1 CHAIRMAN LILLEY: Gentlemen, the meeting will
2 be in order. There are just a couple of matters of
3 Commission business. Once again I have to leave at
4 eleven a.m.
5 (Discussion off the record.)
6 Whereupon,
7 RAYMOND F. MALE
8 called as a witness,first duly sworn, testified as follows:
9 DIRECT EXAMINATION
10 By Mr. Jaffe:
11 Q Commissioner, could you please tell us your present
12 position?
13 A I am serving as Commissioner of Labor and Industry
14 for the State of New Jersey.
15 Q And how long have you been in that position?
16 A Eight years.
17 Q Could you tell us what the general responsibilities
18 of the department are that you have?
19 A It generally involves three or four major areas
20 that gets involved with the manpower function of the state
21 through the Employment Service which it operates in
22 partnership with the Federal Government. It gets involved
23 with social insurance programs such as unemployment insurance,
24 temporary disability insurance, workmen's compensation, and
25 for the federal government it acts on disability determinations

for social security Then it gets involved in certain law enforcement standards, setting up operations, engineering and safety being an important one; migratory farm labor and high-pressure vessels in a separate section, and a whole host of bits and pieces of legislation involving standards for both workers and employers.

Then we get involved in an important area of activity related to serving the state's interest in the industrial development side, although that is not our prime function. We handle a lot of statistics by employers and universities and others related to the work force in New Jersey

So it is in general the department that serves both employers and workers in a broad way throughout the state. The work force covers about 2,700,000 men and women.

Q In the later area you just pointed out, the industrial service area, could you describe that a little bit more in detail as to the relationship between that and the kinds of employment that practices?

A There are some who over the years have raised an eyebrow at a state having a Department of Labor and Industry There are some that think this is kind of a paradox and something that should not be. I think it is the trend. As a matter of fact, something similar was proposed for the federal govermnent which did not get fully off the ground, but I will predict it will in a few years. I see nothing

inconsistent in the two primarily because in order to have a fully utilized work force, you have got to have the jobs. The ewuation is not a simple one to match, but one that has to be matched.

So in the course of some of our work when the legislature has given such assignments as improving industrial plants for expansion and new building, this gives us a foot in the door of knowing well in advance when architects and industrial developers think about New Jersey, and we use that in order to provide for them some insight into the services available and the manpower available in New Jersey. So the two wash each other.

Q Does the department in that area perform sort of an active or passive role? Is it one in which you would try to match industries with specific areas or what?

A It is an active role, bearing in mind that the state's primary function in economic development is placed in another agency, the Department of Conservation and Economic Development, but Bob Roe and I work very closely together in this and are often in joint meetings with industry on these things. I think we are active in another sense, active in the sense that at least during the eight years I have been there the stress has been to do law enforcement things, the negatives that were put into our law, in a positive way, not to water down standards but to

1 make them livable so industry realizes they are in their
2 best interests, too. Safety is certainly one of these areas.
3 Q What I am interested in is: Does the department,
4 for example, if an industry is interested in locating in
5 New Jersey and is in communication with your agency as to
6 the employment picture in New Jersey and what other aspects
7 New Jersey has to offer, aid in steering the industry to
8 specific areas? For example, do you have kind of a program
9 or do you think it is feasible to have a program of
10 industrial development in ghetto areas in which you could
11 steer industry?
12 A Not in a formal sense, but there is a great deal of
13 steering, as you put it, based on the manpower requirements
14 of any employer that is looking either to expand or to come
15 into New Jersey for the first time. Obviously the location
16 will depend on the prime needs. I have found over the years
17 in working with it that manpower becomes a pretty critical
18 one, much more often than tax policy or location, all of
19 which in New Jersey is effective, transportation most of all
20 in New Jersey being effective.
21 MR. LEUCHTER: May I expand on that question?
22 Commissioner, the new plants that have been
23 constructed in New Jersey, say, in the last eight
24 years during your tenure, would you say the majority
25 of them have been constructed in other than

1 metropolitan or core areas?

2 THE WITNESS: That is absolutely true. The
3 trend has been that way partly because of
4 technological changes in industry itself where the
5 old vertical still downtown factory-type thing has
6 been economically unfeasible for them. This led
7 them to the campus-type single-story development
8 which required large numbers of acres.

9 I am sure this is no news to this group, but
10 it is a fact of life which all industrial developers
11 have had to wrest with. It did mean even though
12 there is great industrial and business growth,
13 much of it has been outside the easy commuting
14 reach of either the large groups that were
15 unemployed or underemployed or low income or no
16 income people living in what could be described as
17 the ghetto areas of our cities. Maybe before we
18 are through we can talk about some ways to shift
19 this, but I have always felt that both our agency
20 and employers generally in the private sphere have
21 gone at it kind of backwards in terms of solving
22 this problem in the sense that we have always
23 tried to send the best qualified, and employers
24 have always tried to get the best identified, the
25 best trained, the highest skilled. This has

always left the leftover, the one who did not have the educational breaks or the experience breaks with less than a delightful job future.

I think it is in this area we have begun to see some changes. Even in my own agency I think the Employment Service has always been credited not only in New Jersey but across the country for having the image, if you will, of trying to foist upon employers people of less than the top drawer skill. This bothered the Employment Service people for a lot of years, but I always thought they were on the leading edge of what would be the great opportunity for service in the future years, and I think we have come around to that. I think industry itself will come around to realizing in its job placement or industrial development scheme it has a social responsibility to look back into some of these areas. When it does, I think it is going to find a very rich manpower source. This is in spite of what I just said about lack of educational experience and opportunity. This is not a group without a great deal of potential.

By Mr. Jaffe:

Q Commissioner, to pursue this further, do you have some views on how industry can be attracted to the central

1 city?

2 A Well, I have some that are not related to my role
3 as Commissioner of Labor and Industry As a citizen I have
4 some strong views.

5 Q We would be interested in both of those, your
6 views as a citizen and your views as to what you think the
7 department or the state government can generally do in
8 attracting industry to the central city.

9 A I think you would have to look at it as just not
10 state government. I think government at all levels would
11 be part of the equation, as well as industry and business
12 itself. There is something in this for everybody to change
13 thinking on. I would think this in terms of the local
14 level in terms of zoning, in terms of a tax policy, but
15 even there you would soon get involved with constitutional
16 and statutory blocks at the state level even if the most
17 enlightened mayor and council tried --

18 MR. MEYNER: You must remember he was mayor
19 of Princeton.

20 THE WITNESS: Not exactly an industrial giant,
21 but we had much the same problem. Princeton, New
22 Jersey has its own ghetto in a small scale in the
23 midst of a very affluent suburban community. It
24 has left out of its consideration an educational
25 policy by and large, and an employment policy, if

1 any, though it is hard to find a policy in a loose
2 sense like that.
3 CHAIRMAN LILLEY: I have heard Princeton
4 described as a golden ghetto. Is there anything to
5 that?
6 THE WITNESS: I think it has all the problems
7 of Newark or Detroit or any other American city,
8 and it has them roughly in the same proportion, and
9 I saw them at first hand when I was mayor of
10 Princeton and I still feel them deeply. I do not
11 think this is a problem of just the great cities,
12 great in size; I think it is a problem of all our
13 communities. I have long felt in New Jersey the
14 slums of the future would be in suburbia and not
15 necessarily in the renaissance cities.
16 I think what we are doing now, focusing our
17 interest on the city, is healthy, important and
18 needed, but it would not lead the Commission to
19 overlook the fact that this is a total New Jersey
20 and a total U.S. problem.
21 By Mr. Jaffe:
22 Q Could you expand on what you think as a citizen and
23 the department's thinking the role should be in New Jersey?
24 A There are several ways you can go about this.
25 This may sound funny coming from a Labor and Industry

