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DEPARTMENTS OF LABOR—HEALTH, EDUCATION, AND
WELFARE SUPPLEMENTAL APPROPRIATIONS FOR 1966

HEARINGS
BEFORE THE
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

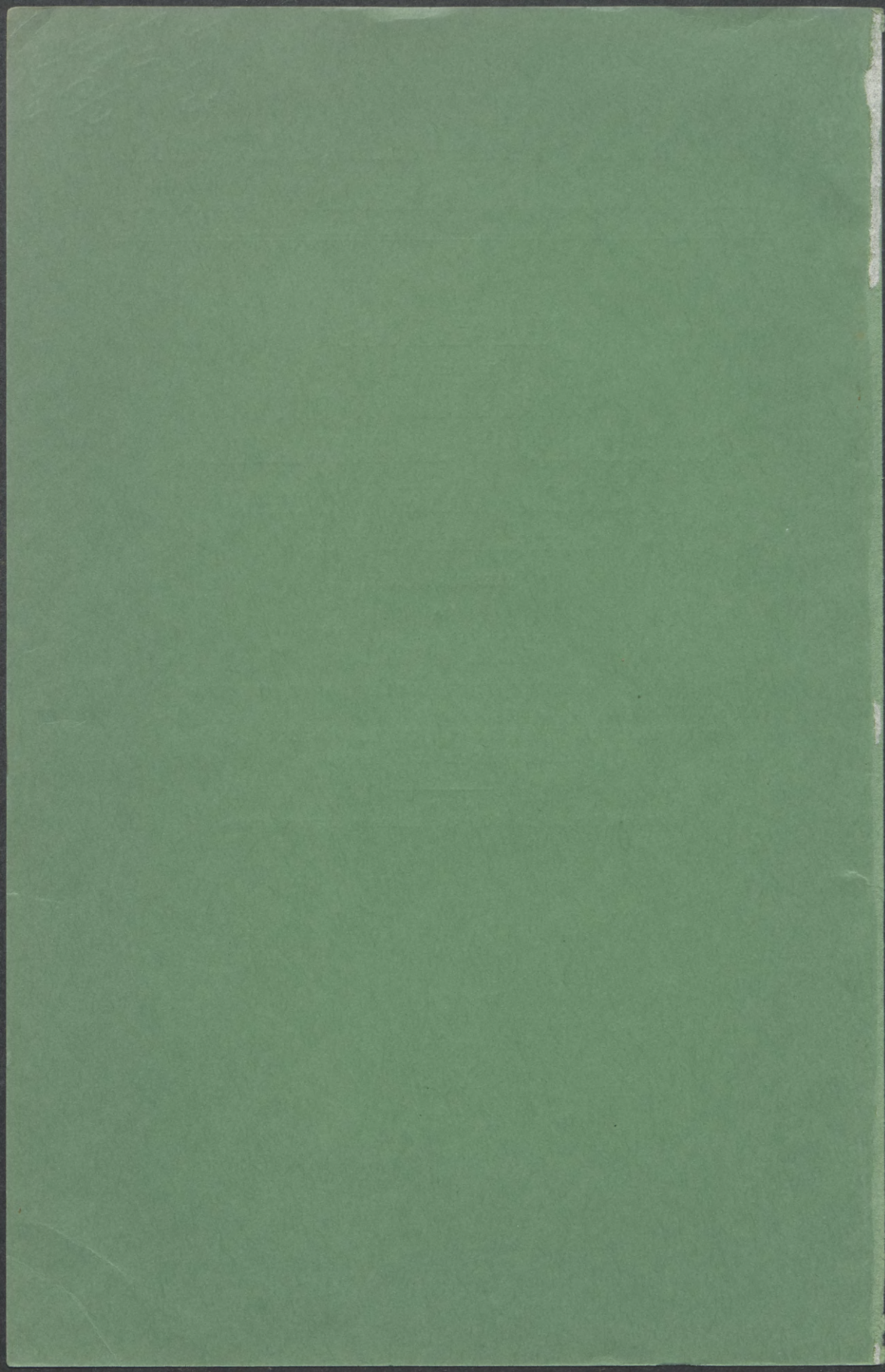
H.R. 10586

MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE DE-
PARTMENTS OF LABOR AND HEALTH, EDUCATION, AND
WELFARE, FOR THE FISCAL YEAR ENDING JUNE 30, 1966,
AND FOR OTHER PURPOSES

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DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE SUPPLEMENTAL APPROPRIATIONS
FOR 1966

WEDNESDAY, AUGUST 25, 1965

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:30 a.m., pursuant to call, in room 1224, New Senate Office Building, Washington, D.C., Hon. John O. Pastore, chairman of the subcommittee, presiding.

