

THE FEDERAL GOVERNMENT'S LABOR AND MANPOWER PROGRAMS

DEPARTMENT OF LABOR

Statement submitted by James P. Mitchell, Secretary of Labor

The enclosed material is submitted in response to the subcommittee's request of August 2. It is organized in terms of the three questions addressed to us and includes a separate statement for each major program of the Department of Labor.

I should like to call particular attention to the statements of standards employed by the Department in determining its programs. The standards set forth are those which are regularly employed in the Department, and which were arrived at after a careful review of operating activities in 1953 and 1954 and approved by the policy officials of the Department. They are now regularly employed by the particular policy and administrative officials of the Department responsible for the different areas of the Department's work. The Department regularly reviews existing and proposed programs in the light of these standards.

The standards set forth reflect and carry into administrative practice the various statutes under which the Department operates. Some of these statutes, such as the organic act of the Department, establish broad standards and responsibilities, while other statutes, such as the Fair Labor Standards Act, provide specific legislative direction. The statutory obligations of the Department, of course, go beyond questions of economic growth and stability.

PROGRAM ON APPRENTICESHIP AND TRAINING

Relationship of this program to the processes of economic growth in the private sector of the economy

Encouragement of the development of training standards and the use of the most effective methods of training in order to assist the private sector in planning training for the apprentices and skilled labor required for economic growth.

Usefulness or limitations of this program for purposes of the stabilization of the economy

Better training of apprentices, and continuous skill-improvement training for all workers, helps develop a versatile labor force capable of making a transition to other types of work, when changes in the economy make such shifts necessary, thus tending to reduce frictional and cyclical unemployment.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Help achieve, through cooperative effort, an adequate skilled and versatile work force and the training of apprentices in apprenticable occupations to meet current needs for skilled workmen and the needs of future economic conditions, technological developments, and national security, and to increase the job opportunities, earning ability, and security of the apprentices; and

Stimulate those responsible for training to provide equal opportunities for all qualified individuals to acquire skills without regard to race, creed, sex, age, or physical handicaps.

PROGRAM ON FEDERAL GOVERNMENT WORKMEN'S COMPENSATION

Relationship of this program to the processes of economic growth in the private sector of the economy

Recovery, and where possible, rehabilitation, of injured Federal workers and covered private employees provides a positive contribution to economic growth. Thus, while the objectives of the program are primarily humanitarian, the economic effects are also beneficial.

Usefulness or limitations of this program for purposes of the stabilization of the economy

This program contributes to the stabilization of the economy by helping to maintain the purchasing power of Federal workers and private employees covered by Federal compensation laws who are disabled on the job, or of their surviving families in case of their death. In addition, it provides for the medical and rehabilitation services necessary to restore them as useful members of the labor force as quickly as possible, and thus lessens the Federal, local government, and private expenditures which would otherwise have to be paid.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A program is tested as to whether it will aid in accident prevention and provide to persons who are covered by the Federal employee and workmen's compensation laws and who are victims of occupational injury and diseases:

All medical care needed as a result of the injury;

Monetary benefits sufficient to support themselves and their families without recourse to public aid;

Prompt and reasonable compensation for the support of dependents when death results from such injury or disease;

Suitable rehabilitation service where needed to aid permanently disabled employees to return to remunerative employment; and

A simple expeditious procedure for the processing and adjudication of claims and for review of final decisions of the adjudicating agency.

PROGRAM ON FEDERAL LABOR STANDARDS

Relationship of this program to the processes of economic growth in the private sector of the economy

Administration of legislation setting labor standards which are consistent with developments in productivity and with economic

growth in the private sector of the economy, and conducive to the regularization of the labor market and improvement of demand in low-income groups.