1 Commissioner and manpower guy I think our role is
2 secondary to another role and many other important roles,
3 plural. That would be education, which is why I hoped
4 Commissioner Marburger would be here this morning.
5 Q He is going to be here next week.
6 A I would see the kinds of educational systems or
7 plans or programs that we developed as being crucial to
8 what kind of industrial changes you can make in the city
9 areas. That would be in A-No. 1, if not number one. I
10 mentioned tax policy, and I guess I should say land use and
11 zoning policy, because if you are to provide the kind of
12 space that modern, progressive industry needs, we have got
13 to change our whole concept of how we use the core area.
14 Maybe it is not so essential to put all the jobs in the
15 middle of the city area if we solve the riddle of convenient
16 and inexpensive transportation for the people who haven't
17 had that solved for them.
18 If you look at the suburban growth, for example, in
19 Wayne Township and other areas of New Jersey since World War
20 II you find that almost one hundred percent of the employees
21 in those places drive to work. The rest happen to be in
22 convenient public bus or train locations but that has been
23 an accident with some steering from the companies who
24 obviously are interested in providing service. But for those
25 who didn't have readily available automobile transportation

or for whom the cost of a long commute would eat into bare subsistence at the levels for which they could qualify earning-wise, this becomes an impossibility

You just shorten the effective radius in which they can look for work. This is not to say the city people are not mobile. I didn't nail that one down. I read so much about the lack of mobility of prople not being willing, but we have made commuter pattern studies in recent years in New Jersey, and it is amazing the extent to which people do commute. It is always amazing to find where they move physically across county and state lines.

CHAIRMAN LILLEY: Is there any outward movement?

THE WITNESS: There is an outward commuting pattern. I remember it well, as a matter of fact helped to push it perhaps in the period 1945 to 1952 myself when I was personnel director for the State Institutions and Agencies, and when Commissioner McCorkle is here later today he can describe to you the out-commuting from New York, and Public Service bus transportation has been worked out to the front door of the State Hospital at Graystone Park, which is 42 miles from the central part of the city.

There are many, many negro employees and others

who commute.

CHAIRMAN LILLEY: Could you put a rough figure on it?

THE WITNESS: I would ask Commissioner McCorkle to do it. My figure would be as of March 15, 1958 when I left.

MR. MEYNER: I think the other mobility, an illustration of mobility is the number of people that come to New York to work in New Jersey every morning and the traffic that is generated in those tunnels.

THE WITNESS: I think it important for Jerseymen to realize that the numbers of into-New Jersey commuters are rapidly approaching the out-of New Jersey commuters. The last time Commissioner Dwight Palmer looked at this I think there were 125,000 going into New York and 75,000 coming out of New York. The into-New York line was tending to plateau or go downward, and the out-of-New York line was tending to go upward. The only thing that has slowed the upward steep of out-of-New York into New Jersey has been the fact that they soon decided to come and live here. That stops the commuting pattern.

But this is true: that there is a kind of

1 mobility. It is also true that there is much less
2 of that in the areas under special concern of this
3 Commission, and I think the fact that that is true
4 means we have got to take a hard look at that to
5 see how we can make them as mobile as the others
6 have become mobile. In fact, the proof of their
7 mobility is to check on the original point of call.
8 MR. MEYNER: I think there is another
9 illustration: that you find great difficulty in
10 getting people to use public transportation.
11 Several divisions of Englehard were moved down to
12 Carteret, and they tried to set up a bus service
13 and it wasn't used. So generally people want to
14 go in their own cars.
15 THE WITNESS: We have had a number of employers
16 report that experience of actually chartering a
17 conveniently scheduled bus service which was still
18 not used. That is aside from what we started out
19 with, but it is part of this changing ingredient.
20 My own feeling is that the kinds of jobs that
21 will remain and grow in the city will not be the
22 factory production type jobs. This may sound crass,
23 but I am almost of the view that the quicker they
24 are out of the city, the better off we will be
25 partly because they are increasingly susceptible

1 to the machine for processing so the number of jobs
2 of the lesser skill declines, and what you are left
3 with is the management, supervisory and other types
4 which can be provided in even larger numbers in
5 the kind of commercial sense, in educational and
6 service facilities that a modern city should
7 provide.
8 So to the extent we are going to need and will
9 want variously increased production of goods as
10 distinct from services, I would not want to leave
11 the impression that I am for reversing that trend
12 of getting them out to the suburbs.
13 By Mr. Jaffe:
14 Q That question was the question I was going to ask,
15 do you think it is realistic --
16 CHAIRMAN LILLEY: Mr. Gibbons has a question,
17 Mr. Jaffe.
18 MR. GIBBONS: Your comment about land use in
19 the city interests me. Doesn't that, when you
20 begin it with this mobility a factor to suburban
21 industrial locations, point to some approach other
22 than multi-dwelling public housing for housing
23 present ghettos?
24 THE WITNESS: I think so. This is again
25 foreign to the direct concern of the Commissioner

of Labor and Industry, but I am sure the Commission by now has realized the interrelated nature of all of this job -- housing, education --

MR. GIBBONS: Certainly housing and employment.

THE WITNESS: It would certainly be easier -- five times I have driven across these United States and back with my family, and I am always impressed by the way in which you approach New Jersey. You find this squeezing more and more people into less and less space. I think ultimately the country will realize there is a better way to redistribute. This is not to say I want to tear down New Jersey's growth, but I think there must ultimately come a limit. I do not think the state has fifty or one hundred million people in it. The question of what you do about housing and jobs is too important to look into the future of those curves.

When I was speaking of zoning and land use, I was thinking particularly of this, and Plainfield is an interest of this Commission. I know the instant of the departure of the Mack Truck Company from Plainfield, New Jersey was caused by an impossibility of closing out a public street which separated two major parts of what could have been a single story effective operation albeit an older

building. At least the land use was there and 2700 people, men and women were employed full time at high wages there. What looked like a little thing become outwardly something big.

MR. GIBBONS: In that specific situation wouldn't it have been sounder economic planning to tear down blocks of that area surrounding the old Mack plant and make it available for industrial redevelopment, and instead of putting public housing in there, give these people one hundred government-guaranteed mortgages to purchase single-family dwellings around the area?

THE WITNESS: Of course, each situation would depend on the facts, and they would have to be weighed carefully. I think we have got to do a lot more innovating in the whole area of how we provide the mix of jobs, housing, education and transportation. I think too often in my own agency -- and my direction is guilty of this, too -- we tend to fracture this bureaucratic thing into separate bins and look at them as if they were soluble problems and separately in an isolation and not letting the left hand know what the right hand is doing is difficult in all walks of life, but it is especially difficult in this area.

