MDTA: The Origins of the Manpower Development and Training Act of 1962

by Gladys Roth Kremen

In a special message to the Congress, on May 25, 1961, President John F. Kennedy told the legislators that "Large scale unemployment during a recession is bad enough, but large scale unemployment during a period of prosperity would be intolerable." Four days later, he transmitted a bill to Congress that dealt with just such a situation. The Manpower Development and Training Act of 1962 endeavored to train and retrain thousands of workers unemployed because of automation and technological change.

Hailed by the country as the first major piece of manpower legislation since the Employment Act of 1946, MDTA did not spring full-grown into John Kennedy's "New Frontier" era. Rather, the preoccupation with manpower utilization since the end of the Second World War reflected the nation's response to certain critical historical factors. The legacy of the depression had served to heighten the country's sensitivity to the issues of unemployment and economic growth. The dawn of the Atomic Age had witnessed the implementation of a new technology that threatened to replace men with machines. Furthermore, the imperatives of the Cold War, with its accent on scientific preeminence, had revealed America's weakness in training skilled technicians in sufficient numbers. The interaction of these components served as a catalyst to propel the federal government into the vanguard of human resource development as envisioned in MDTA.

Even while flushed with victory over Germany and Japan in 1945, few Americans could escape the gnawing fear of a return of the depression. The new war, not the New Deal, shattered the patterns of economic stagnation and witnessed the restoration of prosperity. But whether that prosperity possessed a stable foundation remained a serious question for individuals inside and outside the government.

With one out of every four individuals out of work during the 1930's the federal government created an arsenal of programs to deal with the manpower crisis. Programs such as the Civilian Conservation Corps, the Works Progress Administration, the Public Works Administration, and the National Youth Administration, while not necessarily so intended, were temporary measures designed to put the unemployed back to work. In contrast, the initiation of Social Security and the revival of the United States Employment Service became permanent statements of the government's commitment to minimize the hardships of the unemployed and to facilitate their return to work.

In his state of the union message to Congress in 1944, President Roosevelt presented an "Economic Bill of Rights" to the American people. An essential part of this doctrine was the right of every individual to a useful and remunerative job in an atmosphere of economic security. To insure this right, Roosevelt's advisors set as the nation's post-war economic goal, "full, and stable national productivity, income and employment."[1]

President Truman's ascension to the presidency upon Roosevelt's death produced little alteration in this goal. Continuing the New Deal legacy and responding to the predictions of massive post-war unemployment, the Employment Act of 1946 reaffirmed the nation's commitment to full utilization of its material and human resources. Yet for over a decade, the purposes of this Act were more symbolic than real.

The return to Republican rule in 1952 did not signal the end of social welfare legislation. Rather, "dynamic conservatism," as defined by Eisenhower, coupled a concern for human welfare with greater fiscal controls, through reduced federal spending, deflation and a balanced budget. Anxious to limit the growth of the governmental bureaucracy, Eisenhower attempted to turn certain functions of the welfare system over to the states. But the problems engendered by an increasingly urban and technologically changing society proved too difficult a task for the states alone.

During the decade of the 1950's the ghost of the '29 crash remained as both an economic and political presence that tested the limitations of fiscal orthodoxy. In that period, unemployment increased more rapidly than the total increase in the level of employment. In 1947, with employment at 60,168,000, the proportion of unemployed was 3.9% of the work force. While employment increased in 1960 to 64,520,000, unemployment had risen to 5.7%. The experiences in the recessions of 1952-1953 and 1957-1958 pointed to serious defects in the American economy. In both cases, despite general recovery measured by increases in the Gross National Product, personal income, factory production and manufacturing orders, unemployment failed to decline to pre-recession levels.[2] A further indication of the problem was the increase in the duration of unemployment. In 1947, 7% of the unemployed remained out of work 27 weeks or more. By 1960, 11% were unemployed 27 weeks or more.

The burdens of unemployment affected particular industries and types of workers. According to figures from the Bureau of Labor Statistics (BLS), the period from 1948-1956 revealed a marked increase in the outlay of capital for services in comparison to goods. At the same time, employment in goods- producing industries dropped from 45.0% to 41.5% while employment for white collar and service workers rose substantially. Industries involved in machinery, primary metals and transportation declined the most severely. The shift in emphasis from goods to services seriously affected semi-skilled and unskilled laborers, those who could least afford prolonged periods of unemployment.

Studying the characteristics of the unemployed in areas of substantial labor surplus, the BLS found that the proportion of unemployment fell hardest on white men 25-54 years of age, in particular the 25-34 age group.[3] The majority were married men and heads of families. While unemployment was high in all occupations, factory operators had the highest rate. In labor surplus areas, skilled and semiskilled workers accounted for a higher proportion of the unemployed than in other areas of the country. At the same time these areas also had a greater proportion of working women. The large number of unemployed older workers corresponded to the tendency of younger, unattached workers to migrate. Faced with familial responsibilities and community attachments, the majority of the unemployed failed to join the migration to areas of greater job opportunity. Moreover, with the shift in activity from goods to services, most unemployed workers did not have the skills necessary to take advantage of expanding occupations.

Figures for unemployment taken from unemployment insurance (UI) rosters actually minimized the dimensions of the problem. Not all of the unemployed were eligible for unemployment benefits. Part-time employees, for example, were not. No statistics would estimate the degree of underemployment, whereby a worker might accept a job far below his (or her) level of training or even outside his area of expertise, just to provide for his family. Neither did the statistics reveal the level of underutilization of skills, as in the case of an older individual who would seek employment if opportunities were available, but instead kept himself off the market.

Labor experts diagnosed the situation as "frictional" or "structural" unemployment, defined as "that level of joblessness that could not be reduced significantly by increased aggregate spending."[4] Frictional or structural unemployment, while usually identified with short term unemployment due to seasonal changes, also accounted for long term unemployment because of changes in tastes and technology. While "aggregate" economists proposed to fight unemployment through increased demand, "structural" economists believed that increased demand would probably result in inflation, rather than higher employment.

The American people had always expressed a fascination for technological innovation; yet during the 1950's they laid part of the blame for the unemployment situation on the catch-all of "automation." Hearings before the Joint Economic Committee (JEC) of Congress in 1955 and 1960 revealed the nation's concern and preoccupation with the influence of automation. The testimony of industrial, governmental and technical representatives rejected the notion that technological advance would have deleterious long range effects. Yet some conceded the possibility of short run dislocations in the labor force. Mass lay-offs would not occur, since the displacement process operated at a much more subtle level. As Walter Buckingham, director of the School of Industrial Management of the Georgia Institute of Technology, indicated, "the worker displaced is not fired. He is the one who is not hired."[5] While it probably did not calm the country's nerves, Secretary of Labor James P. Mitchell pointed to the historical record which showed that technological change upgraded the labor force. The growing need for skilled labor meant that "unskilled workers have decreased, semiskilled workers have moved up into skilled areas and skilled workers have approached the status of technician."[6]

Still, organized labor in particular cast suspicious eyes on the new technology. George Meany and Walter Reuther expressed concern for workers whose skills might become obsolete, and also for the breakdown of skills leading to underutilization of labor. Then too, labor leaders addressed themselves to the structural changes in the economy which affected particular industries and thus, particular workers. Meany noted that with increased technology, employment in the railroad industry dropped 10% in 1960 while the same amount of freight was carried as in 1957. In a similar vein, while steel production dropped 3% from the 1959 level, employment plummeted 12% because of technological changes.[7] Furthermore, in converting to more automated processes, many industries found it less costly to build a new plant in another area rather than converting their older factories, thus leaving whole communities of employees stranded.