Present: Senators Pastore, Hill, Robertson, Byrd, Saltonstall, Allott, and Cotton.

DEPARTMENT OF LABOR

MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES

STATEMENTS OF STANLEY H. RUTTENBERG, MANPOWER ADMINISTRATOR; ACCOMPANIED BY ROBERT C. GOODWIN, DEPUTY MANPOWER ADMINISTRATOR FOR OPERATIONS, ADMINISTRATOR, BUREAU OF EMPLOYMENT SECURITY; HUGH C. MURPHY, ADMINISTRATOR, BUREAU OF APPRENTICESHIP AND TRAINING; MISS MARGARET E. THOMAS, ASSISTANT DIRECTOR, OFFICE OF FINANCIAL AND MANAGEMENT SERVICES; ALFRED M. ZUCK, CHIEF, BUDGET DIVISION, OFFICER OF FINANCIAL AND MANAGEMENT SERVICES; AND V. S. HUDSON, DEPUTY ASSISTANT SECRETARY FOR ADMINISTRATION

APPROPRIATIONS ESTIMATE

MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES

"For an additional amount for Manpower Development and Training Activities, \$126,070,000."

Amounts available for obligation

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Appropriation or estimate.....	\$273, 500, 000	\$126, 070, 000	\$126, 070, 000	-----

Obligations by activity

Description	Appropriation, 1966		Supplemental estimate, 1966		House allowance		Change from supplemental estimate	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
1. Training and allowance payments.....		\$245,793,000		\$118,207,000		\$118,207,000		
2. Program services.....	20	25,433,000		7,629,000		7,629,000		
(a) Employment security services.....	1 20	19,300,000		3,300,000		3,300,000		
(b) Vocational education services.....		5,333,000		2,667,000		2,667,000		
(c) On-the-job training services.....		800,000		1,662,000		1,662,000		
3. Federal institutional training services.....	150	2,274,000	18	234,000	18	234,000		
Total obligations.....	170	273,500,000	18	126,070,000	18	126,070,000		

¹ Represents positions in the U.S. Employment Service for the District of Columbia.

Obligations by object

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Total number of permanent positions.....	170	18	18	
Positions other than permanent.....	5			
Average number of all employees.....	165	16	16	
11 Personnel compensation.....	\$1,485,985	\$172,500	\$172,500	
12 Personnel benefits.....	108,050	12,500	12,500	
21 Travel and transportation of person.....	224,320	23,700	23,700	
22 Transportation of things.....	3,000			
23 Rent, communications, and utilities.....	80,025	8,700	8,700	
24 Printing and reproduction.....	79,000	10,450	10,450	
25 Other services.....	409,005	1,450	1,450	
26 Supplies and materials.....	17,100	2,200	2,200	
31 Equipment.....	27,515	2,500	2,500	
41 Grants, subsidies, and contributions.....	271,066,000	125,836,000	125,836,000	
Total obligations.....	273,500,000	126,070,000	126,070,000	

Summary of changes

	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
1966 appropriation.....	\$273,500,000	\$273,500,000	-----
1966 revised estimate.....	399,570,000	399,570,000	-----
Supplemental estimate.....	+126,070,000	+126,070,000	-----
Program changes:			
To provide for the full Federal financing of program costs in 1966 as a result of the postponement of the State matching requirement:			
Training costs and allowance payments.. \$94,333,000			
Vocational education services..... 2,667,000			
	+97,000,000	+97,000,000	-----
To provide for the transfer of experimental and demonstration projects from title II to title I of the act.....	-8,000,000	-8,000,000	-----
To provide for the net additional direct institutional program costs resulting for the more liberal allowance provisions contained in Public Law 89-15.....	+9,074,000	+9,074,000	-----
To provide for an additional 40,000 trainees under the revised 1966 program, bringing the estimated 1966 program to a level of 275,000 trainees.....	+22,800,000	+22,800,000	-----
To provide for the selection, referral of trainees and processing of allowance payments for the added 40,000 trainees in the revised 1966 program.....	+3,300,000	+3,300,000	-----
To provide for contracts with various organizations and groups for the promotion and development of on-the-job training projects.....	+1,662,000	+1,662,000	-----
To provide in the Department of Health, Education, and Welfare for coordination of the expanded OJT programs. (2 positions, \$19,300; nonlabor, \$7,700).....	+27,000	+27,000	-----
To provide in the Department of Health, Education, and Welfare for the continuation of the administration of training programs in ARA areas by transferring positions previously funded by the ARA appropriation to the MDTA appropriation. (16 positions, \$153,200; nonlabor, \$53,800).....	+207,000	+207,000	-----
Total change.....	+126,070,000	+126,070,000	-----