1 MR. GIBBONS: Is anybody that you know of in
2 government studying the kind of legislation that
3 would be needed to achieve a more regional approach
4 to planning?
5 THE WITNESS: Commissioner Paul Ylvisaker of
6 the new Department of Community Affairs, from all
7 I have been able to learn from him and from what
8 he has been writing and saying, is tremendously
9 impressed with the regional planning concept for
10 New Jersey with these problems in mind.
11 BISHOP DOUGHERTY: Has that been coordinated
12 with the Second Regional Plan which is a large
13 scope plan?
14 THE WITNESS: I do not know.
15 BISHOP DOUGHERTY: Going roughly from New
16 Haven down to Trenton. They have talked about
17 megalopolis.
18 MR. MEYNER: To Norfolk.
19 BISHOP DOUGHERTY: What impresses me is the
20 tremendous complications of this whole thing. New
21 Jersey regional planning would be related to the
22 Second Regional Plan, which is much larger in scope,
23 and it would seem to me to fit into that.
24 THE WITNESS: I am interested in planning, but
25 I think in defense of some of my other notions I

1 would like to say I consider this secondary in
2 terms of overall solution to some other prejudices
3 of mine. I come here today having thought a great
4 deal about the problem of the Commission and the
5 problem that brought it into being. At the time
6 of the troubles in Newark and Plainfield I kept
7 asking myself the question with respect to me
8 personally and my own agency: Are we part of the
9 solution? I confess in my most candid judgment
10 I think we have been part of the problem. I say
11 that to show partially that I think we have been
12 looking for global-type solutions in which I would
13 put planning even on a regional basis as kind of a
14 global distinction from what I find over the years
15 of up and down hill, particularly these last eight
16 years in the very difficult spot. I have discov-
17 ered that the only solution that satisfies me with
18 respect to the people we are talking about is going
19 to be absolutely and completely retail on a one by
20 one basis.
21 At first that may stun some as being
22 impossible of attainment, but in approaching the
23 problem on a retail basis I find it is much easier
24 an attainment. It is kind of a tragic fact of
25 life that everything I have ever done that I felt

1 was worthwhile in public service, which is now
2 nearly a quarter of a century that I have been
3 making mistakes while doing it or at least being
4 clubbed or criticized or nearly fired for doing it.
5 Some of those things happened right here within
6 the City of Newark in the last eight years.
7 It is out of that experience I say what I do
8 with respect to this, not taking away from the
9 planning concept, but to focus from the established
10 point of my personal interest at this point, and
11 that of the agency, and what we can do to make the
12 individual person, particularly the younger ones,
13 which are my favorite targets, able to cope with
14 the problems we are talking about that they can in
15 fact solve it for themselves.
16 MR. MEYNER: What do you mean by retail?
17 THE WITNESS: I mean not expecting you to
18 wholesale changes in tax policy or industrial
19 development policy or zoning or land use or
20 educational systems or manpower services or
21 anything, but to come up with some net package of
22 kind of push button ordinary solution. By retail
23 I mean to take an individual kid or man or woman
24 and take care of the basic deficiencies, and I use
25 that word constructively now, basic deficiencies

1 that have prevented him or her from competing as effectively
2 as the rest of us do in New Jersey's system or in the whole
3 country's system.
4 MR. MEYNER: Do we have the resources for that?
5 I remember representing when in the navy a chap
6 who got into trouble for stealing somebody's else's
7 wallet, and they sent him to a psychiatrist and the
8 psychiatrist said, "I could do something for this
9 fellow, but I can only take care of ten patients
10 a year of this type." Is this the retail approach?
11 THE WITNESS: Let's back up from that. That
12 was the view I held some years ago when I thought
13 you never get anywhere one and two at a time. So
14 I would like to speak to two parts of your
15 questions, Governor. One is whether you would
16 ever reach the end of the line.
17 I think in dealing retail you focus in, first
18 of all, more specifically on what it is that may be
19 in large numbers later can be done. It is the old
20 Brandeis theory which said at that time states are
21 little laboratories with good or bad experimentation.
22 Once you find an answer, you apply it nationally.
23 I think we are going to have to do the same
24 thing with people living in these ghetto areas.
25 Let me give you two specific experiences

In 1962 the then Secretary of Labor of the United States, Arthur Goldberg, came to Newark and offered us in effect a small but a blank check to try to answer an important question related to your work. He wanted to know how many young people between sixteen and twenty-one years of age were both out of school and out of work. One of the great problems in the country,,as well as in Newark, is we don't have really sound data, facts about the work force, about the people in the country. It was his thought that if we could pick two cities, St. Louis and Newark, and we would actually establish a service open only to young people between sixteen and twenty-one and where we deal only with those who had been out of school and out of work for at least six months -- we started at least for a year but we decided we needed to catch them earlier than that. Nobody knew how many there might be. I had guessed 5,000, and the Bureau of Labor Statistics in Washington thought that was an overestimate by twice. It turned out we registered at the Youth Career Development Center, as we gave it a fancy name, over 10,000 young boys and girls who were neither working nor in school. To me this was a

1 painful experience. We went about three years and
2 maybe not enough money, though I don't think
3 money is the answer to this riddle we are faced
4 with, we spent a lot of time with a good and
5 dedicated staff.
6 You remember Simeon Wallace who worked on my
7 staff, now in education here in the City of Newark,
8 he helped at operation and we had real
9 communication with these kids. We had all the
10 things we talked about needing.
11 When I said I considered us part of the
12 problem rather than the solution, in retrospect I
13 believe many of those 10,000 youngsters who had
14 the doors of opportunity opened to them, at least
15 they got a glimmer through counseling and advising
16 and inspiration and motivation of what could be
17 if they would just help. We were pushing, trying
18 to get a high school equivalency certificate and
19 program such as that, not knowing at the time New
20 Jersey wouldn't let you do that until you were
21 twenty-one years of age.
22 BISHOP TAYLOR: As you look back over it,
23 what would you propose now for those 10,000 young
24 people?
25 THE WITNESS: Knowing what I know now about

today's interest of the major employers in our cities across the country, I think I would not have given up so easily on the efforts to try, and I want to use these words carefully, to invent or create or artificially to stimulate employment for young people who are not ready in a cash register or a cost accounting sense to deliver a viable service or product for an employer. We have had some beginnings and we had them then of small groups. Certainly the major employers, Public Service, Bell Telephone, Mutual Benefit, Bambergers, Klein's, they all had contributed what looked like substantial numbers of jobs, but after those several years of dealing with 10,000 kids, a number which kept growing and would be growing now, we only placed about 2,700 of the 10,000 by dint of all kinds of effort. That included placement after careful training.

MR. MEYNER: It included misplacement.

THE WITNESS: It included misplacement, but that is another corollary to our retail theory. I think, too, many of us, and I would put industry in the same bin with government agencies, were afraid to fail. I think we have got to rethink our cost of doing business in government and not

1 just in government because it makes me nervous to
2 read that government should be at all levels,
3 government in quotes, being the employer of last
4 resort. I think the people who are saying that
5 shouldn't really mean it. I think all of us,
6 whether in private business or industry or
7 government, reaearch institutions or education or
8 the church, have got to rethink our employment
9 practice, not just in a sense to take anybody, not
10 that complete 180 degree flop from trying to get
11 the best and writing job specs up here when you
12 know most of the people are down here (indicating).
13 You asked how long I have been in this job.
14 It has been eight years this week and if the guy
15 who appointed me had looked at my union credentials
16 or my industrial experience, he would have never
17 appointed me to the position. He may be sorry
18 today that he did that, but at least his bad
19 judgment has been twice reconfirmed by his successor.
20 But the fact is if they would look at what in
21 rehabilitation they call the whole man or the whole
22 woman, the whole youngster, and see what we can do
23 with that to provide a viable learning experience
24 instead of throwing it out of the plant because
25 they can't pass a test or because they do not bathe