Anxious to preserve the security of the worker threatened by the spread of automation, union leaders proposed ameliorative action. Collective bargaining over work contracts provided an opportunity to cushion the impact of technological change. Suggestions included longer vacations, a shorter work week, larger pensions, a lower retirement age, and interdepartmental and intercompany transfers. Thus, unions called upon industry to assist their employees in the adjustment to automation.

Industry did accept part of the responsibility for retraining the workers to engage in the new automated process. In 1955 the president of General Electric stated that his company had already spent nearly $40 million to retrain its employees.[8] In a similar step, the Armour Meat Packing Company created a special "automation fund" for retraining purposes. The company paid a 14-cent levy into the fund, established in 1959, for every 100 tons of meat shipped, up to $500,000, to pay for retraining operations.[9] The Oklahoma pipe industry cooperated with local unions in a comparable effort by initiating a training trust fund whereby the unions and the companies contributed a certain percentage of the wages and revenues. The program was so successful that the national pipe trades union created a national training fund to help local unions with their training projects.[10]

These projects served as examples of how industry and labor could effectively minimize the transition to automation. But neither these efforts, nor collective bargaining alone, could meet the challenge of the situation. Labor leaders called for positive action from the federal government to improve its programs, such as UI, public works, minimum wage, and the educational system. The change in technology required a commensurate change in the objectives of the public schools to equip new entrants in the labor force with the proper skills. Only the federal government could provide the vocational training facilities necessary to train and retrain workers in the new skills. Since such changes were not forthcoming from vocational educators, the government had to bring industry and education closer together for the sake of national progress.

The adequacy of the American educational system in producing skilled labor received critical attention due to the pressures of the Cold War. The new technology had indeed increased the need for scientific and technical workers, particularly in the field of defense. The "brinkmanship" diplomacy of Secretary of State John Foster Dulles necessitated an ever-ready military structure which depended upon trained personnel. In addition, the rivalry between the United States and the Soviet Union, psychological as well as technological, served to link scientific achievement with education. The launching of the Soviet satellite Sputnik in 1957 jolted the country out of its complacent feelings of superiority, and demanded a reappraisal of its manpower objectives.

The National Manpower Council, established by the Ford Foundation in 1951, stimulated and guided the nation in improving its human resources. Drawn from a cross-section of professions, associations and geographic regions, the members served as individuals to analyze present and future policy. The Council concentrated a substantial part of its attention on the nation's supply of skilled manpower. The problem was not, as they saw it, a shortage of manpower, but rather a need to improve and utilize that manpower.

To highlight the substance of the issue, the Council held a conference on "Improving the Work Skills of the Nation" in 1955. At that time, it became clear that the country could not solely rely on private institutions to supply skilled workers. While industry adequately fulfilled its own immediate needs, its long range commitments to skill development were minimal. Few industries made major investments in training and upgrading their labor force. Moreover, to compensate for this, industry lured specialists from the armed forces, severely handicapping the military's preparedness. Unless stopped, it could lead to national disaster.[11]

To insure the country a supply of properly trained technicians, the 1955 conference recommended a program that included the participation of educators, industry and government. For improving the educational training process, the Council proposed some changes in the high schools. Interested students needed to spend two years studying general courses and to concentrate on technical subjects for their last two years. Guidance and placement officials in secondary schools could take a more active role in skill advancement by being more aware of vocational opportunities and by providing more services to non-college-bound students. Furthermore, school officials had to take the lead in fostering cooperation among business, industry, labor and government groups in local communities.

Industry also had a responsibility to itself and to the nation in skill development, the Council said. Full utilization of human resources necessitated equal opportunity in hiring and training of all workers, regardless of race, creed, sex and national origin. By investing more money in training and upgrading programs, employers could meet their material and social obligations. Both unions and employers on Joint Apprenticeship Councils needed to continually review the apprenticeship operations for effectiveness, and to increase the number of apprentices, possibly by raising their wages.

The Council believed that the most important area for improving and expanding work skills was at the community level, since the community could best estimate its own needs and resources.[12] To do this effectively, state and local government had to increase their expenditures for vocational education. This responsibility also involved continual review of existing programs and facilities to insure their contributions were sufficient for the task. The federal government could meet its commitment by supplying statistical reports and research that would serve as guidelines for future needs. Moreover, the Council called upon Congress to scrutinize the existing legislation regarding manpower, and ascertain whether it conformed to the demands or whether the situation required new legislation. To satisfy national defense needs, the government had to first satisfy its civilian needs.

The Department of Labor (DOL) recognized the intimate relationship between preparedness and the utilization of human resources. Secretary Mitchell expressed a commonly held belief when he stated that "The United States' margin of advantage in the Cold War is slipping. To prevent this, we must develop and use our skills."[13] In keeping with this concern, the DOL issued General Order No. 63 on August 25, 1954, which established the Office of Manpower Administration. Headed by an Assistant Secretary for Employment and Manpower, the new administration planned programs and policies to meet the imperatives of mobilization and civil defense.[14]

The Department already had the fragments of a comprehensive manpower program. The training program of the Bureau of Apprenticeship, the occupational research of the BLS, and the labor exchange functions of the U.S. Employment Service (USES) provided an established framework which the Labor Department would expand and solidify. The Secretary's Program and Organization Committee recommended that the Department gather together these components and develop a centralized and comprehensive program for skill development.[15] The objectives of this proposal included: 1) encouraging labor and management to expand and adopt training programs to meet the needs of peacetime employment and mobilization; 2) developing and making available information on techniques for improving the utilization of specialized personnel; 3) encouraging the extension and improvement of educational activities that supported industrial training; 4) broadening the participation of state governments in activities related to occupational skills; and, 5) creating a public atmosphere supportive of training programs. To implement these objectives, and to coordinate the Department's work, Mitchell established a special Skills of the Work Force Program in September 1955. He appointed Edwin R. Chappel, a Special Assistant to the Secretary, to head the program.

The work of the Bureau of Apprenticeship was intimately related to the area of skill development. Under the Federal Apprenticeship Act of 1937, the DOL set standards for private apprenticeship programs. During World War II it assisted in the expansion of training to meet shortages in critical industries.[16] In the 1950's the Bureau cooperated with unions and industry to develop apprenticeship programs and to provide technical assistance for expanding and improving existing ones. The Bureau never itself participated in the courses once they were established, but rather acted in an advisory capacity to the National Joint Committees on Apprenticeship, composed of national employer associations and international unions.