MANPOWER ACT OF 1965 (PUBLIC LAW 89-15)

A brief explanation of new amendments to the Manpower Development and Training Act

The following is a brief summary of the Manpower Act of 1965. This act, which was signed by the President on April 26, amends the Manpower Development and Training Act of 1962.

The general effect of the 1965 amendments is to broaden the scope of the law and to make changes found to be necessary after nearly 3 years' experience. The 1965 amendments go beyond those passed in December 1963—which strengthened the MDTA considerably—by creating some new provisions and amending others to convert what was essentially a pioneering program into a continuing measure of active manpower development.

Specifically, the amendments are:

Termination date.—Extend the training program under title II from the former June 30, 1966, termination date to June 30, 1969.

Financing the training program.—Postpone until fiscal year 1967 the time when States must contribute to costs; eliminate the requirement to match training allowance costs; lower from one-third to one-tenth the proportion States must contribute to training costs; and permit States to contribute to training costs "in kind" instead of in cash. The amendments also authorize the obligation of all costs of training and training allowances against the current appropriation at the time the total project is approved.

Redevelopment area training.—Incorporate the training provisions of the Area Redevelopment Act under MDTA. Training in redevelopment areas will continue as in the past except for the expansion of training programs which will result from the MDTA provisions relating to duration of training and eligibility for allowances and daily transportation expense payments. This new

provision authorizes full Federal financing, without apportionment among the States, for training in redevelopment areas.

Training allowances.—Increase from 1 year to 2 years the period of training for which training allowances may be paid;

Permit increases in the basic amount of training allowance payments by \$5 a week for each dependent over two and up to a maximum of four additional dependents;

Permit on-the-job trainees to engage in outside part-time work for up to 20 hours of paid employment per week without reduction in the training allowance. This amendment eliminates the distinction created by the 1963 amendments when this provision was enacted for institutional trainees only;

Extend eligibility for training allowances to single persons not living as members of a family or household group and broaden eligibility requirements to permit more than one unemployed member of a family or household to receive a regular training allowance, provided that the head of the household is unemployed;

Permit the payment of expenses for commuting from a trainee's regular residence to his place of training and allow certain increases in subsistence and transportation allowances in the noncontiguous States and territories;

Permit youth trainees to continue to draw allowances even if they reach age 22 during the training program and allow the Secretary of Labor administrative flexibility in conforming with the 25-percent limitation on youths receiving allowances.

Private education and training facilities.—Encourage use of private facilities for institutional training when such institutions can provide at comparable costs training substantially equivalent to that provided by public institutions or can provide equipment or services not available in public institutions. This amendment eliminates the former restrictive requirement that private facilities be used only if they made possible reduced Federal expenditures regardless of whether or not they might have advantages over public facilities. The amendments also encourage expansion of the individual referral method.

Manpower research.—Increase basic research funding and authorize the Secretary of Labor to make grants in addition to entering into contracts for manpower research.

Experimental and demonstration projects.—Transfer to the title I research program authorization for this pioneering measure to test new methods for rehabilitation of disadvantaged groups in the labor force, to assure the expansion of such projects without regard to limitations resulting from fund matching requirements and apportionments of funds among the States, and to permit such projects to be undertaken through contracts or grants.

Labor mobility studies.—Give new emphasis to labor mobility demonstration projects—originally authorized under the 1963 amendments—by incorporating them as part of title I. Authority to conduct relocation projects is extended for 2 more years; the requirement that Federal grants to meet relocation expenses be limited to 50 percent is eliminated; and the appropriation authorization for labor mobility projects is increased from \$4 to \$5 million per year.

Special trainee placement assistance.—Authorize a pilot program to experiment with placing persons who have difficulty finding a job for reasons other than ability to perform. This new authority is intended particularly to assist in placing trainees who have difficulty in securing indemnity bonding required for employment—usually due to former police records.

Job development.—Authorize Federal assistance for active job development as part of a comprehensive manpower program by directing the Secretary of Labor to stimulate and assist job development programs in service and related occupations.

In addition to the foregoing, several amendments of a technical nature were incorporated into the act to improve its administration.