1 Labor and Industry a thing called the Rehabilitation
2 Commission. It represents health, education and
3 welfare through Institutions and Agencies, private
4 employers, labor unions, the general public, labor
5 and industry, and its regular mission in life,
6 using now seventy-five percent federal money and
7 twenty-five percent state funds, is to take the
8 physically disabled and in recent years the
9 emotionally disturbed and others with problems
10 that would not be narrowly construed as physical
11 but paying whatever it takes, and it often takes
12 many thousands of dollars to rehabilitate that
13 person, and to get him into gainful employment.
14 I think that kind of rehabilitation concept applied
15 to people we are talking about in this hard core
16 unemployed group is what is needed, and yet there
17 is nothing in that rehabilitation law which counts
18 them as handicapped within the terms of reference
19 of what we have ample public funds to do something
20 with. Maybe that is a suggestion for federal
21 legislation. It would have to be federal before
22 it could be state, unless they would allow us --
23 and the way I would prefer to do it -- to again
24 make New Jersey a guinea pig or pilot and try
25 the concept of vocational rehabilitation to the

1 individual who is not absent an arm or not in the
2 normal or psychiatric or psychological sense
3 handicapped. In that sense working retail, the
4 money is available, no in futuro business. I think
5 it would produce business.
6 CHAIRMAN LILLEY: Mr. Leuchter.
7 MR. LEUCHTER: Back in 1961 and 1962 during
8 the Kennedy admisistration the Area Redevelopment
9 Administration was formed, and there were
10 supposedly a funding for occupational training
11 programs to be set up with government financing,
12 with the state playing a role in area groups
13 within these so called employment backward areas
14 or underemployment areas of the state to work in
15 theory, I would think, with the non-handicapped
16 person, the untrained, unskilled whom you are
17 talking about. What was your assessment of that
18 effort during those years? Was it too narrow? Was
19 it too broad? What were its strengths or weaknesses?
20 THE WITNESS: Part of the fracturing up with
21 all its advantages, and it had a couple of
22 glorious successes under the old system, it still
23 represented fractures. The City of Newark took
24 years to get the data restructured so you could
25 qualify in an area that included so much high

1 employment; that it kept pulling the problem areas
2 down. So it was wholesale rather than retail in
3 eligibility.
4 MR. LEUCHTER: Was Newark an ARA underemployed
5 area or not?
6 THE WITNESS: No, because the Newark labor
7 market area, and here is another one of our
8 problems where we are dealing with constructions
9 of areas on a data basis -- for too long Newark
10 was kept in the same bin with the Newark areas,
11 which meant that the high employment and low
12 employment areas contiguous to here brought the
13 percentage below the federal requirement.
14 MR. LEUCHTER: Specifically the community
15 which needed this the most was ineligible for
16 this because it was lumped together with the
17 suburban area that had high employment?
18 THE WITNESS: Let me add a footnote to that
19 because you are seeing another reason why I come
20 to the retail versus wholesale concept. ARA's
21 eligibility was applied in that sense wholesale
22 to a community that was eligible. It should have
23 been applied retail to individuals who were eligible.
24 If you have a family of four or five kids and you
25 are unemployed for three years, you don't like to

read statistics that unless six percent of your community is unemployed for two years you are not in trouble.

There is another case where individual treatment was needed. Certainly in your part of the state we had our most glorious successes in ARA. We took former migratory farm workers of little or no education and no job skill and put through a kind of pioneering training program involving tractor training. It was more than tractors, but it was farm implements, how to run and repair them. Every graduate of that original course became full time employed year 'round by New Jersey farmers because they had a skill to offer even when the harvest season was over.

So it is that kind of thing that has been terribly useful, and I can give you a hundred examples of that It is always kind of late we come to this. The thing in Newark with the kids, we are still working with kids. We have got a youth center, now called the Human Resources Development Center -- Washington has changed the labels a bit, but down at 1004 Broad Street you would see there, I think, an outstanding example

of trying to thread the available services. There a person can learn about opportunities, not only jobs available, but all the training available, the Peace Corps, the selective Service opportunity, any kind of future training or job potential being listed.

There again we come back to the job equation. I was in that office just a few Mondays ago, and they had then 1500 young men and women who had been tested and counselled and gotten ready in every sense for some kind of job training preparatory to employment The day I was there all the available training slots, places to put people, as distinct from their money available, which was available in abundance, numbered only seventeen. It would vary from day to day from seventeen upwards to one hundred, but at any given time --

MR. GIBBONS: What are these slots?

THE WITNESS: The slots that were available that day were in what I think is one of the finest training centers in the country, right here at Broadway and Newark at the Multi Skill Center That is kind of a retail operation. It is not big enough, but it is doing in the numbers that it

can handle the kind of job that I think is necessary. There the unqualified or unde qualifi person can get anything from reading and writing and simple cash register-gas station arithmetic all the way up to job skills in electronics, working around computers, automated wall scrubbing.

MR. MEYNER: Who runs that?

THE WITNESS: That is jointly sponsored by the Department of Labor and Industry and the Department of Education. The actual management is in the Vocational Education Division of the Department of Education. I think it is a showplace. It is the old condemned, abondoned State Teachers College in Newark, and it has also been rehabilitated in the course of setting it up for this purpose.

MR. MEYNER: I have always felt that the vocational schools generally have, you know, relied on the very old skills -- pastry making or cooking or a bit of plumbing or something of that sort. I know in my connection with some industry I had some contact with some of these vocational school people, and it was amazing to me how little knowledge they had of the modern day world and the needs of the modern day workd, what, if

1 anything, is being done to bring about a better
2 liaison between that group.
3 THE WITNESS: I cannot agree and violently
4 disagree because I feel the same kind of impatience
5 with the thing. It is true that in many places
6 across the country, if you look at the vocational
7 school plants and schools, you will find they were
8 in old buildings declared unfit for teaching
9 academic subjects, and into that went some
10 twentieth century machinery to teach industrial
11 processes long abandoned. When the product of
12 the training is brought to an enlightened industry,
13 they say, "Forget everything you have learned; we
14 will start and teach you." There is that side, but
15 there is also a much more helpful side.
16 If you go again to South Jersey, the Salem
17 Vocational and Technical School on a county basis
18 was given a country club by DuPont. I throw that
19 in because I think industry has been part of the
20 spark wherever you have seen some innovation. They
21 gave their country club over to the beginning of a
22 real live thing. The industries in that area,
23 electronics and others, have provided the most
24 modern tools there are, often more modern than
25 what is in the same plant. The teaching is being

done by the retired person, maybe too early retired from industry, experts in all those fields

So that is the trend Let me put a caution on that. Some of the good stuff -- and where there is good plant, for example, Bergen County, there is some good, technical education plant and program, but the complaint in a town like Englewood, for example, from the Urban League directors, and I met with them over the years to try work on some of those -- long ago he was complaining up there that because the school was so good it had also raised its standards so high that it was screening out the very young men and women we are talking about here today. There again the education compels us to change our concept of always writing the prescription for what we are going to work with way up here (indicating) and then screening out the ones down here. If you look at the retail end, whether it is possible in your question, the numbers get to be very small. As a matter of fact, at the time of the disturbances this summer unemployment was as low or lower than it had been in many periods in the past ten or fifteen years in the state.

In other words, if employment was the key

to riots, then the wrong time was picked this summer for rioting. I don't say that to defend against the charge if we had found everybody a job there would be no riots. It is not that simple, but the fact is that the so called -- and I hate to use this kind of label, so you will understand it -- hard core of unemployed, the long-term jobless or those who are in or out four, five, ten times a year of jobs that last a week or a couple at very low, less than subsistence wages, that number is rather small for us; but it is that number that we are not reaching.