In 1954 the DOL rechristened the Bureau as the Bureau of Apprenticeship and Training (BAT). The change in nomenclature, while indicating the Department's concern with manpower, also manifested the possibility of broadening the apprenticeship program to include less specialized occupations.[17] Yet the Bureau refrained from making any substantial deviation from established apprenticeable trades into less formalized skills that required limited training, particularly on-the-job training (OJT).

Efforts to revise the apprenticeship program came from outside, as well as inside, the Department. Eli Ginzburg, Director of Research for the National Manpower Council, approached Secretary Mitchell with plans for a national conference on improving human resources. Through soliciting recommendations from business and union leaders, the conference might "breathe some fresh air into what is a somewhat congealed apprenticeship structure."[18] At that time, in 1955, Mitchell promised aggressive action in strengthening the BAT, beginning with a cost/return analysis of its activities and a discussion of its usefulness with labor and employer groups.[19]

Yet using the BAT as the Department's major vehicle in solving the shortage of skilled manpower ignored the Bureau's limitations. After speaking with a group of business leaders, Chappel indicated to Mitchell that industry did not fully accept the role of the BAT.[20] Because the Bureau's own personnel were not qualified to administer training courses, it would take several years before a broadly based training operation could render effective service to industry.[21]

Moreover, the structure of the law and the nature of apprenticeship programs restricted the Bureau's influence. No laws bound either industries or unions to seek BAT's assistance or even to register their apprenticeship programs with the Bureau. The Bureau could only act when requested to do so, and with the approval of all concerned groups. Neither could the Bureau perform as an economic control. With most apprenticeship programs running two or four years, the BAT could exercise little ameliorative influence on unemployment. During periods of economic decline, such as in the middle and late 1950's, the Bureau had little success in persuading employers and unions to take on new apprentices from the ranks of the unemployed. Programs declined from the mid 1950's until 1961, since there was an inverse relationship between the number of new apprentices and the number of unemployed.[22] Thus, the BAT had limited potential as an instrument for furthering technological progress or for expanding employment opportunities.

Other agencies contributed their talents in dealing with the influence of automation on employment and skill development. The BLS's work in statistical analysis projected labor force needs in its "Occupational Outlook Handbook," and in a special study of "Manpower Needs of the Sixties." The BLS also initiated studies on the readjustment of industries and communities affected by automation.

For its part, the USES endeavored to develop its counseling and placement services to deal more effectively with professional and skilled personnel. Emphasizing the importance of employment planning, the USES also intensified its assistance to state employment agencies to make them more competent in determining local needs and utilizing local resources.[23]

A major portion of the USES's energies focused on the impact of technology on older workers. USES studies revealed that many industries preferred to train younger workers in new processes rather than retrain their older workers.[24] Often older job seekers had higher occupational qualifications than younger candidates, but their skills were limited to industries suffering a decline.[25] Moreover, older workers lacked the benefits of extended compulsory education. In 1956, a period of general prosperity, workers 45 years and older represented 40% of the job-seeking unemployed during the months of January and February alone.[26] At least half of the older unemployed workers were jobless for 6 months or more from 1953 to 1956, while only one-third of all younger workers experienced the same prolonged period of unemployment.[27]

Changes in the educational structure to assure the future needs of the country promised little relief for the worker already displaced or downgraded. Nor was apprenticeship the answer to the problem of the older worker, since the average age of an apprentice was 21. The USES did what it could to deal with older workers through special testing, placement and guidance. Secretary Mitchell appointed a special commission to deal with the issue and concern was so widespread as to warrant a national conference on the older worker.

The recession of 1953-1954 dramatized the impact of technological change on particular areas of the country. The use of alternate fuels condemned to idleness many of the nation's coal areas, both anthracite and bituminous. The movement of textile manufacturers to the South silenced the looms that were the life line of New England. The geographic concentration of industries such as these exacerbated the influences of automation and frictional unemployment. While unemployment rose across the board in the 1950's, workers in areas of substantial labor surplus accounted for nearly one-third of the unemployed, even though they represented only one-fourth of the nation's labor force.[28]

In the case of coal, when demand declined or when machines replaced the miners, the effect was community-wide. Areas such as the mining towns of Pennsylvania and West Virginia lacked the diversified economic environment that afforded alternate opportunities for employment. Furthermore, most other businesses in the towns were dependent upon the major industry. Thus, not only workers but shopkeepers as well felt the impact of changes in the industrial structure and faced the prospect of economic decline.

The initiative for a solution to the plight of depressed areas came from Congress. While several legislators in the mid 1950's presented depressed area legislation, the most important of these was offered by Senator Paul Douglas (D-IL). Seeing the economic decay of the southern coal regions of his own state, Douglas believed that only the federal government could confront and conquer the problem. Dissatisfied with the inaction of the Eisenhower Administration on the issue, Douglas gained the support of the Democratic faction of the JEC, of which he was chairman.[29] Working together, they recommended a comprehensive program of assistance to depressed areas. Douglas submitted his original bill on the matter on July 23, 1955. Realizing the necessity for some action, the Administration submitted its own bill for area redevelopment shortly thereafter. Yet, critical, almost irreconcilable differences prevented the enactment of any legislation on the issue for the next six years.

The core of both the Douglas and Eisenhower programs was federal assistance to industry. The Administration bill (S. 2892) manifested the Eisenhower concern for limited federal participation in local affairs. It called for the establishment of a $50 million revolving fund to provide loans for new or expanding industries in depressed areas. In contrast, the Douglas bill (S. 2663) exhibited a concern with other factors that contributed to economic growth. It included: 1) a $100 million loan fund for new or expanding industry; 2) another $100 million fund for the construction of public facilities; 3) a program to retrain workers, with extended UI benefits; and, 4) tax amortization for industries that settled in depressed areas.[30]

Douglas later revised his bill to include rural as well as urban areas, and thus garnered important Southern support for the measure. The bill passed the Senate with an impressive number of votes, but the Flood bill, the House version, died in the Rules Committee. Neither did the Administration bill ever come to a full floor vote, since the Administration's lukewarm support for its own bill hampered the growth of a body of advocates.[31] But the recession in 1957-1958 revived interest in area redevelopment legislation for both political and economic purposes. At that time, Douglas gained important new support from Republican Senator Payne of Maine. The Douglas-Payne bill differed little from Douglas' original measure, and in 1958 it passed both the House and Senate, with impressive bipartisan support.

Eisenhower was not convinced of the desirability of this legislation, and vetoed the bill. He objected to those features that served to limit local responsibility and to increase unwarranted government expenditures. He specifically opposed the 100% grant for public facilities, the loosely-drawn criteria for eligibility, the inclusion of rural districts, the inclusion of long-term loans, the high loan limit, and the low interest rates.[32] Eisenhower and his economic advisors were not unsympathetic to the hardships of depressed areas and the country's need for economic growth. But they believed that breaking the rules of community responsibility and fiscal conservatism was too great a price to pay. Moreover, the dominant thinking in the Administration emphasized aggregate rather than structural considerations.

