

REMARKS OF SENATOR HUBERT H. HUMPHREY

OECD CONFERENCE ON YOUTH UNEMPLOYMENT

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PARIS

How can we put our young people to work? That seemingly simple question has been a growing challenge to the best academic and political minds in the industrial world in recent years. The problem of youth unemployment has proved so intractable that its solution will require significant changes in the nature of American economic policy, including manpower policy, and the manner in which such policies are designed.

There is little question about the severity of the problem. The cold statistics, the broken and disrupted young lives, and this Conference itself, all indicate a problem that has reached crisis proportions. Despite almost two and one-half years of recovery, this problem continues to plague the economies and dash the hopes and dreams of millions of young men and women and their parents in America and in many nations throughout the world. The reduction in the overall rate of unemployment that has occurred masks staggeringly high levels of unemployment among our sons and daughters.

The American problem has been stark. Every economic, ethnic and regional grouping of our young people is being affected. But, among minority groups and teenagers, the problem has been seriously compounded by urban decay and rural neglect. These factors have combined to make the problem of unemployed youth a national tragedy -- a national crisis.

In the first half of 1977, a monthly average of 3.3 million young people under the age of twenty-five were looking for work in America without finding it -- that is almost 50 percent of all the unemployed in our nation. The situation for teenagers has been even more desperate, with unemployment rates well over twice the national average. The recovery has hardly affected minority group teenagers at all -- leaving them with unemployment rates that hover around the 40 percent mark.

But the problem is not just a matter of America's history, our unique economic system, our racial problems, or the product of big city life.

Against a background of historically low unemployment rates, almost all OECD countries are now struggling with the spectre of high unemployment rates for young people. For the OECD area as a whole, the unemployment rate for young people has now reached a staggering 10 percent.

Behind the rising tide of unemployed young people are several trends that suggest the youth employment problem will be with us for some time. The demographic explosion that followed World War II was bound to put new pressures on our labor markets. At much the same time, shifts in the skill requirements for industry and many services, and labor practices and national laws all made it more difficult for young people to get and hold their first job.

Unemployment at any age can blight a life. Lost income and opportunities are only part of the cost. It is hard to weigh the burden that enforced idleness puts on family or self esteem.

And for young people, the first missed opportunity, the year or two of waiting, the feigned lethargy that hides an eroding self confidence -- all these can sear a young person for life. We are all weary from the endless litany of graduation speeches pointing to a small gathering of young people as the future of the nation, if not the world. But that particular cliché has grown tiresome through overuse, not because it is not true. The young are the future of Western democracy as well as next year's industrial work force. These young minds and hands hold our collective destiny, and we ignore that simple fact at our own peril.

As many of you know, I have toiled in the employment vineyard for a long time. I have never believed that we could afford to neglect the new plant for the mature vine. I saw this tidal wave of grief ripple across our land with its tragic consequences and felt that we must learn more about how others are dealing with it in order to be effective in reducing its dimension in the United States. In

February of this year, many Senators joined me in writing a letter to President Carter that urged an international conference on the youth employment problem as an opportunity to share our common experiences. Following hearings in April, the Joint Economic Committee of the Congress strongly recommended the holding of an OECD-wide youth employment conference this year.

At the same time, President Carter and many within his Administration were working toward similar goals. The President carried the youth employment conference message to the May economic summit. It fell on receptive and concerned ears. Many of your governments had reached the same conclusion and some had made an identical proposal.

So here we are. In this case, I believe, the many cooks have prepared an excellent broth. I am very pleased that this Conference has been seen of such significance to require ministerial level representation and that my good friend Ray Marshall, our distinguished Secretary of Labor, is in the chair. The advantage of such a high level conference is that those who make policy have an opportunity to look closely at a problem and how it has been attacked elsewhere. The importance and complexity of the youth employment problem warrant a long hard look indeed.

