. In essence, this involves retraining unemployed adult workers. Hard-core unemployment has become a major national problem. Of the more than 4 million chronically unemployed, it is estimated that 3 million—most of whom are heads of households—lack the vocational skills, literacy, and personal competence requisite to their full employment in an increasingly automated economy. Efforts in retraining this group have been effective only for the upper 5 percent identified by standardized tests. The identification of potentials for retraining of the hard-core group and the raising of literacy and self-concepts to an acceptable level constitute both an enigma and a challenge.

Our project is led by a research team drawn from many areas of our college. This team includes the provost, Dr. John T. Blue, Jr., chairman of the division of social sciences, Dr. James A. Bowser, director of the junior college division, Dr. William F. Brazziel, Jr., director of general education, Mr. William M. Cooper, director of placement. Serving as visiting professor at the college and as a member of the team is Dr. Withro McEnge, professor of industrial education

from Tuskegee Institute. Mrs. Vivian Ewing, a casework supervisor from the Norfolk Social Service Bureau, is also serving in the project. Instruction in the project is carried forward by five technical instructors and five general education instructors from the college faculty. The latter includes specialists in remedial reading, communications and number skills.

Our project involves the development of procedures for the recruitment, selection, training, placement, and follow-up of 100 unskilled, unemployed men. Our training program is 1 year in length. It will terminate in November of this year. Men are being trained as brick masons, auto mechanics, maintenance and sheet metal workers and electronic technicians. The project also involves the comparison of two control groups as a test of the efficacy of the procedures which we have developed. These comparisons will be made over a period of 1 year after the completion of training.

Experimental procedures of the project include methods for the selection of trainees and comparisons of combinations of training approaches; i.e., technical education versus a system of general and technical education. The project has also explored methods of recruiting hard-core unemployed workers for retraining projects and methods of controlling attrition in their ranks once they are enrolled.

Results of our efforts are already beginning to be validated and some valuable lessons regarding the development of those who are lowest down have been learned.

Recruitment and selection

A lesson learned from the Norfolk State project shows that it is necessary to conduct an aggressive and a personalized recruitment and selection program to bring groups of hard-core unemployed together for training purposes. The selection procedure must be liberalized if we seriously expect to train the large number of unemployed who cannot successfully pass the general aptitude test battery.

In choosing persons for training, priority is extended to persons to be trained for skills needed first, in the labor market area in which they reside, and second, in the State in which they reside. This provision will seriously limit the offerings in many communities and may completely ignore national needs and the occupational training needs of the individual.

Priority for selection also limits rather severely the number of youth who can be taken into retraining programs. Many young people who applied to our program had to be turned away because of the minimum age limit of 19 specified by the act or because of the 5-percent quota on the number of youths between the ages of 19 and 22.

The number of young people reaching 18 years of age each year and entering the labor force or going on to further study is increasing dramatically. It is estimated that the number will increase from 2.6 million per year in 1960 to 3.8 million per year in 1965, a rise of nearly 50 percent. A large majority of these young people who are unable to go on to further study will not have developed a salable skill in high school, in fact, about a third will not have finished high school at all. Far too many will be relegated to the ranks of the unemployed. The manpower development and training program could render a great service to the Nation if the provisions of the act were extended to include a larger number of these young people.

Payments to States

The Manpower Development and Training Act of 1962 under section 203 provides weekly training allowances to be paid completely by the U.S. Government. The intent of the Government in underwriting the cost of training for the first 2 years of operation was to create an incentive so that the several States would continue to initiate new programs with 50 percent support from the National Government. Experiences gained from the project as a result of conferences with educators and governmental agencies reveal that: (1) A grasp of the significance of retraining programs had not been fully realized by many State officials at this time; (2) programs are slow to get underway in some States with the Federal Government underwriting the complete bill, and thus, if the States are required to pay 50 percent of the cost, we believe the retraining idea may be stalled; and (3) the great mobility of the national labor force makes the retraining program a national problem rather than a local or State problem and, therefore, it should be financed entirely by the Federal Government.

Attrition

The control of attrition comes to be a big problem in the administration of a retraining project. When the program is 52 weeks long, the problem develops to major proportion and much of an administrator's time and effort must be devoted to it. Experiences in the Norfolk State project have led us to believe that the three major causes of attrition are: (1) Transportation problems, (2) inadequate training allowances, and (3) penalty for supplementing training allowances with part-time work.

Training programs for the hard-core unemployed make demands on the trainees and especially on their families, which create severe strains. Evidence of these demands begin to show in the attendance records, increased request for financial aid, increase in the number of personal conferences, and constant harassment of the trainees by creditors.

One of the class assignments for trainees enrolled in the occupational information class for group A was to make a budget statement indicating actual expenditures. As a result of this revealing information, a similar request was made of the trainees in group B. The data obtained revealed that:

A. *Rent*.—The amount paid for rent ranges from \$19.37 to \$105 per month. The average cost of rent is \$50 per month.

B. *Transportation*.—A great majority of the trainees have to use either public transportation or car pool or solicit rides with friends. Only a few of the trainees live within walking distance of the college. Thus, the cost of transportation to and from class represents an added cost to these trainees. The amount paid for transportation ranges from \$1.50 to \$7 per week. The computed weekly average is \$3.63 per trainee. The average cost for the four trainees who commute from Suffolk, Va., is \$7 per week.

The training allowance under the present law can only be approximately \$105 per month. This amount is clearly too small to cover the cost of food, rent, transportation, and other family expenses even for a small family of three. This figure is far below the welfare standard even when figured at the 80-percent level. The allowance is also substantially less than that earned by trainees when they were last employed.

Many time-consuming problems developed in the Norfolk State project because of the low training allowance. Positive and aggressive action by the project team of directors was necessary to prevent a high dropout rate. Thus, individual directive counseling sessions were conducted to: (1) Determine the extent of the respective financial hardships of each trainee, and (2) see how these stresses might be eased temporarily or eased during the entire training period. The following list will show some of the team's actions.

1. Staved off creditors by making telephone calls asking for lower payments—pointing to trainees as potential good customers.
2. Organized trainee credit association to provide small loans (\$5).
3. Secured donations of food, clothes, toys, etc.
4. Counseled trainees on wise spending (family budgeting).
5. Secured assistance of home economics instructors to give instruction in low-cost meal planning.
6. Arranged for services of public agencies such as housing and health service.
7. Arranged for free school lunches for children in Norfolk City public schools.
8. Organized the following associations to relieve or solve pressures at the trainee level:

A. Project trainee council was organized and patterned after the Norfolk State College senate.

B. Wives of trainees were organized into a ladies auxiliary.

9. Held frequent group meetings of trainees to keep morale high when the need seemed apparent.

Several other important measures were attempted without success. They were:

1. To secure surplus food for trainees' families.
2. To secure indigence supplements to trainees' allowances for families with three or more children.
3. To lift penalty restrictions on earnings of trainees after school hours and on weekends so that weekly allowances could be supplemented.

The penalty for earning extra money through part-time jobs severely stifles the initiative of trainees to become self-supporting. As the law now stands, very little financial gain can be realized when each hour of part-time work is deducted from the weekly training allowance. The record will show that where

part-time work was reported, the trainee showed a net financial gain of from \$5 to \$8 per week increase over his weekly allowance without part-time work.

Experiences gained by this project's personnel reveal that a large number of trainees' problems are an outgrowth of their peculiar socioeconomic cultural patterns of living.

General education in manpower retraining programs

It has become apparent that retraining programs must take greater cognizance of the levels of competence in basic language and number skills of many prospective trainees if retraining is to be effective. While persons with low-basic-skills levels do not constitute all of the hard-core workers in the Nation today, they do constitute a large part of the total.

Workers with low-basic-skills levels fall into three basic categories. There are those who have never been to school or who have completed less than three grades and who are classified as illiterates. There are the functional illiterates who have finished more than 3 but less than 7 years of school, and there is a group of workers, heretofore largely unnoticed, but who must increasingly be reckoned with in the future, who have high levels of schooling but low-levels-of-skills competence. Achievement levels vary according to the region where the school is located, the socioeconomic characteristics of the school population, and the inherited capacities of the students themselves. Thus, it is not uncommon to find large numbers of persons who perform at levels of achievement which are two and sometimes three grade levels beneath the grade completed in school.

In addition to basic-skills competence, retraining programs must also give greater attention to the competencies in occupational information and human relations, which are necessary for successful occupational mobility of the worker. The new job for which the worker is being trained often requires a greater sophistication in these competencies than the worker's previous education and occupational experiences can be expected to prepare him. Finding and securing a job and maintaining optimal relationships with supervisors and fellow workers, for an example, will at least be different from previous patterns. The patterns of advancement on the job, continuing development of skills in-service, lateral occupational movement (if such is required) and adjustment to the incidence of obsolescence of present skills (if such comes about in the future course of events) will also be different. In many cases, workers can also benefit from broadened concepts of the management of financial affairs and, in some instances, of personal-social affairs.

The retraining project at the college attempts to explore the possibilities of raising basic-skills levels and developing competencies in occupational information and human relations in conjunction with retraining in technical skills. Accordingly, general education experiences encompassing these skill areas are being offered to one-half of the men being trained. Results, to date, have been gratifying. The average reading ability of the total group, for example, has been raised 1.04 years during the first 6 months of training. The reading ability for the men classified as functional illiterates has been raised an average of 1.87 years. Some men in this category have made gains of 3 years during the 6-month period. More importantly, perhaps, have been the broader implications for approaches to adult education suggested by the responses of the workers. While attempts at upgrading adult literacy have too often suffered from lack of motivation on the part of the adults themselves and while attempts at upgrading the technical-skills levels of adults have suffered from the lack of adult literacy, both attempted in conjuncture, as in the present project, might well prove an effective approach. Successful and wider replications of this approach might provide a valuable key to the national problem of adult literacy.

From our experiences, it seems that general education, which is offered in a systematic and enlightened manner by a faculty which is sensitive to the needs and aspirations of the trainees, might well constitute the catalyst needed to start those who are lowest down upon a lifelong road to self-improvement. Such a spirit is the highest of the American tradition and constitutes the essential goal of its public education efforts. Toward these ends, the faculty has encouraged a broad participation, by the trainees, in the concert and forum series of the college. They have been encouraged to use the college library both for the completion of assignments and for broad reading. A period of directed study has been scheduled for this purpose.

General education in retraining programs seems to hold great promise. It may contribute greatly to the effectiveness of such programs and it may, at the same time, contribute to the human renewal and development of the persons

involved and thus have our country take a long stride forward toward universal enlightenment and a relevant and humane life for all. The results to date of the present experiment would seem to more than justify a broadening of the provisions of the Manpower Act of 1962 to include instruction in this area.

Recommendations

It is recommended that:

(1) The selection procedure be liberalized to provide for training based on national needs and to provide for training for a greater proportion of unemployed youths.

(2) Agreements with the States or institutions provide for payments to such State agencies or institutions of up to 100 percent of the cost to the States or institutions of carrying out the agreements.

(3) The weekly training allowance be increased substantially by supplementing the regular allowance with welfare allowance where State policy will permit. In States where this is not permitted, raise the training allowance to the amount which would have been received had State policy permitted.

(4) For school-centered programs, the penalty for part-time work be removed; or that the penalty clause would operate only after the trainee had worked a maximum of 20 hours per week.

(5) The provisions of the Manpower Act of 1962 be broadened to include such instruction in general education as is necessary to enable hard-core unemployed workers to pursue courses of occupational training and to facilitate their employability.

PREPARED STATEMENT OF HOWARD W. HALLMAN, DEPUTY DIRECTOR, AND GEORGE BENNETT, MANPOWER DIRECTOR, COMMUNITY PROGRESS, INC., NEW HAVEN, CONN.

Community Progress, Inc., has been asked to submit a statement on the proposals to amend the Manpower Development and Training Act of 1962 by the following bills: S. 1716, S. 1725, S. 1831, and S. 1691. There are three aspects of these bills upon which we would like to comment.

- (1) The matching fund requirement.
- (2) Functional literacy and basic work skills.
- (3) Youth training programs.

First, however, we would like to relate the New Haven experience.

New Haven experience

New Haven, Conn. has embarked upon a comprehensive program aimed at improving the social conditions in the city. Under the leadership of Mayor Richard C. Lee, Community Progress, Inc., a nonprofit corporation, has been created to carry out this endeavor. This organization has a broad program which includes education, employment, youth services, recreation, housing, and social welfare services. It is being carried out in six innercity neighborhoods which contain 60 percent of the city's population and by far the highest concentration of urban social problems. In each of these neighborhoods, a neighborhood team has been established and the board of education is operating community schools.

Manpower training is a key part of this total program. With the cooperation of State and Federal agencies we have been able to develop training programs under the Manpower Development and Training Act of 1962. A report on our progress to date is appended, and in this statement we will indicate the highlights.

Mayor Lee has appointed a mayor's committee on manpower resources and employment, and from this group has come a series of working committees to design specific training programs for available positions in business, industry, and Government in the New Haven area. Two major training programs have been in operation to date. One relates to middle-technical positions, including industrial draftsmen, industrial X-ray technicians, laboratory technicians, and pilot plant technicians. The other is a program for cooks and formal waiters. In addition, the State of Connecticut has been operating a number of other manpower programs in the New Haven area, such as machine operators.

Since January 1963 when the programs we have sponsored started, approximately 80 unemployed persons have been trained and placed in jobs averaging between \$100 and \$125 a week, and 50 more are currently in training. Our goal is to train at least 500 a year so that over the course of the next several years we can make a substantial reduction of the 7,000 unemployed persons in the

New Haven market. Since there are approximately 3,500 jobs available and unfilled because of lack of skilled applicants, and since we have established an effective local mechanism for jobfinding, recruitment, counseling, testing, training, placement and followup, we feel that there is a great potential for achievement.

Matching fund requirement.—This successful program in New Haven has been made possible because of the Federal Manpower Development and Training Act. We have a number of programs now being planned and are securing job commitments from employers. We believe that this program will hit its full stride during the fiscal year of 1964.

We view the proposed amendment contained in S. 1716 as indispensable for the continuation of this program in New Haven and throughout Connecticut. Because of an extremely tight budget situation, the Connecticut General Assembly, which recently adjourned, made no provision for a 50-percent matching fund during the next biennium, which includes the 1965 fiscal year. If this bill were not enacted, the program in New Haven would end just as its dramatic results were beginning to be demonstrated.

Our local experience provides illustrations that the need for manpower training is a national problem. Many of the untrained persons now living in New Haven grew up in other communities, and their lack of skills is due to educational deficiencies in the place of origin. Moreover, Connecticut has lost employment due to shifts in certain types of industry to other regions. While a locality or a State can be effective in carrying out a training program, the magnitude of the problem requires a commitment of national resources.

Functional literacy and basic work skills.—In the middle-technical training program in New Haven, about two-thirds of those accepted for training received a high school education or better and none received less than the ninth-grade education. Since all of these persons were unemployed or underemployed, the program is serving a vital need. Yet, since 43 percent of the New Haven population over 25 years of age has received less than a ninth-grade education, we are frank to admit that this particular program is not reaching those with the least education. While other programs with different skill requirements will serve persons with a lower educational achievement, there are substantial numbers of unemployed persons who are functionally illiterate or who lack basic work skills which are prerequisite to participation in courses of occupational training. Therefore, the amendment contained in S. 1831 related to training for functional literacy and basic work skills is indispensable if we are to train the hard-core unemployed.

Within the last 2 months, New Haven has embarked upon an adult literacy program using its own resources and some funds which we have been able to reallocate from a Ford Foundation grant. However, the magnitude of this problem is such that additional financial support is essential. Since the linkage between literacy and occupational unemployment is clear, it is appropriate that this kind of a program be carried out under the terms of the Manpower Development and Training Act.

We would like to point out that the terms "functional literacy and basic work skills" should be defined so that it will clearly enable training not only in reading and writing but also in other basic educational skills, such as mathematics. For many unemployed, it is quite likely that 52 weeks of this type of basic training will be necessary before they will be able to take advantage of occupational training programs related to specific job openings.

In Connecticut, the division of vocational education of the State department of education has demonstrated its remarkable ability to design and carry out occupational training programs. However, this new emphasis on functional literacy and basic work skills would be a particularly appropriate function for the New Haven Board of Education through its adult education division, which has already commenced the literacy program in New Haven. Therefore, we would endorse the amendment of section 231 which would permit the Secretary of the Department of Health, Education, and Welfare to make arrangements for this type of training through other appropriate educational agencies.

Youth training.—In our experience, a sizable proportion of applicants for retraining are persons 21 years or younger. Of these, a high proportion are high school dropouts, and they are finding it extremely difficult to find employment both because of their youth and because of their lack of skills. In our middle-technical program, 40 percent were 21 years and younger, and 30 percent in the program for cooks and formal waiters. Since the 5-percent allocation of training allowances for youth had been committed in Connecticut, it was not possible to give all of these trainees the allowance which they needed. Consequently, some

have had to engage in part-time work to the detriment of being unable to concentrate on their training, and others have been unable to take part in the program. Therefore, we endorse the proposal to raise the percentage of youth to which work allowance may be paid.

We are also finding that the problems of the unemployed school dropout have similarity, whether he is 16 or 21 years old. Of those participating in training, it is hard for an 18-year-old dropout to understand why he should not have a training allowance while a 19-year-old is receiving it. Thus, we would also favor lowering the age from 19 years to 16 years.

Conclusion

In conclusion, as we have come to grips with urban social problems in New Haven, we have found that the training program provided under the Manpower Development and Training Act of 1962 has been a most significant step. A better job with better pay opens opportunities for improvement in housing, medical care, and other essential goods and services. It enables persons no longer to be dependent upon unemployment compensation and public welfare assistance. It gives persons an opportunity to achieve a sense of dignity and self-sufficiency. The continuation and strengthening of this act is, therefore, of vital importance to urban America.

PREPARED STATEMENT OF CHARLES A. KOTHE, VICE PRESIDENT, INDUSTRIAL RELATIONS DIVISION, NATIONAL ASSOCIATION OF MANUFACTURERS

We appreciate the opportunity to present the views of the National Association of Manufacturers in connection with bill S. 1716 and bill S. 1831 which have been introduced to amend the Manpower Development and Training Act of 1962.

In reference to S. 1716, on May 20, 1963, W. Willard Wirtz, Secretary of Labor, appeared before the Subcommittee on Manpower and Employment, Senate Committee on Labor and Public Welfare on National Manpower and Employment Problems. In his report he made mention of the progress of the Manpower Development and Training Act with reference 1,095 projects in 49 States, the District of Columbia, Puerto Rico and the Virgin Islands.

Based upon these reports, it would appear that at least 49 States were clearly aware of the scope of the program and any need therefor. It, therefore, cannot be overlooked that on July 16, 1963, when Secretary Wirtz again appeared before this committee, he reported that only 10 States had begun action toward providing matching funds, and only 3 had completed such action in appropriating funds.

We believe these facts are self evident since each State is in the best position to evaluate its own particular situation. The nonaction by the States should indicate their appraisal of the program.

Since the proposed amendment would have the effect of doubling the appropriation in the face of a most nonresponsive attitude by the several States, it would appear that rather than increase of expenditure at this time, further investigation and analysis should be undertaken.

Regarding bill S. 1831, there can be no question about the need to reduce or eliminate illiteracy in our Nation and many efforts have been and will continue to be made to that end. Many educational facilities are now available throughout the Nation to assist persons who are illiterate.

Since to date only the best in the unskilled ranks have been involved in Manpower Development and Training Act programing, it is our belief that present efforts should be concentrated on the primary goal of the act as stated in section 101.

The removal of application of subsection (d), "Reasonable Expectation of Employment," under this new subsection (h) should be examined in light of the primary objective of Manpower Development and Training Act, that of training for jobs. Departure from this principle plus the expenditure involved in the additional 52 weeks of training is not justified under any form of adult training.

The proposed change in subsection (c) of section 203 of the act in reducing the minimum eligible age of youths from 19 to 16 would inevitably encourage dropouts from regular school systems, their being induced to enroll in Manpower Development and Training Act.

The proviso "that no allowance shall be paid to any such youth who drops out of school for a period of 3 months after the date of dropout," would be no

realistic deterrent, since the dropout would doubtless consider a hiatus of 3 months of little significance.

We urge, therefore, that the proposed amendments to the Manpower Development and Training Act of 1962 not be enacted, but rather that the achievements of the act as passed be judged on its merits.

We respectfully request that these views be made a part of the official hearing record.

PREPARED STATEMENT OF BENJAMIN S. SCHWARTZ, JUDGE, COURT OF COMMON PLEAS, JUVENILE DIVISION, CINCINNATI, OHIO

Since 1957 this court has operated a full scale job placement and work therapy effort to aid the youngsters with problems in a program of total rehabilitation. It was necessary for the court to become involved in this type activity because the very obvious needs of youth for realizable employment goals, realistic training programs and job readiness help were not available adequately at the Federal, State, and local levels. With automation eliminating jobs at a staggering rate and the youth population exploding, the worker without training falls rapidly behind; the school dropout gravitates to the bottom of the labor pool; and the socially and culturally handicapped become easy prey, through idleness and need, for delinquent activities of all types. All humans, but especially the young, need to feel useful, to be recognized, to belong and to get ahead. Without employment opportunities, or at least available training, the satisfaction of these needs becomes merely wishful thinking. In this decade when more than 290,000 new jobs must be created each month just to keep pace with the labor surplus, new methods, pioneer projects, and creative planning must be utilized in every way possible if terrible human waste is to be avoided.

In our own way, we have attempted to meet these needs as they affected the unfortunate youngsters who come to the attention of this court. Job preparedness counseling and limited skill training programs have been provided for our out-of-school out-of-work youth; tutoring and after school paid-work experience has been arranged to prevent dropouts; scholarships to commercial training schools in beauty culture, welding, modeling, and other specialties have been made available to those with aptitudes; regular supervised on the job paid experiences at hospitals and public institutions have been arranged for the economically deprived; and all of these have met with success—and yet the program remains limited in numbers because of the difficulty in financing. We have been able to reach hundreds of youngsters in this community with these special services, and yet there remain thousands locally, and millions nationally, who will never taste the “grapes of opportunity” because the programs are not available to them. We have been forced to establish a children’s fund which depends on gifts, speaking stipends, the proceeds of special events, and in short the good will of charitable citizens for its revenue instead of being properly financially housed in the secure shelter of governmental allotment.

In the light of the success which this court has had with its many programs, recognized by the children’s bureau and followed by many other courts, and because of the difficulty which we have had to surmount in order to obtain adequate financing for these much needed services, we earnestly recommend that any realistic programs designed to cope with the problem of youth unemployment have Federal subsidy.

PREPARED STATEMENT OF WILLIAM REDMOND, CHIEF OF EMPLOYMENT SERVICE, STATE OF CALIFORNIA

On July 8, when Secretary of Labor Wirtz appeared before the House Select Subcommittee on Labor, he began his remarks by saying, “It is with the strongest sense of urgency that I appear * * *.” The California State Employment Service shares Secretary Wirtz’s sense of urgency.

We regard the Manpower Development and Training Act as one of the most important pieces of legislation affecting the public employment service since the Wagner-Peyser Act of 1933. In an economy characterized by rapid technological change, the business of matching men and jobs, in which the public employment service traditionally engaged, did not meet the needs of all segments of the labor force—it did not provide for what might be termed “occupational misfits.” These “occupational misfits” are those whose skills are no longer in demand because of automation and those unskilled workers competing for an

ever-dwindling supply of unskilled jobs. Heavily represented among these "occupational misfits" are our older workers, our youth, and our minority workers. The Manpower Development and Training Act added a new dimension to the public employment service, giving us a tool to prevent these people from becoming a statistic among the hard core—a tool which shapes the man, if you will, to meet the labor market demands of today. But, as important and as far-reaching as this act is, it has its shortcomings which seriously hamper those of us who are trying to implement it.

These shortcomings relate to—

1. The matching grants provision for fiscal year 1965;
2. The lack of provision for academic training;
3. The 5-percent limitation on the payment of training allowances to youth;
4. The restriction of regular training allowances to heads of families or households;
5. The lack of provision for payment of relocation expenses; and
6. The temporary nature of the legislation.

The matching grants provision for next fiscal year has already caused the California State Employment Service to start curtailing training projects which would extend into fiscal year 1965. And, in terms of long-range occupational adjustment, these are the most important training projects. The higher the skill which a person can acquire, the less likely it is that in a few years he will again find himself on the heap of occupational discards. But, at the same time, the higher the skill, the longer the required period of training. We find it virtually impossible to provide the matching funds financing for this program in fiscal year 1965. We feel that the requirement places an inadequate burden on States such as California where a significant portion of unemployment is not within the State's control; i.e., the population in our State has grown 5,566,000 in the decade ending in 1962 and a reliable estimate is that two-thirds of this growth is a result of immigration from other States. In most cases, the immigrants are unemployed and in many instances have no real prospect of securing steady employment. We have reason to believe that a substantial percentage remain chronically unemployed. Consequently, we are faced with paying half the training costs for individuals who are new arrivals in California.

In addition, we are experiencing the same obstacles faced by other States in the matter of matching funds. Financial resources are already strained with little room to accommodate sizable new expenditures. The whole budget-revenue question is at this moment an extremely delicate one in the California Legislature. Further, individual State accomplishment in this program which has been in actual operation less than a year, is so "fragmentized" that justification to State legislatures would be exceedingly difficult. While national accomplishment in this program is gratifying, we find that any one individual State's accomplishment (even a large State such as California) is not of sufficient volume to warrant legislative action on the State level. This entire matter, of course, is further complicated by the fact that if the matching provision is not removed in fiscal year 1965, some States may provide matching funds and other States may not, thereby causing a highly undesirable situation nationwide.

The further we get into this fiscal year, the more urgent becomes the need to at least postpone this matching provision. Therefore, the California agency is anxious to express support for any bill postponing for 1 year the matching provision.

We would urge, however, a further examination of this issue. In a very real sense, the problems which the Manpower Development and Training Act is designed to meet are national problems. Our Nation's economic, and possibly political, future will be significantly influenced by today's unemployment problems, especially among minorities and youth, and the degree to which we reach speedy and effective solutions to those problems. We know that retraining will not solve all the unemployment problems, but it can make a substantial contribution. Accordingly, we feel that future permanent financing of this act should continue to be based 100 percent on Federal grants with no matching provisions whatsoever. If this is not done, we undoubtedly will find that many States which most need Manpower Development and Training Act programs will be least able to provide one-half the financing, with the unfortunate result that the attack on the problems will be piecemeal by States, according to their financial ability, rather than national according to need.

Now to the matter of academic training. There are very few jobs today which do not require literacy—but hundreds of thousands of persons in the labor force today lack the simple ability to read and write. For these people, in a very real sense, academic training is vocational training, for without such training they are doomed to lives of unemployment with accompanying high welfare dependency and high crime rates.

In California, the 1960 census showed 1,300,000 persons over 25 who lack an eighth grade education. To date, only 54 Manpower Development and Training Act trainees, 1.8 percent of all trainees, have been drawn from this group. The figures relating to nonwhites are even more bleak; 174,200, or 27 percent of all nonwhites over 25 in California have completed fewer than 8 years of school. This compares with a white percentage of 13.7 percent. Since we have not been keeping racial statistics on Manpower Development and Training Act trainees, we do not know the percent of nonwhite trainees drawn from this lowest educational group. However, we have no reason to believe that the percentage differs from the overall figure of 1.8 percent.

Our Manpower Development and Training Act procedures, geared as they are to selecting trainees most likely to succeed in the occupation, militate against those in the lowest educational group. And yet, the aptitudes of many in this group are as high as, or higher than, those better educated persons who are selected. But the fact that they can't read, write, or perform arithmetical computations at a sufficiently high level, if at all, precludes their being trained in any occupation which requires these academic knowledges. Given the requisite academic knowledge, these people can put their potential to work and become productive, contributing citizens instead of economic burdens on society.

Unless steps are taken to reduce illiteracy and functional illiteracy, we can expect even higher levels of unemployment among this group, with all the evils which accompany widespread unemployment. For example, in California the peculiar format of industrial development has caused unskilled and entry-level jobs to increase very slowly, while competition for them has become increasingly severe. Year by year, more labor-saving devices, more efficient ways of handling materials, more efficient ways of keeping books and handling records have cut into the labor market for unskilled and entry-level jobs. So far as we can tell about the future, this trend can only continue. This places a severe penalty on those with incomplete educations and low adaptability to changing occupational requirements. The unemployment rates among the unskilled and among the new entrant youth are disproportionately heavy. The 1960 census reported a California unemployment rate of 5.8 percent for all men, but of 12.6 percent for unskilled men, and of 9.9 percent for men aged 20 to 25. These disparities can be expected to worsen without corrective action.

For these reasons, the California State Employment Service enthusiastically supports amendments permitting academic training. Of course, to complete the job of transforming this hardest of the hard-core unemployed into productive citizens, we will need to channel them into vocational training after they have acquired the requisite academic knowledges. The combined length of training for both academic and vocational knowledges and skills will in many cases exceed 52 weeks, which is the present statutory limit for the payment of training allowances. Accordingly, I also urge that you give favorable consideration to the S. 1831 proposed amendment which would permit the payment of up to 52 weeks' additional training allowances following academic training.