Usefulness or limitations of this program for purposes of the stabilization of the economy

This program, by securing and maintaining compliance with the minimum labor standards established in legislation enacted by the Congress, prevents the use of the channels of interstate commerce to spread wages and working conditions below the statutory standards among the several States, and prevents the use of such below-standard labor conditions as a competitive advantage among competitors for contracts with the Federal Government. This helps to stabilize the labor market and prevents labor conditions that the Congress has declared to be substandard from adversely affecting the structure of wages; protects the health, efficiency, and general well-being of the workers to whom the laws apply, and helps to maintain consumer demand by securing to such workers at the low end of the wage scale a share in long-run technological improvement and in the growth of the economy.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Contribute to the achievement of fair-labor standards by providing through Federal legislation minimum standards and providing through voluntary methods standards that are consistent with the best possible practices.

PROGRAM ON FEDERAL-STATE EMPLOYMENT SECURITY

Relationship of this program to the processes of economic growth in the private sector of the economy

Promotion of the effective utilization of the Nation's manpower resources, present and future, agricultural and nonagricultural, and provision of basic purchasing power for the insured unemployed.

Usefulness or limitations of this program for purposes of the stabilization of the economy

The Federal-State system of public employment offices minimizes the duration of unemployment and facilitates production by aiding in bringing jobs and workers together; it assists in better utilization of the labor force by counseling and testing of applicants for jobs, particularly youth, older workers, and the handicapped, by providing labor-market information to workers, employers and communities, and by providing a clearance system for jobs that cannot be filled locally.

Unemployment insurance assists in maintaining the purchasing power of the unemployed for goods and services and thus helps to stabilize the economy. The effectiveness of the unemployment insurance program has been increased in recent years through extension of coverage so that about 80 percent of workers subject to the risk of unemployment are covered, and through substantial increases in the amount and duration of benefits.

However, its effectiveness is limited by exceptions from coverage in the State laws, by a lag between rises in wages and increases in the maximum amount of benefits in many States, and by too short a duration of benefits in some States.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Aid, through an effective employment-service system, in getting the best possible job for the worker and the best possible worker for the job;

Provide adequate income insurance for unemployed workers when suitable jobs are not available, and through this system help maintain purchasing power;

Assist in the improvement and optimum utilization of the Nation's manpower resources, including the promotion of employment opportunities;

Assist in maintaining and improving our manpower readiness for defense mobilization; and

Develop and disseminate employment, unemployment, and labor-market information in order to assist in achieving economic stabilization and growth, and to meet the informational needs of labor, management, and the public.

PROGRAM OF INTERNATIONAL LABOR

Relationship of this program to the processes of economic growth in the private sector of the economy

Cooperation with United States private organizations (labor and management) in demonstrating to opposite numbers in other countries how economic growth is achieved in this Nation, and how its fruits are shared among the different factors of production. Economic growth throughout the free world aids economic growth in the United States.

Usefulness or limitations of this program for purposes of the stabilization of the economy

This program is a part of the great effort which is being carried on by government, business, and labor in this country and in other parts of the free world to increase international understanding, and develop economic policies, within a democratic framework, which will promote peace, without which stabilization of the economy is impossible.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Help make and carry out United States foreign policies and programs which will promote the national interests in the foreign labor field and improved labor conditions, peaceful cooperation, and resistance as to totalitarian inroads throughout the world.

PROGRAM ON MOBILIZATION PLANNING

Relationship of this program to the processes of economic growth in the private sector of the economy

Preparation for emergency situations in which it must be assumed that the normal aims and functioning of the private economy would either be seriously impaired or destroyed.

Usefulness or limitations of this program for purposes of the stabilization of the economy

None as far as cyclical fluctuations in the normal peacetime operation of the economy are concerned.

The program is designed to develop for the establishment and administration of facilities to effect the efficient allocation of manpower resources among production needs generated in emergency situations, income maintenance for disaster unemployed, and for emergency workers for the stabilization of wages and salaries.

