I appreciate the invitation to participate in your conference. My visits to Iowa State University have always been enjoyable, and I welcome the opportunity to renew old friendships. But I am especially grateful that you have asked me to discuss some of the programs on which the Department of Labor is embarking in an effort to resolve the knotty manpower problems confronting agriculture. An exchange of ideas in meetings of this kind should lead to worthwhile improvements in the work we are undertaking.

The Farm Labor Problem

Over a brief span of the last few decades we have witnessed an almost unbelievable change in farm labor requirements. At the turn of the century about one out of every three workers was engaged in agriculture. Today this proportion has become about one in eighteen. Equally significant is the fact that these changes have gained momentum in recent years. Of all the important sectors in the American economy, agriculture has shown the greatest increase in productivity over the past decade. The two-thirds increase in farm output per man-hour during this period resulted in a 25 percent drop in average farm employment and a 20 percent drop in hired farm workers.

In addition to declining employment opportunities, it is common knowledge that farm workers are at the bottom of the scale by almost any measure of economic well-being. The 2.2 million persons who worked on farms for wages in 1960 earned an average cash income of only $1,125 from a combination of farm and nonfarm jobs. This is only one-third the average annual income of unskilled, nonagricultural laborers. In addition to low hourly earnings, employment for most hired workers is extremely seasonal. Fluctuations in seasonal employment range from a low of 300,000 in January to 1,300,000 at the harvest peak in October. It is estimated that underemployment from all causes has resulted in a hired farm working force of about 4 million performing the work equivalent to 1.2 million year-round farm jobs.

Unemployment among agricultural workers is also cause for grave concern. While a 5 percent unemployment rate among nonfarm employees is considered a problem, annual unemployment rates for agricultural wage and salary workers ranged from 8 to 10 percent during the four-year period 1958-1961.

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While we might continue almost indefinitely outlining the vexing manpower problems facing agriculture, it is already apparent that some of them are exceedingly complex and of long-standing origin. I should like, therefore, to turn our attention to some of the plans that are being developed by the Bureau of Employment Security in our search for solutions to these problems.

Ever since its inception, the U. S. Employment Service has tried to provide farm operators and growers with qualified help to meet their particular needs. We have also been engaged in rather extensive programs aimed at providing year-round employment to hired farm workers, particularly the migratory laborers. Although our discussion might center around the steps that are being taken to improve these basic functions, I have chosen to confine my remarks to the newer programs in which we are engaged.

Service to Rural Areas and Small Communities

One of these programs is designed to extend a broad range of manpower and community services to certain rural areas and smaller communities that lack local job opportunities. The economic life of these areas is characterized by persistent unemployment, low-income, subsistence farming and an underutilized labor force. In most instances, these communities have not evaluated their economic assets and resources, and have made no sound approach to attracting new industries.

The first logical step in area economic development is the accumulation of reliable information pertaining to the resources of the community. Hence, one of our major objectives is to stimulate the preparation of an economic base report for each of the areas covered by the program. In addition to comprehensive manpower data, including an inventory of potential skills, this report will include many other types of information that are relevant to the location of industrial plants. The collection and interpretation of these data will require the cooperative efforts of qualified personnel representing various professional fields. It is expected, therefore, that universities and other governmental and private organizations will participate in this undertaking.

It should be noted that in many cases the communities selected will already be included in the Rural Areas Development program. In these instances we shall coordinate our efforts with the Department of Agriculture and other interested agencies. Many of the counties will also be eligible to share in the benefits provided under the Area Redevelopment Act, as outlined by Mr. Sheppard earlier. This will be taken into consideration as we work with other groups in developing plans for these areas. One of the chief deterrents to industrial development in rural communities is the lack of skilled workers. The training provisions of the Area Redevelopment Act will help to overcome this deficiency.

We recognize that a necessary ingredient for economic adjustment is local leadership. People in the community must understand that the ultimate success of the program depends largely upon their efforts to help themselves. Personnel of State Agricultural Extension Services have had considerable experience in marshaling
community support to carry out worthwhile projects. We shall look to them for leadership and guidance in attaining this objective.

Pilot projects have already been completed in a few areas with rather gratifying results. The establishments that have located in these communities have already provided new jobs to hundreds of farm families. No doubt a great deal more can be done to increase employment opportunities in rural communities.