Also of prime importance is the need to increase the percent of training allowances which can be paid to youth. We would strongly support an increase to 20 percent.

You are well aware of the magnitude of the youth unemployment problem, especially among Negro youth, and the portent this holds for the future. We, as a Nation, cannot afford to leave millions of young people in frustrated idleness, vainly seeking their place in society. It is frequently said that the solution to the problem of youth unemployment is to be found in the acceleration of the economy so that more new jobs will be created faster. And, in large part, this is the answer, but certainly not the total answer. We cannot afford to let this oftstated view obscure the need for other related actions—actions such as you are now considering, for example, which would permit the vocational training of larger numbers of youth. The fact is that significant numbers of youth presently unemployed could be placed in gainful and productive employment if they possessed the vocational skills which are in demand.

In California during the fiscal year just completed, 22.8 percent of trainees were under 22, and 7.22 percent of training allowances were paid to youth age

19 to 22. Let's translate the percentages into numbers—686 youth under 22 entered training. Of these, about 326 were paid training allowances. We could increase these figures tenfold and still just be scratching the surface of the youth unemployment problem. Therefore, we consider more reasonable a 20-percent limitation on youth allowances.

In connection with youth allowances, the California agency also supports the proposed change embodied in S. 1831 which would permit the payment of training allowances to youth aged 16 through 18 providing they had been out of school 3 months. In California, despite the great need for training in this age group, only about 150 trainees during the past fiscal year came from this group. We attribute this primarily to the present statutory restriction against the payment of allowances to this age group.

Of course, we do not want to encourage youth to drop out of school, enticed by the lure of vocational training with accompanying training allowances. However, we feel that the provision that youth must have been out of school 3 months will obviate against this possibility.

In connection with youth allowances, we believe one other technical change is needed. As presently worded, section 203(c) of the act provides for payment of youth allowances only through age 21. This means that a youth referred to training with allowances relinquishes allowances when he reaches his 22d birthday, even though the course is not completed. Therefore, we recommend that the phrase, "but under 22 years of age" be retained in section 203(c), but that immediately thereafter be inserted the phrase, "except that allowances may be paid to youths through the completion of their training courses, even though they have reached their 22d birthday."

Our next recommendation involves the "head of family or household" provision of the act. This provision partly negates the stated intent of the act "that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained, in order that the Nation may meet the staffing requirements of the struggle for freedom." A self-supporting single individual contributes to the work force no less than a married individual, has skills and capacities needed by industry no less than any other, and constitutes and remains an "unemployed statistic" no less than any other person. Many single individuals cannot afford to enter a training course lasting several weeks or months if there are no allowances provisions. We believe that equity and the purposes of the act dictate the payment of allowances to single individuals also. We would recommend amending section 203(c) to accomplish this needed change and we urge your favorable consideration of any Senate bill which would accomplish this goal.

Worthy also of favorable Senate consideration is a provision for relocation allowances up to 50 percent of costs incurred. The need to increase the mobility of labor is increasingly apparent. This is evidenced by the many areas of high unemployment containing workers with skills which are in critical demand in other parts of the Nation. Sometimes, the area of demand will be only a scant few hundred miles from the area in which the unemployed worker resides. The payment of relocation allowances would do much to increase mobility.

We therefore recommend that the payment of 50 percent relocation allowances be dependent upon two factors:

1. Whether the person can reasonably be expected to obtain appropriate full-time employment in the community of residence.
2. Whether the person has a commitment of an appropriate job in the area into which he wishes to relocate.

You will note that the word "appropriate" modifies "full-time employment" in both points. We do not believe, for example, that a skilled craftsman should be denied relocation allowances because it would be possible for him to obtain a job as a dishwasher in the community of his residence. Furthermore, we do not believe that relocation allowances should be paid to permit a person to travel to another area to accept stopgap or unskilled employment. And, certainly the matter of wages would have to be considered in determining whether the promised employment was appropriate. We would not want relocation allowances to be a device permitting the importation of cheap labor.

Finally, we would like to comment on the duration of this program. As the act is presently written, the Manpower Development and Training Act program will expire June 30, 1965. However, the need to retrain various segments of our labor force will continue far beyond that date. Automation and technological change will continue at an increasing rate. More and more individuals, including white-collar workers, will need retraining to prevent their becoming statis-

tics among the hard-core unemployed. Nonwhites, and Negroes especially, are now so heavily concentrated in the unskilled and menial occupations that it will take years of skill upgrading to achieve an occupational distribution consistent with that of the Nation's workers as a whole. The present unemployment problems of youth are so monumental that a solution will not have been one-fourth achieved by June 30, 1965. And by June 30, 1965, we will hardly have started to make an inroad on the problem of functional illiteracy, even if we could get an amendment to the act tomorrow permitting us to begin. The problems which the Manpower Development and Training Act was designed to solve cannot be considered as temporary ones which can be solved by one big crash program. They are problems which have been generating at an ever-increasing pace for 2 decades or more, and they will not be solved in 3 years or less. We urge you to consider extending it for such period of time as you should consider reasonable, with some thought given to making the program permanent.

STATEMENT PRESENTED TO THE HOUSE OF REPRESENTATIVES BY WILLIAM REDMOND,
CHIEF OF EMPLOYMENT SERVICE, STATE OF CALIFORNIA

Manpower development and training in California

California welcomed with high hopes the passage of the Manpower Development and Training Act of 1962. We were most encouraged by the national attention it focused on the disturbing manpower problems that had been developing in recent years; and we saw in it a significant step toward their solution.

Manpower problems

Since 1954, as shown by the following compilations, the rate of unemployment has, in each postrecession period, crept higher than it was in the last previous period of economic recovery.

Year	Rate of unemployment (percent)		Year	Rate of unemployment (percent)	
	Natural	California		National	California
1954 ¹	5.6	5.0	1959.....	5.5	4.8
1955.....	4.4	3.9	1960.....	5.6	5.8
1956.....	4.2	3.4	1961 ¹	6.7	6.9
1957.....	4.3	4.2	1962.....	5.6	5.9
1958 ¹	6.8	6.4			

¹ Denotes recession year.

Until 1960, California had a lower unemployment rate than the Nation as a whole; but in that year and ever since, California's rate of unemployment has exceeded the national rate.

Worker displacement

In California, as in the Nation as a whole, the full impact of technological change was beginning to be felt and reflected in increasingly high levels of unemployment during the 1950's. Individuals who in the past had been able to secure new employment within a relatively short period of time following a lay-off, found that this no longer held true. Many workers found that the skills and training that they possessed were no longer adequate to compete in the labor market. Many others found that they had not only been laid off from their jobs—the jobs themselves had sometimes been abolished due to new or radically changed production techniques. And a tragic number of youths entering the labor market without either experience or specific vocational preparation simply could not compete for the available jobs.

In addition to the problem of sheer numbers of unemployed workers, long-term unemployment became an ever more frequently encountered situation. With this phenomenon of long-term unemployment evolved the recognition of a "hard core" unemployed group—those individuals with obsolete skills, school dropouts, unskilled (and so often functionally illiterate) workers, older workers, and the heavily disadvantaged minority groups.

Retraining needs recognized

Even as these trends were becoming clearly apparent, we were aware of persistent skill shortages in a variety of occupations and industries. The California

State Employment Service became involved as early as 1950 in initiating training courses for jobless workers to meet specific manpower needs of local communities. These training activities were cooperative projects initiated by the California State Employment Service in response to recognized needs for qualified workers in particular occupations. We surveyed employers to determine their needs and to obtain a reasonable guarantee of employment for the trainees. The local school districts developed the curriculum and furnished the facilities and the instructors. Our local offices screened, tested, and referred the trainees, and placed them in jobs on completion of the training.

Early retraining activities

These early training efforts were limited in scope. The courses were generally given in evening hours (so as not to interfere with unemployment insurance eligibility), and were designed originally to assist the local employment office in filling short-term demands for workers. For example, short intensive courses for the occupation of retail clerk to fill the demand for workers during the Christmas season were frequently established. There was no attempt to establish training on a large scale for the purpose of combating the problem of technological displacement of workers. The programs were strictly for the purpose of training large groups of workers for occupations in which there was expected to be a substantial, immediate demand for qualified trained workers, in excess of the existing supply. There were no training allowances of any kind paid to the trainees.

Impact of early retraining programs

These training programs trained jobless workers in such occupational classifications as retail sales clerk, grocery checker, electronics assembler, wiper and solderer, waitress, service station attendant, sewing machine operator, and gardener. The worker training project for electronics assembler in Van Nuys is an outstanding example of the impact of this training activity. During the period May 1961 through March 1962, 3,015 job applicants were screened and tested for the course; 1,241 applicants were actually enrolled in special adult evening school classes. As of March 1, 1962, 760 trainees had completed the training, and 142 were still attending classes. Of the 760 graduates of the 6-week course, 683 were placed as electronics assemblers among the 23 employers participating in the project. The annual payroll represented by these 683 workers amounted to over \$2 million. The trainees placed were persons who had little prospect of employment without further training.

Value of retraining experience

These early training programs proved of great value in many respects beyond the immediate advantages to the trainees themselves and to the economy of the community. They provided the California agency with a body of experience in initiating training projects and in gaining community support and cooperation. They also helped to establish a tradition of cooperation between our Agency and public schools, and provided us with a wealth of information regarding the operation of California's excellent vocational education system. But perhaps most importantly, they gave us the sure confidence that a Government-supported program of similar type could operate effectively in our State; we were already firmly convinced of the need.

State retraining benefits program

The California agency actively supported Senate bill 20 in the 1961 session of the California Legislature. This bill amended the California Unemployment Insurance Code to allow an individual to enroll in an approved course of training and still remain eligible for unemployment benefits.

The preamble states: "Experience has shown that the ability of a large number of the population of California to compete for jobs in the labor market is impaired by advancement in technological improvements and the widespread effects of automation and relocation in our economy. It is the policy of this State to assist such individuals by providing unemployment compensation or extended duration benefits during a period of retraining to fit them for new jobs and thus avoid their being forced to remain in a job classification where work opportunities no longer exist or are diminishing." In effect, the normal eligibility requirements of availability for work and adequate work search while claiming benefits are waived while the claimant is attending an approved retraining course. Under this program, the trainees receive their usual unemployment insurance benefits and nothing more. Existing vocational courses in public and private

schools are used, with no special courses established for training purposes under this program. From mid-September 1961, through May of 1963, over 5,300 individuals have been approved for training. A verified placement result of better than 60 percent for those individuals completing their course demonstrates the success of this program.

California's experience with MDTA

The Manpower Development and Training Act of 1962 was passed and signed by the President in the spring of 1962. Due to a delayed congressional appropriation, the funds and agreement by which California would administer the program did not reach California until late August 1962. Governor Brown signed the agreement for the State of California to administer the program on the day it was received, August 22, 1962.

Role of the State agencies under MDTA

As the first step toward establishing a training project under the Manpower Development and Training Act, the Department of Employment conducts a careful survey of the labor market in the area where the training need is believed to exist. This survey establishes the extent of the demand for entry workers in the training occupation and the number of qualified potential trainees (see appendix B for an example of the survey document). This information, properly documented, becomes a "work order" against the Department of Education to provide the training identified. The Department of Education selects a training facility and assigns to it the task of preparing a course curriculum, recruiting an instructor, and purchasing the necessary supplies and equipment, based on the survey document. This document, then, with the training cost budget, allowances budget, and course outline, are presented to a Federal review team for approval.

When the project is approved, the local office begins to make the selections of trainees to fill the class. Applicants are screened against the basic qualifications set up for the course. Such things as educational achievement, aptitude test results, expressed interests, and prior work record are considered.

Throughout the entire State since the very inception of the program, we have been most gratified by the cooperative spirit of the Department of Education and the local school districts. We have had problems, of course; but we have maintained two-way communication and an atmosphere of complete frankness between the two agencies. We have kept the rare conflicts "in the family" until such time as they were resolved through fair give and take. We have worked with them as a team, with sensitivity to one another's interests and prerogatives and as a result, the relationship has been a source of great pleasure to all of us.

MDTA accomplishments

Two projects were started on August 27, 1962, the Monday following the signing of the agreement. Since that time and through June of 1963, a total of 110 training proposals have been approved that would accommodate as many as 5,273 trainees. A total of 3,260 individuals have actually enrolled in training (several of the approved projects and some sections of approved projects have not yet started). Appendix C lists those courses that are currently active.

MDT occupations

There have been 31 separate occupational classifications approved for training in California. These are: staff nurse, mechanical draftsman, chemist assistant, licensed vocational nurse, general office clerk, secretary, stenographer, reproduction typist, clerk-typist, photographic supplies salesperson, fry cook, medical service orderly, nurse aid, custodian, tractor operator, combination welder, electronic technician, operating engineer, sewing machine operator, general machine operator, electronic assembler, instrument assembler, frameman, coin machine serviceman, key punch operator, general salesperson, vine and tree pruner, machine shop trainee, nurseryman, construction equipment mechanic, and groundsman-gardener.

Minority youth projects

With the advice and assistance of a representative of the President's Committee on Equal Employment Opportunity, we have established three special pilot projects in an area of Los Angeles that is populated largely by minority groups. This area was selected due to the low economic status of its residents and, more particularly, because of the high unemployment rate of youth re-

siding there. The occupations selected for training purposes were electronic assembler, machine operator, general and clerk-typist. A total of 105 individuals entered training in these projects. Of these, 36 are receiving regular allowances, 27 are receiving youth allowances, and 46 are not receiving any allowances whatsoever.

Because these trainees came from low income, culturally deprived families, the school hired one full-time counselor to work with the trainees to keep them in the class and adequately motivated, and to help them with any adjustment problems. It was anticipated that the many trainees not receiving allowances would have financial problems that might cause them to drop out of training. However, those students attending without allowances have obtained various forms of financial assistance from private sources. For example, a member of the local advisory committee established a fund to help students who had exhausted their financial resources so that they could remain in training. There were several other instances of individual private loans made to students to assist them in completing the course. Without this assistance, it is very probable that many students would have been compelled to terminate training; if youth allowance provisions were liberalized, this problem would be minimized.

One class of students in a special project electronics assembler course has been graduated. It is very gratifying to report that of the 21 individuals who completed the course, 19 immediately obtained training-related employment and 2 obtained non-training-related employment. It is virtually a certainty that without training, these 21 youngsters would still be unemployed and without hope or prospect of a steady job.

Placement of MDT trainees

A total of 730 trainees have completed their training courses. Of this number, 446, or 61 percent, have secured training-related employment and 78 individuals have secured employment in non-training-related occupations. This favorable employment rate has been accomplished in spite of the fact that two projects were relatively unsuccessful in terms of employment for the trainees due to unforeseen difficulties that came up after classes had been started. (One such difficulty was the cancellation of the Skybolt missile contract which severely restricted the employment possibilities of individuals who were training electronic occupations. Another was the unavoidable and unforeseeable failure of a new establishment to open as scheduled.) We believe this record justifies both the need for the program and the confidence we have placed in it.

Individual training reactions

A few brief excerpts from applicant letters and newspaper items will serve to suggest the personal impact of "a second chance through retraining:"

Santa Rosa—Clerk-typist.—"I have been drawing aid for needy children for approximately 1 year * * * I tried to obtain employment but it seemed I did not have enough experience or knowledge * * *. It is important to me to be able to support my three small children, and with this training I know I can."

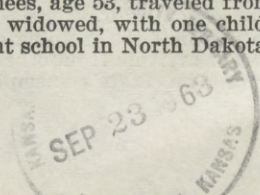
Sacramento—Draftsman.—"It was a long program and tough course, but it was well worth while."

"It's a real good deal. I'm well satisfied. If it hadn't been for the school, I never would have gotten hired."

Monrovia—Electronics assembler.—"Mrs. S. H. is a woman of 27 who has the financial responsibility of an invalid husband and two children, 4 and 8. For the past 5 years she has worked at three different occupations for five different employers. When she inquired about the Manpower Development and Training Act she had been unemployed for 6 months, with no prospects. She studied an average of 4 hours every night, after the family was in bed, during her 6 weeks of training. Four employers scheduled interviews for her when they observed her work in the class. She is now working as an electronics assembler."

Pasadena—Sewing machine operator.—"A 24-year-old mother of two found herself unable to maintain the family on her irregular earnings in unskilled jobs. Tested and referred to a manpower development and training power-machine-operator class, she was a diligent student, and following completion of training she was immediately placed in a single-needle-operator job, obviating need for further public assistance."

San Rafael—Clerk, general office.—"One of the trainees, age 53, traveled from Napa to San Rafael, a distance of 45 miles. She was widowed, with one child, and had not worked since 1940, at which time she taught school in North Dakota."



Before the class was finished she was offered a job in a real estate office in Napa, and she states that because of the training she had received she had the self-confidence to accept the position, and is doing an excellent job."

Glendale—Electronics assembler.—"A 40-year-old applicant, out of the labor market for 12 years, found it necessary to obtain employment. Her entire experience had been limited to routine clerical work and as a helper in a beauty shop for a short time. After being counseled and tested in the local office she was found to be qualified for training as an electronics assembler, and was referred to the class. A job has already been lined up for her when she completes the course."

San Francisco—Hospital orderly.—"These men proved it. There was a great deal of hardship. One man walked across the city each day, to and from class, because he didn't have busfare."

School reactions to trainees

A particularly encouraging development in almost every project established in California has been the enthusiasm and initiative shown by the trainees. Many of the instructors and school officials have commented that, in their experience, they have never had such dedicated and sincere students. Almost without exception, the dropout rate in manpower development and training classes has been less than the rate in regular adult education courses. Here are a few examples of the reaction of teachers and school administrators to the manpower development and training trainees:

San Rafael—Nurse aid.—"Illness struck a heavy blow at this class which started with 14 and ended with 10. Of these 10, 7 are widowed, with children. All were most enthusiastic about their training and were highly complimented by Dr. Siemens, who said, 'Because of your enthusiasm and the dignity with which you did your work, you caused my entire staff to be on their toes.'"

Oakland—Clerk-typist.—"* * * stated that he had been very pleased with the referrals made to the course by the Oakland office, that they were "highly motivated" and that the skill with which they had been selected was largely responsible for the fact that there had been no dropouts from the course."

Santa Rosa—Clerk-typist.—"I must give credit to the excellent job of screening and selecting of the trainees by our local State department of employment office. We have 50 clerk-typists in training. The school terminated 1 trainee, so, at almost the end of the 12-week program, we still have 49 in the class; we feel that this alone indicates their interest since some of them commute as far as 66 miles a day to attend."

Sacramento—Draftsman.—"I think we can claim pretty good success. Frankly, at the start, because of the intensive schedule, I didn't think the class would last more than a month. It's been 1,000 percent better than anything I had anticipated."

Improvements in law needed

Although training has been approved for only 1.3 percent of the unemployed in California, we believe the record proves that the Manpower Development and Training Act can be an effective tool with which to attack the pressing problem of unemployment. There are, however, several areas where improvements in the law are needed before the full potential of the program can be realized. I would like to discuss these in order of their priority.

Manpower development training financing

First, this agency urges that the financing of the Manpower Development and Training Act continue to be based 100 percent on Federal grants. The act presently requires the States to assume one-half the financial burden beginning July 1, 1964. This agency feels that this requirement places an inequitable burden on many States inasmuch as a significant portion of unemployment will not be either within the State's control or will it be its full responsibility. For example, in California, the population has grown by 5,566,000 in the decade ending in 1962. A reliable estimate is that two-thirds of this growth is a result of in-migrants from other States. In most cases these individuals are unemployed and in many instances they have no real prospects of securing steady employment as their skills and experience are not adequate for the highly competitive California labor market. We have good reason to believe that substantial numbers of these new in-migrants remain chronically unemployed. Consequently, California and States with similar conditions would be forced to pay half the training costs for a significant number of unemployed who are recent arrivals from other States. Because of the effects that in-migration has on a given State's unemployment problem and because of the national scope of

the problem, this agency believes the problem should be dealt with by Federal financing.

In addition, California is experiencing the same obstacles faced by other States in the matter of matching funds. State financial resources are already strained with little room to accommodate sizable new expenditures. The whole budget-revenue question is at this moment an extremely delicate one in the California Legislature. Further, since the program has been in operation for less than a year (and that under the handicaps of newness of the program and unforeseeable complications) many States including California, did not feel they could justify to their legislatures the expenditure of such large amounts of funds on the available facts. In this State, there is no possibility whatever that matching funds could be appropriated prior to 1965.

H.R. 7000 appears to us deficient in correcting this problem of matching funds in that it states: "Any such agreement may provide for payment to such State agency of up to 100 percent of the cost to the State of carrying out such agreement." We would strongly urge that this critical provision be rewritten in unequivocal terms so that there will be no possibility of administrative interpretation of the amount of reimbursement to the States for Manpower Development and Training Act costs.

Academic training

Among the hard-core unemployed there is a disproportionate number of functional illiterates. Most jobs for which training is conducted require an ability to read and write. Many applicants who are otherwise fully qualified are not referred to training due to lack of this ability.

In some instances we have had to screen as many as 10 or more applicants in order to find 1 who is qualified to take a specific retraining course. Many individuals screened out for literacy reasons are members of minority groups who also constitute the most pressing of the "hard core" unemployed. A great deal of difficulty is encountered even determining the vocational aptitudes and abilities of functional illiterates. We support amendments to the act to provide for intensive basic literacy training for those individuals who, without such training, would have difficulty in qualifying for any job. Equally forceful arguments could be advanced for providing other basic educational training, especially arithmetic and motivational training (citizenship, personal relationships, grooming, and the like).

We are most pleased with the language of H.R. 7000 which provides for the development of basic educational skills to enable eligible persons to pursue courses of occupational training. This change will allow considerable flexibility in designing programs tailored to special groups; i.e., youth, minorities, handicapped, and older workers, so many of whom are in the "hard core" unemployed category.

This provision needs the additional advantage provided by H.R. 7377 of exempting the trainees from the "reasonable expectation of employment" requirement of the act, and from the 52-week limitation on duration of training. Perhaps a combination of the best features of the two bills would be the ideal solution, with language such as " * * * refer for the development of basic educational and/or work skills those eligible persons who will thereby be able to pursue courses of occupational training or otherwise become more readily employable, * * * .

Fifty-two-week disqualification

In line with our recommendation that literacy training be provided for in the act, we recommend that the act also be amended to remove the 52-week disqualification period, so that trainees may be referred with allowances to vocational training projects under the act after completion of a literacy training course. Removal of the 52-week disqualification will also enable trainees who have completed a Manpower Development and Training Act course to take further training with allowances in another occupation in the event that the jobs for which they were trained disappear. This happened because of the Skybolt cancellation in Los Angeles. Through no fault of their own, many of our electronic assembler trainees from the Glendale project are unable to find training-related employment. They are in the same state as they were before the training—unemployed and with little or no prospect of appropriate full-time employment without further training.

Youth allowances

The current law places a 5-percent limitation of training allowances for youth age 19 to 21. Without this limitation, California would be expending 15 to 20

percent of total allowances on this age group. Unemployment among youth is now approximately $2\frac{1}{2}$ times the average for all groups, with minority group youth having an even higher percentage of unemployed.

This is a tragic waste of human resources. We are of the conviction that if a young person can believe in the skill of his hands and the ability of his mind to direct them, given the chance to confirm that belief in gainful employment he will have the opportunity to develop into a responsible, constructive citizen. Lacking these opportunities, he is deprived of his dignity; and he is likely to develop traits that are destructive of his personality. In large numbers, such deprived persons are a serious threat to the health of our society—even to the very survival of our democratic institutions.

We feel that this 5 percent restriction on the number of youth who can be referred with allowances severely limits the effectiveness of the Retraining Act in dealing with this critical group. The only restriction we believe is appropriate on the referral of youth would be a qualification that all youth referred with allowances be required to be at least 16 and have been out of regular school for at least 3 months. Restricting allowance payments to those youth who have been out of school for a reasonable period of time would eliminate any possibility of encouraging youth to drop out of school in order to attend a Federal retraining course with allowances.

We do not favor the provision in H.R. 7000 that youth must have been out of work for 1 year to qualify for youth allowances. This requirement unfairly discriminates against the youth who has managed during the past year to find, for example, a part-time or temporary job for a few hours or days. We believe it is, enough to require that the youth have been out of school for a reasonable time, be now unemployed, and have a reasonable prospect of appropriate full-time employment without further training.

We would favor a provision such as that in H.R. 7377, that to be eligible for allowances, the youth must have been out of school for at least 3 months.

Eligibility for allowances

The law provides that only those individuals who are heads of family or household and who have had not less than 3 years of experience in gainful employment (youth 19-22 excluded) may receive training allowances. The requirement specifying allowance eligibility only to those individuals who are heads of family or household appears to be much too restrictive. For example, a single self-supporting individual contributes to the work force no less than a married individual and has qualifications and attributes equally as great. It is important that he become employed and self-sufficient. Yet, because he supports no one except himself, he is denied the opportunity to gain new skills with the financial assistance of the act. This "head of family-household" provision should be retained as a "priority item." That is, individuals with families to support should be given priority in being referred to the training courses with single self-supporting individuals considered if there are still openings to be filled in the class. However, we believe that the single adult, if referred, should be entitled to training allowances.

We concur in the removal of head-of-household, head-of-family, and work force experience requirements, and the liberalizing of the youth provision, as accomplished by H.R. 7000. This will enable us to attract more and better qualified trainees, and will help solve some recruitment difficulties that have caused concern to the department of education when we have been unable to fill classes.

We are glad, too, to see the removal of the priorities for referral to training as proposed in H.R. 7000. Extending priority to persons to be trained for skills needed within, first, the labor market area in which they reside, and second, within the State of their residence, seems to us to serve no useful purpose. In some cases, it unfairly discriminates against persons in need of training who reside in areas where training is not available but who would be willing to travel to another area to take a course.

We do not feel that H.R. 7377 goes far enough in liberalizing requirements for eligibility for allowances, in that it fails to remove the head-of-household and head-of-family and 3 years' work experience requirements that have, we believe, limited the effectiveness of the program in our State.

Relocation allowances

We are in favor of providing relocation expenses. This provision, deleted from the original draft of the law, would provide for paying relocation costs to an individual who lives in an area where he could not secure employment

if he would move to an area where there was an assurance of employment. In some instances, relocation costs would be the only expense incurred in securing employment for an unemployed worker. In other instances, relocation expenses would be an added cost of training. This provision would be particularly appropriate in California due to the long distances involved between the major labor market areas.

We are puzzled by the 6-month unemployment stipulation in section 4 of H.R. 7000. If the mine shuts down, and there is no work to be had, why must the individual wait 6 months for assistance? The 6-month delay would unquestionably affect his ability to pay half of the moving costs. Further, this proviso unfairly discriminates against the individual who somehow manages to pick up an odd job or two during the 6-month period. We feel it makes more sense, regardless of the period of unemployment, to consider only whether there is reasonable prospect of full-time employment in the community of residence.

Commuting expenses

We support the amendment in H.R. 7000 which provides for payment of commuter expenses in lieu of subsistence allowances. This will be an advantage to those persons who are not in a position to maintain a separate residence while training. Furthermore, it will be cheaper than paying subsistence at \$5 per day plus round-trip travel once a week.

Duration of manpower training program

It is the view of this agency that the Manpower Development and Training Act (or similar legislation providing like services) should be enacted as permanent legislation. It is predictable, for instance, that the rapidly changing technology commonly known as automation has not even yet had the full impact that it will have on the labor market in future years. It is predictable that many individuals will, in their working years, have to be trained two or three times just in order to keep pace with the rapidly changing technology.

This agency knows of no knowledgeable individual or group that asserts that the problem of providing trained manpower in the years ahead is going to diminish. The rapid advances in technology have had a virtual self-generating effect on the labor market with new breakthroughs in data processing systems, for instance, affecting ever-widening circles of industry and industrial processes. The widespread myth that automation creates as many new job opportunities as it makes obsolete is not accepted by experts and students of the labor market and industrial trends. It is, at best, a statement that has never been proved. What is indisputable, however, is that automation requires vastly different skills with the phenomenon of highly skilled individuals having to return to formal training in order to remain current with their jobs. This is today true of the engineer and the physician. In future years it will be increasingly true of skilled and semiskilled jobs of all kinds.

We also feel that it is an injustice to this program to treat it as a crash program. The deep-rooted, slow-responding problem it is designed to alleviate cannot be suddenly cured by emergency measures. We believe the tide of technological employment will be effectively turned only through thorough painstaking, and persistent measures applied consistently over a long period of time. Further, the crash program approach tends to multiply and magnify the many points of friction inherent in any program so extensively dependent on intergroup relations and critical timing.

