

the Department as an operating entity, and to work with the current arrangement of the Job Corps and come to understand it. As we go along, then, we will try to see where we can add to the effectiveness of the Job Corps with resources in the Department, and at the same time add to the Department's effectiveness in its current programs by drawing on things going on in the Job Corps. We will see how this effort can fit together as part of a comprehensive manpower program with the other things we are doing.

The Job Corps has certainly had its share of criticism, and I expect some of it was deserved. At the same time I think it has had some things to be proud of. It has dealt with the difficult cases. And I think that that is something to be proud of and to keep your eye on.

The concept of the residential center is part of the whole picture of manpower program, and I think it is a good concept. We certainly want to keep that. They have done a good job in many cases involving the private sector in the operation of the Job Corps, and that aspect of it has been positive. At the same time I think there are ways in which we can help improve the operation of the Job Corps, particularly getting people on the job, and trying to get costs down.

So that this is our approach to it, sir.

Senator JORDAN. You will try to relate it more directly to placing those men after they have completed the course and making them employable and finding jobs for them in the private sector?

Secretary SHULTZ. That is the idea. And we think that that aspect of it will be improved.

Senator JORDAN. The statistics about unemployment are always confusing, Mr. Secretary. Even though we approach an average of about 3½ percent of unemployment, which is relatively good, yet as you so ably pointed out in your statement, there are many soft spots in this statistic, the fact that with respect to certain teenage groups the unemployment runs as high as 18 to 20 percent and higher, which indicates that we do have a real problem in this area.

And that brings up the question of dropouts and what we can do about it. Several years ago I was privileged to serve on the subcommittee of the Committee on Labor and Public Welfare which had to do with manpower problems. And at one time we had a panel of Swedes before that committee, a panel of three people, one representing government, one representing the labor unions, and one representing private sector. And I asked them, "What do you do in your country about the dropout problem?"

And they said, "We don't have a dropout problem, we don't have any word for dropout. We keep these youngsters in school until they are employable."

Of course, I can appreciate that what they can do in Sweden might not work here. But it does point the way, it seems to me, toward a greater effort in that direction to try and keep these youngsters in school until they are employable. Do you have any comment on that?

Secretary SHULTZ. I think you are directing your attention to a very important point. I believe this whole subject of the transition from school to work is one we should concentrate a lot of our attention on.

I touched on a few things in my testimony about what we may do with the Employment Service, what we may do with the cooperative programs in which young people who are in school work on part-time