Most of our programs are geared to this other kind of thing in relation to your suggestion that vocational education should lift its sights. As it lifts its sights, it gets them higher than can be reached at the moment by these kids. I mentioned some of our failures. The failure of the youth career was one. The second failure that still bothers me was the shortlived experimental project called Belleplain. I am sure that word to those from South Jersey will recall memories. We took, I took, since I personally selected the seventeen boys from the very area in Newark that was the problem area -- we took seventeen boys, fifteen

1 negroes, to a state park at Belleplain state forest
2 in Cape May. They were only there for a few
3 glorious weeks, but in those weeks before I got
4 that program turned off rather unceremoniously we
5 proved to my satisfaction that you could take the
6 least of these, not talking about the high academic
7 standing, the toughest ones, and we proved with
8 imaginative teaching we could bridge this gap
9 between the fellow who was reading at the third,
10 fourth and fifth grade level, what he needed in
11 order to train for a job to grease a car, we
12 proved that could be a matter of ten or twelve
13 weeks, not six or seven years or three years.
14 We also proved that kids that had been
15 nothing but troublemakers could, when given
16 intensive supervision and direction and some
17 discipline, some of it even for the first time in
18 their lives, could produce, not a year from now
19 but instantly. If you see Commissioner Roe, you
20 ask him about that because they were pulling
21 poison ivy out of the beaches and building picnic
22 tables. Don't tell the trade unions this because
23 we might have another problem that we haven't
24 discussed yet
25 They were paying their way because the

1 twenty-five cents public fee charges for some of
2 their facilities have long since paid the peanuts
3 of what those kids charged
4 I met boys down there and worked with them
5 that no employer, however progressive or non-
6 progressive, would have considered giving a job to
7 I would not have hired them myself for the least
8 skilled job in the Department of Labor and Industry.
9 But within a few weeks they were highly employable.
10 We tried one thing, and one of the failures I
11 might mention here because it gives me some clues
12 as to why I feel the way I did about retail -- every
13 two weeks we thought it would be a terrible thing
14 not to have them go home and keep up the family
15 ties with their mother and father, although there
16 was no father either present or ever. Everytime
17 we would send them home by bus from Belleplain
18 we found that they came back distraught, emotionally
19 upset and incapable of the kind of productive work
20 they had done before. So it occurred to us we
21 might meet with the parents and talk to them about
22 this problem, find out what was happening to them
23 over the weekend.
24 That night we learned from a mother of one of
25 the boys that "What you all are trying to do is

1 help our boys and it is very important, but if you
2 really want to help them, don't send them home
3 because that is where the trouble is." I remember
4 that as if it were yesterday because it is so true.
5 We cannot separate these younger ones from the
6 kinds of dilemmas they find themselves in in the
7 non-working hours. I think this has been the
8 problem.
9 I have been in the Newark schools working
10 with the teachers there trying to spoon in a little
11 vocational counselling. I went to the west side
12 years ago and talked to the kids like a Dutch uncl
13 and said, "A lot of you are dropping out to take a
14 job. What I want to tell you about that is when
15 you drop out you can't get a job, or if you get it,
16 it will last two weeks and then you will be sacked."
17 In the course of getting to know them I found
18 out that kind of information gap, the mythology
19 we had built up over the years of what needs to
20 be done to help these people into successful
21 adjustment to the work force, I think some of our
22 answers would have been woefully wrong.
23 The kids such as I was working,with, nearly
24 half had not been born in New Jersey. Their
25 educational deficiency could not be laid at the

1 doorstep of our educational system. In the case of
2 this boy whose mother I quoted, this had been a
3 Virginia school system, a rural school, separate
4 but obviously not so equal. Only two or three
5 years at that. The boy felt that when an uncle
6 urged them to come to Newark because he had a job
7 with the Post Office here it was an opportunity,
8 and the kid felt that yes, it was better The
9 mother felt that yes, it was better. But still
10 by the standards of what we are living by it was
11 not good enough.
12 MR. MEYNER: Someone made the suggestion the
13 other day since we get all these fine negroes in
14 the Post Office let's take them out of there and
15 make the Post Office take on some of these less
16 qualified.
17 THE WITNESS: That may be said kind of half
18 in jest, but I have seen a number of areas where
19 the relatively unemployable, without regard to
20 race now or any other qualifications because this
21 is not limited in this country to negroes, have
22 been given a chance by an employer that is willing
23 to invest money he cannot immediately get back.
24 One of those employers, believe it or not, is
25 Secretary of Defense McNamara. Based on my

1 personal observations of what is obviously a pretty
2 tragic way to do this, observation of some minority
3 employment and disadvantaged youth of all races,
4 employment by Mr. McNamara as a group which I saw
5 at first hand at Vietnam, I would have to say
6 that this military establishment, which makes me
7 nervous, is probably doing one of the finest jobs
8 of education and character development and job
9 training of anything I have seen, including even
10 much more expensive facilities than in normal life.
11 I flew across the Pacific in the spring with
12 a negro boy from Montgomery, Alabama, and what a
13 proud guy he was. He had reenlisted in Vietnam
14 for the third six-month stint. One was all he had
15 to do. He had already, in addition to being there,
16 gotten his Armed Forces, USAFFE school certificate
17 which he carried with him wherever he went. He was
18 staying in the military long enough to get his
19 GI credits and said he didn't know whether he could
20 get into college, but he knew he could get into a
21 technical or some kind of training school to earn
22 a living. He is trying to persuade his younger
23 brothers to follow his route.
24 To me that is kind of a tragic route to take,
25 but I think again on a retail basis, along with the

1 Post Office and others -- you can see the Post
2 Office has not made a profit on this It is a de-
3 ficit operation. I think the deficit should be shared
4 by all -- the employers and the public -- and we
5 are not doing that. I think we could get to that
6 on a tax basis.
7 One of the things you might question Lloyd
8 McCorkle today -- he and I are absolutely on the
9 same wave length on this -- we have too many
10 problems in New Jersey and far too many in Newark
11 where a breadwinner will take home less if he works
12 full time under all the federal and state laws and
13 under the going wage practices in New Jersey and in
14 the country than if he is a full time client of my
15 colleague on public assistance because in the one
16 case Lloyd McCorkle's budgets are built on subsistence
17 and they include shelter and food and transportation
18 and medical and dental care and clothing and the
19 rest. But a job does not. You may not want to
20 get into that area, but this is another tremendous
21 area which spills over into a question of: Are some
22 of these people who have been long unemployed
23 motivated to go to work? I believe they were, I
24 believe they can be again, but I suspect a lot of
25 our system, again getting back to the money

1 question -- we are paying the money anyway. This
2 is maybe a suggestion that would be laughable
3 in your eyes, but I have often thought it might be
4 far better instead of having Lloyd McCorkle give
5 individual subventions to individuals who at the
6 moment are unable to earn enough in the job so
7 that they can in effect sit it out or must sit it
8 out. I would rather give that money to industry
9 or to a small business and put it through the
10 payroll department because I think in the short
11 as well as the long run more would be gained from
12 it. That is not an overnight possibility. I
13 realize all the torturous routes.
14 MR. MEYNER: Aren't you really talking for the
15 minimum annual stipend for everybody based on
16 husband, wife, children?
17 THE WITNESS: I have read the proposals, but
18 I am not an authority on them. I think the
19 reason the Freedmans of Chicago and the others
20 are groping for some kind of a minimum that would
21 provide for subsistence is their reaction to seeing
22 this is not being done now except through the
23 stigma-producing public assistance system. The
24 reason I don't immediately say yes to your notion
25 or their notion of this is I am enough of an old-