Conclusion

In summary, the California State Employment Service believes that the Manpower Development and Training Act will constitute one effective attack on the problem of unemployment. It alone will not solve the problem; we are cognizant of the fact that we have approved for training only 1.3 percent of the unemployed workers in the State. On the other hand, we are equally aware of the fact that finding gainful employment for even 1 percent of the unemployed affects a far greater number of individuals than just the relatively few who are directly involved. Besides, the program is helping far more than 1.3 percent of the "hard core" unemployed, for whom it was intended. This much was accomplished in the first 10 months of the program; we expect that the rate of project development and approval will continue to accelerate in the coming months. Passage of the amendments to the law we have supported, and which you have already before you in bill form for consideration, will help us substantially in improving on this accomplishment.

We have experienced our share of setbacks and frustrations. But we still have high hopes for the future of this program. We believe that such training, even in limited amounts, can contribute to stopping or reversing downward economic trends and, for the individuals directly involved, can interrupt the cycle of short-term jobs and long-term unemployment that proves so debilitating to the individual and to his community, State, and Nation. We would like to urge your favorable consideration of these much-needed improvements in the act, so that we may be enabled to expend our efforts more effectively in accomplishing the kind of manpower training job we have for so long hoped we would be able to do.

APPENDIX A

I. CALIFORNIA'S MANPOWER OUTLOOK

California's manpower problems are like those of the Nation as a whole in most respects. There are some important differences, however. These grow directly out of California's rapid population growth, and out of California's unique role over the past 25 years in the Nation's defense and aerospace programs. The following is a brief description of the California economy and factors affecting the labor force:

A. Population trends

California's mid-1963 population is almost 17,700,000. Our State is unique in that its population has doubled every 20 years since 1860, and the rapid growth is continuing. In the last decade, the population increased at an average of 522,000 persons per year, and two-thirds of this increase came from migration. The present outlook is for a population of 21,700,000 by 1970, 24,800,000 by 1975, and 28,100,000 by 1980.

California is one of the most urbanized of all the States. The geographic shift of its centers of population during the last century has been as important a factor as its rate of growth. The early population tended to concentrate in northern California, due to the opportunities of the gold rush days. Then the metropolitan area of San Francisco-Oakland became a major area of growth. More recently, the southern counties have outstripped the rest of the State. They have grown so rapidly that, at the present time, about 60 percent of all California residents live in the 10 southernmost counties. Los Angeles county, for example, has become the most populous single county in the United States, with more than 6,400,000 residents.

B. Employment data

A basic picture of California can be seen in the current employment figures. We have 6,409,000 at work and 400,000 unemployed. The seasonally adjusted unemployment rate for May was 6.1 percent. Manufacturing employs 1,444,000 of the 6,409,000 total. Other industries with more than a million employees include trade 1,329,000, services 1,174,000, and Federal, State, and local government with 1,003,000. In construction we had 385,000 at work and in agriculture 327,000. Finance, insurance, and real estate totaled 317,000. All these figures, except agriculture, will expand in future years. Agriculture, including live-stock, in 1949 sold products totaling \$1,731 million. Ten years later sales in this industry had grown to \$2,784 million, and increase of over \$1 billion. Despite this growth, the number of workers employer actually declined substantially.

C. Defense role

Another factor which colors every aspect of the California manpower situation is the unique role which we have played for the past 25 years in defense and space programs. During World War II the aircraft industry and the ship building industry had a combined employment of two-thirds of a million persons. By early 1946 nearly all this employment was terminated, and California was faced with the task of industrial development to provide employment, not only for the displaced civilian labor force, but also for the demobilized military personnel. The readjustment was made, and by 1948 we were again enjoying a satisfactory measure of employment. From 1950 to 1957 the California aircraft industry expanded tremendously to 284,000 workers. Meanwhile, research on missiles and space exploration was developing, and employers took advantage of the concentration in California of highly trained engineering and technical personnel.

Another crisis occurred in 1957, when technological changes in manned aircraft caused heavy layoffs in the California aircraft industry. Fortunately workers were able to shift from aircraft to missile and electronic production as these fields gained momentum. The future of defense and space procurement, in which we are so highly specialized, cannot be clearly seen at the moment, but the record shows that employment in the missiles and electronics fields has declined for each of the past 4 months.

This brief summary of California's participation in defense work has been recounted because the ups and downs in this field have been of staggering proportions, and our future expectations must assume that as aerospace technology develops it will continue to force changes in the skills and the jobs of the people who are involved.

D. Automation and technological change

1. *Agriculture.*—During the past 10 years, California agricultural employment has decreased 27,000, and will undoubtedly follow past trends and continue to decrease slowly, due to advances in mechanization for preharvest and harvest operations. Agriculture continues under great economic pressure to mechanize as many of the remaining farm jobs as possible, thus further reducing the need for workers.

2. *Food processing.*—Technological change in the California food processing industry is not a new development. In the past, however, the rapid growth of the industry was sufficient to absorb any workers displaced by machines. Introduction of new equipment the last few years has resulted in net worker displacement. In the face of a growing economy and an increase in total employment of 54.6 percent since 1950, the canning and preserving industry registered only a slight overall employment gain of 9.7 percent.

3. *Office and clerical.*—While employment prospects for persons in most clerical occupations remain good, many skilled office workers have been displaced, at least temporarily, by consolidation of recordkeeping by centralized data processing equipment. Workers are forced to move to another area, or are terminated. Termination, in most instances, results in reentry into the labor force at a lower pay scale. Some jobs are automated out of existence entirely, and the applicants must learn new skills.

4. *Manufacturing.*—Automation and technological advances have probably played a greater role in California in the past than in most States because of the specialized types of manufacturing and production we have engaged in, and because, as we have grown we have built new plants with technologically advanced equipment. If we are to continue to grow in the next decade and keep our position intact, however, we must continue these advances with all their unsettling and challenging consequences.

II. UNEMPLOYMENT PROBLEMS

Even if California's demand for labor were to significantly increase, many workers would remain unemployed because they are untrained and lack the skills and basic knowledges needed in today's labor market.

A. Youth

A comparison of the 1950 and 1960 census figures on the numbers of young people in California's population ages 14 through 24 years disclosed a percentage increase of 52.1 percent.

The 1960 census also shows that in excess of 1,100,000 young people in the 14- to 24-year age group were in the labor force. This is a 56-percent gain over 1950 census figures. These young people, at the time of the census, had an unemployment rate of 10 percent compared to 6.1 percent for the entire civilian labor force. Population projections indicate that we will have over 2,400,000 14- to 24-year-olds in the 1970 labor force. This is a 119-percent increase, and will have the accompanying problems of unemployment.

In the 14 to 19 age group, representing the 379,376 beginning workers in California with the least amount of training, there is an unemployment rate of 12.1 percent compared to 6.1 percent for the labor force as a whole—almost exactly double.

MDT-1.—*Summary table, labor market analysis of occupational need*

1. Demand and supply during next 12 months:

(a) Demand with 12 months:

(1) Expansion needs.....	400
(2) Replacement needs.....	300
Total.....	700

(b) Supply within next 12 months:

(1) Unemployed persons currently available and qualified for the occupation.....	34
(2) Persons expected to complete training in existing facilities or on the job.....	0

Even this high rate of unemployment does not reflect the even higher rate for certain disadvantaged youths, such as school dropouts and youths who are members of minority groups.

B. Older workers

One-half of the population of California over 25 years of age is over 45; the older work force numbers over 2¼ million, roughly 40 percent of the total work force. It is projected that our work force will maintain this ratio through this decade and the next. In the year 1962, 255,000 workers 45 years of age and over asked our assistance in locating employment. The unemployment rate for the 45 years and over group is presently 5.8 percent, but we have learned that the older worker's period of joblessness, when he becomes unemployed, lasts much longer than for the younger worker.

Without full utilization of this segment of the labor force, California's economic growth cannot proceed at the maximum rate. The meshing of large numbers of mature workers into the new industrial machine emerging in our State poses a serious problem that can only be solved in many cases, by retraining.

C. Ethnic minorities

California's total population in the 1960 census was 15,720,860. Of that total, the largest single minority group is that with Spanish surnames, constituting 1,426,538 or 9.7 percent. Negroes account for 883,863 or 5.6 percent. Other nonwhites, including Chinese, Japanese, Filipino, and Indian constitute 2.4 percent. Again based on 1960 census figures, unemployment among nonwhite males was 10.1 percent, females 9.3 percent. This is in comparison with 5.5 percent unemployed among white males, and 6.3 percent among white females. In some cases, these rates become somewhat appalling. For ages 18-19, white male youth were unemployed at the rate of 13 percent; nonwhites, 22.3 percent. In one city, for example, nonwhite males' unemployment was 15.5 percent as contrasted to the white males' at 6.3 percent.

APPENDIX B

EXAMPLE OF TRAINING NEEDS SURVEY DOCUMENT (FORM MDT-1)

NOTIFICATION OF OCCUPATIONAL TRAINING NEEDS UNDER THE MANPOWER DEVELOPMENT AND TRAINING ACT

Date 4-30-63

MDT-1 No. 043-4

MDT-1 Rev. No.

Labor market area:	San Jose	C-15	Santa Clara
	(Name)	(Number)	(County or counties)
Local or area office:	Palo Alto	043	
	(Name)	(Number)	
(1) Occupation:			
Salesperson	(department and specialty stores)	1-75.01	-1-75.98.
	(Title)	(D.O.T. code)	

(a) Description of occupation: See attachments.

(b) Training objective: See attachments.

(c) Performance requirements: See attachments.

(2) Estimated number of workers needed over the 12-month period: 666.

(3) Estimated potential number of workers available for training: 100.

Personal characteristics of potential trainees: See attachments.

(4) Wage rate or range of rates at which trainees are expected to be employed \$1.45 to \$1.57 per hour.

The undersigned has determined (1) that wage rates, hours, and conditions of work in the jobs for which training is needed conform with standards in the area of employment; (2) that the occupational shortage is not due to restrictive hiring practices; and (3) that there is a reasonable expectation of suitable employment for 100 trained persons using skills acquired through training.

Recommended for Training Proposal:

A. L. PIERMONT,
Local Office or Area Manager.

Approved:

ALBRIL C. TEELING,
Director of Employment.

MDT-1 Rev. 2 (3-63) Notification of occupational training need under MDTA.

(3) Other entrants in occupation.....	0
Total.....	34
(c) Training requirements (a-b).....	666
2. Immediate shortages:	
(a) Current vacancies.....	
(b) Job openings in local office.....	25

Comments (see MDTA Handbook VII-6b and 6c—use additional pages if necessary):

PART I

(a) *Description of the occupation: (Department and specialty stores)*

Displays, explains, and sells merchandise to customers on sales floor. Ascertains make, type, size, or design and quantity of merchandise ordered by customer and approximate price customer is willing to pay. Displays merchandise and assists customer to make a selection by suggestions and explanations. Emphasizes the chief selling point of the article, such as its quality, style, durability, popularity, utility, taste, appearance, freshness, or price. May tell or show customer how to use articles. Writes out sales slip or fills out a sales contract for customer's signature. Receives payment or secures credit authorization and gives wrapped article to customer or arranges for its delivery. Cares for stock on sales floor, placing new merchandise on shelves, racks, or stands, keeping stock orderly and dusted during the day, requisitioning replacements from stockroom as necessary or informing buyer or department head of shortages as they occur and covering stock or removing it from counter at night. Writes out accommodation slip when customer returns merchandise for alteration or repair, indicating disposition of the merchandise.

Merchandise to be sold is in the following categories:

Women's and misses' fashions; sportswear; bridal salon; junior miss clothes; junior miss accessories; men's and boys' shop; men's sportswear; men's furnishings; infants' wear; floor coverings; draperies and linens; lamps; pictures; toys; luggage; radio, records; books; giftware; and silverware.

(b) *Training objective*

The objective is to give the student training in the following basics of salesmanship:

- Displaying merchandise.
- Maintaining stock.
- Marking merchandise.
- Making the sale.
- Making change.
- Handling money.
- Wrapping and bagging merchandise.
- Making out credit slips and arranging for delivery.
- Customer relations.
- Business grammar.
- Basic arithmetic.
- Store grooming.
- Buying habits.

Training in the above should equip the trainee with enough knowledge to become a productive employee in a modern, up-to-date retail establishment.

(c) Performance requirements

It is expected that the classes will contain three categories of students:

- (1) Trainees without any previous sales experience.
- (2) Trainees with previous sales experience of a routine or limited nature.
- (3) Trainees with sales experience that has become obsolete.

Those in the first two categories should be able to qualify for positions at the beginner or entry level where there is a minimum of actual "selling" and where sales assignments are of a routine nature. Those in the third category might conceivably be hired for "journeyman" positions. All categories should be able to advance into regular positions of responsibility within a shorter period of time than would be the case if training were not given.

Most stores have a day or less of orientation for their own procedures which is given to all new employees. The training under Manpower Development and Training Act would not be for this purpose.

(d) Personal characteristics of potential trainees

Trainees are primarily applicants in the 1-70 and 1-X codes. Age range is 18 to 64. The majority has completed high school but a very limited number with apparent potential for this training has only 10th- or 11th-grade education. Most applicants are married or single but a few are in the widowed, divorced, or separated category. There are more women than men in this group, but most openings are for women. Applicants have the personality and grooming necessary for sales success. The majority has had experience but most of it has been in fields other than sales. Those who have had sales experience have been performing duties at a salesclerk level. Some have had part-time after-school experience as clerks. All applicants have expressed an interest in sales work.

PART II

1. General economic characteristics of the area

(a) In the jurisdiction of the Palo Alto office are the towns of Atherton, Menlo Park, East Palo Alto, Palo Alto, Mountain View, Los Altos, Los Altos Hills, and Woodside Census Divisions, as well as the very southerly portion of Redwood City. San Mateo County is part of the geographic breakdown but the major portion of the office boundary is in Santa Clara County. With little exception, retail establishments of consequence to this survey are in Santa Clara County, which is in labor market area C13. The jurisdiction has an approximate population of 220,000 with the city of Palo Alto showing a figure of 53,000. Population growth for the county is at a rate of about 4,000 people a month.

Labor Market Report ES-219 for San Jose indicates that expansion in most industry divisions resulted in another new employment record for the month of March 1963. March's unemployment insurance figures were below that of a month ago and the previous year. The unemployment insurance rate of decline was from 24,700 or 8.4 percent of the labor force in February 1963, to 19,600 or 6.7 in March 1963.

Total employment for the county advanced from 270,500 in February 1963, to 275,000 in March 1963. Accelerating seasonal activities, together with expansion in nonseasonal industries will bring employment to new highs during the coming months and should result in a further decline in joblessness by mid-July, according to all indications.

Santa Clara County is considered an area of high-income level because of its concentration of industries with a great percentage of professional, technical, and skilled industrial personnel. Much of this industry is centered in the Palo Alto area.

Palo Alto, which is the home of Stanford University, is recognized as a center for research in electronics, medicine, and economics, as exemplified by its large number of laboratories, executive offices of many large companies, a medical school, large hospitals, and one of the West's largest applied research centers—the Stanford Research Institute. Luxury motels, lavish eating facilities, Stanford University, balmy weather, and the community's central location have contributed to the area's role as a headquarters for summer visitors and conferences.

(b) Prior to 1955, most of Palo Alto's shopping facility was on University Avenue. On this centrally situated thoroughfare could be found the same types of service establishments that are part of every Main Street in the United States. Residents did their everyday and Saturday shopping here and whenever special buying was necessary or desirable, there was an all day trek into San Francisco.

Many residents walked over from home and those who drove could always find parking space.

In 1955 the Stanford Shopping Center was built on land that was part of the vast Leland Stanford acreage owned by the university. In quick order, the Emporium, Roos Bros., Joseph Magnin, I. Magnin, Livingston Bros., Macy's, and more than 35 other retail establishments opened sparkling modernistic headquarters in this thriving center. By this time, population was beginning its rapid acceleration and one of the advantages of the center was that parking was never a problem. Today, the Stanford Shopping Center is firmly ensconced as a shopping development of unparalleled attractiveness and attracts people from communities near and far. Merchandise is not only tailored to the more casual needs of the suburban population but is of such great variety that shopping excursions to the "city" are no longer part of the community pattern.

Concurrent with the Stanford Shopping Center was the opening of a new Sears, Roebuck store in a location in Mountain View. Thrifty Drug Store, F. W. Woolworth, and other retail stores have opened in this center.

The shopping centers have undoubtedly taken many retail dollars away from University Avenue but many of the original stores are still in operation there and Palo Altans continue to do some, if not all, of their buying there. One of the real problems has been the critical shortage of parking space and the downtown merchants have been endeavoring to resolve this situation.

The advent of the discount houses has brought new problems to all retail establishments. There are three large ones in the area—Shoppers World, Maxmart, and Alec's. These establishments have not only offered customers lower prices but convenient night and Sunday shopping hours. Even credit buying has been made possible for the discount house member.

To meet this challenge, retail establishments have had to alter their own practices. Most stores now remain open every week night and even prices have become comparable with those in discount houses. The consumer now finds that every day is clearance day or special purchase day or special promotion day in the retail stores. The stores frankly admit that they intend to meet every advantage that the discount house offers, even if it means lower profits for them. One store, Macy's, has even stated that they may stay open Sundays if it means getting business away from the discounts.

Out of all this has emerged a new concept of the store employee—the part-time salesperson who works short hours, either nights, days, Saturdays, or a combination of all. There are still many employees who work a conventional 40-hour week, but the number decreases all the time and the tendency is to replace a permanent 40-hour person with two part-time people.

In conclusion, it should be emphasized that night hours, the competition from discount houses, and a high rate of purchasing power on the part of consumers are all reasons for the increased need for salespeople. However, the community's ability to absorb new retail growth as the population increases at a record rate is the far-reaching reason.

Expansion.—Newest addition to this area will be Rhodes, a branch of a department store chain with locations in Washington, Oregon, California, and Arizona. Rhodes was first begun in Portland in 1851. By 1953 there were 9 stores and by the end of this year there will be 12. Rhodes will open its next store in Mountain View in October 1963, in the San Antonio Shopping Center behind Sears, Roebuck. It will contain 130,000 square feet of floorspace and will be a complete department store with at least 300 employees. The management has asked the Palo Alto local office to do all its staffing and signs have been posted at the construction site, directing applicants to this office for all positions. They have indicated a definite interest in a training program geared toward finding qualified people for them.

Saks Fifth Avenue will open a high-quality apparel store in the Stanford Shopping Center vicinity in the summer. Approximately 100 salespeople will be needed and the local office has been asked to assist in the staffing.

J. C. Penney has just announced plans to construct a store at a new shopping site at Alma and San Antonio Roads in the Palo Alto-Mountain View area. This will be the largest Penney store in the country, with many departments planned which will be completely new to the Penney image. A staff of 300 to 500 people will be needed. The shopping area will also house other stores and services.

Unionization.—We contacted Mr. Floyd Weesman, business agent, Local 428, Retail Clerks Union, and discussed our proposal. He asked about our available source of qualified applicants and we gave him a breakdown on this. We ex-

plained that our main reason for proposing the training was because of the two new stores and their particular needs. He stated that he could see no objection to the training but that he would discuss it with his board.

In the Palo Alto area, the three major discount houses (Alec's, Shoppers World, and Maximart), Thrifty Drug Store in Mountain View, several small drugstores, and the three trading stamp stores (S. & H., Thrifty Green, and Blue Chip) have bargaining agreements with this union. No other retail stores of significance to our proposal are unionized.

2. Demand for occupation

Approximately 2,000 people are regularly employed in sales positions in the larger stores of this area. More than twice that amount do sales work in the smaller stores. In all, over 13,000 people are employed in the wholesale and retail trade industry in the area. The three major stores show these figures:

	Empo- rium	Macy's	Sears, Roebuck		Empo- rium	Macy's	Sears, Roebuck
January 1962-----	437	-----	450	September 1962----	390	300	450
February 1962-----	336	-----	350	October 1962-----	490	383	450
March 1962-----	341	-----	350	November 1962-----	504	433	450
April 1962-----	293	-----	375	December 1962-----	785	474	600
May 1962-----	418	-----	375	January 1963-----	507	383	375
June 1962-----	524	-----	360	February 1963-----	451	405	458
July 1962-----	524	-----	450	March 1963-----	455	380	375
August 1962-----	524	-----	450	April 1963-----	475	395	479

Stores began staying open on all week nights beginning May 1962. Macy's figures have been obtainable beginning September 1962, when they were required for DE-2481.

Various reasons are given to substantiate the need for sales training. They are:

1. There is an insufficient pool of qualified people to fill the current job openings in this office.
2. There is an insufficient number of people for the anticipated jobs for the new companies opening this year.
3. There is a large group of applicants without previous sales experience who could be utilized in job openings if they could be trained properly.
4. There is a group of people whose experience has become too obsolete to meet the present-day needs of the retail field.
5. Employers contacted for the survey have indicated an interest in a training program.

A canvass of closed orders for the period January 1, 1963, to date shows the following: openings, 41; referrals, 85; hires, 25.

The closed order file for the entire year of 1962 shows: openings, 395; referrals, 814; hires, 200.

There are currently 25 openings in the active file, with orders for specialized selling of all types.

It is the opinion of interviewers who handle the occupation that a far greater percentage of hires would have resulted if qualified people with experience or training were available.

Although the training proposal is principally concerned with the needs of two specific employers, Rhodes, which will open in October and Saks Fifth Avenue which will open in summer, other employers were contacted for information relative to the training proposal. They are:

Emporium.—At the present time, walk-ins are taking care of current openings. However, good sales personnel will always be needed. Miss Rosemary Foglia, the personnel director, expressed interest in a training program of general nature. In 1962, the employer placed 28 orders with us.

J. C. Penney Co.—This store is situated on University Avenue in the old Palo Alto shopping district. As stated above, the largest store in the entire nationwide Penney chain will be built in Mountain View and presumably this will eventually supplant the present operation. The staff at Penney's fluctuates between 40 and 60 people throughout the year. The manager believes that turnover is not great but in 1962 they placed 22 openings with us. The manager, Mr. Rogers, believed that training under MDTA would be beneficial to employers.

Sears, Roebuck Co.—Miss Griefe, newly appointed personnel manager, has just been transferred to the Mountain View store from Salinas. She had knowledge

of the MDTA sales training in that city and believed, despite some of the difficulties encountered, that it had served some purpose. She hoped we could pattern our program after that curriculum. During 1962, Sears, Roebuck placed 28 orders with us.

Macy's.—Macy's expressed great interest in our program. Both the manager and personnel director were of the opinion that such training would be of great benefit not only to the new stores but to Macy's as well, provided that some trainees could be directed to them. In 1962, Macy's placed 76 orders with us.

Conclusions

It is difficult to obtain turnover rates from the stores because of the complexities of the various types of payrolls (i.e., part time, temporary, etc.). There is a high degree of seasonality in the occupation, although the previous peaks have been somewhat stabilized due to more continuous number of sales throughout the year. In most stores, however, inventory periods are preceded by a storewide type of clearance and during Christmas a great increase in staffing is necessary.

It was this analyst's belief that all stores contacted were very interested in an MTDA training program and that if they had the choice of selecting a trained person and an untrained person, the trained one would get priority. It was also our belief that some stores would even prefer newly trained people to those with experience from other areas of establishments. Timing is a definite factor, especially in the case of Rhodes and Saks because students will have to be available for the store openings.

3. Training requirements

Although Rhodes will need about 300 people, it is felt that a more modest figure of 100 should be used for training purposes. The balance needed will probably be met by other sources including experienced applicants from our files, experienced applicants directed to our office by Rhodes, and people who will be leaving other stores to come to Rhodes or Saks.

4. Working conditions

Night hours are the rule in almost all establishments, with Sunday hours in effect at discount houses. Stores operate with various shifts to fit the store needs as well as the needs of the employees. For example, it has been recognized that more buying is done between 11 a.m. and 2 p.m., due to the availability of mothers during those hours. Therefore, many salespersons are hired for those hours. Students are frequently hired for the night hours, too. A full-time employee is not usually required to work the more unconventional hours because students, housewives, and even men with other daytime jobs are available.

Most stores have a short orientation or induction program for new employees during which procedures applicable to their store are explained in detail. A few stores have formal management trainee programs. None of these would affect our training proposal.

5. Wages

Wages paid in sales occupations vary according to store, department, merchandise, skill level, etc. Appliance, shoes, and hardware departments pay a higher scale. Commission is paid in some departments and never in others. The starting nonunion rate for most salespeople is approximately \$1.45 per hour. The union scale is \$1.57½ per hour to start. It is expected that trainees who successfully complete the course will be paid the wage of \$1.45 to \$1.57.

6. Supply of qualified workers

There are no high schools in the area teaching merchandising or salesmanship courses during day or evening hours. Foothill College has no present program but is planning a 2-year curriculum beginning September 1963, which will be geared toward an A.A. degree in marketing and retailing. Graduates will presumably be considered for the managerial or buyer level.

The 1-75 file of our active placement desk yields 69 applicants who have been given either primary or secondary codes. Experience is indicated in all fields, with the majority in apparel. Of this total, several applicants have just come to this country and are unable to speak English, 4 are in retirement due to age or illness, and 35 have indicated a preference for other fields of work.

Mrs. Louise Clerk, placement interviewer who handles the sales occupation, confirms that there is a shortage of qualified salespeople in almost all fields.

7. Number of potential trainees

A survey was made of two files—the 1-X5 and 1-70 groups. The 1-X5 file was broken down as follows:

Males	32
Females	21
Total	53

Age range:

Under 20	19
20 to 29	24
30 to 39	3
40 to 49	4
50 to 59	2
Over 60	1

Marital status:

Single	31
Married	13
Divorced	5
Separated	2
Widowed	2

1-70 file:

Males	24
Females	38
Total	62

Age range:

Under 20	20
20 to 29	15
30 to 39	7
40 to 49	17
50 to 59	11
Over 60	2

Marital status:

Single	29
Married	26
Divorced	4
Separated	1
Widowed	2

Another source of trainees will be the 1963 crop of graduating seniors from the local high schools. From estimates of previous years, approximately 200 will be seeking permanent employment after June. A portion of this number will be interested in sales work.

Other files that will undoubtedly yield trainees for the course are in the 6-X6 and 8-0 categories. In addition, this office has been developing a list of applicants who have inquired about training in this field.

Selection factors.—Test Battery B-1 will be used as a selection device. In addition, work histories will be carefully perused for stability and other factors. Physical factors such as good hearing, eyesight, and freedom from back and leg conditions will also be considered.

8. Employer contact schedule

Although no accurate information is available to give us replacement needs of employers, Macy's has given us a figure of eight separations each month. Assuming that other stores have the same percentage of separation, one could estimate that there are at least 300 openings yearly due to such replacement. This figures out to a little under 2-percent a month.

10. Community acceptance

(a) A meeting of the Santa Clara County subcommittee of the Nine County Bay Area Advisory Council was held in the Palo Alto local office on Wednesday,

May 8, 1963, at which time the training proposal for salesperson was discussed. Members were:

James P. McLoughlin, secretary-treasurer, Central Labor Council, Santa Clara County AFL-CIO;

Frank Gorham, senior business representative, I.A.M. District Lodge 93;

K. S. Johnson, director, industrial relations, Owens-Corning Fiberglas.

Other committee members were unable to attend.

After the proposal was presented, a discussion followed and then members of the advisory council gave verbal approval.

(b) Advisory Council Member McLoughlin confirmed his verbal approval by letter dated May 9, 1963 (see letter). Mr. McLoughlin's approval was also in connection with his affiliation with Local 428, Retail Clerks Union, Santa Clara County.

(c) No employer association was contacted.

(d) Mr. Mel Sornberger, Division of Apprenticeship Standards was also present at the advisory council meeting and offered no objections to the training. This is not an apprenticeable occupation.

CENTRAL LABOR COUNCIL OF SANTA CLARA COUNTY, AFL-CIO,
San Jose, Calif., May 9, 1963.

Mr. A. L. PIEDMONTE,

Local Office Manager, California Department of Employment,
Palo Alto, Calif.

DEAR MR. PIEDMONTE: This is to confirm the verbal approval that I gave at the meeting in Palo Alto, May 8, 1963, for the Manpower Development and Training Act to proceed with the training needs of salespersons for department and specialty stores in the Palo Alto area office and for the pruning of trees and vineyards in the Gilroy area office.

Very truly yours,

JAMES P. McLOUGHLIN, *Secretary-Treasurer.*

California Department of Employment, coastal Manpower training and development, MDT-1
area, local office No. 043. employer contact schedule.
Occupation: Salesperson, 1-75.01-1-75.98. Date: April 30, 1963.

Name of firm	Number of employees currently employed in this occupation	Current job vacancies	Anticipated vacancies in next year due to—		Entry wage for this occupation
			Expansion	Replacement	
Macy's, Stanford.....	395	3		90	\$1.46
Emporium, Stanford.....	475			100	1.52
J. C. Penney, Palo Alto.....	48			10	1.50
Sears, Mountain View.....	479			100	1.45
Rhodes.....			300		(1)
Saks, Stanford.....			100		(1)

¹ Prevailing wage.

APPENDIX C

MONTHLY REPORT OF ACTIVE AND SCHEDULED MANPOWER DEVELOPMENT AND TRAINING ACT COURSES

DIVISION NOTICE NO. 3239 Q

JULY 15, 1963.

To: All local office managers.

Subject: Active Manpower Development and Training Act training courses.