Despite the presidential veto, legislators continued to introduce bills dealing with depressed areas. After the 1958 election, partisan lines had solidified to the point where a compromise bill introduced by Senator Hugh Scott (D-PA) and another Administration bill failed to make any headway. Without the support of Payne, whom Edmund Muskie had unseated in Maine, Douglas reintroduced his bill with minor changes. Despite political wranglings, the bill passed both Houses, and in 1960 reached the President's desk. In spite of the exhortations from Cabinet members, including Secretary Mitchell and Vice President Richard Nixon, Eisenhower again vetoed the bill.[33] The climax of the saga of area redevelopment legislation awaited the outcome of the 1960 presidential election.

The Labor Department had not waited for a successful conclusion of the issue of aid to depressed areas to begin evaluating its own contribution. In 1955 a DOL study paper on "Community Economic Growth and Stability" outlined possible courses of action. For the most part, the Department accepted the Administration's dictum that leadership in any program to aid areas of persistent and substantial unemployment had to come from state and local authorities.[34] Moreover, any programs in which the Department participated applied to other areas as well. With these considerations, the DOL approach proceeded along traditional and institutional lines.

The USES emerged as a major component of the Department's program. State and local employment offices were equipped to take the leadership in identifying specific economic problems and bringing them to the attention of local leaders. By continuing its work on analyzing local labor situations, the USES could provide information to influence private and government interests in choosing new sites for plants and factories. Also, the agency's studies on the characteristics and potential of the workers in communities served as a guide to potential employers.

In accordance with the national discussion on education, the Department report recognized the relationship between occupational opportunities and adequate training. While the federal government provided assistance to vocational education under the Smith-Hughes Act of 1917 and its extensions, the type of training and the amount of aid were insufficient. Since vocational education was not under the Department's jurisdiction, Secretary Mitchell's advisors suggested that the Department of Health, Education and Welfare (DHEW) study the responsiveness of vocational education to the needs of depressed areas.[35] DOL staff members understood the limited assistance of the OJT programs of the BAT in areas of labor surplus, and proposed further action. The BAT could redirect and expand its OJT into skills that corresponded to employer needs.[36] Still, the Department continued to search for additional sources of training, especially in depressed areas.

The Department also considered its role in areas of chronic unemployment, pending the passage of either the Douglas or the Administration bill. Should such legislation be passed, the DOL would be responsible for developing criteria for defining an area of substantial and persistent unemployment. The laws also called for the Department's involvement with state and local authorities in conducting economic surveys prior to the formulation of a rehabilitation program, including studies on manpower skills, training, occupations and facilities.[37] To support local groups in developing their programs, the Department would act as an exchange for information and technical assistance.

At the same time the DOL prepared a contingency plan in the event that Congress passed no legislation for depressed areas. In such a situation the Department recommended that the President appoint one of his assistants to deal exclusively with unemployment in labor surplus areas, and establish an advisory committee on the subject.[38] Another proposal involved having the DOL's own Assistant Secretary for Employment and Manpower coordinate, review and concentrate existing programs on depressed areas. Regardless of any legislation, the Department expected to continue and expand its own work.[39]

Some of Secretary Mitchell's advisors felt that neither the Administration's nor the Department's program went far enough, since the problems of chronic unemployment required new approaches and methods, rather than mere extension and improvement of existing programs. While staff members of the Department suggested the need for special training efforts in areas of surplus labor, the Administration bill for area redevelopment made no mention of it. Generally, the DOL accepted the training provision of the Douglas bill and the desirability of compensation for those undergoing training. But it considered those provisions of the bill that linked compensation with UI unacceptable.[40] This raised the question of the proper relationship between income maintenance of trainees and the UI program. An underlying principle of UI was that only unemployed individuals seeking work and available for work were eligible for benefits. Since individuals undergoing training were not available for work under the UI program, they were not eligible for benefits. Most states prohibited payment of UI to unemployed workers engaged in training programs.[41]

To deal with this conflict, the Secretary's Program, Planning and Review Committee (PPRC) suggested that the Bureau of Employment Security (BES), which handled the USES and UI, conduct studies on the necessity and feasibility of income maintenance for trainees. These involved determining the number of workers who found employment because of their training, the extent of available training, and the number of individuals who could not participate in training due to the lack of income. In ascertaining the characteristics of the unemployed who exhausted their UI benefits, the Department could determine the volume of potential trainees and the type of programs required.

While the need for training and retraining encompassed more than just depressed areas, an adequately trained work force had implications for the economic growth of depressed areas. Workers trained in modern techniques and in occupations with a growing demand could serve as an attraction to an industry in search of a new location. In cooperation with local groups, the USES provided technical assistance and guidance for evaluating the training potential of the labor market, hoping that such surveys of manpower and institutional resources would act as a blueprint for revival of depressed areas.[42]

The concept of training and retraining to deal with the problems engendered by automation, skill development, and structural unemployment was common in the 1950's. Several countries in Western Europe had already adopted nationwide programs.[43] Various unions and industries in the United States maintained similar activities. The first state-run program for training the unemployed began in Pennsylvania in 1952. In 1958 alone, 28,000 people received training in that state. The state board of vocational education administered and organized the training, while the initiative came from the Department of Commerce, the USES agencies, or local interests. Several states followed the Pennsylvania model, but only Michigan and the District of Columbia permitted individuals in retraining programs to receive compensation from UI.[44] While state training programs were effective, the limited funds available to state governments lessened their impact.

Both the Administration bill for area redevelopment and the Douglas bill included some provision for vocational training. The Administration proposal charged the DOL with determining local training needs and reporting their findings to DHEW, which would then assist communities in setting up the programs. In contrast, the Douglas bill provided not only for cooperation among DOL, DHEW and state and local authorities to provide training services, but also included a training allowance. Moreover, the Douglas bill allowed for the federal funding of training. But training was a minor feature since the bill earmarked most of the funds for assisting industries that settled in depressed areas.

The Eisenhower Administration did not reject training for combating unemployment. The experience of unions, industries and state governments indicated its effectiveness. But the philosophy of limited governmental intervention prevented the White House from usurping control of both state and private programs or even competing with them. The fact that these activities existed without federal assistance meant to some that the situation did not require additional legislation.[45] Eisenhower's economic advisers believed that monetary policy and over-all economic growth was a better approach to the unemployment problem than concentrating on specific areas or industries. The White House's emphasis on tight fiscal policy promoted federal reliance on existing labor market programs (e.g. UI, USES) to cushion the hardships of unemployment rather than initiating new spending programs.