Nevertheless, it would be futile to assume that enough jobs can be developed in rural areas to absorb the entire supply of unemployed and underemployed farm workers and operators. It must be recognized that the possibilities for industrial expansion in rural areas are limited. But even though considerable economic development is achieved, the surplus labor force in agriculture is so great that a large number would still be forced to migrate to urban centers if our manpower is to be utilized effectively. If all of them remained at home they would simply be obliged to share a smaller and smaller slice of an already thin economic base. One of our most perplexing problems is to make this transition from rural to city life as rational and as meaningful as possible.

Restrictions to the mobility of the agricultural labor force are not easily overcome. The lack of specialized skills, the lack of seniority and inadequate finances are factors that inhibit movement from the farm to the city. Furthermore, many of the people who reside in rural areas know very little about the world of work outside their own "back yard." They have never been given an opportunity to learn much about the kinds of training that are required to equip a person for various lines of work. They lack specific knowledge about job opportunities in different localities, and they are generally unfamiliar with urban and industrial ways. Equally important, they have no way to appraise their interests and potential skills, or to relate them to given fields of work.

As a consequence, multitudes of rural people have simply drifted to the cities. This mass migration has not been orderly or well planned. In all too many instances the motive has simply been to find a new job - just any kind of a job. The least that might be said is that this aimless sort of migration represents a tremendous loss of human resources.

We, in the Employment Service, are deeply concerned with this problem, and to the limited extent that our resources permit, we are bending our efforts to help resolve it. We are, for example, extending our vocational counseling services to some of the local communities that are not within easy reach of our local employment offices. We are striving to help the residents of these areas, especially the young folks, to evaluate their interests and potential abilities and to learn more about the kinds of jobs in which they are apt to be successful. Through our labor market information program we hope to provide them with more facts about the nature of specific occupations, the outlook for work in various occupational fields and the training avenues that lead to different kinds of jobs. Even more ideally, we hope that over the years we will be able to inform more and more agricultural
workers about specific job offers that are open to them in the cities where they wish to move. As these programs are expanded and become better perfected they should help considerably to bring about a more orderly migration from the farms to the cities.

**Manpower Development and Training Act**

Another new program which is especially deserving of our attention is the Manpower Development and Training Act. Passage of this act in the spring of 1962 represented the first direct attempt by Congress to find a longer range solution to the unemployment problem. Two facts about unemployment were largely responsible for the action taken. First, the level of unemployment has been comparatively high in recent years and, secondly, there has been a marked increase in the duration of unemployment.

While there is a direct relationship between the level and duration of unemployment, it is the duration aspect that has become especially troublesome over the last few years. In 1953, for example, the number who were out of work for more than 26 weeks averaged less than 100,000. In September of this year, which was a relatively prosperous month, nearly 470,000 persons in the labor force had been out of work for over half a year.

Labor market analysts have indicated that this growth in long-term unemployment is due primarily to increased immobility in the job market. Industrial and occupational immobility are major factors in widening the gap between jobs. During the period from 1957 to 1960 there was a net decline of over 2 million jobs in the basic industries producing food, clothing, and shelter. Yet, during the same period there was a net gain of nearly 3 1/2 million jobs in those industries serving the American people as consumers. Due to a variety of factors many workers experience difficulty in transferring from one kind of industry to another.

Within many industries there have also been striking occupational shifts from blue collar to white collar occupations. Between 1957 and 1962, for instance, there was a net layoff of nearly 1 million production workers from manufacturing establishments. During the same interval the number of office jobs in manufacturing industries increased by more than 325,000. The occupational immobility in this case arises from the fact that most plant workers are not qualified for office jobs.

The outlook calls for a continuation of these trends. The projections made by the Bureau of Labor Statistics indicate a further shifting to professional and technical occupations, to sales and clerical work and to service jobs. At the same time, there will be a further decline in unskilled jobs, both on the farm and in industry.

These occupational changes create serious problems to the workers who are displaced. This is particularly true for heads of families who have reached middle age. Very few who fall in this group can return to school to qualify for a profession. Nevertheless, nearly all of them are capable of learning a new occupation if afforded the opportunity.
The Manpower Development and Training Act is based on the premise that unemployed workers can and will find jobs when they are qualified to hold them. The act also implies that there are jobs in our economy that are going begging because there is no one qualified to fill them. Although refined, quantitative data are lacking in many communities, sufficient evidence is available to demonstrate that such jobs do exist. Through labor market surveys and normal employment service operations we know that shortages are to be found in many localities for qualified stenographers, clerical workers, automobile mechanics, welders, appliance and farm machine repairmen, tractor operators, year-round farm hands and a number of other occupations for which only a reasonable training period is necessary.