1. Section IX, B of the Manpower Development and Training Act Handbook requires that clearance orders or items for the "State Inventory of Job Openings" be identified by the symbol MDT when a training course is in progress in any part of the State in that occupational code.

2. Listed below are the Manpower Development and Training Act courses which are currently active or will be active in the very near future, or have been completed since the issuance of Division Notice No. 3204 Q, dated June 14, 1963.

Occupational title	Code	Starting date	Duration of training	Number of trainees	Completed	Training project office
Staff nurse (refresher) (Cal-81)	0-33.26	Apr. 22, 1963; June 17, 1963.	4 weeks.	100	May 17, 1963	San Francisco.
Draftsman, mechanical, electrical (Cal-75)	0-48.11	Apr. 15, 1963.	48 weeks.	25	June 28, 1963	Monrovia.
Draftsman, mechanical (Cal-5)	0-48.18	Oct. 24, 1962.	37 weeks.	30	June 28, 1963	Sacramento.
Chemist assistant (Cal-64)	0-50.22	Apr. 1, 1963.	42 weeks.	24	June 28, 1963	Richmond.
Licensed vocational nurse (Cal-18)	0-52.83	Feb. 4, 1963.	50 weeks.	15	June 28, 1963	Sonoma.
Licensed vocational nurse (Cal-48)	0-52.83	Jan. 28, 1963.	49 weeks.	50	June 28, 1963	Hayward.
Licensed vocational nurse (Cal-23)	0-52.83	Jan. 7, 1963; Apr. 2, 1963; June 4, 1963.	49 weeks each.	140	June 28, 1963	San Francisco, individual and service.
Licensed vocational nurse (Cal-46)	0-52.83	Jan. 28, 1963.	49 weeks.	30	June 28, 1963	San Luis Obispo.
Licensed vocational nurse (Cal-27)	0-52.83	Jan. 28, 1963; May 6, 1963.	48 weeks each.	40	June 28, 1963	San Diego, individual and service.
Licensed vocational nurse (Cal-62)	0-52.83	Jan. 7, 1963.	52 weeks.	10	June 28, 1963	Lodi.
Licensed vocational nurse (Cal-42)	0-52.83	Feb. 11, 1963.	50 weeks.	15	June 28, 1963	San Mateo.
Licensed vocational nurse (Cal-163)	0-52.83	June 3, 1963; June 24, 1963.	52 weeks each.	32	June 28, 1963	Oakland.
Licensed vocational nurse (Cal-103)	0-52.83	Sept. 3, 1963.	44 weeks.	32	June 28, 1963	El Centro.
Licensed vocational nurse (Cal-110)	0-52.83	Sept. 1, 1963.	50 weeks.	30	June 28, 1963	Los Angeles.
Licensed vocational nurse (Cal-109)	0-52.83	July 22, 1963.	51 weeks.	30	June 28, 1963	Santa Ana.
Clerk, general office (Cal-8)	1-33.01	Feb. 4, 1963.	20 weeks.	50	June 28, 1963	San Rafael.
Secretary (Cal-45)	1-33.01	do.	20 weeks.	25	June 28, 1963	San Mateo.
Secretary (Cal-32)	1-33.01	do.	20 weeks.	30	June 28, 1963	Norwalk.
Secretary, insurance (Cal-92)	1-33.01	May 27, 1963; Nov. 25, 1963.	28 weeks each.	40	June 28, 1963	San Francisco.
Secretary (Cal-104)	1-33.01	Aug. 6, 1963; Jan. 24, 1964.	25 weeks each.	60	June 28, 1963	Norwalk.
Stenographer (Cal-70)	1-37.12	June 10, 1963.	22 weeks.	30	June 28, 1963	Lancaster.
Stenographer (Cal-69)	1-37.12	Apr. 16, 1963.	27 weeks.	30	June 28, 1963	San Bernardino.
Stenographer (Cal-80)	1-37.12	May 7, 1963.	do.	25	June 28, 1963	Santa Barbara.
Stenographer (Cal-40)	1-37.12	Nov. 7, 1962; Feb. 4, 1963.	32 weeks each.	30	June 28, 1963	San Francisco.
Stenographer (Cal-38)	1-37.12	Jan. 28, 1963.	20 weeks.	30	June 28, 1963	Norwalk.
Stenographer (Cal-95)	1-37.12	Jan. 14, 1963.	24 weeks.	30	June 28, 1963	Berkeley.
Stenographer (Cal-35)	1-37.12	Jan. 14, 1963.	24 weeks.	40	June 28, 1963	Pasadena.
Stenographer (Cal-19)	1-37.12	Feb. 4, 1963.	24 weeks.	20	June 28, 1963	Stockton.
Stenographer (Cal-74)	1-37.12	Apr. 15, 1963.	20 weeks.	35	June 28, 1963	Sacramento.
Stenographer (Cal-57)	1-37.12	Mar. 4, 1963.	do.	30	June 28, 1963	Santa Monica.
Stenographer (Cal-74)	1-37.12	Apr. 4, 1963.	do.	40	June 28, 1963	Sacramento.
Stenographer (Cal-60)	1-37.12	Apr. 18, 1963.	30 weeks.	40	June 28, 1963	Fresno.
Stenographer (Cal-83)	1-37.12	Apr. 29, 1963.	20 weeks.	30	June 28, 1963	Hayward.
Stenographer (refresher) (Cal-94)	1-37.12	May 29, 1963.	25 weeks.	25	June 28, 1963	Sacramento.
Stenographer (Cal-96)	1-37.12	May 29, 1963.	20 weeks each.	20	June 28, 1963	Norwalk.
Stenographer (Cal-101)	1-37.12	June 24, 1963; Jan. 6, 1964.	27 weeks.	30	June 28, 1963	Monrovia.
Stenographer (Cal-108)	1-37.12	July 1, 1963.	25 weeks.	25	June 28, 1963	San Jose.
Stenographer (Cal-106)	1-37.12	July 29, 1963.	30 weeks.	25	June 28, 1963	Los Angeles.
Stenographer (Cal-108)	1-37.12	July 8, 1963.	31 weeks.	35	June 28, 1963	Van Nuys.
Reproduction typist (Cal-24)	1-37.12	Jan. 14, 1963.	24 weeks.	98	June 28, 1963	San Diego, industrial and service.
Clerk-typist (Cal-44)	1-37.34	Jan. 7, 1963.	25 weeks.	70	June 28, 1963	Los Angeles, commercial.
Clerk-typist (Cal-3)	1-37.34	Jan. 7, 1963; May 6, 1963.	26 weeks each.	100	June 28, 1963	San Francisco.
Clerk-typist (Cal-12)	1-37.34	Oct. 17, 1962.	26 weeks.	45	May 17, 1963	Oakland.
Clerk-typist (Cal-82)	1-37.34	Apr. 29, 1963.	20 weeks.	30	May 17, 1963	Hayward.
Clerk-typist (Cal-31)	1-37.34	Jan. 7, 1963.	25 weeks.	70	June 8, 1963	Van Nuys.

Clerk-typist (Cal-52)	1-37 34	Feb. 4, 1963	do	70	June 27, 1963	Florence.
Clerk-typist (Cal-51)	1-37 34	Mar. 4, 1963	do	30	-----	Pasadena.
Clerk-typist (Cal-53)	1-37 34	Feb. 11, 1963	16 weeks	30	May 31, 1963	Palo Alto.
Clerk-typist (Cal-57)	1-37 34	Apr. 1, 1963	20 weeks	35	-----	Oakland.
Clerk-typist (Cal-56)	1-37 34	Mar. 4, 1963	26 weeks	35	-----	Santa Monica.
Clerk-typist (Cal-58)	1-37 34	Apr. 22, 1963	16 weeks	25	-----	Los Angeles.
Clerk-typist (Cal-60)	1-37 34	May 6, 1963	do	25	-----	Santa Rosa.
Clerk-typist (Cal-60)	1-37 34	Sept. 1, 1963	23 weeks	48	-----	San Jose.
Clerk-typist (Cal-100)	1-37 34	Sept. 2, 1963	25 weeks	35	-----	Los Angeles.
Clerk-typist (Cal-100)	1-37 34	Aug. 26, 1963	24 weeks each	140	-----	Van Nuys.
Clerk-typist (Cal-114)	1-37 34	July 15, 1963	30 weeks	35	-----	Los Angeles.
Clerk-typist (Cal-113)	1-37 34	July 15, 1963	3 weeks each	100	-----	Palo Alto.
Salesperson, photographic supplies (Cal-76)	1-75 98	Apr. 1, 1963; Aug. 5, 1963	12 weeks each	32	June 21, 1963	San Francisco.
Cook-fry cook (Cal-50)	2-26	Feb. 4, 1963	20 weeks	24	June 23, 1963	Los Angeles.
Nurse aid (Cal-47)	2-42 20	May 15, 1963; June 24, 1963	5 weeks each	120	June 20, 1963	Hayward.
Nurse aid (Cal-49)	2-42 20	May 27, 1963	4 weeks	100	June 23, 1963	Van Nuys.
Nurse aid (Cal-86)	2-42 20	Apr. 22, 1963; June 10, 1963	6 weeks each	48	May 31, 1963	San Jose.
Nurse aid (Cal-88)	2-42 20	May 6, 1963; June 17, 1963	do	40	June 14, 1963	San Mateo.
Nurse aid (Cal-89)	2-42 20	June 10, 1963	5 weeks	24	-----	Eureka.
Nurse aid (Cal-93)	2-42 20	May 13, 1963	do	24	June 17, 1963	Modesto.
Nurse aid (Cal-95)	2-42 20	June 3, 1963	10 classes, 5 weeks each	150	-----	Glendale.
Custodian (Cal-97)	2-84 10	June 24, 1963	18 weeks	18	-----	Stockton.
Groundsman-gardener (Cal-99)	3-40 01	July 1, 1963	9 weeks	40	-----	Richmond.
Groundsman-gardener (Cal-115)	3-40 01	July 8, 1963; Feb. 3, 1964; Apr. 6, 1964	8 weeks each	45	-----	San Rafael.
Welder combination (Cal-2)	4-85 040	Sept. 17, 1962	42 weeks	24	-----	Fresno.
Electronic technician (Cal-70)	5-83 444	Apr. 15, 1963	44 weeks	30	-----	Norwalk.
Electronic technician (Cal-7)	5-83 444	Mar. 18, 1963	40 weeks	35	-----	Ventura.
Electronic technician (Cal-50)	5-83 444	Apr. 1, 1963	48 weeks	20	-----	Monrovia.
Electronic technician (Cal-43)	5-83 444	Jan. 7, 1963; Apr. 1, 1963	50 weeks each	50	-----	Santa Monica.
Electronic technician (Cal-41)	5-83 444	Jan. 28, 1963	27 weeks	27	-----	Inglewood.
Electronic technician (Cal-84)	5-83 444	Apr. 15, 1963	29 weeks	24	-----	Do.
Electronic technician (Cal-81)	5-83 444	May 13, 1963	51 weeks	24	-----	Monrovia.
Electronic technician (Cal-111)	5-83 444	July 15, 1963	40 weeks	50	-----	Van Nuys.
Electronic technician (Cal-117)	5-83 444	July 1, 1963	51 weeks	80	-----	Do.
Operating engineer (Cal-67)	5-83 641	Postponed, late 1963 or early 1964	8 weeks	20	-----	Oakland.
Sewing machine operator (Cal-15)	6-27	May 27, 1963	7 weeks	173	-----	Pasadena.
Sewing machine operator (Cal-11)	6-27	March 11, 1963; May 13, 1963	8 weeks each	100	-----	Lodi.
Machine operator, general (Cal-58)	6-78 905	Feb. 4, 1963	40 weeks	25	-----	Los Angeles Indl. ES
Machine operator, general (Cal-61)	6-78 905	Feb. 18, 1963	25 weeks	20	-----	Santa Monica.
Electronic assembler (Cal-59)	6-95 010	Feb. 4, 1963	12 weeks	30	Apr. 26, 1963	Los Angeles metropolitan area.
Instrument assembler (Cal-80)	7-09 010	Apr. 29, 1963	10 weeks	35	-----	Van Nuys.
Instrument assembler (Cal-116)	7-09 010	June 17, 1963	6 weeks each	120	-----	Do.
Frameaman (Cal-87)	7-53	June 29, 1963; Sept. 9, 1963; Oct. 21, 1963; Dec. 2, 1963; Jan. 13, 1964; Feb. 24, 1964; Apr. 6, 1964; May 18, 1964	33 weeks	30	-----	San Francisco.
Coin machine serviceman (Cal-14)	7-83 995	July 15, 1963	52 weeks	24	-----	Los Angeles Indl. ES.

* Tentative starting date.

13 sections.

3. This listing should be made available to each clearance representative and selection and referral officers and should be retained in file until canceled. As each new listing is received, the previous list shall be cancelled.

4. Cancel Division Notice No. 3204 Q, dated June 14, 1963.

(S) PAUL W. LITTLE,
*Chief, Division of Public Employment,
Offices and Benefit Payments.*

PRESENTATION OF NEW HAVEN MANPOWER PROGRAM, BY COMMUNITY PROGRESS, INC., NEW HAVEN, CONN.

JULY 18, 1963.

I. THE ORGANIZATION

Community Progress, Inc. (CPI) is an independent, nonprofit corporation whose board of directors represents key public and private agencies and institutions of the city of New Haven: the mayor's office, the board of education, the citizens action committee, the community council, the United Fund, Yale University, the New Haven Foundation, and the Interagency Council (representing all public and private agencies).

CPI is funded by a substantial grant from the Ford Foundation plus additional grants from the Federal Government and the New Haven Foundation. CPI has received funds under two contracts with the U.S. Department of Labor—under the Manpower Development and Training Act—to evaluate testing and recruitment and to develop a youth employment plan for New Haven.

CPI is made up of divisions of neighborhood services, youth development, program development, housing, manpower, and research. Operations in the six inner city neighborhoods of New Haven are under the direction of neighborhood services. Recruitment and supportive service for trainees are carried out by CPI neighborhood-based workers.

II. THE SETTING

In New Haven, Conn., approximately 7,000 workers are unemployed and countless others are underemployed, at the same time that hundreds of jobs in sectors of the local economy remain unfilled. Most of the basic resources needed for an attack on hard-core unemployment are close at hand. The experience already gained from specific Manpower Development and Training Act programs is being used to develop a citywide manpower effort.

The solution of community manpower problems requires leadership from local institutions that affect employment in close conjunction with Federal and State institutions in the field.

The Federal Government has consistently played a major role in studying manpower problems and developing procedures for solution. National responsibility is clear, for our ability to employ and produce skilled manpower determines our ability to compete in a highly competitive world.

State government has played a significant role through the established labor department and the development of education. These agencies have a long record of competent experience within the limits of their enabling legislation.

The least has been done in manpower at the municipal and local level. The general rule is that municipal and private social welfare agencies have not undertaken the type of studies and programs that deal effectively with manpower problems. It is essential that localities be encouraged to take the initiative to solve their manpower problems if Federal and State efforts are to achieve maximum effectiveness.

There is a wealth of training capacity in public educational institutions that can be marshaled through the cooperation of State vocational education and the local school system. The unemployed often require supportive social services—these can best be rendered by local agencies. The employers who hire retrained individuals are usually located in metropolitan areas. Therefore, it is logical that a cooperative local mechanism be designed to bring the various interests in the locality into a full partnership with the appropriate Federal and State agencies.

It is significant that an annual decrease of 500–1,000 unemployed, a realistic objective, will mean a drop of approximately 15 percent in the New Haven unemployment rate.

III. THE MANPOWER PROJECT

The purpose of the CPI manpower project is to attack hard-core unemployment on a communitywide basis. We must find the answers to the following questions.

1. What specific skills (present and projected) are needed in the New Haven labor market?
 2. What skills do unemployed and underemployed individuals in this city possess?
 3. What remedial skills can be made available to individuals in this city?
 4. What is the best way to recruit trainees for programs and employment?
 5. How do we best test and evaluate skill potential?
 6. How do we best train for available and long-range work opportunities?
 7. What is the best method to provide the supportive services necessary to maximize the individual's ability to succeed in training and on the job?
 8. How does a community attack these problems on a wholesale basis?
- To obtain answers to these critical questions, it will take the combined effort of the local, State, and Federal agencies. This effort is spearheaded in the city of New Haven by the mayor's committee on manpower resources and employment (see sec. IV).

IV. THE RECORD

A. *The coordinating mechanism*

The fundamental ingredient of the plan is the mixing of services rendered by existing agencies that already have responsibility for training and employment.

The mayor's committee on manpower resources and employment.—On November 5, 1962, the mayor's committee was established in New Haven "to provide a unified public effort to improve economic opportunity for labor and industry and thereby to affect positively the economic and social patterns of the city."

The mayor's committee is the top-level "working committee." Through this instrument a cooperative effort in those areas that affect employment can be undertaken on a continuing basis.

Membership.—

Chairman: Richard C. Lee, mayor.

State department of education—John Higgiston, director of field service.

Connecticut State Employment Service—Joseph Purcell, manager, New Haven office.

New Haven Board of Education—Laurence Paquin, superintendent of schools.

Mayor's committee on retraining—Stanley Cullen, cochairman.

City of New Haven—Richard Dowdy, human relations adviser.

Community council—Frank Fallon, labor representative.

Chamber of commerce—Richard Falvey, executive director, manufacturers division.

Chamber of commerce—Robert Metcalf, president.

Central labor council, AFL-CIO—Vincent Sirabella, president.

Community Progress, Inc.—Mitchell Sviridoff, executive director.

Secretary: George Bennett, director, manpower program, Community Progress, Inc.

Further staff needs will be supplemented by the Connecticut State Employment Service and the department of education.

Manpower at CPI will supplement the efforts of the mayor's committee to carry out the following specific assignments:

1. To assess short-term and long-range manpower needs in the New Haven labor market area.

2. To assess the relationship between school programs and the manpower needs of the community.

3. To evaluate program possibilities designed to meet these needs, such as the present retraining programs, training programs for middle skill technical jobs, training programs for offices, utilities, banks, retail establishments, etc. * * * this includes possibilities for work-study programs, and job upgrading programs.

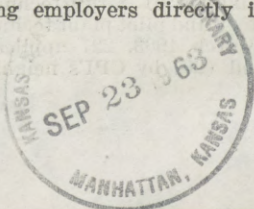
4. To consider sociological aspects of human resource problems in evaluating and developing new programs (minority employment, delinquency, etc.).

5. To coordinate agencies, both public and private, involved in the employment process (schools, employment services, industry, labor).

6. To explore possibilities for initiating new recruitment techniques—use of schools, neighborhood services, social agencies, etc.

7. To explore the role of vocational guidance, in school and post high school.

8. To maximize job opportunities involving employers directly in the overall manpower operation.



The cornerstone of specific training program development has been the establishment of "working committees"—composed of representatives of management; labor (where union labor is involved); education, State and city; the Connecticut Department of Labor, Employment Service and Apprenticeship; and Community Progress, Inc.

Such working committees are already in existence and have carried through the following steps with a number of area employers:

1. Company supplies classifications and numbers of jobs available in each classification, it being understood that successful completion of training assures the hiring of individuals, who, in the absence of such training, would not have qualified, in some cases, because of the absence of a high school diploma.

2. Examination of the specific jobs.

3. Company supplies a training specialist to work with the committee in the development of a tailor-made training program.

4. A curriculum is developed. Training techniques are reviewed for applicability. Schooltime schedules are determined. Facilities and instruction are arranged. The curriculum is formalized, folding into the training process specific remedial work shown to be necessary from analysis of the tests.

5. A commitment from the company on posttraining placement is established.

6. Testing and selection of trainees.

Analysis of testing procedures.

Recruitment—Neighborhood Services at CPI supplies eligible individuals from the community. Recruitment through CSES facilities in New Haven works simultaneously.

Company passes on potential trainees, taking into account security and policy.

7. Observation and analysis continue as the training takes place.

8. There is a followup by the committee after the trainees go on the job.

If we continue to lose individuals who, though they possess aptitudes for specific jobs, cannot qualify for training and/or work because they lack high school diplomas or other background, we will not crack the hard core of unemployment. Companies in the CPI manpower program are not insisting on specific school accomplishment—trainees who successfully complete the prescribed tailor-made training courses have a real job prospect.

B. Specific experience

Culinary institute.—The labor specialist at CPI worked closely with the Connecticut Department of Labor (Connecticut State Employment Service and Apprenticeship), the State department of education (vocational education) and the director of the culinary institute in New Haven to plan for training programs at the institute under Mobilization Development and Training Act. The initial round included 1 course for chefs (17 trainees) and 2 courses for formal waiters (14 trainees in each). These were the first such programs to be run at the institute and for the purposes of the initial demonstration, they were limited to males.

It was primarily through assurance from the labor specialist that placement was virtually guaranteed and the committee agreed to prepare the programs without specific prior commitments from restaurant employers.

When the sponsoring committee arrived at the recruitment phase of the program, it enlisted the aid of CPI for assistance in recruitment (for statistics on the programs at the institute, see app. A).

Of the candidates recruited by CSES and CPI's neighborhood service who passed the standard aptitude test (GATB), 45 began training in the month of January 1963. As of May 1, 1963, 38 had completed training satisfactorily and were placed in the industry.

Starting on June 10, 1963, MDTA training began for an additional 30 chefs.

As in the Avco and Olin programs (see below), the culinary experience has dramatically demonstrated that hard-core unemployment can be significantly reduced: 23 of the initial culinary trainees were high school dropouts and 17 were Negroes.

Avco-Olin.—Middle technical skills: at the outset, manpower held numerous meetings with prominent employers in the New Haven area. On the basis of actual need, Olin Mathieson and Avco agreed to participate in three training programs involving 50 trainees: one course for 15 industrial draftsmen and one for 15 industrial X-ray technicians (at Avco) and a course for 20 industrial laboratory and pilot plant technicians (at Olin).

By March 1963, 227 applicants for the three training programs had been recruited (207 by CPI's neighborhood services and headquarters staff) and 71

had "passed" the tailormade aptitude tests. (For detailed statistics on the Avco and Olin programs, see app. B.) By late March, the companies made their selections for training and the three programs (averaging 12 weeks each) were underway at Hillhouse High School in New Haven and the Eli Whitney Regional Technical School. Nineteen of the trainees were dropouts and 22 were Negroes.

Thirteen X-ray technician trainees graduated from an 8-week training program in mid-May 1963, and 11 (all these recommended for employment by the educators) went to work for the Avco Manufacturing Co. (Stratford, Conn.), at \$98 per week.

Seventeen laboratory and pilot-plant technicians graduated from an 8-week training program in June 1963, and 10 of them have been offered employment as technicians with Olin Mathieson Chemical Corp. (New Haven, Conn.). Three of the seventeen were not recommended for employment by the educators—the company made offers to 10 of the 14 applicants.

The trainees who completed training but were not offered employment with these companies have been referred to other employers. In addition, the Connecticut State Employment Service has made referrals of these trainees.

D. Other employment possibilities

An arrangement has been made with Yale University by which 12 to 15 recruits from CPI will be offered employment in the fall—an on-the-job training program will be developed later.

An autobody straightening training program awaits the review of State education personnel, the only question being the availability of training space in the city.

Discussions are going on with other manufacturers, public utilities, the carpet industry, and Grace-New Haven Hospital, to develop specific programs. In addition, CPI is assisting the employment service in recruitment of personnel for other Manpower Development and Training Act programs.

The response to the Avco-Olin and culinary institute programs has been excellent and negotiations are now underway for repeats of programs and development of new training opportunities.

V. THE OVERALL PLAN

As CPI continues to demonstrate that there are jobs for trained individuals—status jobs—there is being developed a system to evaluate individual skills, aptitudes, education, and interests in relation to the employment requirements and opportunities in the broad economic community. Remedial training is being designed so that individuals can obtain useful job training as soon as they are ready. A portion of the funds that were recently contracted for with the U.S. Department of Labor is to be used to design tests and counseling and to develop remedial work for unemployed youth of the city.

VI. STATISTICS

Appendix A contains data relating to the initial culinary institute program. Appendix B includes recruitment data from the Avco and Olin programs. Appendix C contains profiles of a number of the trainees. Appendix D provides detailed statistical information on the Avco-Olin trainees.

APPENDIX A

STATISTICS ON THE CULINARY INSTITUTE PROGRAM

I. In the group of individuals tested for the 45 training opportunities in the cooks and waiters courses at the culinary institute, there were approximately equal numbers of Negroes and whites. There were more nonhigh school graduates than high school graduates. There were 58 CPI referrals to CSES. There were many more whites than Negroes applying for the waiters training, and more Negroes than whites applied for the cooks course.

II. A. Fifty-eight passed the general aptitude test battery (GATB) prescribed by the USES. Areas involved: Newhallville 9, Dixwell 8, Hill 7, Fair Haven 5, Wooster 4, Dwight 2, and other 23; 34 white, 24 Negro.

B. Forty-five enrolled for the training; 14 did not register for training. Reasons: failure to get choice of course, recalled to job, obtained other employment. Areas involved: Dixwell 7, Hill 7, Newhallville 6, Fair Haven 5, Dwight 1, Wooster 1, and other 18; 28 white, 17 Negro.

III. Of the 58 who passed the GATB there were 7 with college training, 22 high school graduates, and 29 nonhigh school graduates.

Of the 45 who enrolled for training there were 5 with college training, 17 high school graduates, and 23 nonhigh school graduates; 37 were unemployed, and 8 were underemployed.

IV. Of the 58 who passed there were 18 age 21 and under; 40 over 21.

Of the 45 who enrolled there were 14 age 21 and under; 31 over 21.

V. Of 95 applicants, 58 were CPI referrals; of 58 who passed, 36 were CPI referrals; of 45 enrolled, 29 were CPI referrals.

VI. Fourteen enrolled in waiters class No. 1; 11 completed 8-week course; 11 were placed on full-time jobs.

APPENDIX B

STATISTICS ON THE AVCO AND OLIN TRAINING PROGRAMS

I. There were 227 applicants for the 50 openings for Avco and Olin training; 187 were from the 6 middle city areas of New Haven. There were approximately equal numbers of Negro and white applicants. The high school graduates approximated the non-high-school graduates. Applicants came primarily from Dixwell, Dwight, and Newhallville.

II. Seventy-one passed the tailormade tests which were designed by the working committees for Avco and Olin:

A. Areas involved: Dwight 7, Dixwell 14, Newhallville 16, Wooster 5, Hill 5, Fair Haven 4, and other 20¹; 37 Negro, 133 applied; 34 white, 94 applied; 50 have been accepted for training:

B. Areas involved: Dwight 7, Dixwell 8, Newhallville 13, Wooster 4, Hill 4, Fair Haven 3, and other 11²; 22 Negro, 28 white.

III. Of the 71 who passed the tests and were referred to Avco and Olin, there were 42 high school graduates, 87 applied; 29 non-high-school graduates, 140 applied.

Of the 50 accepted for training: 31 high school graduates, 19 non-high-school graduates.

IV. Among the 71 successful test takers there were: 23 age 21 and under, 48 over 21.

Of the 50 accepted for training there are: 21 age 21 and under (9 non-high-school graduates), 29 over 21 (10 nonhigh school graduates).

V. Referrals to CPI—of the 71 who passed the tests: 13 referrals from State welfare, 7 referrals from CSES.

Among the 50 going into training there are: 8 referrals from State welfare, 3 referrals from CSES, 11 (referrals from churches and schools).

APPENDIX C

PROFILE 1

W. P., 28 years of age, 5 dependents.

W. P. was referred to CPI neighborhood worker by a homemaking adviser. In the initial interview W. P. made a brief reference to his previous police record and to a short commitment at Middletown State Hospital. W. P. also stated his desire to have a second chance and to be responsible for himself and his family.

W. P. was scheduled to take the tests for the drafting program. After taking them he became discouraged, and assumed that he would not pass the tests. He began drinking and subsequently got involved in a crime of theft.

A case conference was called to discuss W. P.'s problems. The director of manpower at CPI reported that W. P. had a ninth grade education, but scored in the top percent in the test. His training record was excellent as far as personal attitudes went.

The local school guidance counselor reported that W.P.'s children were not performing up to ability.

The director of the housing project that W.P. resided in reported that they had great difficulty in collecting his rent, and that there were many financial problems in the family.

The adult probation department reported that W. P. had been on probation for aggravated assault and breach of peace (1955), and was currently facing a theft charge involving \$200. His attitude toward probation was found to be uncooperative. In 1959 he was committed for sociopathic behavior. W. P.'s

¹ Of the 20, 6 are from the Rockview public housing project.

² Of the 11, 2 are from the Rockview public housing project.

school record was extremely poor. The probation department was not going to recommend probation when the theft charge was due to come up.

W.P. was finally placed on probation and allowed to continue his training. His whole attitude toward life and schooling has changed. He is realistic about his future employment, realizing that companies may not want to gamble on him, but is willing to try anyway. He has been holding a job during the day to support his family, while taking training in the evenings. To date his progress in the training course has been satisfactory.

It was found that he needed tutoring and money to buy glasses. These were provided.

