

The chances are he has a hard time getting a job. What do we do with this kind of man? What do we do with him? Having been notified by reason of his history that he is a problem, and probably is a likely recruit for the crime, what is our responsibility, both in the public and private sector, to do something about this at the time the signal, the danger flag goes up, and we know that this is the beginning of a problem?

Mr. GAINSBROUGH. This is more widespread than is generally recognized. It is one of the reasons those of us who believe in the inadequacies of the approach to the resolution of the unemployment problem through demand creation alone have stressed. The need to concentrate upon the problem of the individual at the grassroot level, rather than concentrating upon the problem of resolving unemployment through stimulation of demand.

Until we reached about the $4\frac{1}{2}$ - or 4 percent unemployment level, there was indeed something positive gained by stimulation of the economy, both through private and public needs. But when you get to the 4-percent level, more and more of the individuals who are unemployed have the peculiar characteristics that you have cited—untrained, unskilled, lacking individual motivation, needing to be “re-treaded” as it were. And here the emphasis is I believe rightfully shifting from stimulation by the demand route to concentration upon the problems of making these individuals productive members of society.

In the private as well as in the public sector, there is recognition now that more needs to be done to help retrain these individuals. In part, such efforts are held back through the minimum wage law to which you have referred. In part, they are held back by reluctance on the part of various sectors of society, including labor, to accept as wide a resort to apprenticeship as used to prevail.

What is happening in various parts of our society—and I have seen this happen in my hometown, Rochester—is that the private sector, growing aware of this problem, has resorted to special measures, in a sense overcompensation, seeing what can be done to pick up the rejects and give them, through technical training at a vocational school, through bringing them into a new type of classroom, a combination of education and employment. For girls lacking stenographic skills, acquainting them with proper garb for business purposes, office mores, et cetera; and making them more productive members of society in the process.

This is largely the type of activity that I would call investment in the individual, investment in the human resources as distinct from investment in brick and mortar. Its basic characteristic is that it is largely localized effort rather than centralized effort that can help resolve this particular problem. The problem is fairly acute. As you look at the composition of our unemployed now, you will find, for example, that the rate of unemployment of the married male is down to $1\frac{1}{2}$ percent. It used to be 4 or $4\frac{1}{2}$ percent. The quit rate, the voluntary rate of departure from one job to another of a married man is around 2 or $2\frac{1}{2}$ percent, so we have virtually overfull employment of the adult male, of the seasoned worker.

For the young, the 16-, the 17-, the 18-year-old, the particular group you are speaking of, the unemployment rate there is 8 to 10 percent