The Eisenhower policies came under severe attack. Reacting to the increasing numbers of unemployed constituents, Democratic leaders attacked the White House as the chief cause of the economic malaise. The JEC, composed of a majority of Democrats, attacked the Administration's preoccupation with price stability and inflation. Since the end of the Korean War, these critics claimed, the restrictive monetary policy served to reduce employment in manufacturing.[46] Had the government expanded its fiscal policy, the committee charged, the overall growth rate could have been higher and unemployment lower. While Democrats shared the Eisenhower-Burns concern with curbing inflation, they rejected the sacrifice of growth to gain stability. Moreover, they believed that the neglect of an active manpower policy limited the productive capacity of the economy.

National dissatisfaction with the limitations of "fiscal orthodoxy" became clear in the 1958 election, where unemployment was the chief issue. The Democrats gained 12 seats in the Senate and 49 in the House, all previously held by Republicans. But positive action from the Democratic leadership did not immediately materialize. Labor leaders, especially, were disenchanted when the new Congress failed to pass an emergency extension of UI benefits.[47]

The labor unions, strong supporters and allies of the Eastern Democratic party, understandably felt thwarted. Throughout the 1950's labor severely criticized the economic program of Eisenhower. Instead of relying on monetary policy, labor leaders vociferously championed increased fiscal expenditures.[48] Their proposals included extended UI benefits, public works, lower interest rates, long term loans, federal housing, area redevelopment legislation, and a tax reduction. As a measure of their frustration and their dissatisfaction with the Democratic leadership, the AFL-CIO organized a march on Washington in 1959 to prod the new Congress into action.

Bowing to the demands of labor and his own party members, Senate majority leader Lyndon B. Johnson (D-TX) proposed the creation of a joint committee to study unemployment which would include Senators, Representatives and presidential appointees. Many Senators considered the proposal "too little, too late." It passed the Senate but died in the House.[49] Unable to let the issue fade, Johnson inaugurated a special committee of the Senate to deal with unemployment problems. Under the leadership of freshman Senator Eugene McCarthy (D-MN), the committee conducted hearings in 12 states. The Senators heard testimony from local officials, state authorities, educators, businessmen and the unemployed themselves. The evidence pointed to an overwhelming demand for legislation dealing with structural changes rather than with aggregate demand.

In its final report to the Senate in March 1960, the McCarthy Committee made recommendations that became the basis for later programs of the "New Frontier" and "Great Society." The report advocated the passage of area redevelopment legislation, creation of a Youth Conservation Corps and a nationwide training program, and the reform of UI.[50] Although he possessed the authority, McCarthy did not ask Johnson to extend the life of the committee. But the committee had accomplished several goals by focusing the attention of the legislators on the complexity of the unemployment problem and creating a legislative blueprint for the next decade.

The election of 1960, coinciding with the beginning of another economic downturn, endowed economic issues with a new urgency. Eisenhower's veto of the depressed areas legislation just a few months earlier provided presidential aspirant John Kennedy, then a Senator from Massachusetts, with a volatile issue of which he took full advantage. Kennedy appreciated the problems of distressed areas from the experience of his home state and from acting as floor manager for the Douglas bill in 1956. During the 1960 campaign he spent almost a month in West Virginia, reminding the unemployed that the Democrats had twice passed, and the Republicans twice vetoed, legislation that endeavored to alleviate their hardships.[51] The issue struck a responsive chord in all areas of the country, since unemployment had few geographic boundaries.

With a Democratic presidential victory at hand, Douglas again prepared his bill to present at the opening of the new Congress. He reasonably expected little trouble in passing the measure. To dramatize the issue, and to bring it into closer identification with himself, Kennedy appointed Douglas as the head of a special task force on area development. On opening day of the 87th Congress, Douglas introduced his bill, little different from the original one introduced in 1955, but with the coveted S. 1 designation.

Surprisingly, Kennedy introduced his own depressed area bill shortly after election. The most significant disparity between the two programs was the delegation of authority. Whereas the Douglas bill assigned the coordination and supervision of area redevelopment activities to an independent agency, the Kennedy bill placed the authority in the Commerce Department. While Douglas had consistently and vehemently opposed this when suggested by Eisenhower, he accepted the Kennedy revision.[52] With more Republican support than in 1960, the bill quickly passed both Houses and the President signed it into law on May 1, 1961. Kennedy applauded the Congress for its work and called the bill an "important step in making it possible for everyone to find a job who wants to work and support their families."[53] The federal government committed itself to work with private industry and state and local governments to solve the nation's problems.

The passage of the Area Redevelopment Act climaxed nearly a decade of debate, not merely on the feasibility of such activity, but on the government's responsibility to deal with structural change. Yet the ARA emphasized assistance to communities, not people. The act focused its attention on providing financial inducements to attract industries to depressed areas and to improve the institutional facilities of those communities. Limited to specific areas, ARA was incapable of reaching vast numbers of the unemployed, who totaled 5.4 million by February 1961. The search continued for a more comprehensive solution to the problem.

One such solution resulted from a recommendation of the McCarthy Special Committee on Unemployment. Senator Joseph F. Clark (D-PA), a former member of that committee and representative of a state that suffered from 10% unemployment, introduced a bill for retraining the unemployed. Late in 1959, William L. Cooper, supervisor of trade and industrial education in Pennsylvania's vocational education program, suggested to Clark that the federal government sponsor a national training program based on his own state's project. With a favorable response from Clark, Cooper drafted the bill in the Washington headquarters of the American Vocational Association (AVA). Later, in May 1960, Clark introduced another proposal to establish a Council of Manpower Advisers to the President that would issue a manpower report. Not receiving Kennedy's approval for that measure, Clark went ahead and introduced his retraining bill on February 20, 1960, with Senators Randolph (D-WV), Hart (D-MI) and Smith (D-MA) as co-sponsors. As the chairman of a special Subcommittee on Unemployment and Manpower of the Senate's Labor and Public Welfare Committee, Clark began hearings on what was to become the nation's first and most sweeping federal manpower training program.[54]

The proposal, known as the Vocational Retraining Act of 1961 (S. 987), attempted to solve unemployment caused by automation or other technological change, the relocation of industry, shifts in market demand, and other changes in the structure of the economy.[55] Following the Smith-Hughes formula of federal aid to vocational education, the bill called for cooperation between federal and state educational agencies to retrain unemployed workers.[56] DHEW would be in charge of the allocations and disperse the funds to the states according to their levels of unemployment. State authorities would use these funds: 1) to conduct training schools, pay teachers' salaries, and buy equipment; 2) to provide unemployment compensation for those undergoing retraining; and, 3) to provide transportation and subsistence payments for trainees. The proposal limited retraining to unemployed workers over 30 years of age who were heads of families and had five or more years of experience in the labor force.[57]

The debates of the decade had educated legislators, administrators and the public to the need for such a program. Liberals and conservatives alike could unite on the issue of retraining. To liberals it meant salvaging human lives from the degradation of unemployment and re-equipping them with a livelihood and self-respect. To conservatives retraining offered the prospects of reducing the unemployment rosters and enlarging the nation's productive labor force. Moreover, many individuals believed that despite the high rates of unemployment, jobs went begging every year. Retraining offered the possibility of relocating jobless workers to occupations that suffered from shortages.