1 fashioned character to believe there is this very
2 important work equation, and whether I am
3 Commissioner of Labor and Industry or not, I
4 cannot get over the fact you would be missing
5 something terribly important if we could all sit
6 back and get the check and did not have the
7 opportunity -- I will not say the necessity -- to
8 produce.
9 I think that I could even speak for at least
10 there are cases where I have worked retail with
11 hundreds of the people in these ghetto areas that
12 I sense among them the greatest opposition to any
13 kind of guaranteed income plan as distinct from
14 the economists of the country who think it is a
15 great idea.
16 MR. MEYNER: What is their argument?
17 THE WITNESS: They just feel they want a
18 chance to earn their way. There are exceptions
19 to that as there are in all groups, but by and
20 large the men and women, and especially the
21 youngsters with whom I deal, do not want somebody
22 writing them an IBM check so they don't have to
23 produce.
24 MR. LEUCHTER: It occurs to me this is one
25 of the most important subjects this Commission can

1 get into. Right now we have something like an
2 either/or situation which you are alluding to
3 where the benefits of various types of public
4 assistance are greater than what the person can
5 earn in private enterprise, lower than a subsistence
6 level. We have a generalized condition in which
7 the person at this level we are talking about must
8 make a choice -- either get this much by doing
9 nothing or receiving public assistance or lose it
10 if you go to work.
11 Isn't there some kind of happy ground where
12 the incentive can be given to public assistance
13 and various welfare channels where the person will
14 not be penalized in attempting to obtain employment
15 or training?
16 THE WITNESS: You have got about four
17 questions there. I hope I can work backwards.
18 Number one, yes to the last part, it is
19 perfectly possible and it is now very difficult
20 to administer. You can work full time, and many
21 do get a public assistance supplement to their
22 full-time earnings. The big problem with that is,
23 to begin with, the subtractions from the public
24 assistance budget at the initial point of going to
25 work is one problem. There is no incentive built

in. They ought to be allowed to go way beyond subsistence if they are willing and able to work. There ought to be, not a quid pro quo or dollar for dollar.

Number two, if in the best of motivated heads of households the guy or gal is out working while being supplemented by public assistance and that job stops, and it often does because they are in these high turnover jobs, not through their own defect, but there are certain kinds of New Jersey industry that are seasonal, the minute that stops it takes so long to get back on that full subsistence level that after they have been through that two or three times they realized it would be far better not to take this low-paying job that risks their kids eating properly three months from now. That could be solved easily.

This gets me back to Governor Meyner's point. We are so worried about blame or fault. I think we should tell welfare directors we expect a certain amount of error and labor complications. Instead we expect perfection. So they build in their system the kind of straight jacket that destroys incentive.

I did not mean to leave the impression, which

1 I got from the way you restated my comment, that
2 the benefit levels may be too high.
3 MR. LEUCHTER: No, I did not imply that.
4 THE WITNESS: Instead of saying the benefit
5 is this high (indicating) and the wage is here,
6 you should say where the subsistence needs are.
7 MR. LEUCHTER: Let's call a spade a spade.
8 We all in this room have heard this great -- I
9 don't know whether it is a myth, but it is not
10 presented as a myth; it is presented as a reality
11 -- that there is a great mass of leaches in society
12 who don't work, or never want to work, who want
13 to live on welfare all their lives, and it is
14 generally applied in middle class and upper class
15 white society to the negro primarily.
16 THE WITNESS: Let's nail that right now. I
17 think I am qualified as anybody because of my last
18 twenty-five years with the kinds of jobs I have had,
19 including the seventeen years I worked night and day
20 as a personnel man trying to staff up hospitals,
21 prisons and reformatories in New Jersey, which are
22 not the highest-paying jobs, a twelve-hour day,
23 six days a week paying about $50 a month then,
24 you know, and relate that to life and you will see
25 if people wanted to be leaches. We were able to

1 get, train and motivate people to do that. From
2 that on through to my present day experience I
3 would say there is no large number of this leach
4 type. There is this factor, and I am sure you are
5 aware of it and this would happen to me and
6 probably to you. I know if I were told for the
7 next thirty, sixty or ninety days I absolutely
8 could not work, I think by the end of that period
9 I might not be able to work.
10 There is something in that whole chemistry
11 of employment that is important. When people have
12 had this kind of six months, one year, and for
13 half a lifetime of either no work or even when
14 they know they have a job -- let's say we send
15 them over --
16 MR. MEYNER: Not a liftime; generations.
17 THE WITNESS: That's right. Then we built in
18 this, not this leachlike quality, but a fact of
19 life that they know. It is a fact for them that
20 they cannot rise above this.
21 MR. LEUCHTER: Therefore, the structure of
22 our regulations is forcing this type of society
23 which we complain about. Even in the Aid to
24 Dependent Children program does this not in many,
25 many cases realistically force the absence of a

1 man from the hosehold because a woman with six or
2 seven children might be better off financially if
3 a caseworker absolutely cannot find the head of
4 that house? Isn't it financially advantageous for
5 that guy to disappear; whereas, shouldn't we have
6 a set-up which would encourage the man of the house
7 to be there and still be able to provide aid for
8 the children?
9 THE WITNESS: I think the legislature has
10 gotten us out of the business in New Jersey
11 where you have to desert in order to make eligible
12 aid to dependent children. I thought I read that
13 when I was off in Vietnam.
14 MR. LEUCHTER: I never heard this.
15 THE WITNESS: I shouldn't testify to this
16 because it is not my direct area, but it is one
17 of my direct concerns. I think we have forced
18 desertions. I think the number has been overstated.
19 If it is going to be overstated to get the result
20 of correcting the problem, go ahead and overstate
21 it. The fact is that is one of the areas where we
22 need change. It gets back again to the Governor's
23 point: Where are we going to get the money? If
24 you as a commission will put on an adding machine
25 the funds we are spending each year in New Jersey

1 alone, federal, state, county and municipal
2 government, forgetting all private, eleemosynary,
3 you will see that a reconsideration of that and
4 reexpenditure of it in more imaginative and effec-
5 tive ways would not cost you anything. Also you
6 might cut down on some of us who are part of the
7 overhead.
8 MR. MEYNER: Are these social workers necessary?
9 THE WITNESS: I think the social workers are
10 absolutely necessary, but very few social workers
11 in America are free to practice what they have been
12 trained to do -- rehabilitate people. They are
13 glorified account clerks. I would rather see a
14 computer figuring it out. You could throw a
15 computer any of the knowledge about the kids, the
16 diseases, the eye problems and have the check.
17 As to the need, yes, I think they have a role
18 to play in stimulating the kind of interest at
19 home where a mother cannot and will not, because
20 of past practice or inclination, encourage a kid
21 to stay in school or learn to work. I think a
22 social worker can do that. It is much too late
23 for us to go into job counselling with a kid who
24 has fallen out of ninth or tenth grade if nobody
25 in the third grade told the kids it is important

1 to read and write your language.

2 CHAIRMAN LILLEY: Mr Jaffe had some addit-
3 ional questions, and you have been citing how much
4 Commissioner McCorkle can tell us. We wanttto
5 leave room for him.

6 THE WITNESS: I didn't want to get into his
7 area, but they do overlap.

8 We have done other studies. Prior to his
9 tenure as Commissioner we made a study of public
10 assistants clients, men, heads of families, to see
11 how many of them might be employable. He could
12 give you some eloquent testimony that changes that.
13 There are not these large numbers of people sitting
14 around. There are men on public assistance who
15 are tubercular and psychiatric problems and not
16 over two percent of whom we ever found in any
17 study could hold a job for one week.