#### Challenge to Government

The causes of youth unemployment vary in nature and importance from one country to another. But there are several obvious threads in America that appear to run through most of the industrial world.

First, and foremost, is the slow recovery from the past recession. Slow growth rates and high overall rates of unemployment are bound to exacerbate the employment problems of young people. They are the last hired and the first fired. A deep recession or slow growth puts youth at the end of a queue that all too often does not reach the open door of employment.

Second, the vagaries of births and deaths have played their part in the employment problems of the young. The demographic bulge started in America shortly after World War II and was large enough and long enough to swell the ranks of young people entering the labor force well into the 1970's. Slow growth and recession created crisis as a consequence of the dramatic increase that occurred simultaneously in our labor force.

Third, the structure of industry has changed. Sophisticated machines require ever higher levels of training. The burgeoning service industries are a mix of high skill positions and a large number of low-skill, essentially dead-end jobs. As new technology pushes productivity up and labor requirements down, as imports put more pressure on labor intensive industries, and as services put more and more emphasis on specialized education, the problem of an adequate number of entry level jobs increases.

Fourth, beyond a slowing, shifting economy and the growing number of young people in the labor force, a change in societal values has complicated the youth employment picture. More and more American women have begun looking for work at the same time that the baby boom bulge came of working age. Attitudes have also changed. Expectations are high. More and more of our young people are provided with an education -- whether at a secondary or a university level -- that all too often, prepares them inadequately to meet the real requirements of the world of work.

The emergence of such clear-cut trends, and the inability of our government to respond to them effectively, points to some serious deficiencies in the way our government makes policy. The baby boom bubble is a perfect case in point. It was no mysterious development that could not be anticipated. On the contrary, it was totally predictable. For years, the baby boom generation made an unmistakable mark on the economy as these youngsters moved from diapers to discos. At least in America, the reaction was to train too many teachers and build too many schools, given the long term needs of our school age population. At the same time, very little attention was given to where the jobs would come from for these young people when their schooldays were over.

Periodic recessions have highlighted another major government policy weakness. The slowness of our public response to economic downturns has made it much more difficult to put the economy back on the right track and closer to acceptable levels of employment. Our public thinking must anticipate economic problems where it is possible, and responses must be in place before the crisis exists. Where it is not possible to predict a crisis, we must be in a much better position to answer it quickly than we are today. I do not claim that we have a reliable crystal ball. But, I do believe that we can anticipate many changes that will occur and that, if we care to, we can influence these changes in socially constructive directions.

The problem of youth unemployment is not a sudden aberration. In the United States, youth unemployment rates relative to those for adults have increased steadily in the last two decades. A similar pattern seems to be emerging in other OECD countries. In some countries, particularly the United States, demographic trends should help reduce the magnitude of youth unemployment in the 1980's. That may not be the case in Europe. But everywhere the need is for well crafted action by our governments right now.

#### What Should Be Done?

Different countries have already responded to the youth employment crisis in a variety of ways. One purpose of this Conference is to share with each other the experience we have gained. Virtually every country in the OECD had given priority to the development of approaches to solve this cruel problem.

In the United States, we recently committed \$1.5 billion to a broad new attack on youth unemployment under the leadership of President Carter. Our new program ranges from direct job creation to a renewed emphasis on training and apprenticeship. It provides help for those who have left<sup>school</sup> and other potential "drop outs" alike. And, it focuses a good deal of attention on jobs in the communities in which our young people live. As young people come to constitute a smaller percentage of the total work force in years to come, we hope that some of these programs can be phased out or targeted more



specifically to the employment problems of especially hard to employ segments of our youth population.

Specifically targeted programs for the young or for any group can not be expected to carry the full weight of bringing order to the labor markets. We have to push the American economy past recovery and on to a new plane of vigorous, but stable economic growth. We need the type of long-range economic policy planning that will pinpoint trends and design policies to meet them. Simple demand management has not been enough to meet the needs of declining regions or aging central cities, nor has it been able to control inflation or to put all the people back to work. The challenge to all of us is to come up with the bold and creative new policies and program that take us beyond the inadequate answers available today.