PROFILE 2

J. L., 33 years of age, 8 children, completed 11th grade. Family on State welfare.

While in Army service (Japan, March 15, 1948 to March 25, 1950) he suffered a brain injury while on MP duty during a riot on the day that Tojo was hanged. This injury resulted in 100-percent disability and a medical discharge. Following discharge he received extensive medical attention from the Veterans' Administration.

Because of his nervous condition, he had difficulty in getting employment. He resorted to alcohol frequently which caused him to become belligerent. He had been arrested for breach of peace 16 times. He did three stretches in jail: 1 year, 35 days, 15 days.

Since his Army discharge he has not had a regular job; only irregular and sporadic employment.

He was referred here by a CPI neighborhood coordinator for culinary training program. Because of his record, CSES was most reluctant to accept him for training. They further felt that (1) he would not survive the training period, (2) they would be unable to place him with an employer if he did finish the training.

The culinary institute was also very hesitant to consider him for the program. The labor specialist discussed this individual with his doctor, his consultant at the Veterans' Administration, his family, and the family service agency. He appeared to have average intelligence and a desire to atone for his misdeeds; particularly for the benefit of his children, and a desire to learn a skill, and an opportunity to work.

All of this information was conveyed to CSES and the culinary institute with a strong plea that he be given a chance, with the understanding that if he finished the training program satisfactorily, the labor specialist would assume the responsibility of obtaining employment for him. He has completed 5 weeks of a 12-week training program thus far, and there is every indication that he will complete the course. Reports on him from the culinary institute are satisfactory.

PROFILE 3

L.M., 22 years of age.

L.M. resides in New Haven. He left high school in his senior year, joined the U.S. Marine Corps for 3 years as a shipping clerk, and was honorably discharged from the service in 1958. From the date of his discharge, he drifted from one unskilled job to another, and was laid off frequently from various types of employment.

L.M. is separated from his wife and lives with his mother, whom he supports. He was referred to this office by the Housing Authority about CPI's retraining jobs. Upon his first visit, L.M. was very excited about taking some type of retraining program. He was particularly interested in our X-ray technician course because he felt this type of vocation suited him best. He passed the aptitude test with a high mark, and began his training for 8 weeks at a local high school. Prior to the training session, he was interviewed by the Avco Co. and was accepted by them for the position of X-ray technician trainee, and graduated from the retraining school with an excellent record.

L.M. described this opportunity for retraining as a wonderful and exciting experience, and a tremendous opportunity for someone who has not gone to college, but has something to give in the way of a technical vocation. He also stated that the difference coming from unskilled work wearing workmen's clothes to a white-collar job was a tremendously exciting feeling.

L.M. is presently working with Avco, enjoys his work, and is looking forward to advancing his knowledge as an X-ray technician by continuing school in the daytime. He stated that this was an opportunity he will never forget.

PROFILE 4

E.B., 29 years of age, married, 7 children. High school graduate; 1 year of college.

E.B. is an Avco X-ray technician trainee. He is an Air Force veteran of 4 years.

Employmentwise, his work record, since being discharged from the service, has been one of jumping from one unskilled job to another.

He was referred to our office by his minister to inquire about our training program.

He was immediately impressed by this "great opportunity to learn a skill" and was signed up for the Avco X-ray technician course.

E.B. took the required test, passed with very good marks, and was accepted for the course.

He took the 8-week course, graduated on May 17, 1963, and was hired on June 3, 1963.

Our last progress report on E.B. reveals the fact that he is perfectly satisfied with his job and happy to have had this opportunity to improve his earning capacity.

PROFILE 5

A. W., 25 years of age.

A. W. is a young man of 25 and resides in one of the inner-city areas of New Haven. He is a Negro.

He came to the Dwight office after reading a flyer brought home by a cousin attending Dwight School. The flyer was an announcement of job training program for cooking and table waiting at the Culinary Institute of New Haven.

Upon leaving the South about 8 years ago, A. W. and his brother came to New Haven to reside with their grandmother. Both of their parents are deceased. A. W., being the older of the two boys, did not finish high school because it was necessary for him to get a job.

At 17, he was arrested for issuing fraudulent checks. He was given a suspended sentence and put on probation. He was arrested again 5 years later for the same offense. He was sentenced to 2 years in a State prison. He was released after serving 18 months.

A. W. found it extremely difficult to obtain work because of his prison record. He "begged" to be taken into the Armed Forces, but to no avail.

When he contacted CPI, he was working for an uncle as a painter. He wanted desperately to be given the chance to learn a trade, a skill, or just anything which would help him to find a job. CPI was impressed with this young man's sincerity, his desire to achieve something for himself, and his regret over his criminal record.

A. W. applied for admission into the waiter's program. He passed the test and went on to complete the 8-week training course in March, 1963.

Shortly thereafter, A. W. was accepted for employment at a private country club.

APPENDIX D

STATISTICAL PROFILE OF AVCO/OLIN TRAINEES

A random and representative sample of 38 trainees drawn from the total group of applicants for training at Avco/Olin were interviewed at depth by means of two extensive and detailed questionnaires.

The following material represents some of the more salient background information on these trainees.

TABLE I.—*Distribution by sex*

Sex	Number	Percent
Male.....	38	100
Female.....	0	0
Total.....	38	100

TABLE II.—*Distribution by age*

Age	Number	Percent
15 to 19.....	7	18
20 to 24.....	14	37
25 to 29.....	8	21
30 to 34.....	5	13
35 to 39.....	2	5
40 to 44.....	1	3
45 to 49.....	1	3
Total.....	38	100

Table II illustrates that the heaviest concentration of trainees fall into the 20- to 24-age bracket, but more importantly, fully 55 percent, or more than half of all trainees are recruited from the 15- to 24-year group. Thus, the training does primarily benefit the age groups hardest hit by employment and lack of vocational preparation.

TABLE III.—*Distribution by race*

Race	Number	Percent
White.....	21	55
Negro.....	17	45
Total.....	38	100

Table III represents the proportions of Negroes and whites among the trainee total. It can safely be assumed that the relatively high proportion of Negroes is significantly higher than in the general population of New Haven and that these trainees are drawn from the "hard core" areas of the city.

TABLE IV.—*Marital status*

	Number	Percent
Single.....	19	50
Married.....	16	42
Separated.....	2	5
Divorced.....		
Widowed.....		
No answer.....	1	3
Total.....	38	100

Table IV shows that one-half of the trainees are single, the other half are married, but 5 percent of them are separated. Nevertheless, as table X shows, a large number; i.e., percent of the trainees are responsible for additional dependents.

TABLE V.—*Length of residence in New Haven*

	Number	Percent		Number	Percent
1 year or less.....	2	5	20 to 24 years.....	9	23
1 to 2 years.....	1	3	25 to 29 years.....	6	15
3 to 5 years.....			30 or more years.....	3	7
6 to 10 years.....	4	11	Total.....	38	100
11 to 14 years.....	1	3			
15 to 19 years.....	12	32			

Table V shows that the bulk of the trainees have resided in New Haven for some time. The mode falls into the 15 to 19 category with 70 percent of all trainees having lived in New Haven from 15 to 30 years.

This finding is related to table VI which demonstrates that only 13 percent of the group have previously lived in the "South." Thus, most of the Negroes and whites in our sample very probably are northern-born, urban-oriented trainees.

TABLE VI.—*Previous residence*

Region	Number	Percent
South (of Maxon-Dixon line).....	5	13
North (of Mason-Dixon line).....	32	84
No answer.....	1	3
Total.....	38	100

TABLE VII.—*Educational achievement*

	Number	Percent
8th grade or less.....		
9th grade.....	3	8
10th grade.....	7	18
11th grade.....	4	11
12th grade with high school diploma.....	20	52
1 year college.....	3	8
2 years college.....	1	3
4 years college or more.....		
Total.....	38	100

TABLE VIII.—*Present occupational status*

	Number	Percent
(1) Professional and semiprofessional.....		
(2) Managers, officials, and proprietors.....		
(3) Clerical and sales.....	2	5
(4) Craftsmen, foremen, skilled workers.....	1	3
(5) Operatives, semiskilled.....	1	3
(6) Service workers.....	2	5
(7) Laborers, unskilled.....	2	5
(8) Unemployed.....	30	79
(9) No answer.....		
Total.....	38	100

Table VII illustrates that despite the low percentage of probable southern migrants, the proportion of dropouts and low educational achievers is very high—37 percent of the trainees have not finished high school. But, even more significantly, as table VIII shows, 79 percent of all trainees were unemployed at the time of the interview, while the rest had jobs ranging from unskilled labor to clerical and sales occupations.

On the other hand, most trainees desire a better occupation as illustrated in table VIIIa. This table shows that 86 percent of all trainees desire jobs ranging from semiskilled occupations to professional fields. In other words, most trainees demonstrate a relatively higher level of occupational aspiration than occupational achievement. This discrepancy between achievement and aspiration may well give rise to alienation among those whose aspirations are unfulfilled for long periods of time.

TABLE VIIIa.—*Occupational aspirations*

	Number	Percent
(1) Professional and semiprofessional.....	7	18
(2) Managers, officials, and proprietors.....	3	8
(3) Clerical and sales.....	3	8
(4) Craftsmen, foremen, skilled workers.....	10	26
(5) Operatives, semiskilled.....	10	26
(6) Service workers.....	3	8
(7) Laborers, unskilled.....		
(8) Unemployed.....		
(9) No answer.....	2	5
Total.....	38	100

¹ Any errors in total percentage are due to rounding.

TABLE VIIIb.—*Number of months worked in 1962*

	Number	Percent
Less than 6 months.....	15	40
6 to 11 months.....	13	34
More than 11 months.....	8	21
No answer.....	2	5
Total.....	38	100

Table VIIIb illustrates the problem of unemployment among the trainees. While 40 percent worked only 6 months or less during 1962, fully 74 percent worked less than 11 months during 1962. This figure also includes those who did not work at all during 1962.

The picture did not improve in 1963. At the time of the interviews, 53 percent of the group had worked less than 2 months while 68 percent worked 3 months or less. Thus, it can be demonstrated that the problem of unemployment among the trainees was indeed acute.

TABLE VIIIc.—*Number of months worked during 1963*

	Number	Percent
Less than 2 months.....	20	53
2 to 3 months.....	6	15
3 or more months.....	8	21
No answer.....	4	11
Total.....	38	100

TABLE IX.—*Gross income in 1962*

	Number	Percent
\$1,000 or less.....	6	15
1,001 to 2,000.....	4	11
2,001 to 3,000.....	6	15
3,001 to 4,000.....	12	32
4,001 to 5,000.....	4	11
5,001 to 6,000.....	1	3
6,000 or above.....		
No answer.....	5	13
Total.....	38	100

Table IX proves very graphically the plight of these hard-core individuals. Seventy-three percent of the group had incomes below \$4,000 per year. This includes a considerable number of persons with dependents. But, more importantly, a \$4,000 annual income has been judged to be insufficient in many respects and is considered to be below the "poverty level."

TABLE X.—*Number of dependents*

	Number	Percent
1 or less.....	19	50
2 to 3.....	13	34
4 to 5.....	4	10
6 to 7.....	1	3
8 to 9.....	1	3
10 and above.....		
Total.....	38	100

Table X shows that one-half of the trainee group has two or more dependents which in view of the generally low incomes of the group poses a considerable hardship on them.

TABLE XI.—*Ownership of capital goods*

	Number	Percent	Total	Percent
House.....	2	5	38	100
Automobile.....	24	63	38	100
Washer (automatic).....	16	42	38	100
Dryer (automatic).....			38	100
Dishwasher (automatic).....			38	100
Television set.....	26	68	38	100

Table XI gives some data on the ownership of capital goods, most of which may be considered essential to American households. The table illustrates the relatively low percentage and even total absence of certain of these items from the households of our respondents. The low percentage of house ownership is particularly noteworthy.

TABLE XIIa.—*Formal social participation*

[Number of formal organizations and associations belonged to]

	Number	Percent
None.....	22	58
1.....	8	21
2.....	8	21
3 or more.....		
Total.....	38	100

TABLE XIIb.—*Informal social participation*

[Number of informal social groups, such as gangs, cliques, and the like, belonged to]

	Number	Percent
None.....	32	84
1.....	3	8
2.....	3	8
3 or more.....		
Total.....	38	100

The two preceding tables (XIIa and XIIb) on formal and informal social participation are illustrative of the tenuous involvement of the trainees in the life of the community, even on an informal level.

Americans are often categorized as a nation of "joiners," but the responses from these trainees would belie this picture. If it were not for membership in churches and the NAACP, the social participation percentage would be considerably less.

TABLE XIIc.—*Military service*

	Number	Percent
Yes.....	18	47
No.....	20	53
Total.....	38	100

TABLE XIII.—*Deviancy (police record or arrest)*

	Number	Percent
Yes.....	15	39
No.....	23	61
Total.....	38	100

The last table, No. XIII illustrates another common problem associated with hard-core individuals such as represented here, the problem of delinquency and crime.

Despite the probability that some deviancy was not reported, the percentage of nearly 40 which was obtained illustrates the extent of the problem.

In summary, it may be said that the preceding tables highlight some of the more pressing problems and characteristics of the hard-core individuals from which the trainees are drawn. The average Avco/Olin trainee, whether Negro or white, is a male in his early twenties, with an equal chance of being married as well as being single. He has lived in New Haven for most of his life; he has a better than even chance of having completed high school, but has been unemployed for a considerable period of time.

Although he holds a rather low status job, if he holds one at all, his aspirations are greater than his experience or his education can provide. He has worked only intermittently during 1962 and 1963 and has averaged less than \$3,000 per year during 1962. It is also likely that he has to contribute toward the support of others depending upon him, and that he has fewer essential capital goods than most Americans. His involvement in the life of the community is rather sporadic and relatively restricted.

He takes little interest in formal social participation and feels perhaps very powerless in the political sphere and in matters affecting his welfare. He may have seen military service, but more often he has not been in the military. Yet, his contact with the "law" has been above average and he may be somewhat embittered about general society and his particular lot.

[From Business Week, June 8, 1963]

SECOND CHANCE FOR THE "UNEMPLOYABLES"

Business allies itself with Government and foundation money to give jobs and training to slum youths who dropped out of school, have no skills, no work habits.

At a spanking new gas station jammed among the decaying tenements of New York City's notorious Lower East Side, business and Government together are making a first tentative probe into one of the most difficult and potentially dangerous social problems the United States faces. They are trying to find the best ways to retrieve the high school dropout, who has reached his late teens with little education and almost no talent or training, before he becomes irrevocably stuck in poverty and the slums.

The attendant who fills gas tanks, wipes windshields, and checks tire pressures at the gas station on the corner of Avenue B and East Houston Street is likely to be able to read no better than a third grader. He probably had no skills at all at his command a couple of months ago. He may well have spent his time ranging through the neighborhood as a member of a tough and dangerous youth gang.

With \$13.5 million supplied by the Ford Foundation and the Federal and city governments, Mobilization for Youth, Inc., a nonprofit organization, is running the gas station—and a host of other work, education, and counseling projects in the 67-block area. Some are designed to keep school-age youths in school, others to put dropouts to work and to keep them away from crime and drug addiction.

Enter business.—New York City's effort to pick up the dropouts is the first of its kind. It started last year. Now similar projects—to be financed in much the same way—are planned in 16 other cities: from Boston to Eugene, Oreg., and from Chicago to Austin, Tex.

The problems elsewhere are not likely to be much different. Says one New York Mobilization worker: "We've had 1,600 youths come to us looking for jobs since last October. At least 90 percent of them are not only unskilled, they just don't have 'work habits.' They're likely to slug the boss in the face if they don't like what he says to them. They're completely unemployable. And this is why we have to provide work for them at the start in operations we run ourselves."

Business comes backhandedly into the project through Mobilization's need for operations like its gas station. Mobilization has a regular dealer's lease on the station, signed with Shell Oil Co. Now, though, 6 weeks after the

station's opening, Shell has found that its almost accidental involvement in social work—it had built the station and was seeking a qualified dealer to run it—has led to bigger things.

No instant wonders.—Shell's President Monroe E. Spaght points out that Shell, like hundreds of other major companies, has contributed millions of dollars in the past decade to aid education. But this aid has always gone to colleges and universities. Now, says Spaght, Shell is getting into aid to lower levels of education.

It's putting up money for two scholarships at trade schools for bright graduates of the Mobilization gas station, sending others through Shell's own training course for gas station employees, giving driver training courses to some of the youths.

Nobody in the Mobilization group believes projects like these will work instant wonders. "We have enormous problems and it will be a long time before we can do more than touch the fringes of them," says a Mobilization man. Among them: Dope addiction among high school dropouts, increasing rapidly in areas like the Lower East Side, is leading to an upsurge in crime and a drop in the chance of training youths so that they can be employed.

But a start is being made. And picking up the dropouts is a problem that's now getting backing from business and Government, and is no longer left to a few social workers.

NEIGHBORHOOD HOUSE,
Richmond, Calif., July 22, 1963.

Senator JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: I would like to urge you, as chairman of the Senate Subcommittee on Employment and Manpower, to urge a favorable report on the proposals to amend the Manpower Development and Training Act.

For the past 3½ years we have been working with young men who are out of school and unemployed in an area referred to as North Richmond. In 1961, 85 percent of all of the young men between the ages of 18 and 21 living in this area were out of school and unemployed. Though we have been able to find jobs and employers who are willing to help in our vocational counseling and employment placement, too frequently the boys do not have sufficient reading ability to hold even the most menial jobs.

For some of the boys who are not able to pass the fifth grade reading tests in order to join the Armed Forces, we have been able to get volunteers to assist them as tutors so they might be retested.

Not only are many of these boys functionally illiterate, they have not had the opportunities of learning basic work skills which is a prerequisite for enrolling in the training courses available in our community.

With skilled counseling and support, these young men frequently can learn to become able workers, as has been proven in our job upgrading program, through which one-third are now working full time and one-fourth have returned to school.

Not only do the young men find employment difficult to obtain, we have a 31-percent employment rate among the total working force in this particular census tract.

We do urge you to consider favorably the proposed amendment to the Manpower Development and Training Act.

Sincerely,

E. P. STEPHENSON, *Executive Director.*

PREPARED STATEMENT OF RALPH L. HELSTEIN, PRESIDENT, UNITED PACKINGHOUSE, FOODS & ALLIED WORKERS, AFL-CIO

The United Packhouse, Food & Allied Workers, AFL-CIO is glad to have this opportunity to set down in writing its views on the proposed amendments to the Manpower Development and Training Act currently being considered by this committee.

The experience of our union with unemployment, retraining, and their related problems, is extensive. Our involvement in these problems is vital for every year thousands of our members' jobs are eliminated, largely through wholesale technologically induced plant closings. In the 10 years since 1953 a single company has closed down 17 major production facilities in our industry with the result-

ant displacement of more than 12,000 of our members. For the remaining workers in the meatpacking industry as a whole the picture is grim, for between 1956 and 1962, employment in the industry fell by 365,000, and there is no end yet in sight to this downward job spiral. It may also be noted that this huge job displacement has been accompanied by more than a 25-percent rise in productivity over the same period.

Our genuine and intense concern for those workers in the meatpacking industry who found themselves severed from useful employment, often after as many as 30 years of service, led us to take remedial steps. To this end, in 1959, we negotiated what may well be considered a path-breaking agreement with Armour & Co., the Nation's second largest meatpacker. The parties involved agreed to set up a tripartite automation committee under whose auspices, among other things, retraining programs were to be instituted to help displaced Armour workers secure useful employment in alternative occupations. Within the framework of collective bargaining we also negotiated several contractual provisions aimed at making the process of adjustment for displaced workers a little easier. These included, for example, a provision known as technological adjustment pay (TAP) which provides allowances for unemployed packinghouse workers while they are undergoing retraining courses.

All these measures were devised before the enactment of the Manpower Development and Training Act, but since the passage of that legislation we have been able to take some advantage of the administrative framework and actual programs established under it.

Unfortunately, the results of our efforts at retraining have been disappearing. There are many reasons for it. Undoubtedly, the chief of these is the fact that the ameliorative measures, that we evolved, were implemented in an economy plagued by intolerably high levels of unemployment. We need only say here that we consider these continuing high levels of unemployment indecent in an economy of such potential abundance. The high levels of unemployment have frustrated our efforts to find jobs for unemployed packinghouse workers just as they have frustrated and made far more difficult the work of the administrators of the Manpower Development and Training Act in their efforts to direct to useful employment the great mass of jobless Americans. In the context of a full employment economy, where jobs are available for everyone willing and able to work, the task of the people running Manpower Development and Training Act programs would be a manageable one and they could conscientiously and fruitfully pursue their goal of effectively utilizing this Nation's manpower to its maximum potential.

There are, then, good reasons why our union is concerned with the problems of retraining displaced workers and it is to this end that we are desirous of, and thankful for, this occasion to express our opinions on the proposed amendments, (S. 1716, S. 1831, S. 1691 and S. 1725) to the Manpower Development and Training Act. We are anxious that the Manpower Development and Training Act be made into as effective an instrument, in the attack on this Nation's No. 1 economic problem of unemployment, as is humanly possible.

STATE MATCHING

S. 1716 seeks the elimination of the act's present requirement that the States must begin matching Federal training funds, on a 50-50 basis, beginning on July 1, 1964. To abolish this provision would necessitate the appropriation of an additional \$161 million.

We consider this amendment to be of the utmost importance for if it does not receive the favorable attention of the Members of the Congress the other amendments that are under consideration can have no real meaning.

It would indeed be a tragedy if a program aimed at alleviating the great human misery and degradation associated with chronic unemployment was forced to seriously restrict the scope of its operations at a time when the specter of further unemployment looms ever large before us. According to the statements of the Secretary of Labor the very first legislative steps toward the appropriation of matching funds have only been taken by 10 of the States. Of this number only four have passed enabling legislation and only three of these have actually appropriated funds (Montana, \$20,000; Tennessee, \$500,000; Connecticut, \$200,000).

We would urge Congress to act now, and to act fast, to prevent the praiseworthy programs initiated under the auspices of the Manpower Development and Training Act from being seriously curtailed due to lack of funds.

BASIC EDUCATION

The many programs that have so far been initiated under the auspices of the Manpower Development and Training Act have tended not to recruit, for retraining programs, the hard core, least educated group among the unemployed. Of the 6,315 trainees enrolled in 1962, only 636 or 10.1 percent had 8 years or less of schooling. This 10 percent compares unfavorably with the fact that individuals with 8 years of schooling or less accounted for 36 percent of all those unemployed in 1962. Furthermore, as the Secretary of Labor has pointed out, among the Negro trainees only 5 percent had this amount of education, although 44 percent of all unemployed Negroes have had 8 years of schooling or less.

It is obviously impossible to enroll, in retraining programs, people who are unable to read and write. They must first of all be taught basic educational skills—a minimum of which should be the three R's—reading, writing, and arithmetic.

Our own union's experience with unemployed packinghouse workers serves as a useful illustration. Today, according to data provided by the Bureau of the Census, approximately 35 percent of all workers in the food products industry have less than 8 years of formal education. The workers in the Nation's meatpacking plants are no exception to this rule.

The results of the first retraining program established under the Armour automation fund agreement show clearly what we mean. In July of 1960, Armour closed its plant in Oklahoma City thereby eliminating 431 production-worker jobs. The Armour Automation Committee, after much discussion and study, decided to undertake a pilot retraining program to help find useful alternative employment for the displaced Armour workers. All former employees were invited to take general aptitude tests to determine their suitability for retraining. One hundred and seventy chose to do so and the tests were administered by the Oklahoma State Employment Service. Fully 65 percent of those who took the tests were judged incapable or unprepared to benefit from a retraining program and were advised to seek jobs as common laborers. This meant, in most cases, condemning these men and women to a life of at best casual labor, and at worst prolonged unemployment. Academic studies were conducted to try and seek out the true reasons for the poor results of the Oklahoma City retraining program and they came to the conclusion that in large part they were due to the fact that the displaced meatpacking workers, as a group, were below the average factory worker in education and general industrial qualifications.

Our experience in other plant closedown situations are quite similar. In Fort Worth, Tex., where an Armour plant closed last year, the average education levels of the people who took retraining was between 6 and 8 years of school.

In Sioux City, where an Armour plant employing around 1,200 closed on June 16, 1963, the average education level is a little over eighth grade. We are, in this case wherever necessary, instituting programs in basic education skills so as to enable these people to benefit from subsequently more sophisticated retraining programs.

However, to date, our own experience shows clearly that the people least able to benefit from retraining programs, as they are presently constituted, are those who do not possess fundamental educational skills. It goes without saying, of course, that these are the very people who need the most help and for whom it was hoped that the Manpower Development and Training Act would be able to really do some good.

So far, unfortunately, the Manpower Development and Training Act has not yet extended meaningfully into the problem of those who are the hardest to find jobs for—those workers who have very little education.

We are, therefore, anxious to lend our support to S. 1831 in its effort to remedy what we consider to be a basic weakness in the Manpower Development and Training Act as it is presently constituted. We would support, wholeheartedly the position of the AFL-CIO in urging the Congress to express to the administrators of the Manpower Development and Training Act the opinion that basic education should be built into each and every training program whenever possible, and not just for those who border on being illiterate. An upgrading of the educational level of all workers enrolled in the Manpower Development and Training Act program can serve to keep a trainee from becoming unemployed again and a trainee in a future program.

On a point of detail we would prefer to see the language of S. 1831 broadened from "functional literacy" to "basic educational skills." The reason for this is:

that we consider "functional literacy" as used in S. 1831 to be a rather restrictive and technical term indicating 5 or more years of schooling. The broader concept embraced by the terminology "basic educational skills" would, we feel, permit more flexibility in any programs that might be established should this important amendment be enacted.

YOUNG PEOPLE

It is estimated by the Department of Labor that 26 million young people will enter the labor force between 1960 and 1970. Many measures are needed to meet the increasingly important challenge of this Nation's jobless youth. The proposals contained in S. 1691, S. 1725, and S. 1831, seek to extend the opportunities for retraining under the Manpower Development and Training Act to young people. To the extent that they intend to do this, we support them, although we do not feel that these proposals by any means offer the complete solution to the problem of finding useful employment for the Nation's young people. One need only pick up a newspaper or turn on a radio or television to learn in detail of the gruesome repercussions that are but natural phenomena when an economy proves itself inadequate to the task of providing enough jobs for all those youngsters who are able, willing, and anxious to work.

Under the present language of the act, a young person must be 19 years old in order to be eligible for a retraining allowance, and no more than 5 percent of the total funds spent on allowances can be used for such purposes. The proposals presently under consideration would have the effect of reducing the age at which the \$20-per-week allowance can be paid and they would also increase the amount that can be spent on young people.

S. 1691 and S. 1831 would lower the eligibility age to 16 and, in the case of S. 1831, require that the individual had been out of school for 3 months before being accepted for a retraining program. The idea, and we feel it is a valid one, is to prevent young people from purposely dropping out of school merely to enroll in a Manpower Development and Training Act training program. S. 1831 would also have the effect of increasing to 15 percent the proportion of total Manpower Development and Training Act funds spent on allowances.

S. 1725 calls for a 20-percent proportion, but also would limit allowances to only those young people over age 18.

S. 1691 requires a 6-month waiting period beyond the date of leaving school and would limit to 20 percent—(after the current fiscal year) the proportion that might be spent on youth allowances during the next 2 fiscal years.

S. 1691 would limit, during the current fiscal year, to 45,000 the number of youths eligible for such an allowance for which it would authorize an additional \$45 million. A similar appropriation would be authorized for each of the 4 fiscal years following June 30, 1964, which would extend this provision beyond the termination date presently provided.

The amendments differ somewhat in detail while agreeing in substance that it is necessary to extend the provisions of the Manpower Development and Training Act to young people.

When one considers that in May of this year, teenage unemployment was 17.8 percent, more than three times the national average, it is obvious that there is more than a little urgency involved. Unemployment among Negro youths is even more serious for in 1962 the average rate of unemployment among Negro males aged 14 to 19 was 20.7 percent, among females it was an astonishingly high 28.2 percent. In actual numbers there were 1,156,000 young Americans looking vainly for jobs in May of this year—the highest figure ever recorded since the Bureau of Labor Statistics began collecting such data back in 1949.

We would, therefore, respectfully submit that, of the present proposals, those which would do the most toward alleviating the problems of unemployed youth should be enacted. There is a real need to extend the allowances to 16-year-olds, as soon as they have been out of school for 3 months, and to step up 20 percent the proportion that may be spent on youth allowances.

RELOCATION ALLOWANCES

It is also our view that in the proposals before this committee, there is, at least, one every important omission on which our union feels it is able to offer concrete evidence.

As presently constituted, the Manpower Development and Training Act does not provide for relocation assistance to workers who, once retrained, show them-

selves willing to move to other labor market areas in order to make use of their new found skills. An unemployed worker, in our experience, very seldom has enough ready cash to meet the expenses involved in moving himself and his family to a new place of employment. It is our opinion that provision for such relocation allowances should be incorporated into the Manpower Development and Training Act. We have such provisions in many of our contracts, and they have proved an important factor to the worker in making a decision to transfer his place of employment. The schedule of allowances currently negotiated is as follows:

Distance between former plant and new plant	Single	Married or head of household
0 to 24.....	None	None
25 to 99.....	\$40	\$150
100 to 299.....	70	235
300 to 499.....	100	325
500 to 999.....	125	410
1,000 and up.....	150	500

We feel that a really useful purpose would be solved if some similar measure were incorporated into the MDTA. The precedent, after all, has already been set in the Trade Expansion Act which Congress approved in 1962. It provides for such allowances.