18 MR. GIBBONS: Mr. Califano gave a good talk
19 on that six months ago.

20 By Mr. Jaffe:

21 Q Commissioner, does your agency have a program
22 whereby you would mesh the opportunities in private industry
23 with the particular job things that you would be training
24 people for?

25 A Yes. There are several ways that is done. One is

1 we obviously keep a close tab on the labor market itself,
2 what are the growth areas. It is a little silly to train
3 for something that is being automated out of existence. So.
4 we get a lot of that just from watching the reporting of the
5 inputs in the work force.
6 The second part obviously comes from knowing usually
7 a year and a half to three years in advance where the new
8 job development is coming through that industrial plant
9 approval device.
10 A third is through an advisory commission made up of
11 labor and industry people who advise the whole manpower
12 development training mechanism. None of those and none of
13 the others in involved in this work well enough to be sure,
14 but I think for the time being there is no training of
15 people for skills that don't exist. One of the requirements
16 in the federal law is you have to demonstrate job potential.
17 In fact, I quarrel with that a bit because before you can
18 demonstrate that this person can get that job even with
19 training, you have got so much repair work to do educationally,
20 motivationally and otherwise before you even get to skill
21 training.
22 Q How do you compile your statistics on unemployment
23 and projected employment in both those areas?
24 A This is the traditional area of our department,
25 which is the oldest part, since 1880. The department has

been the repository for all the facts which employers file with us as to payroll and nature of employment. So we get it through that kind of reporting. We also get it through all the observations of the job orders that come through to the employment agencies, which are the short skills. We license the private employment agencies and keep in close touch with their demand list, and in the case of field representatives in safety and wage and hour they are continually spading up new --

Q Do you keep that on a monthly basis?

A Pretty much, though it doesn't change month to month.

Q Do you also keep it on a city basis?

A It is this crazy labor market area basis that we have been paid to keep it by. This is another one of our problems. While we are a state agency, we operate some of our fashions on a federal plan.

Q Do you also break it down by groups -- negro, Puerto Rican, white?

A We were not allowed to do that by law until practically moments ago.

Q I am wondering if we can get from your agency a picture of the unemployment rate for the last year or the last two years and, say, the four or five major cities in New Jersey on a month by month basis, and if you could also

1 give us a breakdown by groups -- negro, Puerto Rican, white.

2 A I can give you a rule of thumb that I think would

3 be precise enough for the Commission's concern, and I will

4 apply it to Newark. Newark as of this month, in terms of

5 the city now, the labor market area, this wider Essex County

6 thing, has unemployment by the way the Federal Bureau of

7 Labor Standards tells us to measure of 4.3 percent. That's

8 total, everybody.

9 Q What would be the unemployment in the negro

10 community in the central ward?

11 A Let me get to that in two stages. The 4.3 percent

12 is the area. If you look at the City of Newark, you

13 immediately get to 8.3 percent, nearly double.

14 If you look at the negro unemployment in the City of

15 Newark, you almost double it again and you would get to

16 about fifteen percent. Before you quote me on those

17 numbers, this has to be estimates, generalizations based

18 on some particular studies made in particular areas

19 Q Would you say those figures would also be the

20 figures in July of 1967, or were they higher or lower?

21 A They would be about the same. I could give you

22 the figure for July. Again they would be estimates. They

23 would not be the same for Plainfield. I gave you Newark.

24 Plainfield would be much lower in the labor market area

25 for the whole county, lower for the city, and then again

high.

Q If you could get that kind of a breakdown, say, for the last two years on a month by month basis and in the major cities in Newark, New Jersey, plus Plainfield and Englewood, it would help.

A I can construct or extrapolate that data from other stuff, but it would be misleading to you to say month by month we do a head count. I can show you, based on the trend lines -- I can come up for your purposes to a perfectly reasonable figure. The federal government would frown on it. We are not equipped to tell you the answers to those questions. I answer this because I would hope the Commission would help us to see to it the ten-year census we have been doing since 1790 is so obsolete in terms of what we need. With a computer we ought to take the census, but we don't have those.

Q The fifteen percent negro figure, would you consider that hard core or non-hard core unemployment?

A It includes some of both, and maybe to save the time of Commission I could recommend a couple of look-sees that you might want to look at.

Georgiana Smith, a sociologist at Rutgets, completed a study of one block in what turned out to be the area of your immediate concern, in February of 1966. It might have been 1965, public assistance, general assistance and got a

1 family background, ages, employment history. It is a very
2 exciting document, an unusual one, and it is only a few
3 pages. So there is that kind of thing.
4 We put the first seed money in and the city joined us,
5 and it will be available to you -- they have the preliminary
6 data in the mill -- a study by Rutgers by a different group
7 where the interviews on this very question were completed
8 two days before the riots began. This was study in which
9 the federal government had an interest in employment and
10 unemployment in the ghetto area. It has some very startling
11 things. It explodes some of the myths that even I held
12 about the kinds of employment patterns that are involved.
13 Q Has that study been published?
14 A No.
15 Q It is in the process?
16 A Yes.
17 Q What would be the easiest way of getting that?
18 A Doctor Chernik, Jack Chernik of Rutgers in the
19 Extension Division, you can get it through Dean Ernest
20 McMahon.
21 One of the things they found was a great missing
22 number, which turns out to be true in the other cities of
23 the country, of young negro men in the 18 to 24 year old
24 age group not explained by their absence in military
25 service or in any other way. There are at least 50 major

1 things like that, flashy suggestions.

2 Q Does the State Employment Service have offices in

3 the negro areas?

4 A Yes. We do have them in and around. This is

5 another part of the problem. There were those in Washington

6 who approved placement of offices who felt for a long time

7 that it would be stigmatizing to put a service in the middle

8 of a ghetto area and say, "This is for you." We were

9 trying to bring them into downtown and have the full

10 services available to everybody. I still think in the long

11 run that is the answer.

12 Q You don't think they should be in ghetto areas?

13 A We have got some, and we have out-station people

14 working with community agencies, poverty-fighting groups

15 and others. I think the physical location of them is no

16 where near so crucial as what we are able to supply.

17 Q Could your State Employment Service agencies also

18 do some of the training? Is it possible for you to use

19 your State Employment Service agencies to train them?

20 A You mean to train people not for work with the

21 state agencies, but for other employers?

22 Q Yes.

23 A I think it probably would be preferable if the

24 State Department of Education could maintain and strengthen

25 its services in the training itself. I think we can be

most helpful when we pinpoint need and develop the customers, find the ones who are ready, but to have somebody else do the training. I would not want to see us, the Employment Service, get into what might be for a long time a second-rate training school. I think myself that neither Education nor we can do this in large enough numbers, which is among the suggestions I would like to leave with this group, that we buy this from employers who would not be doing it as they now do, an on-the-job training basis that you would have to guarantee would hire, but that you would be getting paid and you won't hire; that they will be available to the small employer of two, three or six who couldn't afford to train them themselves.