Such actions include the development of material related to the manpower aspects of adequacy of a mobilization base in peacetime.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Aid State and local employment offices in applying methods and techniques which will bring about a balancing of labor supply and requirements and which will channel labor supply to essential work in the numbers needed in any labor market area under conditions which will exist during (a) the civil-defense emergency period, (b) the rehabilitation period, and (c) the production period;

Result in the provision of information on (a) current employment and requirements (National, State, and local) in defense industries and in civilian supporting industries, (b) status of the military manpower pool, (c) occupational data sufficient to determine lists of critical occupations, (d) the available supply of labor by occupation and by geographic area (regional, State, and local) to meet production schedules; and

Result in the provision of types of information which will be needed to establish national policies to maintain the proper balance between military production and civilian requirements, to schedule production in such a way as to maximize the Nation's productive capacity, and to establish manpower policies which will bring about the maximum effective use of the Nation's labor supply.

PROGRAM ON OLDER WORKER

Relationship of this program to the processes of economic growth in the private sector of the economy

Foster economic growth in the private sector of the economy by utilizing effectively the skills and abilities of the increasing number of older workers in the labor force.

Usefulness or limitations of this program for purposes of the stabilization of the economy

This program promotes economic stabilization by increasing employment opportunities for older persons able and willing to work,

by providing counseling and placement services through the facilities of State employment security agencies and other public and private services, and encourages older persons to enter or reenter shortage fields to the extent that they can qualify directly or after training for the opportunities available.

The program is in part limited in its effectiveness by the unwillingness on the part of many employers to hire older workers because of the erroneous assumptions that older workers are more accident prone, have poorer attendance records, increase company pension costs, have lower productivity than other workers; the services provided to older persons by State employment-security agencies and by other public and private agencies are limited because of the additional time and effort required; and certain social-security provisions limit the amount retired persons can earn.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Improve the employment and earnings opportunities for older men and women, consistent with their abilities and willingness to work, to increase their contributions to the economy as a whole;

Assist labor, management, governmental agencies, private organizations, and the general public in developing and carrying out broad educational and informational programs designed to overcome the prejudices against older workers and to increase the acceptance in employment of qualified older men and women;

Extend and improve the direct services such as job counseling, placement, and individualized job development through the facilities of the affiliated State employment-security agencies and other private and public services, to enhance the employability of older men and women able and willing to work;

Contribute to the achievement of a coordinated Federal Government program to provide a comprehensive approach to the problems of aging and the aged; and

Help to alleviate occupational shortages by encouraging the employment of unused or underutilized skills and abilities of qualified older men and women in the shortage occupations.

PROGRAM ON RESEARCH AND STATISTICS

Relationship of this program to the processes of economic growth in the private sector of the economy

Provision to business, labor unions, Government, and the general public of reliable information relating to the labor and manpower situation, needed by people making decisions in our decentralized private-enterprise economy. These data assist in planning for future economic growth on the basis of knowledge of the past and present labor and manpower situation, and probable future trends.

Usefulness or limitations of this program for purposes of the stabilization of the economy

The increasing size and complexity of our economy make it more and more necessary to have factual information and analytical studies which will—

(a) Make it possible to appraise the adequacy of existing stabilization programs;

(b) Contribute to the maximum effectiveness of private action by enhancing the functioning of both public and private labor-market institutions;

(c) Provide material to the Council of Economic Advisers for reports to the President and Congress as required by the Employment Act of 1946, as amended, and by other statutory provisions; and

(d) Inform those concerned of any evidence of instability which may be developing in the economy. Analyses of deficiencies and gaps in research and statistics programs related to labor and manpower were prepared by the Bureaus of Labor Statistics and Employment Security of the Labor Department in the spring of 1954 and sent to the Joint Economic Committee by the Office of Statistical Standards, Bureau of the Budget. Some of the gaps and deficiencies then reported have now been remedied; others remain. Recently, the Labor Department, at the request of the Bureau of the Budget, has sent to that agency a statement of long-range programs for the development of statistics in this field.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Provide factual information and analyses on economic and social conditions and problems affecting the welfare of workers—for an informed public opinion, for improving labor-management relations and facilitating collective bargaining, for other private or public action or policy purposes, and for carrying out the administrative and enforcement responsibilities of the Department in promoting the welfare of workers;

Provide general economic and statistical information for the Government and the public, or the basis for reports to the Congress on conduct of statutory functions, or answers to legislative or other inquiries; and

Assist in the determination of departmental positions with respect to legislative proposals or administrative actions of other agencies on economic and social issues outside the immediate responsibility of the Department, but impinging on the interests of labor in matters such as social security, foreign trade, taxation, housing, health, education, welfare, military manpower policy, depressed areas, and general economic policy.