During the transitional period from his nomination to be Secretary of Labor until his assumption of office, Arthur Goldberg alerted the DOL to consider training for the unemployed.[58] To prepare for this work, Goldberg requested several DOL reports that had already been prepared on the subject but that had not been acted upon by the Eisenhower Administration.[59] One was a task force report presented by Robert Goodwin, head of BES, titled "Some Possible Measures to Combat Persistent Unemployment."[60] It recognized training as a key in dealing with the persistently unemployed, especially older workers and workers in areas of surplus labor. For these workers, adult education, refresher courses, apprenticeship and other training courses were invaluable. The report emphasized the importance of industry-sponsored OJT for these workers, preferring this to traditional vocational education. It recommended a program of federal assistance to augment area skill surveys, improve existing training facilities, and continue unemployment benefits for participants or provide subsistence allowances for those ineligible for UI.

Another report, prepared by the DOL's Office of Research and Development, outlined possible measures for combating technological unemployment.[61] The report noted that mainly young people were served by vocational education and changes in the educational structure, and that "not too much attention has been directed yet to the potentialities for additional training or retraining of experienced workers to improve their earning capacity or to make them less prone to occupational obsolescence." Generally, it said, the government considered any work done in this field a private concern. The study called upon the DOL to re-examine this conclusion. To provide for these workers, the report urged that guidance and placement services be provided to trainees and that trainees be eligible for UI or subsistence allowances. Thus, it emphasized the role of DOL facilities and services in retraining.

Goldberg, invited to testify before the Clark Subcommittee, asked for a postponement until the Department could prepare its position. The members of the Department's PPRC were divided on the Clark bill. One group faulted the bill for its total reliance on vocational education. Vocational education was under severe criticism for not meeting current economic needs and relying on archaic methods, and President Kennedy had recently called for a study on that subject. It appeared counterproductive to put money and resources into a suspect structure. In any event, this group favored OJT as more suitable for older workers than classroom training. Some members of the committee also objected to the limited role of the DOL in the Clark bill and feared that acceptance of such a limited program foreclosed the possibility of getting a broader program in the near future.[62]

Other committee members, however, recommended accepting the bill with only minor changes, doubting that the Clark bill would forestall other legislation on retraining at a later date.[63] To study the measure, Goldberg created the Ad Hoc Subcommittee on

Training and Retraining, headed by Seymour Wolfbein. Its report advocated a program with the individual at its core, i.e. suiting the training to individual needs.[64] It would strengthen the USES's counseling facilities and skill surveys to determine re-employment prospects in specific occupations.[65] The subcommittee warned that any federal training program had to guard against discouraging employers and unions from maintaining their own OJT functions, and might even encourage further OJT work by providing a federally subsidized training allowance. No training program could function without at least a 52 week subsistence allowance, the subcommittee counseled. But it also raised the possibility of allocating moving expenses for workers who migrated from labor surplus areas to places of greater job opportunities.[66]

To act in accordance with these principles and suggestions, the members of the subcommittee recommended the creation of a new unit within the DOL as a part of a federal manpower training program. Rather than relying on the old standby agencies whose responsibilities edged toward their legal limits, the DOL could gain fresh perspective and thinking on the problem through a new agency.[67] It would establish standards for training institutions and OJT where participants qualified for training allowances, develop criteria of eligibility for the subsistence payments, and institute an arrangement of reimbursement with federal and state agencies to fund training operations prior to the establishment of such standards. Moreover, it would act as the coordinator for manpower training operations.

On April 20, 1961, Goldberg created the Office of Automation and Manpower and named Deputy Assistant Secretary Seymour Wolfbein as its head. The general function of the agency encompassed the examination of the influence of automation and technological change on employment and unemployment.[68] To fulfill this mandate, the DOL directed the office to improve the testing, counseling and placement of workers displaced by automation, and of those about to enter the work force. The order also directed it to serve as a clearinghouse for information dealing with technological change and to promote dialogues between employers and employees affected by such changes. The office could mold itself to administer any new responsibilities devolving from new legislation on training.

Even while the DOL and Congress labored over the question of a national training scheme for the unemployed, the Bureau of the Budget (BoB) made a singular contribution to the debate. Prior to Kennedy's inauguration, Michael S. March, a staff analyst on the Bureau, suggested the possibility of a training program to the new BoB director, David Bell.[69] From his studies of the G.I. Bill, March realized the defects in the country's vocational education structure and objected to the Clark bill for entrusting so much power to an archaic and outmoded institution. He realized the necessity for a more broadly based and all-encompassing training program that catered to different types of workers and offered a variety of training plans.

Rather than relying on DHEW and its Office of Education (OE), March supported a program where the Labor Department held the reins of authority. Such an arrangement would insure the coordination between training activities and the work of the USES.[70] He also favored a totally federally financed operation and the utilization of whatever facilities, either public or private, the DOL considered suitable for training purposes. Accordingly, March exhorted Goldberg and the DOL staff to prepare a bill embodying these principles that worked so successfully during World War II training operations and the veterans' rehabilitation experience.[71]

Significant pressure in opposition to the type of framework suggested by March came from educational societies, particularly the AVA. A powerful lobbying group, the AVA had a critical stake in the Clark bill, since it helped compose it, and in any legislation that involved manpower training. National and state representatives of the AVA appeared before the Clark Subcommittee on manpower and testified on behalf of his proposal. But most expressed their fear over the involvement of the DOL in what they essentially perceived as the function of DHEW and the OE. Educational societies predicted the creation of a dual school system in the United States if the Labor Department gained a foothold in education.[72] Another lobby with similar objectives was the Council of Chief State School Officers.[73] A union of state superintendents of public institutions, the Council jealously guarded its authority against any federal encroachment. The Eisenhower program of giving local authorities greater control over education greatly enhanced its power.

Initially, DHEW took little part in the debate on the proposed legislation. Secretary of HEW Abraham Ribicoff felt no great enthusiasm for the measure, since his Department preferred to concentrate its attention on its primary and secondary school programs. Groups such as the AVA, the Parent Teachers Association, and the National Education Association took a dim view of DHEW's and OE's disinterest and passivity. It was these groups, rather than the Department, that led the battle for investing DHEW with almost sole authority over manpower training.[74]

Rather than confronting these pressures and breaking the tradition of limited federal intervention, the DOL prepared a bill that resembled the Clark measure. Instead of federal financing, it retained the provision for cost sharing between the states and the federal government. The proposed draft also allowed the states to administer training through a grant-in-aid formula.[75] Fearful of divorcing manpower training from the exclusive purview of state vocational educators, the DOL bill relied heavily on the public school system rather than its own resources in the USES.