The greatest single economic task facing the U.S. economy is how to get the economy operating once more at full employment levels. A whole host of measures is needed. The MDTA is only one such program but it has proved itself to have been successful. To the extent that the proposals before this committee would make it more so, we support them.

PHOENIX, ARIZ., July 26, 1963.

SENATOR JOSEPH S. CLARK,

Chairman, Senate Subcommittee on Employment and Manpower, Senate Labor and Public Welfare Committee, Washington, D.C.:

It appears that no State funds will be available to match MDTA beginning July 1, 1964. The approval of S. 1716 is urgent.

J. R. CULLISON,

Director, Vocational Education, Phoenix, Ariz.

STATE OF CALIFORNIA DEPARTMENT OF EDUCATION,

Sacramento, July 24, 1963.

HON. JOSEPH S. CLARK,

Chairman, Subcommittee on Employment and Manpower, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: Your courtesy in asking for my reaction to the intent of suggested amendments to the Manpower Development and Training Act is greatly appreciated. Our extensive experience in California with programs organized under the provisions of this act makes it possible to comment on each of the specific proposals before your subcommittee.

As far as I can test attitudes in this State, we find ourselves in accord with the intent of S. 1716, S. 1725, S. 1831, and S. 1691. Each of these proposed changes have promise for the improvement and extension of training under the Manpower Development and Training Act.

Specifically, I have the following comments on each of the above bills:

S. 1716: Hard pressed as we now are to provide for the support of our elementary schools, our high schools, and our junior colleges, it doesn't seem in the realm of practicability that we can expect State appropriations to match Federal Manpower Development and Training Act appropriations. Our feeling is, then, that the existing 100 percent Federal funding should be continued for the 3 years authorized by the act.

S. 1725: There is need to reduce the existing age limit of youth who can be served under this program. There also exists a need to lift the somewhat artificial ceiling of 5 percent of Manpower Development and Training Act funding for youth in the program. Whether or not the adjustments suggested in S. 1725 will be adequate is difficult to assess. It is my personal belief that the proposal

for changing the age limit from 19 to 16 years included in S. 1831 is more in keeping with current needs.

S. 1831: The several adjustments in this bill seem to be necessary, especially the extension of training opportunities to those who are unemployable because they are functionally illiterate.

S. 1691: The purposes of this bill seem to be in keeping with our experience to date. Present restrictions on training youth are keeping us from doing a job that must be done. I am concerned, however, that S. 1691 proposes other restrictions that may, in practice, become just as serious as the deterrents in the existing act.

Thank you again for this opportunity to comment on the above bills. Please don't think me presumptuous in adding the final thought that augmented Federal aid for our on-going in-school programs of vocational education will contribute as much or more to manpower training and development as will funds spent for treating the symptoms of the problem. We hope that Congress will soon share this thought and will appropriate additional funds for and authorize the expansion of our existing programs of vocational education.

Respectfully,

WESLEY P. SMITH,
State Director of Vocational Education.

STATE OF CONNECTICUT,
STATE DEPARTMENT OF EDUCATION,
Hartford, Conn., July 24, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
Senate Labor and Public Welfare Committee,
Senate Office Building,
Washington, D.C.*

DEAR SENATOR CLARK: I have been informed that very shortly your Subcommittee on Employment and Manpower will consider the matter of funds to be made available through the Manpower Defense and Training Act. I wish you to know that the Connecticut General Assembly, which adjourned in June of this year, will not reconvene until January 1, 1965. During the 1963 session of the general assembly, no action was taken to request the matching of manpower funds and, as a result, it will be impossible for us to conduct manpower programs which require matching funds after this fiscal year.

As the director of the Division of Vocational Education for Connecticut, and representing the State in which a great number of manpower training programs have been successfully conducted, I urge that your committee extend the full 100-percent support of manpower programs. Since the provision of jobs for the unemployed is a national problem and one which deserves the full support of Federal funds, it is imperative that your committee give its full support to the nonmatching provision.

If you need additional information in connection with the Connecticut program, please let me know. You may be interested in reading the testimony which I presented to the Select Committee on Labor, and I am enclosing a copy herewith. This testimony deals with the Manpower Act and its operations in Connecticut, and also describes the broad program of vocational education which permits extensive MDTA projects to be conducted in our State.

Yours very truly,

JOSEPH T. NERDEN,
Director, Division of Vocational Education.

STATE OF IDAHO,
STATE BOARD FOR VOCATIONAL EDUCATION,
Boise, July 23, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
Senate Office Building,
Washington, D.C.*

DEAR MR. CLARK: We respectfully urge your support of Senate bill 1716 which is concerned with manpower development and training.

The legislature in the State of Idaho did not provide for matching funds for manpower development and training during our biennium July 1, 1963, through

June 30, 1965. Should the State matching provision become effective, then it will be necessary to discontinue manpower development training in our State.

Very truly yours,

GEORGE E. DENMAN,
State Director, Vocational Education.

INDIANAPOLIS, IND., July 22, 1963.

Senator JOSEPH S. CLARK,
Chairman, Senate Subcommittee on Employment Manpower of the Senate Labor and Public Welfare Committee, Senate Office Building, Washington, D.C.:

Those of us working with the manpower development and training program in Indiana are interested in the provisions of Senate bill 1716 relating to the matching provisions within the State.

The further development of the manpower program in our State will be impossible without such provisions for the extension of the matching provisions.

W. A. WILLIAMS,
State Director of Vocational Education.

AUGUSTA, MAINE, July 24, 1963.

Senator JOSEPH S. CLARK,
Senate office building, Washington, D. C.:

The Maine Legislature failed to provide matching funds for MDTA for year ending June 30, 1965.

We urge passage of S. 1716.

JOHN A. SNELL,
Chief, Bureau of Vocational Education, State Department of Education.

DETROIT, MICH., July 23, 1963.

Senator JOSEPH CLARK,
Senate Office Building, Washington, D.C.:

I urge the passage of Senate bill 1716. The problem of adequate financing for the extremely important manpower training program is such that I would anticipate a serious slowing down of the program in Michigan unless your bill is passed.

RONALD W. HAUGHTON,
Professor of Management, Wayne State University, and Chairman, Detroit Area Advisory Committee, Manpower Development and Training Act.

DETROIT, MICH., July 22, 1963.

Senator JOSEPH S. CLARK,
*Senate Office Building,
Washington, D.C.:*

As a member of the Detroit Manpower Development and Training Act advisory committee I urge the extension of the retraining program. I wholeheartedly support Senate bill 1716.

ALEX FULLER,
Vice President, Wayne County AFL-CIO.

ST. PAUL, MINN., July 24, 1963.

Hon. JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
Washington, D.C.:*

The Minnesota Legislature met in January 1963, but failed to provide matching funds for the continuance of the Manpower Development and Training Act for the fiscal year 1965. The next regular session will be in January 1965. We urge you to press for the 1-year extension of 100-percent payment of costs by the Federal Government for fiscal year 1965.

S. K. WICK,
State Director, Vocational Education.

LINCOLN, NEBR., July 22, 1963.

HON. JOSEPH S. CLARK,
U.S. Senator,
Senate Office Building, Washington, D.C.:

Our Nebraska Legislature adjourned without appropriating State matching money for manpower training for fiscal year 1965. We therefore urge continuation of 100-percent Federal money through approval of S. 1716, otherwise Nebraska manpower program must terminate June 30, 1962.

CECIL E. STANLEY,
Assistant Commissioner for Vocational Education.

SANTA FE, N. MEX., July 23, 1963.

Senator JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.:

New Mexico will not be able to match Manpower Development and Training Act funds for the year that ends June 30, 1965, since the legislature does not meet until 1965. We urge your approval of S. 1716.

HENRY A. GONZALES,
State Supervisor, Trade and Industrial Education.

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
New York, N.Y., July 26, 1963.

Senator JOSEPH S. CLARK,
Chairman of the Senate Subcommittee on Employment and Manpower, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: I have reviewed the proposed bills S. 1716, S. 1725, S. 1831, and S. 1691, relating to the occupational training of youth and the development and use of the manpower resources of the Nation. On behalf of the city of New York, I recommend serious consideration of these bills and their passage.

The bills would be extremely helpful to us in New York in dealing with the most serious part of our unemployment problem, the existence of a large number of untrained young people who are no longer attending school. Unless provision is made to help these young people achieve functional literacy and basic work skills, efforts at higher skilled training are obviously meaningless.

Very truly yours,

ROBERT F. WAGNER,
Mayor.

STATE OF NEW YORK,
DEPARTMENT OF LABOR, DIVISION OF EMPLOYMENT,
Albany, N.Y., July 25, 1963.

EDWARD D. FRIEDMAN,
Counsel, U.S. Senate Committee on Labor and Public Welfare, Subcommittee on Employment and Manpower, U.S. Senate, Washington, D.C.

DEAR MR. FRIEDMAN: The Senate bills S. 1691, S. 1831, S. 1725, and S. 1716 attached to your letter of recent date have been reviewed by persons on the staff of the New York State Division of Employment responsible for the administration of current State and Federal training legislation.

The viewpoints expressed below are the opinions of this agency with respect to the above proposed bills.

A basic question common to three of the proposed bills concerns a reduction of the age limit qualifying a trainee for allowances. Two bills, S. 1691 and S. 1831, reduce the lower age limit to 16 years while S. 1725 establishes 18 years as a minimum qualifying age. We believe that although unemployment among youths 16 and 17 years of age is a severe problem, that legislation which provides an allowance payment to persons in these ages risks the success of efforts to hold these young people in the formal education system. Further, a substantial cause of unemployment of these individuals is minimum age levels established by industry or State and local legislation. Training, while undoubtedly helpful to the individual, in many cases would not lead to immediate employability.

The intended safeguard of providing a 3- or 6-month period between leaving school and receipt of allowances would not be a severe deterrent to the many

youth to whom an income might be the factor causing them to leave school. This factor may provide a stronger incentive for leaving formal educational channels when more than one member of a family unit could receive such allowances.

Our position is not against legislation dealing with this problem through appropriate educational and welfare channels.

It is our recommendation that the minimum age level qualifying an individual for allowances be established at 18 years and that reference to an upper age limit (presently 22 years in all bills) be eliminated. As an alternative to elimination of the upper age limit we would suggest that the legislation provide that receipt of such allowances by a person who entered training prior to his 22d birthday not be interrupted by the event of that birthday until he has completed or otherwise been terminated from the training course.

In any event the minimum age level should in no case be lower than that required for continuous school attendance by State or local laws applicable in the State in which the trainee resides. A minimum 6-month dropout period should be required.

A second factor common to these bills provides for an increase in the percentage limiting the total allowances paid to youth. In line with our recommendation that the minimum age be set at 18 years and that the upper age limit be eliminated we would suggest that allowances paid to youth and older nonfamily heads be fixed at 25 percent of all training allowances paid. Otherwise, a 15-percent limitation would appear appropriate as this approximates the percent of youth in the labor force who are unemployed.

We would further suggest that the legislation provide that trainees who meet the qualification of the term "youth" be eligible for receipt of allowances when entering any training course established under the act. Present limitations confining the payment of allowances to those enrolled in "special youth projects" tends to eliminate from participation those youth residing in rural or small areas.

Proposed bill S. 1831 provides for training in "functional literacy and basic work skills" eliminating any requirement that such training lead to a reasonable expectancy of employment. This provision should be beneficial to those individuals requiring so-called basic training prior to entering occupational training.

We respectfully submit that the drafting of this bill is somewhat unclear in that it provides an "additional 52 weeks of training allowances" while it does not amend section 203(a) which limits payments to a period not exceeding 52 weeks.

Proposed bill S. 1716, eliminating the requirement for matching State funds in fiscal year 1965 is, we believe, necessary to sustain substantial nationwide effort in combating the problem of unemployment caused by lack of adequate training. We would propose that this bill also eliminate the requirement of matching State funds for training underemployed persons.

We appreciate the opportunity afforded by your office to review and comment on this important legislation.

Sincerely yours,

ALFRED L. GREEN.

SALEM, OREG., July 25, 1963.

HON. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.:

Oregon will not be able to match MDTA funds for the year ending June 30, 1965. Urge your approval of S. 1716.

O. I. PAULSON, Assistant Superintendent.

HARRISBURG, PA., July 25, 1963.

HON. JOSEPH S. CLARK,
Senate Office Building, Washington, D.C.:

Pennsylvania will be unable to match MDTA funds for the fiscal year 1964-65. If the provisions of MDTA requiring States to match Federal funds beginning July 1, 1964, is not amended, Pennsylvania's programs to train unemployed will receive a staggering setback. I strongly urge your support for such amendments.

DR. JOHN W. STRUCK,
State Director of Vocational and Technical Education.

SCHOOL DISTRICT OF PHILADELPHIA,
THE BOARD OF PUBLIC EDUCATION,
July 26, 1963.

HON. JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.*

DEAR SENATOR CLARK: We in the Division of Pupil Personnel and Counseling are very much concerned about the increasing number of out-of-school youth who are unemployed. The impact of automation with a loss of 250,000 job entries a year will make the situation more critical before it gets better. We cannot afford this waste of manpower nor the frustration of youth at the very time that they are eager to work and become productive. Failure to act will not only jeopardize the work force for future years but will also result in an increase in delinquency and crime.

We are, therefore, very much encouraged with the proposals to amend the Manpower Development and Training Act. We fully subscribe and encourage prompt action on the amendments which would provide for 100 percent Federal financing during the third year of the program, include youth training allowances for young men and women over the age of 16, and raise the allocation for youth training allowances from the present level of 5 percent to 15 percent.

Cordially yours,

ROBERT C. TABER,
Director,

EMILIE RANNELLS,
Assistant Director, Counseling,

CLARA B. BRYANT,
Assistant Director, Pupil Personnel,

HELEN F. FAUST,
Assistant Director, Vocational Guidance.

COLUMBIA, S.C., July 23, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower, Senator Labor
and Welfare Committee, Senate Office Building, Washington, D.C.:*

Earnestly urge your support in amending Manpower Development and Training Act to extend matching provisions for 1 year. South Carolina will be unable to participate in program if matching funds are required for the year ending June 30, 1965.

R. D. ANDERSON,
South Carolina Director Vocational Education.

SALT LAKE CITY, UTAH, July 23, 1963.

Senator JOSEPH S. CLARK,
*Senator from Pennsylvania,
Senate Office Building, Washington, D.C.:*

Urge approval of S. 1716. Utah has no State or local funds to match Manpower Development and Training Act funds for fiscal year ending June 30, 1965. This valuable program will be closed out unless Congress passes S. 1716. Utah Vocational Association appreciates your leadership in connection with Manpower Development and Training Act.

EARL LUNT,
Secretary, Utah Vocational Association.

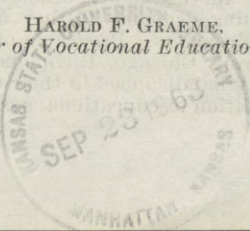
MONTPELIER, VT., July 24, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
Senate Office Building, Washington, D.C.:*

Budget request meeting matching provisions fiscal 1965 Manpower Development Training Act 1962 not approved State legislature.

Urge approval S. 1716.

HAROLD F. GRAEME,
Director of Vocational Education.



MADISON, WIS., July 24, 1963.

Senator JOSEPH CLARK,
Chairman Senate Subcommittee on Employment and Manpower,
Room 4230, New House Office Building, Washington, D.C.:

Urge approval of S. 1716 extending nonmatching provisions of Manpower Development and Training Act. Wisconsin will not be able to match manpower development and training funds for the year ending June 30, 1965.

E. J. FRANSWAY,
President, State Board of Vocational and Adult Education.

CHEYENNE, WYO., July 23, 1963.

Hon. JOSEPH S. CLARK,
Chairman, Senate Subcommittee on Employment and Manpower,
Washington, D.C.:

Urge approval of S. 1716. Wyoming will not be able to match Manpower Development and Training Act funds for the year ending June 1965.

PERCY KIRK,
Director, Vocational Education Wyoming.

CHICAGO, ILL., July 24, 1963.

Mr. EDWARD D. FRIEDMAN,
Counsel, Subcommittee on Employment and Manpower,
U.S. Senate,
Washington, D.C.

DEAR MR. FRIEDMAN: This is in response to your recent letter concerning plans to begin hearings on the proposals to amend the Manpower Development and Training Act.

In my opinion, the bills before the Congress of the United States, providing funds through expanding vocational education programs in this country and funds otherwise being made available for use in extending present skills or providing the opportunities for the development of new skills by citizens throughout this country, represent a tremendously important provision.

Large cities in this country are finding it increasingly difficult to operate present programs of education, limited as most are to taxes derived from real estate property, to say nothing of the fact that we are at this time in great need of the means to expand vocational education opportunities. These increased needs were well documented in the report of the President's panel studying vocational education. At the same time, funds in addition to those provided through vocational education in connection with employment and manpower are likewise needed.

It would be my hope that the Congress would act favorably on the bills related to manpower development and training.

Sincerely yours,

BENJAMIN C. WILLIS,
General Superintendent of Schools, Board of Education, City of Chicago.

DETROIT PUBLIC SCHOOLS,
DIVISION OF CHILD ACCOUNTING AND ADJUSTMENT,
Detroit, Mich., July 22, 1963.

Hon. JOSEPH S. CLARK,
Chairman, Senate Subcommittee on Employment and Manpower,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: We are pleased to note proposed amendments to the Manpower Development and Training Act (S. 1716, S. 1725, S. 1831, and S. 1691) that would expand the act to extend opportunities for developing functional literacy and basic work skills—both essential to successful, specific job training.

Public school educators working at the secondary school level know the vital need for increasing schoolwork programs as a means of rehabilitating and upgrading dropouts if they are to satisfactorily meet present day labor market requirements. Programs of this nature now serving 16- to 20-year-old youth in Detroit, Chicago, Richmond, California, and many other communities are seriously handicapped in their efforts to meet total needs due to the general financial condition of educational systems within these communities.

It is with this in mind that we strongly support the bills in question and especially title II referred to in Senate bill 1691—a provision needed to offset acute problems facing this city's underprivileged, out-of-school, unemployed youth.

Very truly yours,

S. N. HORTON.

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
New York, N.Y., July 26, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower, U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: The mayor's Council on Expanded Employment Opportunity and Training has the responsibility in the city of New York, under the direction of the mayor, to expand, strengthen, expedite, and coordinate all existing city programs in manpower training and utilization. Although the council has been officially in existence for only some 3 weeks, it is apparent to us on the basis of the experience of the Manpower Utilization Council and other city agencies which have worked in this field, that the major problem at the present time and perhaps for a long time to come relates to a large and growing population of out-of-school and unemployed youths. Many of these coming from underprivileged and deprived families are functionally illiterate and do not possess essential basic work skills which are a prerequisite to employment in any area other than that of unskilled laborer.

In view of the fact that this is an area in which we can expect fewer and fewer jobs these young people will be, unless some positive action is taken, condemned to a life of underemployment and I fear in many cases no employment.

We strongly urge adoption of the provisions of S. 1716, S. 1725, S. 1831, and S. 1691 in providing for improved training programs under the Manpower Development Training Act including 100 percent Federal financing during the third year of the program; providing for programs for the development of functional literacy and basic work skills; inclusion of youth training allowances for young men and women over the age of 16; and allocations for youth training allowances to a level of 15 percent.

Very truly yours,

JAMES R. DUMPSON,
*Vice Chairman, Mayor's Council on
Expanded Employment Opportunity and Training.*

PENNSYLVANIA STATE EMPLOYMENT SERVICE,
Philadelphia, Pa., July 27, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.*

DEAR SENATOR CLARK: I am herewith forwarding a letter incorporating endorsement of your proposals for amending the Manpower Development and Training Act plus some additional suggestions for your consideration.

A. Allen Sulcove, the mayor of Philadelphia's consultant on manpower, has participated in the making and joins in the endorsement of these suggestions.

I have also consulted Miles Standish, executive director of the industrial council of the Chamber of Commerce of Greater Philadelphia.

Sincerely,

DANIEL J. LITTLE, Jr.,
District Manager.

PENNSYLVANIA STATE EMPLOYMENT SERVICE,
Philadelphia, Pa., July 27, 1963.

Senator JOSEPH S. CLARK,
*Chairman, Senate Subcommittee on Employment and Manpower,
U.S. Senate, Washington, D.C.*

DEAR SENATOR CLARK: I have carefully read over your proposals to amend the Manpower Development and Training Act. I make specific reference to the proposals to provide for 100-percent Federal financing during the third year

of the program in lieu of the matching funds provision now prescribed, and to expand the scope of the act to include programs for fundamental literacy and basic work skills prerequisite to participation in courses of occupational training. Also your further recommendations which include youth training allowances for young men and women over the age of 16 and the increased allocation for youth training allowances from the present level of 5 percent to the level of 15 percent.

In the operation of the Manpower Development and Training Act in Philadelphia, we have during the last year become increasingly aware of restrictions which your proposals are designed to lift.

I can, therefore, strongly endorse your proposals and point out that they will do much to further the training of the unemployed in the metropolitan area of Philadelphia.

In addition, I am taking the liberty of adding some suggestions, designed to strengthen the act, for your consideration:

1. Heads of families should be given the maximum unemployment compensation rate rather than the average as a training allowance. This would reduce dropout rates of heads of families and motivate more to begin the courses.

2. Allowances should be continued up to 4 weeks after completion of the course or until work is begun. The present law assumes everyone will secure employment immediately upon completion of the course.

3. More flexibility as to course length and opportunities for replacement of trainees should be allowed. A student should remain in class until he has developed a skill or a determination made that he cannot do so.

Recognition of individual differences and methods of individualized instruction used in adult education will mean that not all trainees will finish a course at the same time and that replacements be permitted as consistent with course content.

4. Graduates be eligible for a travel allowance of up to \$100 if a reasonable chance of a job is available in a distant labor market.

5. Those in the program not eligible for allowances be made eligible for a grant of \$2 a day for carfare and lunch or supper. In communities where the public school system operates buses, that these be used and the system be reimbursed.

6. In cities or labor market areas of 50,000 or more, where unemployment has been above 6 percent for 3 years or more, that the Secretaries of Labor and Health, Education, and Welfare be authorized to have set up under public school auspices physical facilities for adult training and that provision be made for equipment. This adult training center will provide continuity, and opportunities for research, staff, and instructor development.

7. To press the attack upon the hard core unemployed up to 35 percent of those not heads of families or lacking 3 years of gainful experience would be eligible for training and allowances.

8. Secretary of Health, Education, and Welfare be authorized to arrange with local school districts to provide accident insurance for trainees during their training period.

9. Every effort to be made to develop a joint administration by HEW and Labor with common administrative rules and policies.

10. Contractual arrangements made by HEW with schools be studied and liberalized tending toward a true cost plus 10 percent for administration, rising costs, and breakage.

11. That all segments of the community, employers unions, community groups be encouraged to take a greater part in the program.

12. That funds be allocated to State bureaus of employment security and public instruction for manpower to operate this program.

Sincerely,

DANIEL J. LITTLE, Jr.,
District Manager.

CONSERVATION OF HUMAN RESOURCES,
COLUMBIA GRADUATE SCHOOL OF BUSINESS,
New York, N.Y., July 24, 1963.

Senator JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: This letter is in response to the request forwarded in your name that I submit a written statement with respect to the bills now pend-

ing in the Senate to amend the Manpower Development and Training Act. I am pleased to do so.

This letter can be construed as representing the position of the National Manpower Advisory Committee, of which I have the honor to be Chairman. While the Committee has not had an opportunity to review the contents of this letter, I have been careful in drafting it to include only the consensus that we have arrived at during the course of our deliberations since our appointment last September.

Before commenting specifically on the proposed amendments, I will set out briefly the views of the Committee on the operations under the Manpower Development and Training Act during its first year:

(a) The program has gotten off to a good start despite the delays incident to launching it growing out of the fact that funds were not appropriated until late August 1962.

(b) The program has been gaining momentum. Both in Washington and in the field, the key personnel responsible for its administration have demonstrated a capacity to recognize and deal constructively with the many difficult policy and procedural problems that have developed as the program has expanded.

(c) The paperwork incident to securing approval of a program is still excessive, but with additional experience those responsible for administering the funds will undoubtedly be able to simplify the process while at the same time assuring that Federal funds continue to be expended efficiently.

(d) Among the most exciting developments of the first year's operations has been the design and putting into operation of a series of experimental programs aimed primarily at learning how best to return to employment particularly handicapped groups of unemployed. Even a vastly expanded MDTA would not be able to provide training or retraining for more than a relatively small proportion of all unemployed persons. Therefore, one major byproduct of the program should be to deepen our understanding of the barriers to employment that various groups face and how such barriers might be effectively removed.

(e) The success of the program depends in the first instance on the strength of local advisory committees and secondarily on State advisory committees that respectively have the responsibility to initiate and approve, subject to final action by the Washington officialdom, the great majority of all training programs. As might be expected, the quality of the advisory committee structure varies from State to State and from locality to locality. The National Advisory Committee, in accordance with its responsibilities under the act, has worked in close cooperation with the Department of Labor to strengthen these field committees. Continuing progress is being made.

(f) The success of the training program also depends in considerable measure on the strength of the local vocational educational structure; on the initiative and energy of the staff of the employment service; and on the cooperation among those responsible for administering public welfare, education, training, and employment programs. A stronger program requires action to strengthen each of the foregoing.

(g) During the past year the major thrust of the training program has been in relation to institutional training. More on-the-job training, especially for those who seek employment in the service trades, is required and the current year will undoubtedly see an expansion along these lines.

(h) The importance of title I of the act must not be overlooked. The success of the training program as well as the success of other important manpower programs depends on broadened and deepened research; on the widespread dissemination of the research findings; and on their implementation by various groups in business, labor, education, professional societies, government. The President's annual Manpower Report represents a major addition to policy formulation. These reports can serve as a major instrument for heightening the visibility of urgent manpower problems so that all interested groups can initiate corrective action.

(i) In sum, the record of the first 10 months of operation is highly commendable. Many problems have been posed and solved; those which remain are on the way to solution. Even in the short period the program has been underway, it has proved that training and retraining of the unemployed is a feasible and necessary instrument of public policy to insure a vital labor force and a dynamic economy. It cannot alone provide full employment; but without it, full employment cannot be achieved.

In light of the foregoing general appraisal of the program, the National Advisory Committee strongly urges that Congress act to—

1. continue exclusive Federal financing at least for another year so that the States will have more opportunity to assess the value of the program, and take the necessary actions to assure their participation in its support;

2. permit an extension of the maximum number of weeks of training so that the high proportion of the functionally illiterate and poorly educated persons now on relief can acquire minimum basic knowledge and skills, without which their reemployment will be severely impeded if not precluded; and

3. broaden the eligibility of out-of-school youth between the ages of 16 and 19 to participate in the program. These young people represent a high proportion of all unemployed, and without special assistance many of them are likely to remain barred from employment if forced to enter adulthood with the double barriers of idleness and poverty. No self-respecting democracy can afford to do nothing in the face of such a threat. American democracy has long been committed to broadening opportunities for youth, all youth. It must not turn its back on those most in need of help.

There may come a point when the costs of a training and retraining program are excessive relative to the gains that can be achieved. But that point is very distant indeed. Congress has an opportunity to invest additional public funds in raising the productivity and effectiveness of the American people. No alternative investment offers so great a return.

Sincerely yours,

ELI GINZBERG,

Chairman, National Manpower Advisory Committee.

PREPARED STATEMENT OF A. W. BEATTIE, SUPERINTENDENT, ALLEGHENY COUNTY SCHOOLS, PITTSBURGH, PA.

The Manpower Development and Training Act of 1962 is a refreshingly constructive piece of educational legislation. The act gives unemployed opportunities (1) to qualify for occupational usefulness through development of their own potentialities, (2) to become an essential part of our technological revolution, and (3) to develop habits of study and continuing preparation for further technological changes. The central theme of the act is human growth, manual and intellectual.

Our limited experience in Allegheny County, Pa., indicates that purposes of the act can and are accomplished. Men do take seriously difficult courses in which subject matter is well organized, teachers are qualified, and laboratory equipment and activities are adequate and realistic. Men suffer to complete the courses. Finally, men who complete the courses get jobs. These observations, I wish to repeat, have only very limited supporting evidence.

The County Board of School Directors in Allegheny County houses manpower development classes in the Forbes Trail Area Technical School. Manpower classes run from 4 o'clock in the afternoon until midnight, 5 days per week. They continue for the number of weeks necessary to complete the 1,500 to 1,800 hours required. During the day, selected 11th and 12th grade students use the laboratories to prepare themselves for technical jobs. If the certifications of the Pennsylvania Employment Security Agency exceed our 4 o'clock to midnight capacity, we can run from midnight to 8 o'clock in the morning, and thereby increase the productiveness of expensive equipment.