PROGRAM ON VETERANS' REEMPLOYMENT RIGHTS

Relationship of this program to the processes of economic growth in the private sector of the economy

Assistance to veterans in obtaining reemployment to the jobs, salaries, and seniority status to which they are entitled by law.

Usefulness or limitations of this program for purposes of the stabilization of the economy

By facilitating the rapid reemployment of veterans and by assisting veterans already employed to regain their former salaries and

status, this program improves the incomes of such persons. Thus it helps to stabilize the economy both by increasing the number of persons who return to occupations in which they are trained and can be usefully engaged in the production of goods and services and by increasing the purchasing power needed to buy goods and services. At the same time it tends to decrease Government expenditures by reducing payments for veterans' unemployment insurance.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Insure reemployment and seniority protection for men and women who interrupt their civilian careers for training or service in the Armed Forces of the United States;

Aid all persons covered by the veterans' reemployment statutes in obtaining the reemployment rights and benefits to which they are entitled; and

Assist employers, labor organizations and other interested parties in resolving problems arising under reemployment rights statutes.

PROGRAM ON WOMEN'S AFFAIRS

Relationship of this program to the processes of economic growth in the private sector of the economy

Promotion of employment opportunities and standards to increase the contribution of women in the labor force to the growth of the Nation's economy.

Usefulness or limitations of this program for purposes of the stabilization of the economy

This Federal program aims to alleviate occupational shortages by encouraging women to enter shortage occupations and by encouraging establishment and use of appropriate training facilities to enable women to fill such occupations under standards which help to maintain stability and purchasing power.

The continued existence of some customs and practices which tend to restrict women's opportunities for training or advancement to higher level positions somewhat limit the effectiveness of this program which has as one of its objectives the removal of discrimination in employment based on sex.

Standards employed by the Department of Labor in determining the kind and size of programs requested in this field

A proposed program is tested as to whether it will—

Advance the status of women in the work force and as citizens, increase their contribution to the economy;

Aid, through an effective informational program, in providing women with increased employment opportunities;

Alleviate substantial occupational shortages which can appropriately be filled by women;

Improve international understanding of the position of women as a means of improving their status and their contribution to economic and social progress.

PROGRAM ON WORKING CONDITIONS THROUGH STATE ACTION

Relationship of this program to the processes of economic growth in the private sectors of the economy

Maintenance and increase in the purchasing power of workers through noninflationary measures; encouragement and assistance to States in the establishment of such standards as minimum wages, safety conditions, compensation for work-incurred injuries, and employment of women and children.

Usefulness of limitations of this program for purposes of the stabilization of the economy

The State systems seek to provide income to injured workers, reduce the number and frequency of occupational injuries, establish standards to prevent the exploitation of all types of labor, and eliminate unfair competition based upon substandard wages.

The programs are limited in effectiveness because the States differ in the development and application of these standards. Not all have complete programs in the labor standards field and in some existing programs have failed to advance as rapidly as the economic development of the State would warrant.

Standards employed by the Department of Labor in determining the kind and size of the programs requested in this field

A proposed program is tested as to whether it will—

Aid States in developing labor laws, administrative practices, and voluntary programs which promote the welfare of the workers, sound labor-management relations, and improved employment opportunities; and

Enable the Federal Government to encourage and assist through development of standards and through advisory and technical assistance, and to supplement in the occupational safety field by Federal grants-in-aid.