March refused to accept what he saw as the Labor Department's capitulation to the wishes of the AVA and Capitol Hill. He returned the bill to the Department of Labor and prevailed upon Goldberg to again revamp the measure according to the objectives of full federal financing, Labor Department control, and use of vocational education facilities on an individual project basis rather than on a wholesale basis.[76] Acceding to BoB pressure, Goldberg submitted a revised proposal to the President, and he in turn sent it to Congress on May 29, 1961. Thus, the Manpower Development and Training Act (S. 1991), in its original legislative form, adopted the BoB's commitment to a strong, centralized federal program of training.

The Administration bill, introduced by Senators Clark, Hubert Humphrey (D-MN), Patrick McNamara (D-MI), Hart and Claiborne Pell (D-RI), placed full control in the hands of the Secretary of Labor.[77] Title I, "The Statement of Finding and Purpose," linked the goals of MDTA with its spiritual predecessor, the Employment Act of 1946. The Secretary of Labor was responsible for conducting research to appraise the nation's skill development, and for stimulating public and private interest to accelerate that development. Title II, "Training and Skill Development Programs," authorized the Secretary to plan, encourage and coordinate OJT and other related training programs. The DOL's jurisdiction also included the selection of participants in the training programs and the determination of those skills and occupations in which to train them. Under Title II the bill granted a federal training allowance to trainees for up to 52 weeks. It further stipulated that anyone could participate in the training, but only those that met the specific criteria qualified for the allowance.

Title III, "On-the-Job Training and Related Training," directed the Secretary of Labor to provide training through any appropriate and expeditious agency, public or private. To insure the quality of these programs, the Secretary was responsible for establishing standards of operation and content. This mandate allowed the DOL to enter into negotiations with these groups for the purpose of instituting a training schedule, but the Secretary retained supervisory control.

Title IV, "Provision of Vocational Education," delineated the role of DHEW. Under specific assignment by the Secretary of Labor, DHEW could enter into agreements with states to furnish technical education. For these programs, DHEW could utilize appropriate state vocational education agencies, using either public or private facilities. If states did not provide the training, DHEW had authority to enter into direct negotiations with the private institutions. In either case, DHEW assumed 100% of the training costs. Whenever possible, the bill directed the Secretary of HEW to cooperate with the Secretary of Labor to coordinate vocational education programs with OJT and other related training.

Title V, "Miscellaneous," cautioned the Secretary of Labor to avoid undue expense by utilizing the facilities and instrumentalities of other agencies in the federal government to carry out his functions. The proposed draft set the bill's authority for four years, with an escalating appropriation of funds.

There were several critical points of difference between the Clark bill and the Administration bill. Whereas the Clark bill (S. 987) limited eligibility to unemployed workers over 30 years of age with families and working experience, the Administration bill (S. 1991) did not. It allowed the Secretary of Labor to make such determinations depending on the imperatives of the times. It thus took into account the growing problem of unemployed youth. On the question of training allowances, the Clark plan for federal-state matching perpetuated the already inequitable UI payment system that varied from state to state. The Administration proposal expanded the number of workers eligible for a training allowance to include the underemployed, part-time employees, individuals who had exhausted their UI benefits, and those without prior work experience.

Clark's reliance on state vocational agencies and institutions limited the types of training offered, since the majority of vocational education programs operated through public schools. An older worker in need of retraining but with a limited, possibly distasteful, school experience might choose not to participate in training rather than return to a classroom. Thus, by allowing the Labor Department to utilize non-academic institutions, such as unions, industries, trade associations, etc., the Administration bill insured wider training opportunities and the participation of different types of people. It also offered the possibility of training in a wider range of occupations where practical application benefitted the worker more than textbook training. The flexibility of S. 1991 in its projects and clientele elevated manpower policy to a position nearly equal with fiscal and monetary policy, as both a response to, and reflection of, changing economic conditions.

On June 5, 1961, the Senate Subcommittee on Unemployment and Manpower began hearings on the Administration proposal while still considering the Clark bill (S. 987). William B. Logan, president of the AVA, presented his organization's reservations on S. 1991. While advocating training for the unemployed, he questioned the DOL's authority and ability for organizing the training. He agreed with the provisions that required the Department to determine what skills to train for and who should participate, but as for content and supervision, he said "Education has the administrative organization and the resources in terms of qualified personnel and facilities around which to build the actual training and the retraining of the persons thus selected and referred."[78] To insure DHEW and the state vocational education agencies full responsibility for training, the AVA presented 34 amendments to the Administration bill.[79]

In his testimony before the subcommittee, Goldberg acceded to the pressure of the AVA. While he maintained the DOL's jurisdiction on OJT, since it involved fragile negotiations between employers and unions, he considered it desirable and feasible to invest DHEW with the full responsibility for educational training.[80] He pointed to the long tradition of DHEW's cooperation with state agencies and vocational education. Goldberg, preferring to act as his own legislative liaison, took it upon himself to make the bill acceptable to important lobbying groups and Congressional leaders.

Although concerned with the impact of automation and technology, organized labor considered retraining a low priority. Labor lobbyists concentrated their efforts on problems of aggregate demand, rather than structural change.[81] While AFL-CIO leaders expressed little enthusiasm over MDTA when it first came to their attention, the struggle for authority between DHEW and the DOL mobilized the labor movement into action.[82] Both George Meany and Stanley Ruttenberg, Director of Research for the AFL-CIO, testified on behalf of a training program with greater centralization and DOL control.[83] Certain unions, particularly the building trades, feared government training would interfere with their apprenticeship program. To neutralize possible union opposition, the DOL agreed to locate its OJT functions in the BAT.[84]

In accepting 20 of the AVA's amendments, with the approval of the DOL, the manpower subcommittee transformed the Administration bill into a close facsimile of the Clark bill.[85] The bill, as reported out of committee, disposed of federal financing and reinstated a 50-50 matching program of state and federal grants after the second year of the program. While still responsible for choosing trainees and the skills for which they would be trained, the DOL no longer had the authority to design and administer the training. Rather, the amendments returned this authority to the state boards of vocational education and DHEW. The committee also limited training allowances to heads of families with work force experience, but gave the Secretary of Labor some discretion in formulating testing, placement and guidance programs for unemployed youths. In addition to the DOL's responsibility for studying the nation's manpower supply, the committee also authorized the President to submit an annual "Manpower Report" to Congress, a veritable "Manpower State of the Union." To fulfill a compromise worked out between Goldberg and Clark, Senator Jacob Javits (R-NY) added a National Advisory Committee to the bill, to advise the Secretary of Labor on manpower matters. Furthermore, the committee dropped the Administration-supported provision for paying relocation expenses and allowed poor rural families to enter training programs.

Once on the Senate floor, the bill evoked little serious criticism as amended. An attempt by Senator Winston Prouty (R-VT) to limit the bill's jurisdiction to two years failed, while his amendment to limit the allocation for 16-21-year-olds to no more than 5% of the total allowance fund did pass. The bill, resembling Clark's measure rather than the BoB's, passed the Senate on August 23, 1961, by a vote of 60 to 31, with half of the Republicans in support.