Title I of the Manpower Development and Training Act requires the Secretary of Labor to undertake a comprehensive economic research program in regard to the changing job market. While this research has many far-reaching implications and is an important feature of the act, it seems more appropriate at this time to stress the training aspects of the law.

In selecting individuals to be trained under the act, priority must be given to those who are currently unemployed. It is intended that the law will be especially useful in reducing the volume of hard-core unemployment. One of the act's key provisions is that farm families with less than $1,200 annual income are to be considered as unemployed. It is estimated that the income of 1.5 million farm operators falls below this standard. Members of these families will have the same top priority as fully unemployed workers in being selected for training.

Other persons eligible for training are the underemployed, those who are working below their skill capacities and those who are likely to become unemployed because the need for their skills is rapidly diminishing. Special programs may also be provided for the occupational training and schooling of youth between the ages of 16 and 22.

The federal government will bear the cost for vocational training of the unemployed through June 30, 1964. Following that time, states which continue to participate will bear one-half the cost. The amount required to train other than unemployed persons will be shared by federal and state governments throughout the program.

In order to qualify for regular training allowances, all individuals, farm and nonfarm alike, are required to meet three criteria:

1. They must meet the definition of unemployment as defined in the act.
2. They must be heads of families or households.
3. They must have a minimum of three years experience in gainful employment.

A small amount of funds will also be made available to unemployed youth over 19 but under 22 years of age who do not qualify for a regular training allowance.
Generally, the weekly training allowance for members of farm, as well as nonfarm families, will be an amount equal to the average unemployment insurance payments in the state for total unemployment. For the nation the current average is about $35. In no case, however, will a trainee eligible for unemployment insurance be penalized financially for enrolling in a training course. Unemployed youth between the ages of 19 and 22 who do not qualify for regular training allowances will be entitled to a maximum weekly payment of $20.

In addition to the regular allowances, a trainee is entitled to subsistence and travel expenses when training facilities are not located within commuting distance of his home. The maximum subsistence payment is $35 per week, at the rate of $5 per day, and the travel allowance cannot exceed 10 cents per mile. A trainee who is not entitled to a regular training allowance may still be eligible to receive travel and subsistence payments. This provision is important to those residing in rural areas since most of the training courses will be located at a considerable distance from their homes.

The length of the training period will vary greatly, depending upon the skills to be taught. In no case, however, will training allowances be permitted beyond 52 weeks.

The law specifies that before training can be undertaken, it must be determined that there is a reasonable expectation of employment in the occupation for which the training course is designed. For this reason, the Employment Service will conduct labor market surveys in a number of communities to determine current and future job requirements. In addition to these surveys, other economic research pertaining to employment trends will be taken into account in determining training needs.

The Employment Service will also ascertain the number of individuals who desire training in various occupational fields and who are likely to benefit from the kinds of training to be offered. This will require a thorough appraisal of their interests, capabilities, and aspirations. In some instances tests will be administered to supplement other information in judging an individual's likelihood to benefit from a particular kind of training course. Following completion of the training the Employment Service will have primary responsibility for placing the graduates in satisfactory employment.

It is important to bear in mind that the Manpower Development and Training Act is designed to train individuals in rural areas for both farm jobs and nonfarm employment. For example, it would be possible to train rural workers in one area for year-round farm jobs in another locality. Such training might cover machine operation and maintenance, soil fertilization, chemical weed control, the care and feeding of livestock, and the repair and maintenance of farm buildings. In fact, Missouri has already submitted this kind of a training proposal. Residents of rural communities might also receive training that would equip them for jobs as auto mechanics, welders, electronic data processors, stenographers, practical nurses or any other nonfarm occupation that falls within the scope of the act.
I must not leave you with the impression that the Manpower Development and Training Act offers an immediate opportunity to train large numbers of farm workers. It is doubtful whether the total number of individuals who can be trained this fiscal year will exceed 50,000. When the ratio of farm to nonfarm employment is taken into consideration, it becomes clear that the program will not accommodate a large volume of rural people over the next year or two.

The law does, however, offer hope and a challenge to those who are resourceful and imaginative, and who are determined to improve the economic well-being of all our citizens whether they reside on the farm or in the city.