One class of electronics students terminated June 8. Two new classes began the study of electronics the same day. A class preparing chemist assistants began the last week in May. Fifteen of the twenty-five men enrolled in the first class in electronics completed the 1,500-hour course. Six have jobs in electronics. Six are in process of referral. Three have unrelated jobs. Several of these men continued to attend class after being called back to work. They worked 8 hours and attended class 8 hours. Several others dropped the class-work after being called back to work. Ironically, most or all of the callbacks were laid off again the day before the completion of the course. Those who worked and studied have new jobs or prospects of new jobs in electronics.

The class in chemistry began with 25 men. Eight dropped out within 2 or 3 weeks. The remaining 17 are really making an effort. During the summer months, we use the laboratory during the day to offer high school chemistry to

high school students. Although the manpower class does not begin until 4 o'clock, men are reporting at 1 or 1:30 in the afternoon to rerun experiments, to catch up with their laboratory work, to check out a chemical reaction. This voluntary lengthening of the student's day reflects the splendid attitudes and persistent efforts of the men. Upon completion of the course, these men will have as many class hours and laboratory hours in chemistry as a college major with 38 semester hours of credit.

In addition to providing opportunities to unemployed to prepare themselves for technical jobs, the legislation has additional values:

1. The necessity to provide occupational training for unemployed or to provide them with food and shelter dramatizes the urgent necessity for occupational training during the high school years.

2. The growing recognition that the occupationally unprepared high school graduates and dropouts must be trained to be employed is impressing legislators, community leaders, and citizens that facilities to train people occupationally are needed.

3. The necessity for Federal financed occupational training for unemployed is focusing attention of the general lack of concern about the postschool activities of non-college-bound students.

The growing recognition of the absurdity of our failure to train students occupationally is motivating school directors to combine resources to provide the necessary facilities. However, Federal support must continue for some time. Otherwise the movement may die for lack of funds.

The bill has some weaknesses such as:

1. The 2- or possibly 3-year period of 100-percent Federal support is too short. A 5- to 7-year period is much more realistic.

(a) School districts must join to construct and equip buildings.

(b) Supervisors and teachers must be assembled and courses of study written.

(c) Citizens must have time to associate training and steady work.

2. The legislation does not provide for replacement for dropouts. Full enrollments control costs and increase the number of persons trained.

3. The legislation does not insure continuity of the program over a period of years.

(a) Potential teachers and supervisors are unwilling to risk short period jobs.

(b) Federal and State administrators are unwilling to approve essential but expensive equipment because of possible limited use.

4. The legislation limits training to those occupations for which employers recruit through U.S. or State employment agencies.

Employers do not recruit engineering, computer programming, and chemist assistant personnel from employment offices.

5. The legislation does not permit use of funds for preparation of courses of study.

Courses of study for each occupation do not exist.

6. Only unemployed who are registered may qualify for admission to the training.

7. Apparently the legislation does not provide for the employment of full-time administrators and supervisors.

In our metropolitan area, we may choose (1) to disregard the program, (2) to ask fully assigned personnel to work overtime, (3) to use local funds.

Other limitations which I might make are already under congressional consideration. That I mention limitation is not to be interpreted that I am unsympathetic with the act or that I am being critical. I believe in the philosophy of the act, and I am glad to have an opportunity to have a part in its implementation. I believe firmly that we are in the occupational training business permanently. A longer Federal commitment would indicate the permanent aspects of the program. Then planning and administration could be carried out without interruption.

PREPARED STATEMENT OF WALTER P. REUTHER, PRESIDENT, INTERNATIONAL AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

I welcome the opportunity to submit this statement in support of measures designed to strengthen and improve our manpower training and development program, and specifically to express my support for two bills, S. 1716 and S. 1831, amending the Manpower Development and Training Act (MDTA).

The first of these bills would insure the continuation of the program on a nationwide basis by eliminating the "matching funds" provision which would otherwise bring the training program to a halt as of June 30, 1964, in those States not providing matching funds. The second bill would improve the program by providing training for the development of functional literacy and basic work skills which many of the unemployed require in order to make use of occupational training would lower to 16 the age at which training allowances could be paid, and would increase the proportion of total training allowances which may be paid to youths under the age of 22.

All of these are highly desirable improvements, and are in line with the steps to strengthen the manpower training program which I proposed to the committee in my testimony of May 22 of this year. They do not cover all the improvements which could and should be made in the act, but they will help, and we in the UAW are happy to support them.

In my appearance before this committee last May for the purpose of discussing the general problems of employment and manpower, I emphasized our view that programs such as that for manpower training and development must be recognized as "complementary to and not substitutes for full employment policy." Without elaborating further on it, we wish to underscore that opinion once again. The whole purpose of a manpower training program is to fit individuals for jobs in which they will be needed when they have acquired the necessary skills, so that the worker who is trained will be better equipped to hold a job in which he can make the fullest use of his innate capacities and earning potential, and so that society will have the benefit of his maximum contribution to the production of the Nation's wealth. Both of these objectives are completely frustrated when almost every industry already has its army of trained and experienced unemployed.

Let me emphasize again that, valuable and essential as a manpower training program is, it does not and cannot create jobs. It can and does create job applicants, in the sense of greatly broadening the range of jobs for which trainees are fitted, and in many instances teaching marketable skills to men and women and young people who would otherwise have virtually no prospect of employment at all. But if we fail to implement programs which will create more jobs, the creation of more job applicants will bring no benefit to society and the expenditure of time and effort to acquire skills which cannot then be put to use will lead only to frustration and disillusion for the trainees.

This does not mean that we should hold back on a retraining program until we have solved the problem of a general insufficiency of jobs. If we were to do that, then, as the demand for labor increased, we might very soon find that in many important categories there were serious labor shortages due to a lack of trained workers, while an army of unemployed were still unable to find jobs for lack of necessary training. Training programs must of necessity be geared to future needs, because training itself takes time. Manpower Development and Training Act already provides for training programs up to a year in duration. One of the proposed amendments would extend that up to an additional year for trainees who have to acquire functional literacy or basic work skills before they can use training for a specific job. Obviously, if we hold back on training programs until the need for trained workers is pressing, there will be long delays before those needs are filled.

Training makes both moral and economic sense

There are two grounds on which we need to strengthen and improve our manpower development and training program in every possible way—the human, moral ground, and the purely economic ground. On moral grounds, it is criminally wrong for us to let workers be cast on the economic scrap heap simply because our changing economy has passed them by and left them without marketable skills. Every human being needs the dignity and self-respect that come from knowing that he has a useful contribution to make to society. To deny him that opportunity is to deny him his essential humanity. It is to deny him the respect of his wife and children, and to deny them in turn the security that comes from being part of a self-sustaining family unit. It is to destroy the very basic of family life.

Getting the greatest possible mileage out of our training and development program also makes simple commonsense from purely economic considerations. Every unemployed worker and his family represent a drag on the economy—mouths that have to be fed while idle hands are making no economic contribution. If a worker faces the prospect of lengthy or permanent unemployment

due to lack of skill, it will certainly be far less costly to help him acquire a skill than to support him and his family in indefinite idleness. Every dollar spent on effective training programs should be returned to us a hundredfold in increased production, and every weakness or gap in the program which means that some workers are denied the opportunity they need represents an eventually heavy economic cost.

Eliminate matching funds requirement

The need to press on with training programs is of particular importance with respect to S. 1716. This bill would amend the act to eliminate the provision restricting the continuation of such programs after June 30, 1964, to States which provide matching funds. As the Secretary of Labor has already pointed out, only a very few States have indicated their readiness to do so. Many State legislatures will not be meeting at all before June 30, 1964, and, in any case, provision for continuation of the programs must be made much sooner than that, or those directing them will have to start refusing applicants for courses which would not be completed before the deadline. In short, unless Congress agrees to extend the program without the State matching provision, the program will begin to wither away very soon, and by the middle of next year it will have ceased to exist as a national program.

As we have said before, to let the Manpower Development and Training Act program go by the board now would be a major tragedy. In spite of all its inevitable problems and difficulties, such a program is essential now to meet the needs of those who are the present victims of technological change, and it will become increasingly important in the future as the pace of change accelerates. Swedish labor market authorities report, on the basis of their experience, that, in addition to all training undertaken by industry or by individuals on their own initiative, there is an annual training need equal to 1 percent of the total labor force. In the United States, this would mean provision of training for more than 700,000 persons per year. Obviously, this is no time to risk a slowing down of a training program which is still far from sufficient for the job that needs to be done. We urge immediate passage of S. 1716.

Improvements proposed by S. 1831 are needed

Passage of S. 1831 would strengthen the training program in two important respects, by increasing the emphasis on youth training and by providing for those unemployed workers who lack even sufficient basic educational background to enter occupational training courses.

As I pointed out in my appearance before the committee last May, changes in technology are affecting not only the number of jobs in the economy, but the quality of those jobs. In the 3-year period from first-quarter 1960 to first-quarter 1963, the total number of blue-collar jobs remained about the same—as compared with a sharp increase in white-collar and service jobs—but within the blue-collar group there was an increase among foremen, craftsmen and operatives, balanced by an equal decrease in the number of laborers' jobs. This illustrates the steady decline in the number of jobs open to workers without skills which has been going on for much longer than 3 years. What is equally important, in an increasingly service-oriented economy, even those jobs in which proficiency can be fairly easily acquired usually need at least a basic minimum of literacy. A service station attendant or a waiter, for example, needs at least to be able to read, write, and do simple arithmetic. And to learn even a simple skill requires not only native intelligence, but a basic educational background as well.

The training programs presently established under Manpower Development and Training Act will meet the needs of the worker who has acquired a basic education, but has not taken the next step of acquiring an occupational skill. But programs restricted to occupational training can be of little use to the worker who lacks basic education. S. 1831 would broaden the program by making provision for courses in the development of functional literacy and basic work skills, which could then be followed up by occupational training. It would open the doors of job opportunity to thousands of workers who otherwise may face the prospect of never finding steady work again.

Passage of S. 1831 will be of particular importance in attacking the problem of unemployment among educationally deprived Negro workers. Because of lower standards in schools in which many Negroes have been educated, as well as economic and social factors which have increased the tendency of Negro youth to drop out of school prematurely, this minority bulks much larger as a proportion of the hard-core unemployed who need basic educational help than it does in the population as a whole. Alongside this situation is the companion

fact that the total unemployment rate among Negroes is consistently about double that among whites. Negroes are now making it clear that they will no longer tolerate this condition—a determination which whites should share. Negroes are now pressing and will continue to press their justified demand that all jobs in the economy be open to their race, and that racial discrimination in employment shall cease. If we do not meet that demand, we are in for trouble—and we will deserve it.

But even if we succeed in ending racial discrimination as such, a disproportionately large group of Negro unemployed will remain unemployed if there are no jobs for which they can qualify, and our failures in the past to provide them with equal educational and job opportunities will be to blame. Passage of S. 1831 will give us the opportunity of making up for such past failures, and will give us the means of attacking a problem which otherwise could have serious repercussions in the area of civil rights.

Youth training

The provisions of S. 1831 to lower the minimum training allowance age to 16 and increase the proportion of funds available for youth training allowances are essential. There is no need to elaborate on the grave social and human problems presented by the large number of young people who have dropped out of school before acquiring any marketable skills. Their problem is, of course, particularly serious in a prolonged period of sluggish economic growth and high unemployment such as we have inflicted upon ourselves in this country for the past several years. With only limited education, with no training for any specific job, with no prior attachment to the labor market, the vast majority of them are simply unable to compete for jobs against the better educated, trained, and experienced workers who also flood the employment offices. For young people just out of school, inability to get a job also means lack of opportunity to learn the work disciplines which are important both to their own personal development and to their future employability. Such a condition provides a perfect breeding place for juvenile delinquency and a training ground for adult crime. Young people are normally active, impatient of restraint, and eager to learn. If they are not employed either in a job or in training for a job, they are apt to be attracted by less legitimate forms of employment. If they are not learning socially useful skills, they may well find the means of learning socially destructive skills. Even if they do not, the untrained, unemployed young people may well be headed for a lifetime of dependence on public assistance which will permanently undermine their worth and self-respect as human beings, and will be far more costly to the community than the relatively small expense of providing them with training for productive work.

There is one danger with respect to S. 1831 which needs to be provided against—the danger that provision of a training allowance for people as young as 16 and as early as 3 months after they have dropped out of school might encourage further dropouts. We are sure that those in charge of the program are aware of the danger, and we are confident that it can be dealt with if the youth training program is drawn up and administered with this in mind. We would not for a moment suggest that the provision for payment of training allowances to youths, where necessary, be dropped. To do that would make it economically impossible for many young people who need the program to take advantage of it. We would urge that the payment of such allowances be most judiciously administered.

Two other bills before the committee, S. 1691 and S. 1725, would also amend the act to reduce the age at which training allowances could be paid, but each of them is somewhat more limited in its coverage than S. 1831, and neither of them makes provision for broadening the scope of the program to cover development of functional literacy and basic work skills. For these reasons, we believe that S. 1831 is to be preferred.

Other amendments needed

In addition to the amendments proposed in S. 1716 and S. 1831, there are a number of other respects in which the act ought to be strengthened.

Unnecessary restrictions create anomalies

The act now provides that the full training allowance may be paid only to heads of families or households who have had 3 years of experience in gainful employment, and provides an allowance up to \$20 per week for youths 19 to 22

who do not meet these requirements. This creates a number of anomalies. There may well be youths under 22 who have not had 3 years of gainful employment but who are nevertheless heads of families. A worker in this position could not possibly support his family on \$20 a week. Still more illogical, other workers who may need training, and who have a potential contribution to make to society if they obtain training, can be completely debarred by these restrictions. Thus, a family head over the age of 22 cannot qualify for any allowance if he has not had 3 years in gainful employment. A single man or woman, over age 22 and without dependents, cannot qualify. Neither can a married woman in most cases, even though she may have been contributing substantially to the maintenance of the family when employed, and even though training for her may involve the cost of finding someone to care for her children while she is absent.

There is no logic in this kind of restriction, and it is worth noting that such restrictions do not apply under the Area Redevelopment Act, nor does the "head of household" requirement apply under the Trade Expansion Act. The principle under Manpower Development and Training Act should be that if a person needs training and can benefit from training, he or she should be able to receive training, and if a training allowance will enable or encourage such a person to take training, a training allowance should be payable.

Transportation and subsistence allowances

The act now provides for the payment of subsistence and transportation allowances to trainees where training is provided in facilities which are not within commuting distance of their homes, but it makes no provision for payment of transportation expenses where the facilities are within commuting distance. We understand that a bill now before the House would rectify that omission, although the amount of \$4 per day it would allow for transportation expense at a stipulated rate of 10 cents per mile would limit commuting to 20 miles each way, which seems an unrealistically short distance. Where trainees are husbands and fathers, it seems particularly important that if facilities are within commuting distance they should be encouraged to live at home so as to share fully in parental responsibilities. We would urge that the act be amended to make provision for adequate commuting allowances.

Relocation of workers

While we support the principle that in general it is better to bring the job to the worker than to uproot the worker and his family, there are many cases where workers and their families would be eager to move to a new community where job opportunities would be broader, if it were made possible for them to do so. The act as it now stands militates against such movement in two respects. In effect it tends to limit trainees to training for skills in demand in their local labor market or in their State, and it lacks any provision for financial assistance through relocation allowances to workers who are prepared to move to new communities.

Both of these defects should be amended. We have already expressed to this committee our strong feeling that this country urgently needs a comprehensive, coordinated national manpower program. We need to get out of the habit of looking only at the narrow problems and narrow employment opportunities of each local community. Yet the Manpower Development and Training Act as now written encourages that parochial viewpoint, for it provides in section 202(b) that:

"Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence."

When a training program for a given occupation is indicated in a given locality, it is only logical that first priority should be given to those in that area who are prepared to take such training. But if there are not sufficient prospective trainees close at hand, then applicants from other communities who are competent to learn the required skill and willing to move should certainly be sought. And it is ridiculous to establish a barrier at every State line, as the act as now worded seems to do, and put obstacles in the way of training a worker in Toledo for a job in Detroit, or a worker in Newark for a job in New York City.

Providing a worker with the opportunity of a job in another community is meaningless, of course, unless he also has the means of moving himself and his

family to that community, and workers who have been long unemployed are not apt to have such means. Present policy in this regard is expressed through a meaningless patchwork of inconsistent programs. Thus, relocation allowances in very modest amounts are now available to workers who are eligible for assistance under the Trade Expansion Act, but not for those who come under the Manpower Development and Training Act or the Area Redevelopment Act. Such discrimination is completely irrational. In principle, we ought to be prepared to pay the full cost of relocation for any unemployed worker who is willing to move to another community where there is a vacant job he can do or can be trained to do, which cannot be filled by a worker nearer at hand. In fact, it would make good economic sense to go one step further, as Sweden now does, and pay the relocation allowance to a worker who is willing to move if, in the opinion of the employment service, he is likely to become unemployed in the near future. Swedish unions have suggested that it also be payable to a worker who, by moving from an area of labor surplus to one of labor shortage, can fill a vacant job in the new community while at the same time leaving behind him a job opening for some unemployed person. As an immediate step, we would urge this committee to recommend amendment of the Manpower Development and Training Act to pay full costs of relocation for workers—and their families—who are prepared to train for and move to jobs in other communities where there are insufficient local applicants.

Another aspect of the narrow concentration on labor market conditions in local areas or within State boundaries is that we may be unnecessarily training workers in skills which are already in surplus supply in other areas. We should first try to find out whether there are sufficient unemployed workers possessing the same skills who are prepared to accept work in the locality where the skills are needed. Unemployed workers who already have a needed skill should be given the opportunity to accept any vacancy, wherever it exists, before additional workers are trained in the same skill. To make such a policy meaningful, of course, would also require the payment of relocation allowances to such workers, but this would certainly cost much less on the average than the training of a new worker.

Training allowances insufficient

The present scale of training allowances, geared to the average State unemployment compensation payment, is grossly insufficient. Unemployment compensation in every State is insufficient now to meet adequately the needs of unemployed workers and their families, and no allowance is made for the fact that workers in training courses may have additional expenses for local transportation, meals away from home, and so on. In many cases, the inadequacy of the present training allowance must represent a very wasteful form of "saving" to the taxpayer, because it means that when a trainee in the middle of his course finds the opportunity of a job—any kind of a job at almost any rate of pay higher than the training allowance—it is almost impossible for him to resist it, and the money that has been spent on his partial training is then wasted. We would urge that the training allowance be increased to an adequate level—possibly two-thirds of the going rate for the job for which the worker is being trained. As another possible approach, the allowance might be systematically increased as the individual makes satisfactory progress in his course. This would provide both a reward for diligence and an incentive to complete the course which would increase as training progressed.

State and local advisory committees

The act establishes a National Manpower Advisory Committee and contemplates the development "on a plant, community, regional, or industry basis of labor-management-public committees and similar groups designed to further the purposes of this Act." Encouragement of and assistance in the organization of such groups is one of the functions of the National Committee. In practice, however, there are still about 20 States in which not even State committees have been established, and a great many localities without committees at the community level. In consequence, there has been inadequate communication with interested groups, either labor or public, the advice of those with wide practical experience has not been made available in developing local programs, and there have been complaints and criticisms that could have been avoided.

There are groups in every community who have an obvious and legitimate interest in training programs—employers, trade union representatives, social workers, and teachers, to name the most obvious examples and it is only common

sense to involve as many of them as possible, both to gain the benefit of their special knowledge and to gain their understanding of and support for the programs. Far less of this has been done than should be done—far less than appears to have been contemplated by the framers of MDTA. We urge, therefore, that more vigorous action be taken toward the establishment of such committees at State and local levels in conjunction with all training programs.

We in the trade union movement are wholehearted in our support for the principle behind MDTA, and, in spite of our criticism of some details of its administration, we believe that it has made a start toward great accomplishments in the face of enormous difficulties. Our criticisms are aimed solely at strengthening and improving both the act itself and its administration, and any amendments directed to that end will have our vigorous support.

NATIONAL EDUCATION ASSOCIATION,
Washington, D.C., July 29, 1963.

HON. JOSEPH S. CLARK,
Chairman, Subcommittee on Employment and Manpower,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: We appreciate the opportunity of commenting on the proposals to amend the Manpower Development and Training Act. As you know, the National Education Association supported the Manpower Development and Training Act of 1962. We believe that experience with this program indicates need for amendments which will more nearly achieve the purposes of the original act.

The matching provision provided in the original act curtails the program drastically in many areas where the program is currently just getting started. We urge that the principle of 100 percent Federal financing be extended for at least 1 additional year as provided in S. 1716.

The present provision for work allowances restricted to those 19 years of age or over has proved to be unrealistic. We urge that the age limitation be lowered to 16 as provided in S. 1831 and S. 1691. The provision in S. 1831 that "no allowances shall be paid to any such youth who drops out of school, for a period of 3 months after the date of dropout" is perhaps too lenient. A student who leaves school at the end of the regular school year could, after the normal 2½ months of summer vacation, apply for training under this program by the following mid-September. The provision in S. 1691 providing for a 6-month waiting period may work a hardship. We suggest as a compromise that S. 1831 be amended to read "3 consecutive school months" with appropriate definition of school month meaning any month during the period that the local public schools are in regular session.

The proposed expansion of the youth training program from 5 percent to 15 percent of the total Manpower Development and Training Act is most desirable. Broadening the program to permit programs in literacy and basic education for persons who are unable to profit from the vocational program because of lack of basic skills is essential if those persons most in need are to be helped.

We appreciate this opportunity to present the views of the National Education Association on this important legislation.

Sincerely,

JOHN M. LUMLEY,
Director, Division of Federal Relations.

PREPARED STATEMENT OF DAVID SULLIVAN, GENERAL PRESIDENT, BUILDING SERVICE
EMPLOYEES' INTERNATIONAL UNION

We of the Building Service Employees' International Union appreciate having this opportunity to offer our views on the proposed amendments to the Manpower Development and Training Act.

We have long supported the principles incorporated into the original act and we are generally in support of the proposed amendments. In this connection we would like to associate ourselves with the views of the AFL-CIO so ably expressed by Andrew J. Biemiller on July 18.

It is not our intention to repeat those views here. We merely wish to offer certain supplementary comments which we believe will be of interest to the committee.

Our organization has long supported the extension of the idea and practice of adult education, and it has been my privilege to testify before congressional committees in support of such programs. It is our firm conviction that everyone needs a broad, general education from which to develop further understanding and skills. Additionally, the swift changes taking place in our lives and in scientific knowledge requires the adult to continue expanding his basic education throughout adulthood.

The proposals contained in S. 1831, which would provide for expenditures for basic education, seems to us a partial recognition of the need for adult education, and we are wholeheartedly in support of it. In fact, we would like to see such a program extend far beyond the proposal in S. 1831. With regard to S. 1831 it should perhaps be recognized that the general educational base upon which most people build their occupational skills is acquired through 8 years of elementary education and 4 years of high school education, and that the "development of functional literacy" is not a simple job of teaching some reading, writing, and arithmetic. In other words, a good deal of attention and effort will have to be concentrated on planning and carrying out educational programs aimed at developing functional literacy.

On the other hand, we want to make it clear that we do not think the Manpower and Development Training Act can possibly substitute for the education derived from traditional educational institutions or from practical experience in an occupation. Accordingly, we would suggest to the administrators that perhaps too much attention has been paid to traditional methods in education and especially vocational education, and that the current effort should be streamlined to immediate needs and problems.

We were somewhat surprised by a news story appearing in the Washington Post on July 25 and headlined, "Job Program Here Lacks Instructors." The story indicated that programs for training people for a variety of jobs included hotel and restaurant cooking, duplicating machine operators, and dry cleaning, pressing, and spotting were being held up because of a lack of instructors. These apparently were scarce partially because of a shortage of skilled people in these jobs and that, of course, is precisely why the training programs were being undertaken, and also because instructors were required, according to the article, to have either a bachelor of science degree or 4 years of trade experience.

One day earlier, on July 24, a story appeared in the Chicago Daily News indicating that a 48-week course for training auto mechanics under MDTA was available to applicants having 4 years of high school. The story also said that vocational shop training was desirable but not necessary.

These two stories indicate to us that a sense of urgency and a feeling for the objectives of the MDTA program was obviously not reflected in all the programs that are undertaken. We suggest that highly trained and experienced instructors may not be necessary for all MDTA programs, and we would particularly stress that the objective of helping combat unemployment should be kept in mind. It is pretty well established that unemployment is highest among those with the least education and to exclude persons who have not graduated from high school from auto mechanic training seems to us to be overlooking the most elementary objectives of the MDTA program.

Just as unemployment is more likely to occur among the less educated, so it is more likely to occur among the minority groups. While our direct contact with MDTA programs has been too limited to permit making a generalization, we do have the impression that more attention could be given to planning programs of special utility in developing job opportunities for members of minority groups. Incidentally, we do feel that S. 1831 would make a contribution in this area and are especially enthusiastic in its support since members of minority groups have often been denied the education necessary for functioning literacy.

We are also pleased to see that S. 1691, S. 1725 and S. 1831 will expand the aid that can be given to young people under the MDTA program. While the need of youth is for expanded opportunities in our regular educational institutions, further aid to them through MDTA will certainly be a laudable expansion of the entire program.

Another important amendment is the proposal contained in S. 1716 which would increase the Federal grant to the program and eliminate the need of the States to match Federal funds for MDTA programs. We are wholeheartedly in support of this proposal knowing from our dealings with State governments that these

are generally hard pressed for funds and often unable to undertake new expenditures except for the most critical needs. Moreover, the States with the greatest need for retraining programs are those with the highest unemployment and consequently are financially less able to support such programs. As Mr. Biemiller pointed out S. 1716 is a kind of "life and death" proposal for the entire program since the States have not acted and since many State legislatures will not meet next year.

We feel that unemployment is a national problem and that too much of its burden is already falling upon State and local governments. Only the Federal Government can adequately cope with this tremendous crisis and to permit portions of the attack upon it to hinge upon the ability or willingness of States to expend funds for the program is to invite disaster as well as to place the burden in the wrong place.

In conclusion we wish only to say that the MDTA program must be given a full opportunity to make its best possible contribution to the combating of unemployment and the development of a skilled labor force adequate to the needs of our times. We believe that the proposed amendments represent an essential step in the direction of giving the act that opportunity, and we hope the Congress will give them most careful consideration and support.

We wish also to express our gratitude for being given the opportunity to testify on behalf of those amendments.

PREPARED STATEMENT OF JOSEPH A. BEIRNE, PRESIDENT, COMMUNICATIONS WORKERS OF AMERICA

We appreciate the opportunity to participate in these hearings on proposed amendments to the Manpower Development and Training Act. Communications Workers of America, a union which represents some 380,000 workers in the communications industry is deeply concerned with this particular piece of legislation and related matters.

We wish to add our support to those portions of S. 1716, S. 1725, and S. 1831 which provide for 100 percent Federal financing during the third year of the program in lieu of the matching fund provisions now provided. Further, we endorse expanding the scope of the act to include programs for basic education which is, after all, a prerequisite for any training process beyond the elementary skill level. Changing the 5 percent limitation on allocations for youth training to 15 or 20 percent has our complete support.

We would go further and amend sections 202(d) and 205(b) of the act to provide that no training program shall be undertaken until it has been established that there are no unemployed workers with the requisite skills prepared to accept jobs in the locality where a vacancy exists and that the National Manpower Advisory Committee require the establishment of local, State, and regional advisory committees.

CWA has some additional specific recommendations to make but before doing so we would like to take the opportunity of these hearings to make some special remarks on the entire problem of employment, unemployment, automation, manpower development, and training in the United States as a whole and, most particularly, from the standpoint of the communications industry.

It seems to us that the Manpower Development and Training Act must be considered and evaluated within the framework of the overall economic situation in this country and the distressingly continued high level of unemployment. It is in this spirit that we would like to call this committee's attention to various general problems and some in the communications industry in particular.

Anyone who has studied this industry is impressed with the fact that it is a good barometer of overall economic conditions in this country. It is one of the first industries to respond to economic growth. Increased personal income seems to find its way almost immediately into demand for new or additional telephone services. And, interestingly enough, the communications industry is one of the last basic American industries to be affected by downward economic movement. People, individually and in business, seem to hang on to their telephone service despite economic hardships until the last possible moment. As a result, when telephone business levels off or drops or when communications industry employment stabilizes or decreases we know that the downward economic movement is assuming serious proportions and the entire country is in trouble.

In much the same way, the communications industry is also a good barometer of the employment situation throughout the country. We were not surprised,

therefore, when our studies showed that what is currently happening in the telephone industry with respect to the substitution of overtime work for employment of new employees seems to be characteristic of what is happening in many other basic American industries.

Many employers are choosing to work their current labor force overtime rather than get the job done by hiring additional employees. There are, no doubt, many complex reasons for doing this. It may, in part, be attributable to the management belief that the increase in workload is temporary and that it is better not to hire new employees and then have to dismiss them. Still another contributing factor is probably a desire not to take on the "fringe" cost responsibility of new employees.