Activity 1. Training costs and allowance payments

1966 appropriation.....	\$245,793,000
1966 supplemental estimate.....	118,207,000

NARRATIVE DESCRIPTION OF PROGRAM

The main thrust of the Manpower Development and Training Act is that unemployed and underemployed persons who cannot obtain full-time jobs with their

present skills, or who are working below their occupational potential, should be afforded an opportunity, through provision of occupational training and maintenance allowances, to equip themselves with new and improved skills that provide reasonable assurance of employment.

The principal functions of the Secretary of Labor under title II are to identify local occupational training needs, to counsel and select persons for training, to pay training and other allowances, to provide counseling and placement services after training, and to encourage and assist in the adoption of a broad and diverse range of on-the-job training programs. The Secretary of Labor refers persons selected for institutional-type training to the Secretary of Health, Education, and Welfare, who is responsible for seeing that curriculums, instructors and facilities are provided to equip the trainees for the occupations for which they are to be prepared. When training is completed, the Secretary of Labor is also responsible for assisting the trainees to find jobs and for the conduct of followup studies to determine whether or not the programs have met the occupational needs of the trainees.

The following table gives highlights of the MDTA program from its inception to date.

Status of Manpower Development and Training Act training and characteristics of trainees.

	<i>Member</i>
Number of trainees approved.....	401, 255
1963.....	59, 168
1964.....	127, 998
1965 (preliminary).....	214, 089
Number of trainees approved for institutional projects.....	331, 697
1963.....	56, 871
1964.....	114, 461
1965 (preliminary).....	160, 365
Number of trainees approved for on-the-job training projects.....	69, 558
1963.....	2, 297
1964.....	13, 537
1965 (preliminary).....	53, 724
Number of occupations approved for training.....	700
Sex of enrollees:	<i>Percent</i>
Female.....	40
Male.....	60
Percentage of nonwhites.....	28
Age of enrollees:	
Under 22 years.....	34
22 to 44 years.....	56
Over 45 years.....	10
Percentage of trainees who were head of family or household.....	55
Years of schooling completed:	
12 years or more.....	56
8 to 11 years.....	39
Less than 8 years.....	5
Length of unemployment prior to training: ¹	
Less than 5 weeks.....	26
5 to 14 weeks.....	21
15 to 26 weeks.....	13
27 to 52 weeks.....	29
	<i>Number</i>
Estimated number of trainees enrolled in projects as of July 28, 1965.....	281, 000
Estimated number of trainees who completed training.....	147, 000
Estimated number of trainees placed in jobs.....	109, 000
Percentage of trainees placed in employment related to training.....	90. 0

¹ For the persons who were unemployed prior to enrollment in MDTA training: 7 percent of the total were underemployed and 2 percent were low income family workers.

U.S. DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

State apportionment of funds for training and allowances under title II of the Manpower Development and Training Act

[For fiscal year 1966]

State	1966 apportionment factor	Appropriation, 1966	Supplemental estimate, 1966
Total.....	100.00	\$245,793,000	¹ \$96,207,000
Alabama.....	1.30	3,195,000	1,251,000
Alaska.....	.19	467,000	183,000
Arizona.....	.64	1,573,000	616,000
Arkansas.....	.83	2,040,000	799,000
California.....	13.50	33,182,000	12,988,000
Colorado.....	.96	2,360,000	923,000
Connecticut.....	1.51	3,711,000	1,453,000
Delaware.....	.24	590,000	231,000
District of Columbia.....	.41	1,008,000	394,000
Florida.....	1.88	4,621,000	1,809,000
Georgia.....	1.62	3,982,000	1,558,000
Guam.....	.02	49,000	19,000
Hawaii.....	.30	737,000	289,000
Idaho.....	.44	1,082,000	423,000
Illinois.....	5.31	13,052,000	5,108,000
Indiana.....	1.95	4,793,000	1,876,000
Iowa.....	1.26	3,097,000	1,212,000
Kansas.....	1.11	2,728,000	1,068,000
Kentucky.....	1.66	4,080,000	1,597,000
Louisiana.....	1.40	3,441,000	1,347,000
Maine.....	.39	959,000	375,000
Maryland.....	1.28	3,146,000	1,232,000
Massachusetts.....	3.81	9,365,000	3,665,000
Michigan.....	3.96	9,733,000	3,810,000
Minnesota.....	1.79	4,400,000	1,722,000
Mississippi.....	.99	2,433,000	953,000
Missouri.....	2.88	5,604,000	2,194,000
Montana.....	.33	811,000	318,000
Nebraska.....	.72	1,770,000	692,000
Nevada.....	.25	614,000	241,000
New Hampshire.....	.28	688,000	270,000
New Jersey.....	4.36	10,717,000	4,194,000
New Mexico.....	.36	885,000	346,000
New York.....	11.41	28,045,000	10,977,000
North Carolina.....	1.89	4,646,000	1,818,000
North Dakota.....	.44	1,082,000	423,000
Ohio.....	5.03	12,363,000	4,840,000
Oklahoma.....	.95	2,335,000	914,000
Oregon.....	1.05	2,581,000	1,010,000
Pennsylvania.....	5.95	14,625,000	5,724,000
Puerto Rico.....	1.07	2,630,000	1,029,000
Rhode Island.....	.47	1,155,000	452,000
South Carolina.....	1.05	2,581,000	1,010,000
South Dakota.....	.37	909,000	356,000
Tennessee.....	1.67	4,105,000	1,606,000
Texas.....	3.88	9,537,000	3,733,000
Utah.....	.55	1,352,000	529,000
Vermont.....	.25	614,000	241,000
Virginia.....	1.37	3,367,000	1,318,000
Virgin Islands.....	.02	49,000	19,000
Washington.....	1.93	4,744,000	1,857,000
West Virginia.....	.75	1,843,000	722,000
Wisconsin.....	2.38	5,850,000	2,290,000
Wyoming.....	.19	467,000	183,000