BISHOP DOUGHERTY: Your reference to education, this has been going around in my mind during the last hour or so, relating it to the community college development in the state and again this matter of intercommunication, because I think the emphasis right now on these emerging community colleges is on the academic. I think the need is on vocational education at that level. I thought this should be part of the record: that there has to be more communication and coordination of effort. I think the academic people are inclined to get a heavily academic program and then also to aspire to

1 make a four-year liberal arts college of it, and
2 then we are back to the same sort of problem.
3 THE WITNESS: As much as we might want to use
4 them, we need an intermediate step. That kind of
5 intermediate step is that Newark Skill Center. I
6 would hope some of you might want to look at that.
7 It is not my baby so I can brag about it. I think
8 it has the answer to getting them on the first two
9 rungs of the ladder, which is literacy and
10 motivation and appearance. Once they get the high
11 school equivalency certificate, it doesn't matter
12 whether they are learning retailing or fixing a
13 radio or what. They can go to the community college
14 with some help and support from the intermediate
15 school and make a go of it better than trying to do
16 what I know the two-year college people I have
17 talked to have said, that they don't want to
18 water down their questions.
19 By Mr. Jaffe:
20 Q Does the State Employment Service agency have
21 people going out into the community with lists of jobs and
22 trying to bring the people into the employment agency, or
23 is it basically the fact that these people come looking for
24 a job? Do you let them know what is available?
25 A For the last year or so, using some funds from the

1 Office of Economic Opportunity, we have hired some really
2 unemployable people from those areas ourselves and used
3 them as pied pipers who go out and say, "Hey, there is this
4 agency that can help." My problem is not reaching the
5 people. I have read that in the New York Times, and how
6 are we going to reach the people? Our problem is having
7 reached the, we let them down by having nothing to offer.
8 If I went in there and reached them, they would be rioting
9 against me.

10 Q What is the role of the private employment agency
11 in the state generally? Do you find that private employment
12 agencies generally have a great number of listings, greater
13 than you have? Is there an interchange between the listing
14 of the state and the private agencies?

15 A Not an interchange. We often have the same job
16 listed. I have two separate hats. I license and regulate
17 and help to upgrade, hopefully, and preside over some
18 ethical questions in the private sphere, and operate the
19 others. I get mostly guesstimates as to how many they
20 cover. We need both in New Jersey and both need to be
21 strengthened.

22 When you raised the question first, I thought you were
23 going to step on another sore toe problem, and that is for
24 a long time, though not now, the private employment agency
25 in New Jersey and in the United States generally acted as

1 the screener and the discriminator against the people they
2 were trying to help. I got in great trouble some time ago
3 in cooperation with the Division on Civil Rights whose
4 PR was less than deft. I pointed out that there was a lot
5 of coding of individuals in the private agencies and
6 prejudicial referrals being made. I say that has been
7 stopped. There will always be some. There can be some in
8 the public agency for this reason: If a private employer
9 consistently refuses to hire a Puerto Rican or a negro, the
10 employment interviewer is trying to get a record for
11 placements and often psychologically stops referring
12 because he feels he is going to lose a customer.
13 Q Wouldn't the way out of that be a requirement that
14 industry had to list its opportunities not only with private
15 agencies but with the state agency and give both employment
16 agencies an opportunity to fill them?
17 A This may shock you, but I would hate to see us get
18 to that step.
19 Q Why?
20 A Because I would rather see us solve the problem
21 in the private agencies and private employers rather than
22 get it to this point. We have a very difficult situation in
23 this country. I think we tend to take this whole problem,
24 social problem, and say, "Let the government do it." I
25 think in terms of this retail thing we are never going to

be big enough in the Employment Service to handle all these. You want to help strengthen the private agencies, and they now have an Ethics Committee which they set up in response to the other unpleasant things we have had. They are policing themselves and working on this. I feel great progress has been made. If you want to encourage employers to list them, fine. But I would not want to see that get to be a compulsory thing.

MR. MEYNER: Wouldn't you say 60 percent of the placement occurs by reason of a plant or a factory or company putting an ad in the newspaper and the people going directly to the plant?

THE WITNESS: I can give you figures, but I don't have them in my head. We do check that every once in a while to see about where you found this job. It is true a high percent comes from within a plant. For example, if New Jersey Bell or Western Electric wanted somebody, their employees would know about it. Somebody is retiring or leaving, and a neighbor or a friend or a relative will be in before there is advertising.

There are a number of ways that the job marketing keeps replenishing. That is one of the problems for the people that do not have connections.

MR. MEYNER: I made this supposition largely

by looking at the classified ads in the newspapers. I gather most of the manufacturing plants put an ad in, have a personnel office and people come in, and not too many are referred from other sources.

THE WITNESS: I will get you those percentages. Ther is no one single source that is predominant.

CHAIRMAN LILLEY: You have been building up your successor so that you want to make sure there is some time for him. Eleven o'clock has come. I can assure you we could keep you here much longer. I would like to feel that our staff can have full use of your facilities. You have implied this.

THE WITNESS: That's right. I would state it clearly not only personally, but for the whole agency we have no secrets. We operate in a goldfish bowl. It would be helpful if you poked around in there.

CHAIRMAN LILLEY: You mentioned some statistics and a survey, and if you would send those to us and it may be as we move along we would like to have you back to philosophize some more.

MR. LEUCHTER: I do want to hear the next speaker, too. I have been saving one question for the end of this because we have been dealing in the realm of economics and education mostly, and I

would like to ask a personal assessment question of the commissioner in the realm of discrimination.

On the basis of your statistics available to you, and your experience, what is the extent of employment discrimination, in your opinion, in New Jersey in terms of (1) basic hiring practices where so called equal opportunity employers are not really that; and (2) what is the extent of tokenism where the low level job is available for negroes but not supervisory posts in the years to come?

THE WITNESS: That picture has totally changed in the eight short years, or long years, that I have been in the job. It would be honest to say that in the first part of those years there was too much tokenism, outright discrimination. Employers used the kind of psychological testing that was professionally geared to providing a barrier to some people. You had the coding in jobs; you had flagrant rejection of qualified candidates. From our Youth Center we could refer out eight brilliant negroes and two whites that couldn't make it. The two whites would be hired, and that would be all the employer would need. End of that message.

I think we are at the point today in New Jersey

where there is not even a secondary problem. The biggest screening problem we have now is to get within the retail individual guy or gal the capacity, and this is a pretty fundamental and basic capacity, to read and write well enough to do a job or to learn to do a better job and to keep this movement. I find that while discrimination even five years ago would have been number one on the list, today I think it is trying to erase this backlog of handicapped that they have had, which is erasable, but give me any New Jersey man or woman of any age who can meet the kind of minimum standards. I don't mean job and degrees. I don't mean high school diploma, but certain minimum standards, and I guarantee you we can have them employed instantly.

MR. MEYNER: Didn't you omit one thing, not intentionally, but the equal opportunity activities of the federal government, the various agencies that move in on factories and plants and have thorough examinations? I guess more recently it is the Defense Department.

THE WITNESS: This all applies to the blue ribbon employers, the big guys. A big part of your Newark employment, and the biggest part of the employment we are talking about for these people

doesn't get you involved with them; it gets you involved with a much different kind of industrial and commercial clientele, the small shop-keeper, the small loft-type thing, which is a safety problem, and there is a great deal more discrimination to be sure, though not always.

Surprisingly enough I have had discrimination in the reverse in the sense Bob Roe and I sat with the most recent industrial developer who wanted to know if we could get him 1,000 negroes at X dollars and cents per hour to go to work in a new factory he would build out of Newark or Paterson. So you can't generalize. There is great movement. If I had to pick the number one problem, I would not now pick discrimination.

CHAIRMAN LILLEY: Thank you, Commissioner. You have been a great help to us. We appreciate it.

(Whereupon a short recess was taken.)

MR. GIBBONS: (Presiding): Gentlemen, for the sake of expedition since we want to quit at twelve-thirty, I would like to suggest that Mr. Jaffe complete his questioning before any of us ask any questions.