On the House side, Elmer Holland (D-PA) introduced the Administration bill as H.R. 7373 and conducted hearings on it in his Subcommittee on Unemployment and the Impact of Automation. The subcommittee voted its approval of the bill with amendments which included a two year limit on the bill's authority, a ceiling on appropriations, and state funding of programs. While the AVA submitted the same amendments to the House as it did to the Senate, Representative Holland refused to drastically alter the context of the Administrative measure. The House did not dilute the Labor Department's responsibility for formulating training programs, nor did it stipulate any criteria for eligibility.

Several Republican members of the subcommittee endorsed the principle of retraining for the unemployed in H.R. 8399 (H.R. 7373 amended), but took issue with the federal training allowance. They feared that such a precedent would eventually lead to "federalizing the entire unemployment compensation system."[86] Nevertheless, they gave conditional approval of the bill, provided that the House Ways and Means Committee, which had jurisdiction over UI, closed the loophole. If the Ways and Means Committee acted upon this suggestion, the Republicans would ask the Rules Committee to bring the bill to the attention of the floor.[87] But since the Ways and Means Committee took no action to dovetail the training allowance with UI, and with vocational education's limited enthusiasm for the Holland bill, H.R. 8399 remained in the Rules Committee when Congress adjourned, in September.

Even before Congress reconvened, a movement got under way to move the bill out of the Rules Committee. Samuel Merrick, formerly Senator Clark's counsel for the manpower subcommittee, and now Secretary Goldberg's legislative assistant, attempted to reconcile the Holland bill with the reservations expressed by several Republican representatives, particularly Charles Goodell of New York. Goodell preferred the Senate version of the bill, and even introduced it in the House, with some amendments of his own. Reluctantly, Holland accepted the Goodell-Senate version of the bill, and the Rules Committee voted its approval. All that was left of the original Administration proposal was its number and Holland's name. On February 28, 1962, the House voted on what was essentially the Goodell bill, and passed it 354 to 62 with considerable Republican support.

President Kennedy signed the Manpower Development and Training Act of 1962 into law on March 15, initiating a new era in federal manpower programs.

Gladys Roth Kremen wrote this monograph in 1974 as a summer intern in the Historical Office.

FOOTNOTES

1. U.S. Congress, Senate, *History of Employment and Manpower Policy in the United States*, prepared for a subcommittee of the Committee on Labor and Public Welfare, Senate, 88th Cong., 1966, v. 7, pt. 1, p. 1.

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3. U.S. President, *Economic Report* for 1960, p. 12; U.S. Congress, Joint Economic Committee, *Employment, Growth and Price Levels* by Otto Eckstein, Study Paper 23 (Washington, DC: GPO, 1960) p. 7.

4. U.S. Congress, Joint Economic Committee, *Extent and Nature of Frictional Unemployment*, by Bureau of Labor Statistics, Study Paper 6 (Washington, DC: GPO, 1959) p. 2.

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10. Interview with James P. Mitchell, Bureau of Apprenticeship and Training, July 1974.

11. National Manpower Council, *Improving Work Skills of the Nation, Proceedings of a Conference on Skilled Manpower* (New York: Columbia Univ. Press, 1955) pp. 7-9.

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14. General Order No. 63, Dept. of Labor, Historical Office (Hist. Ofce.).

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16. Jonathan Grossman, *The Department of Labor* (New York: Praeger, 1973) p. 130.

17. Interview with Seymour Wolfbein, July 1974; Mitchell Interview.

18. Eli Ginzburg to Secretary Mitchell, July 14, 1955, National Archives, Records of the Office of the Secretary of Labor (Secretary's Records).

19. Ginzburg to Secretary Mitchell, August 23, 1955, Secretary's Records.

20. E.R. Chappel to Secretary Mitchell, October 28, 1955, Secretary's Records.

21. Ibid.

22. Mitchell Interview.

23. Testimony of Secretary Mitchell, in Joint Economic Committee, *New Views on Automation*, 1960, p. 190.

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27. Ibid., p. 21.

28. U.S. Congress, Joint Economic Committee, "The Structure of Unemployment in Areas of Substantial Labor Surplus," prepared by Bureau of Labor Statistics, Study Paper 23, (Washington, DC: GPO, 1960) p. 6.

29. For a good account of the legislative history of area redevelopment legislation see Sar Lavitan, *Federal Aid to Depressed Areas: An Evaluation of Area Redevelopment Administration*, (Baltimore, MD: Johns Hopkins Press, 1964).

30. Levitan, p. 5.

31. Levitan, p. 9; James L. Sundquist, *Politics and Policy: the Eisenhower, Kennedy, and Johnson Years* (Washington, DC: The Brookings Institution, 1968) p. 66.

32. Levitan, p.13; Sundquist, p. 67.

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38. Ibid.

39. Cass to Secretary Mitchell, "Department Actions Re Areas of Chronic Unemployment," May 8, 1956, PPRC Records.

40. David Christian to Cass, November 29, 1955, PPRC Records.

41. Interview with Louise Freeman, Office of the Solicitor, July 1974; Report of Forest Miller, Bureau of Employment Security, "Income Maintenance Program for Trainees," December 23, 1955, PPRC Records.

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47. Sundquist, p. 77.

48. Interview with Stanley Ruttenberg, July 1974.

49. Sundquist, p. 78.

50. U.S. Congress, Senate, *Studies in Unemployment*, prepared by Special Committee on Unemployment Problems, 86th Cong., 2nd sess., 1960 (Washington, DC: GPO, 1960) p. 248.

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52. Levitan, p.19; Sundquist, p.84.

53. U.S. President, *Public Papers of the Presidents of the United States*, John F. Kennedy, 1960-61 (Washington, DC: GPO, 1961) p. 344.

54. Sundquist, p. 77.

55. U.S. Congress, Senate, *Vocational Retraining Act of 1961*, S. 987, 87th Cong., 1st sess., p. 1.

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61. "What is Government's Role in Automation?" November 7, 1960, Secretary's Records.

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64. Report of the Ad Hoc Committee on Training and Retraining, PPRC Records.

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69. Interview with Michael March, August 1974.

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72. Interview with Dr. Howard Matthews, Office of Education, July 1974.

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76. March Interview.

77. U.S. Congress, Senate, *Manpower Development and Training Act*, S. 1991, 87th Cong., 1st sess., 1961.

78. U.S. Congress, Senate, *Training of the Unemployed*, Hearing before a subcommittee of the Committee on Labor and Public Welfare, 87th Cong., 1st sess., p. 180.

79. Ibid.

80. Ibid.

81. Ruttenberg Interview.

82. Mitchell and Ruttenberg Interviews.

83. *Training of the Unemployed*, Hearings, p.206.

84. Mitchell Interview.

85. U.S. Cong., Senate, *Manpower Development and Training Act of 1961*, Senate Report 651 to Accompany S. 1991, 87th Cong., 1st sess.

86. U.S. Cong., House, *Manpower Development and Training Act of 1961*, H.R. Report 879, Supplemental view to accompany H.R. 8399, 87th Cong., 1st sess.

87. Ibid.