The implications of inaction are broad and deep. Unemployed young people add further weight to protectionist pressures that seek to preserve existing jobs by putting tighter reigns on the international flow of goods, capital, and technology.

Many of you here today, representing your nations, saw and suffered through the Great Depression as I did. You all remember what prolonged unemployment did to the democratic West. It is different today. The very spectre of the past may help protect us from the future. But there is no denying the economically, socially and politically destabilizing effect when millions of young people have no role to play in our societies.

John Stuart Mill once wrote, "Ask a man to do nothing for his country and he shall have no love for it." Our conference today, in one sense, is to find ways to restore a love for their country in the minds and hearts of millions of our children. They have a tremendous contribution to make, and we must see to it that they have their chance.

But these are just the observations and the warning signs perceived by one citizen of the United States. They are far from a full exposition of the variety of new initiatives that are required. Nor have the various efforts of the individual countries given us a clear indication as to which policy works best in what

circumstances. We desperately need this opportunity to meet, compare notes and freshen our policies with the experience of others. It is time for us to see to it that youth will indeed be served.

In conclusion, I would suggest that we must broaden our thinking somewhat and put the current youth employment crisis into perspective.

We must recognize that the demographic causes of the current crisis will be recurring and producing new demands on us in the decades ahead, as the wave of young people mature and continue through life.

We must be fully aware, as we look to the future, of the extraordinary requirements that this generation will place on each of our nations for years to come -- housing, education for their children, health care as they grow older, and income for their retirement years, for example.

We must develop the capacity in the United States, and perhaps in your countries as well, to anticipate these demands and respond effectively to them.

And, unless we do all of this, we will be condemning an entire generation of our children and fellow citizens to government by crisis, to government that will short-change them throughout their lives.

My first hope for the Conference, is that it will help us all to do better in meeting the job needs of this generation. But, more fundamentally, I hope that it will also alert our governments to the unique requirements that this generation, throughout their lifetimes, will put on our governments.

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YOUTH UNEMPLOYMENT -- AN INTERNATIONAL ISSUE

Mr. Humphrey. Mr. President,

In a letter to President Carter early this year, I proposed that the Organization for Economic Cooperation and Development (OECD) conduct an international conference on youth unemployment, with which the United States and all member countries are currently struggling.

A number of other Senators joined me in this request. Also, the Joint Economic Committee of the Congress concurred that an OECD-wide conference should take place this year. And President Carter, who was in full agreement, carried the youth unemployment conference message to the May economic summit.

I am happy to report that this OECD meeting is this week taking place in Paris, chaired by U. S. Secretary of Labor Ray Marshall.

As I pointed out in a message which was read on my behalf today at the conference, the problem of youth unemployment is not a sudden aberration. A similar pattern is emerging in other OECD countries. Everywhere the need is for well crafted action by our governments right now.

The purpose of the OECD conference, involving participants from 22 nations, is to provide an opportunity for its members to share with each other the experience that each nation has gained in coping with the youth unemployment crisis.

The implications of inaction are broad and deep. Unemployed young people add further weight to protectionist pressures that seek to preserve existing jobs by putting tighter reins on the



international flow of goods, capital and technology.

And there is no denying the economically, socially and politically destabilizing effect when millions of young people have no role to play in our societies.

Also, as we look to the future, we must be fully aware of the extraordinary requirements that this generation, with its greater numbers, will place on each of our nations for years to come: housing, education for their children, health care as they grow older, and income for their requirement years, for example.

We must develop the capacity to anticipate these demands and respond effectively to them.

Unless we do all of this, we will be condemning an entire generation of our children to government by crisis, to government that will short-change them throughout their lives.

Mr. President, I ask unanimous consent that the text of my remarks, as delivered to the conference on my behalf, be printed in the Record.



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