

200,000 secondary school students are now involved in cooperative arrangements with industry, working on jobs on a released time basis. These numbers can be expanded several fold.

Some part of the youth unemployment program will be influenced by what we do about the military draft. As new programs are developed to meet the nation's military manpower obligations, we should be able to find ways of removing the uncertainties which today make some employers reluctant to employ young people with future possible draft obligations hanging over their heads.

We are concerned also about high off-season unemployment rates in construction. Such unemployment wastes skilled manpower, raises unemployment compensation costs, impedes our national housing efforts, and contributes strongly to the environment that boosts construction wages and costs. Initial findings by the Departments of Labor and Commerce led last year to a Presidential memorandum directing government procurement agencies to develop positive anti-seasonal programs. The Congress has directed a further study of this subject, to be completed by the end of this year. We plan to work aggressively on this problem.

*Second*, is the importance of building skills that will increase the productive capacity of the economy and improve its ability to meet the heavy demand for goods and services which prosperity induces—a demand which can lead, unless offset by output, to price rises.

Medical service prices and construction prices have been responsible for a major share of the rise in living costs. Expansion of output to meet growing demand in both cases comes up against important shortages of trained manpower. Every projection of future manpower needs, at apprentice, technical and semi-professional levels, puts demand for manpower far beyond present and planned training activities.

In the medical field, needs far outrun projected manpower supply, and consideration must be given to programs which expand the supply of labor and improve manpower utilization practices, thus increasing the productivity especially of highly skilled medical manpower. Here also, the expansion of JOBS type program into the nonprofit field should aid in meeting the heavy manpower demands.

Programs for "upgrading" the work force would open new opportunities for those who come in at the bottom, as well as relieve the tensions increasingly associated in our society with routine, low-paying work. Our manpower programs thus far have hardly scratched the surface of the "upgrading" question.

The view has sometimes been expressed that skill development to meet production bottlenecks and add to the productivity of the economy means a different kind of manpower program, targeted at different people, than a program directed at the disadvantaged. This is true only in small degree. Getting a disadvantaged person into a real job means launching him on the path to a skill. Since skill training in American industry is very largely a matter of expanding skill opportunity on the job—in the "internal labor market"—the crucial action is to overcome the barriers to initial entry. Once that is done for a disadvantaged person, he is launched on the time worn path that has produced the great variety of skills that make up the American productive machine.

*Third*, is the improved efficiency of the labor market itself. Whatever the economic environment within which the labor market operates, workers will reap better results from the variety of job-and-people matching arrangements if these arrangements operate at peak efficiency.

The concept of a Job Bank has recently been put into practice in Baltimore, Maryland. The Job Bank is simply a running daily listing of all available job openings in a labor market area. This listing is furnished to the many public and non-profit agencies engaged in worker placement activities and has already shown good results in increasing and speeding worker placements.

A more sophisticated computerized job-matching system has recently been established covering the State of Utah. This system is only a beginning. The challenge is to develop appropriate descriptions of a worker's background and qualifications to feed into a machine and then match with a job which has also been appropriately described in machine language. Much developmental work is ahead of us, but is a most promising area and we are seeing the beginning here of a nationwide computerized system. While I wish to emphasize the positive on this subject, I should also add a note of caution. Arrangements on the part of an individual to take a job and of an employer to put someone to work involve personal and human considerations that are not subject to computerization and, indeed, that must be carefully preserved in a free and open labor market. We must