In still other cases, it may be easier and indeed more efficient to work incumbent employees overtime rather than train additional new employees. In some few instances, the local labor market may be such that additional new employees are not readily available. This is obviously true for such labor shortage occupations as clerical workers, for example, in various key metropolitan centers.

But whatever the reasons, valid, invalid, well intentioned, or ill intentioned, we are faced with a picture of significant unemployment in the United States existing simultaneously with substantial overtime in many key industries.

OVERTIME IN TELEPHONE INDUSTRY

In the telephone industry, during 1962, the average workweek for 560,900 nonsupervisory employees was 39.9 hours. This figure alone would seem to indicate that there was little or no overtime in the industry. However, when you break down the figures to the component work groups, we find that the nonsupervisory switchboard operating group of workers, who comprise approximately 30 percent of the total labor force in the industry, worked 37.5 hours on the average, during 1962. By way of contrast, the plant craft group, which also comprises around 30 percent of the labor force, averaged 44.1 hours per week. The overtime in the industry seems to have been concentrated primarily in this particular group of almost exclusively male employees. And, interestingly enough, this is almost the only group in which layoffs took place during 1962 and in which hiring of new employees is and has been at a standstill in many parts of the country. The picture we found for 1962 has continued into 1963.

As this committee has already learned from earlier testimony, the current unemployment rate is higher among young workers than in the labor force as a whole. During 1962, the unemployment rate for youngsters averaged 13 percent as compared to an adult rate of between 4 and 5 percent. In April 1963 the youth unemployment rate stood at 15.6 percent. We cannot help but ask the question of where this trend will lead us socially and economically. If the number of entrance jobs continues to decline, shouldn't we be taking a good look at finding effective means to increase them. Wouldn't limiting or discouraging overtime in certain jobs and in certain areas have the very desirable effect of increasing job opportunities for the young worker.

INDUSTRY CAN CREATE 75,000 NEW JOBS

CWA estimates that if no overtime had been worked in the telephone industry in 1962 in the male plant group, employment opportunities would have been available for approximately 17,250 young male employees. If this same group of male plant workers had been on a 35-hour workweek and had worked no overtime during that same year, we estimate that there would have been opportunities for some 43,000 new male craft employees. And these employment opportunities would have been available to the very group suffering a high unemployment rate—young male workers.

If the switchboard operating group had been on a 35-hour workweek basis in 1962 some 11,000 additional jobs would have been available for young women. For the industry as a whole we estimate that a 35-hour workweek and no overtime in 1962 would have created something like 75,000 nonsupervisory jobs and most would have been at the young worker entrance level, the very group for whom our industrial society must create jobs at an ever-increasing rate.

When you consider that the communications industry is one which recruits its workers primarily at the high school graduation level, providing inservice training, and when you consider that the unemployment rate among such young workers is particularly high, you have a picture which points to the real neces-

sity of giving serious thought to shortened hours and restricted overtime in this key industry. When you consider further that the communications industry is dominated primarily by the Bell Telephone System which is this country's largest private employer of labor, and whose employment of some three-quarters of a million employees is second only to the Federal Government, you have some perspective of the dimensions and importance of employment policies in this single company.

BELL SYSTEM TRYING TO LENGTHEN WORKWEEK

We would like to take the occasion of these hearings to call public attention to some new and undesirable developments in the employment policies in our industry. These events will give this committee and the public at large some insight into the shape of things to come in the clerical employment field and the effects of automation and changing machine operations on these jobs. In recent and current negotiations with the Bell System, at least three companies, Wisconsin, Indiana, and Northwestern are suggesting 7-day coverage of certain machine operation clerical jobs. As you know, the telephone operator's job is at present on a 7-day coverage basis. It is a public service job and the union readily agrees that 7-day service should be available to the public.

We are faced with quite a different situation with regard to the clerical operations in question. The companies have purchased new automatic equipment, and in order to realize the best return on this investment, they would like to have the machines in operation 24 hours a day, 7 days a week. These machines are operated by clerical workers who traditionally in this country hold the illusion that their jobs are closely related to management. This myth is being dispelled as management plans 7-day operation of these machines regardless of what it does to the personal lives of these clerical workers. This is probably one of the least publicized byproducts of automated clerical operations and further points up the need for effective union representation. Ultimately, if collective bargaining fails we may be calling upon the Congress for certain protection of these workers beyond that available to us from the collective bargaining table.

This concludes our observations about the communications industry, and we would like to direct our attention once more to the Manpower Development and Training Act specifically.

CWA SUPPORTS CURRENT LEGISLATION TO EXPAND MANPOWER DEVELOPMENT AND TRAINING ACT

We have studied the bills presently before Congress, and we should like to indicate particular support for the idea that present laws should be expanded to provide relocation and moving allowances for workers for whom jobs are available in other geographic areas. It makes no sense to us to retrain a worker for a new job locally if he could continue his current occupation in a labor shortage area some distance away. Further, current legislation makes no provision for training workers who are not unemployed but who wish to upgrade their current skill level. In many ways the employed worker at the lowest skill level is penalized and is less likely to be upgraded or promoted than his unemployed coworker displaced by changing technology or other forces beyond his control.

Despite Congress' already indicated concern with the unemployment situation, and despite such legislation as extended unemployment compensation and, more recently, the Manpower Development and Training Act, no appreciable dent has been made in the unemployment situation. Practically everyone surveying the scene agrees that the greatest single factor which could contribute to eliminating unemployment would be an increased rate in economic growth of the country as a whole. Much study and testimony have already been contributed on this subject which really goes to the heart of the unemployment situation.

It is very important to discuss the special employment problems of youth, the aged, and other particular groups in our society. However, there is really no hope of solving any of these special problems without first solving the big problem; namely, economic growth. Congress must enact appropriate tax legislation, extend and liberalize social security including medical care for the aged, Federal aid to education, increased public investment in transportation, housing, natural resources, health facilities, urban renewal, and similar programs to get the economy moving.

We think all people of good intention are agreed that we just cannot wait for economic growth to take place as a result of some divine economic laws. Steps

must be taken by all sectors of the economy to get the economy growing at a rate sufficient to provide employment for all people who want to work. In a society such as ours, work is a necessary element of self-respect and thus is a valued status symbol. Unemployment, and particularly extended unemployment, is quite the opposite. It carries the stigma of failure and thus is a personal tragedy.

CWA CONVENTION RESOLUTION TO RESTRICT OVERTIME

In order to call concrete attention to the seriousness of the unemployment problem, CWA at its convention last month, passed a resolution calling upon the AFL-CIO, at its next convention, to recommend to all trade unionists that they resist working overtime, except in situations where health and safety emergencies are involved, in the hope that this voluntary self-discipline will dramatize the seriousness of our economic situation and the need for immediate corrective measures. Further, the resolution directs CWA to call upon the AFL-CIO to seek the guidance of leading social scientists for suggestions and programs embodying how the labor movement can contribute more to improving present economic conditions.

BUREAU OF AUTOMATION STILL NEEDED

We would like to repeat at this point a recommendation which we have been making at least since 1950; namely, that there be created in the U.S. Department of Labor a Bureau of Automation which would have as its primary concern this whole problem of automation in the United States and the development of appropriate public policies. During his tenure of office, Labor Secretary Arthur Goldberg took a first step in the creation of an Office of Manpower and Automation. This Office needs to be expanded and needs to act as more than just a clearinghouse for some small studies and small statistical reports on the subject of manpower development and automation. We are thinking in terms of a bureau with sufficient status and staffed by the country's best economists, engineers, and scientists who will move beyond our shared ignorance on this subject and develop, first, the facts and, second, the recommended public policy based on these facts. We envision a central clearinghouse to which anyone and everyone who has a problem relating to automation could come for specific guidance. The present situation in which various universities, private and public research agencies, and others are responsible for fragments of the research work is a highly unsatisfactory one. The Federal Government is the only appropriate level which can give guidance and leadership in this difficult and technical area and we strongly recommend that such a bureau be created as quickly as possible.

CONCLUSION

Now, in conclusion, I would like to summarize for the committee the specific steps which I think should be taken immediately to help resolve the paradoxical situation of substantial overtime in some industries and simultaneous unemployment of some 5 million workers. Some can be accomplished through amending the Manpower Development and Training Act. Some of these recommendations can be accomplished through amending other existing legislation or introducing new laws. Obviously, the present manpower and training program which is reputed to be training some 60,000 people with a dropout rate in excess of 20 percent is not going to have a major impact on the depressed economy and 5 million unemployed.

We, therefore, recommend, that in addition to the recommendations of the AFL-CIO, Congress enact legislation to:

1. Require premium payments of double and a half time or triple time or any other penalty payment, which Congress, after study, thinks would act as a deterrent, to be paid for all work in excess of 7 hours in 1 day and 35 hours in 1 week. Obviously, the present time and one-half overtime rate for work in excess of 40 hours in a week is not discouraging overtime in many industries.
2. Prohibit or limit overtime work and dual jobholding or so-called "moonlighting." This is a difficult area within which to write legislation. There are many people who must, of necessity, hold two jobs. I am thinking, for example, of a particular case I know of a schoolteacher who has to tend bar at night in order to eke out a meager living. He is both a good schoolteacher and good bartender. I am not trying to prevent that kind of person from dual jobholding, at least until such time as we face up to our responsibilities and provide teachers with decent salary levels. I am thinking more in terms of those

people whose basic jobs provide them with a level of income which, according to Government and other statistics, provides a decent and healthful standard of life and who do not really need the second job to maintain health and decency standards of living. This is a ticklish problem and it would seem to me that the best kind of minds would be needed to work out legislative language and supplementary Government regulations to administer such provisions fairly. While it would be a difficult thing to administer, the alternative, namely, over-employment and unemployment existing side by side is a less desirable situation.

3. Provide training for employed workers who want to upgrade their skills.

4. Provide legislatively for the establishment of a Bureau of Automation and Manpower in the Department of Labor.

The legislative changes we recommend in addition to those already suggested by other spokesmen would contribute, we think, to improving the climate for full employment. While they certainly, by themselves, would not solve the problem of lack of economic growth, they are things we can do immediately to help mitigate the adverse side effects of our stagnant economy.

PREPARED STATEMENT OF JOHN P. ROCHE, NATIONAL CHAIRMAN, AMERICANS FOR DEMOCRATIC ACTION

Americans for Democratic Action supports the proposed amendments to the Manpower Development and Training Act contained in S. 1716 and S. 1831. We must remember, however, that as useful and important as job training is, it is meaningless without filling needed jobs. If we expect to capitalize on an improved Manpower Development and Training Act program we must also enact programs to satisfy public and private wants and needs in areas such as education, urban and community development, public welfare, water resources, and the like. Our major economic goal must be a full employment economy in which job seekers find and perform work on the basis of their abilities. It is in this full-employment framework that ADA supports the Manpower Development and Training Act amendments.

State matching

S. 1716 proposes to eliminate the 50-50 State matching requirements beginning July 1, 1964, and necessarily authorize the additional appropriations of \$161 million. The need for S. 1716 is apparent since to date only 10 States have initiated steps toward providing matching funds for the July 1964 to June 1965 fiscal year. Only four States have enacted necessary enabling legislation and only two States have actually appropriated funds. The prospects for additional State action remain dim for two salient reasons: Many State legislatures will not meet in sufficient time to both enact enabling legislation and appropriate funds; also States are limited in their capacity to outlay public expenditures because of reduced revenues attributed partially at least to continued high unemployment.

Enactment of S. 1716 will increase the number of job training programs including those that require lengthy training courses. Enactment of S. 1716 will also mean that the Manpower Development and Training Act improvements in S. 1831 will have a chance to come into play. In short, any impact expected from an improved Manpower Development and Training Act program requires the enactment of S. 1716.

Basic education

The current operations of Manpower Development and Training Act reveal that insufficient programing has been developed to deal with the combined problem of inadequate education and unemployment. Our knowledge about the shifting nature of the economy, to increasingly skilled jobs and away from goods-producing industries to service industries, must be applied in any successful retraining program. Manpower Development and Training Act programs' effectiveness are severely limited in advance if 20 percent of all unemployed who have completed less than 8 years of schooling continue to include only 3 percent of the Manpower Development and Training Act trainees. Obviously unless Manpower Development and Training Act programs include an upgrading of literacy and basic work skills the disadvantaged and uneducated groups will be denied an opportunity to benefit from Manpower Development and Training Act programs. The inadequately educated, denied an opportunity to learn skills, will, and this

includes those jobholders who hold minimal skilled jobs today, be doomed to permanent unemployment. The training programs must be considered on two levels: the need to increase literacy skills and the need to increase basic work skills. Achievement of both skill levels is necessary to assure not only increased future employability but increased immediate trainability.

Youth

The need for a new stronger emphasis on youth unemployment is absolutely essential. As Secretary Wirtz said, in an understatement, the high school dropout "comes awfully close to committing economic suicide." An unemployment rate of 20 percent among 16 to 19 years old is not only potentially explosive but can be permanently damaging. Unemployment is more than frustrating for the young. It can permanently damage the motivations of a generation of young people.

We therefore support the youth amendment which would enlarge the program by reducing the age level from 19 to 16 and increase the allocation for youth training allowance from 5 percent of the total program to 15 percent. Indeed, 15 percent may be too low a figure and we request that the subcommittee consider the appropriateness of a higher figure and/or larger total appropriation.

We prefer allowance payments to trainees within 3 months after dropping out of school (S. 1831) instead of 6 months (S. 1691). Once a dropout occurs there is no need to delay further the opportunity for the teenager to enter the training program.

Suggested additions

1. We support relocation allowances similar to the provisions of the Trade Expansion Act. A total manpower program must include the possibility of a worker having to move.

2. We urge the deletion from section 202(b) of S. 1831 the following: "Priority in referral for training shall also be extended to persons to be trained for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence." The manpower problem like the economy, is national in scope. The allocation of manpower resources should not be limited by artificial local or State boundaries.

3. We support payment for travel expenses for the trainee living at home. The training allowance is small and unless it reaches an average salary level travel expenses should be paid.

4. Lest there be confusion, we do not advocate training allowance to equal salaries. Nevertheless, the training allowances should be increased sufficiently to encourage the family man to finish the training course. He should not be forced to choose a job to meet his family requirements—a job which may well not be permanent in a few months of years.

PREPARED STATEMENT BY RAYMOND M. HILLIARD, DIRECTOR, COOK COUNTY DEPARTMENT OF PUBLIC AID

ILLITERACY—THE CAUSE OF JOBLESSNESS IN THE 1960's

My name is Raymond M. Hilliard, director of the Cook County department of public aid, a county that includes the city of Chicago. I have been asked to testify with particular regard to the proposed modifications in the Manpower Training and Development Act that provides for the development of functional literacy and basic work skills for the unemployed, who will thereby be able to enter specific training programs and also for the expansion of the act to include greater numbers of youths.

As director of the Cook County department of public aid, I am responsible for a program that includes 270,165 persons at a monthly cost of \$15,548,012. Of this number of approximately 50,000 are able-bodied persons capable of work who are on relief because they cannot find work to do. It is not my responsibility merely to administer the spending of these huge sums; rather it is my responsibility, and my deep and abiding concern, that we find techniques of removing the causes of this wasteful dependency and of returning these persons back to the labor force and a productive and fruitful role in society. Certainly, one obvious aspect of such a rehabilitation program is job training. We in Chicago have for many years maintained a counseling, placement, and training

service. This service, for instance, currently involves 14,791 individuals in programs covering preparation for jobs, counseling on proper attitudes, how to dress, how to seek a job, what to say, conduct on a job, punctuality, dependability, etc. It includes job finders and placement workers who, as teams, endeavor to fit people on relief into the jobs we turn up. In addition, it carries on, within the framework of our own welfare department, sometimes in collaboration with settlement houses, hospitals or institutions, a variety of training programs, such as for domestics, for licensed practical nurses, for nurses' aids and for clerical and office workers. We maintain our own training workshop, where we teach light assembly work, wiring of appliances, spot welding, spray painting, drill press and punch press operations, upholstering, etc. In 1962 this service placed 12,377 individuals in jobs, and in the first 6 months of this year has placed an additional 6,937 persons. Yet our relief rolls continued to rise, and despite these efforts, we were making few inroads into the total numbers in need of assistance. In short, despite intensive efforts at retraining, we were not solving the real and the basic problem. It was becoming clear that another more basic factor, or combination of factors, was operating to keep these people outside our abundant economy, keeping them poor in our affluent society and leaving them cut off in trap ghettos without hope.

I think a clear example of this factor can be seen in an examination of the list of projects approved under the Manpower Development and Training Act. I particularly noted the 6 projects to train 166 persons as cooks and was reminded of a friend of mine, the owner of a good restaurant in my neighborhood. I had been speaking of the growing need for higher levels of education when he said to me: "I know just what you are talking about. Almost a year ago, I hired a Negro kitchen man and he has turned out to be about the best employee I have ever had—industrious, dependable, cheerful, and willing to tackle anything. He showed up with a definite flair for cooking and I began to urge him to get into the cooking end of the business. He kept backing away from it and finally I sat him down and said, 'Look, I can make you my head chef; I can pay you twice your present salary. I know you can cook; now, what do you say?' The man gulped for a moment, and then in obvious embarrassment, looked up and said, 'Mr. Fulton, I'd love to be a head chef and I know I can do it, but you see Mr. Fulton, I just can't read those orders.' He couldn't read recipes either." It is my firm conviction that this kitchen man, even while he holds his present job, can be taught enough reading in an accelerated course to enable him to read orders and recipes and then move into the job of chef and vacate a job for a kitchen man that can be filled from the present relief rolls.

Let me tell you another story, the story of Willie McGee. Willie McGee is a Negro who came to Chicago from Mississippi 19 years ago; he is now 43. He went to work in the great stockyards of Chicago, where he became their most proficient wool puller and hide grader. There were some weeks that he took home as much as \$295.00 a week—a week that is, not a month. He has a wife and six fine children. Five years ago misfortune struck. Willie's employer, along with other meatpackers, moved out of Chicago and left him behind. They didn't take him to their new location because they now had a robot to pull wool. Willie lived on unemployment insurance for awhile, then exhausted his savings and reached his limit in borrowing; then in desperation and only in his extremity, he sought public assistance. Willie has been on relief for over 2 years. His own efforts to get relocated in a job have been frantic and continuous; the efforts of our department to place him have been many but unavailing. You see, Willie McGee has a second-grade education that he received in Mississippi. When employers, who were immediately impressed by his attractive appearance, over 6 feet, healthy, strong, and well-groomed, found out that he had no education and couldn't read or write, they thereupon in every case lost interest.

It is the kitchen helper of my friend and the Willie McGees for whom we must plan if we are really to solve the problem of unemployment.

In order to plan for programs for these, the hard-core unemployed, the Cook County department of public aid embarked upon a series of intensive studies of the nature of the local unemployment problem and the educational qualifications of those receiving public assistance. The first of these studies demonstrated that 70.7 percent of the applications for general assistance could be attributed, either directly or indirectly, to unemployment and not to social, psychological or physical factors. The study also indicated that the main characteristics these persons had in common were low levels of education and low levels of training. Of the 767 persons found to be in need of assistance due directly to lack of gainful employ-

ment, an overwhelming 88.4 percent had not completed high school and as many as 75.2 percent fell into the unskilled classification.

The second study (which analyzed the reasons for loss of last job held and of job held for the longest time) showed that directly and indirectly unemployment due to automation accounted for a significant 59 percent of the total reasons reported for the loss of the last job held and 67.6 percent of the reasons listed under the longest job held.

The third study, carried out in early 1961, demonstrated the continued and growing impact of these economic changes. In the first study semiskilled and skilled workers accounted for 24.8 percent of the study group; the third study showed that these persons accounted for 40.9 percent. White applicants accounted for 15.9 percent of the jobless in the first study; in the third study they accounted for 19.2 percent. The increase in the percentage of whites emphasizes the expanding impact of these economic factors. Because the Negro is so often the first affected by economic shifts, the fact that a growing number of whites were being affected demonstrated the growing severity of the displacement.

At the same time, an examination of the educational levels presented a yet more disturbing picture. A survey of almost 144,000 unemployed men and women showed that fully 68 percent of the unemployed in Illinois had not finished high school and that 17 percent had not even finished the eighth grade. An even graver aspect is the number of persons 25 and over who are functionally illiterate. The census reports that in 1960 8.9 percent of the population of the city of Chicago, or a total of 190,752 persons, were functionally illiterate; for the county of Cook these figures were 7.4 percent and 222,981, respectively.

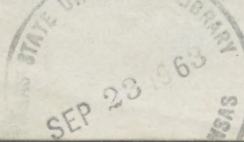
But even more frightening were the results of a study conducted by our own department in the spring of 1962. A group of welfare recipients in the Woodlawn area, east of Cottage Grove in the city of Chicago, was selected for intensive examination in the areas of social and educational background and level of formal education attained, and then tested for their actual functioning level. This study revealed that while only 6.6 percent of the group lacked 5 years of education, 50.7 percent were functioning at levels below the sixth grade, the level at which it is generally considered the individual possesses the minimal literacy skills to function in modern society. And may I add here that this definition, developed many years ago, is grossly out of date, for the complexities of our modern society are such that one could more truly define the ability to function as at least at the high school graduate level.

The study also showed that among the public aid recipients who reported a certain grade as their highest educational level the average achievement never equaled that grade. Those who reported the eighth grade as their highest grade averaged less than the fifth grade; those who reported graduation from high school actually were functioning on a less than the seventh grade level. One hundred percent functional literacy appeared only in members of the group who reported 1 or more years of college as their highest education. In other words, it was not until 1 year of college was reported as the highest education attained that there were no functional illiterates in the group.

Thus because of modern conditions, the speed of industrial change, ever greater demand for higher educational levels for employment, and the steady and growing separation of these individuals from society, there has grown a great need for the development of a more active and realistic program. This almost total lack of meshing between the gears of social existence of these disadvantaged individuals and the gears of society has created a profound need for help at a more basic level, for many of these persons lack the simple and fundamental knowledge upon which society bases the very process of socialization.

Faced with a problem of this magnitude and faced with the situation of so many people like Willie McGee, people who live behind a blackboard curtain of ignorance and illiteracy, the department in early 1962 embarked upon a massive attack on illiteracy and upon an intensive program of combined literacy and job training for specific jobs available in the Chicago area.

On March 14, 1962, we announced a program, in conjunction with the Chicago Board of Education, of establishing a citywide network of training and educational facilities for people on relief. We added bluntly that people receiving assistance would be required to participate, that the effort would be set up as a work relief project with a built-in requirement that the individual must report to the place assigned and do the work assigned or forfeit his relief grant. We announced that we hoped ultimately to have 50,000 to 60,000 people involved in the program, these being the able-bodied adults who were receiving public assistance in Cook County. If they can be made independent of relief, these



60,000 with their 150,000 children will disappear from our relief rolls and into a better world of independent living where they can reside proudly as taxpaying instead of tax-using citizens. Already we have some 7,000 to 8,000 enrolled and by the end of the year, we hope to have 20,000 just in the education part of our total program. Remember that an additional 15,000 are involved in other training and job preparation.

We call these projects education and the others, efforts in the direction of social uplift through the exercise of social discipline where necessary. Several things have been learned so far:

1. We haven't had to use compulsion, although it remains and will and must remain as an essential ingredient of the educational and training program. The response of the people to this proffer of education has been tremendous; in fact, overwhelming. The pathetic eagerness of these poor, deprived, basically wonderful people to seize any little offer of help which gives even small promise of lifting them up from their valley of helplessness, joblessness, and despair is deeply moving.

2. Attendance has been excellent. On the first day when these people enroll—they are all adults, so far—casework and administrative staff of our department are on hand to assist the teachers and to interpret, counsel, or otherwise help in accommodating these people to a very new experience. Once in, they come regularly.

3. Their good personal appearance and grooming is most obviously the result of real interest in looking their best. I wish you could see them.

4. Discipline has been no problem. One of the board of education's coordinators of the whole program in a recent bulletin to all teaching staff wrote: "Since the inception of this program 6 months ago, the problem of student misconduct has been nonexistent. However, as enrollment increases, the problem of having a minimal number of incidents is likely." Mr. Cheatham, the author of the foregoing, didn't know, and we haven't told him, that one of our boys, a man about 50, took a few too many to get his courage up and arrived for his first evening on time, but quite drunk.

5. The eagerness to learn and the attentiveness of these adult learners has amazed and gratified both the teaching and the social work staff.

6. We have learned not to try to drop our recipients into regular classes. We have much quicker and greater success when we assign our people in groups where they are among themselves. Our people are shy with strangers, shy to acknowledge their educational deficiencies or let them show. Already, we have learned that as the process of education and socialization progresses, many of our people can venture on their own into the regular classes.

7. There must be different educational methods for these disadvantaged adults for there is little or no content or text material, or experience for that matter, available for the teaching of literacy to disadvantaged adults. Much more must be done in this area.

In carrying out this program, I have witnessed some deeply moving scenes. I think of the boy who brought his father for the first night and who helps him with his homework and also of the 50-year-old man writing his name for the first time and then writing it over and over again. Or there is the father of 13 who dropped out of school 38 years ago in the third grade and who entered our literacy program, and in the space of 5 months raised himself or was lifted to a point where he passed an eighth grade examination and was awarded his elementary school diploma. On his graduation night, he remarked, "No kid of mine will ever drop out of school." He now has a good job and is also attending high school where in night classes he hopes to get a diploma in 2 years.

This new program has, for the first time, brought hope to these people and this new hope is education itself. In Chicago, we have seen the new light of hope radiate from the faces of our welfare recipients. I wish that members of this committee had been with me to attend a recent graduation of 211 adults from the eighth grade and had seen the face of each, beaming with pride, illuminated with hope, as he or she received an elementary school certificate. I wish that you could have been with me to see 25 men go off relief in a body, at a graduation exercise of a class where they had learned to become Yellow Taxi drivers; 266 former recipients have now received this training and 215 are currently employed. Many of these men were able to qualify because they had been taught to read and to write in our basic literacy classes and, as a result, they could make out trip sheets, write receipts and reports, and read street signs.

My experience in administering the welfare program in Cook County and in the development of the various programs to aid these people has led me to the conviction that a serious mistake was made when too many people pinned too many hopes on training and retraining alone. Many seemed to think that there were millions of people ready, willing, and able to begin training. I have no doubt that many are ready and willing—but as to ability, how can you train a girl to run a typewriter if she can't read, write, and spell. I believe that the experience under the Manpower Development and Training Act has demonstrated one thing, and that is that such a program will not get at the hard core of the unemployed; it will not help those most in need of help. In State after State, it has been the experience of employment offices that they must screen eight persons to find one qualified person. In a recent study completed by the Michigan Employment Security Commission and the welfare department, it was found that of a large group of persons tested for employment potential, 28 percent were test illiterate, and of those who completed the test, 55 percent failed to pass a single occupational aptitude pattern.

I have prepared this statement for the subcommittee not merely in support of the proposed expansion of the Manpower Development and Training Act to cover functional literacy training; rather, I urge upon this committee the need to launch a massive attack upon this basic cause of dependency in our society. I urge that we consider not only so-called functional literacy; rather, we must recognize the need for a general upgrading of educational levels and a broadening of educational backgrounds. The demands of this modern society require not only a high school or a junior college education for all who are to participate and partake of the fruits of society; our modern economy requires a breadth of training, a general education that will permit the average individual to adjust to more than one position, more than one job during his lifetime. We can no longer afford to train narrowly, for all too often the narrowly trained find themselves trained for a job no longer needed. Today the individual must have a broader background in terms of which he can adjust to new jobs, new requirements on the job and new outlooks. In addition, if we are able to find positions for those who have dropped off the bottom of the skill and the employment ladder, there must be a general upgrading of all presently employed so as to create positions at the bottom of the ladder. Industry must recognize its responsibility to its employees to increase their skills constantly so as to assure their continued employment.

But above all, I urge upon this committee the expansion of this program to include even more than the small numbers of youths presently envisaged; 45,000 youths, when there are close to 1.8 million unemployed teenage youths is a small number. It would be penny wise and pound foolish to train thousands of older workers, while we allow thousands of youths to drop out of school and become the unemployed and untrained worker of tomorrow. I cannot emphasize enough my firm conviction that we must aid these youths now both through training programs, programs to keep them in school, and most important, passage by the House of Representatives of the proposed Youth Conservation Corps already passed by the Senate.

The Constitution of this Nation placed upon this Congress the responsibility of looking after the general welfare. Under these terms, this Congress and previous Congresses have accepted the responsibility to help the weak, the lame, the blind, the widow and the orphaned child. But we must recognize that weakness can arise from other than old age, and lameness and blindness have other than physical forms. There is the weakness of those without the educational tools to protect themselves and the lameness and blindness of the mind that result from inadequate education. The uneducated youth can be an orphan in a society that has no place for him. No increase in the national rate of economic growth alone will resolve the problem of the hard core unemployed. It can be resolved only by a massive attack upon the problem of lack of skills and lack of education. Then and then only will each have the tools with which to provide for himself and his family. Senate bills 1691, 1716, 1725, and 1831 are steps in this direction. I urge the subcommittee to approve and the Senate to pass them.