¹ Excludes \$22,000,000 for training programs in redevelopment areas which is excluded from apportionment among the States.

THE 1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation for training costs and allowance payments was \$245,793,000 based upon the legislation prior to the enactment of the Manpower Act of 1965, Public Law 89-15. The appropriation action was predicated upon the assumption of State matching of \$94,333,000, making a total direct program level of \$340,127,000. The appropriation contained \$8 million for experimental and demonstration projects which have been moved from title II to title I by the amendments. The funding for the experimental and demonstration projects is now included in the estimate for "Office of the Manpower Administrator, salaries and expenses."

The supplemental estimate for direct training program activities is \$118,207,000. Although nearly all the amendments affect the training program, the one having the greatest financial bearing on the 1966 program is the provision delaying the requirement for State matching until fiscal 1967. The incorporation in the Manpower Development and Training Act appropriation of the occupational training formerly provided in redevelopment areas under the Area Redevelopment Act is also of major significance.

Of the total \$364 million requested for 1966, \$22 million, the amount specified by title II, part C, is to be allocated for training and allowance costs for projects located in area redevelopment areas, and \$342 million is for regular Manpower Development and Training Act projects. The \$22 million for projects in ARA areas is exempted from apportionment among the States.

Comparison of training costs and allowance payments between the 1966 appropriation and the supplemental estimate

	Appropriation, 1966		Supplemental estimate, 1966		Revised estimate, 1966	
	Trainees	Amount (millions)	Trainees	Amount (millions)	Trainees	Amount (millions)
Institutional training:						
Manpower Development and Training Act program	174,935	\$204.6	-9,935	+\$83.2	165,000	\$287.8
Area Redevelopment Act program			+10,000	+19.2	10,000	19.2
	174,935	204.6	+65	+102.4	175,000	307.0
On-the-job training:						
Manpower Development and Training Act program	60,000	33.2	+35,000	+21.0	95,000	54.2
Area Redevelopment Act program			+5,000	+2.8	5,000	2.8
	60,000	33.2	+40,000	+23.8	100,000	57.0
Experimental and demonstration program		8.0		-8.0		
Total	234,935	245.8	+40,065	+118.2	275,000	364.0

Institutional training

The 1966 program is estimated to provide 175,000 trainees, 165,000 MDTA, and 10,000 ARA, to receive occupational training through institutional training arrangements. Under the 1965 amendments it is estimated that approximately three-fourths 165,000 MDTA trainees would be eligible for training allowances. Of the number receiving allowances, effectively 25 percent would be authorized under the act to be paid youth allowances. Of the estimated 10,000 ARA trainees, under special provisions of the amendments effectively all trainees would receive full allowances. Expanded provisions for the payment of commuting expenses would be applicable to effectively all trainees. The estimated 175,000 trainees to be provided institutional training are to be trained at an estimated average cost of \$1,754, including the cost of training allowances and transportation and subsistence payments. The average costs reflect an average duration of 35 weeks for MDTA trainees and 30 weeks for ARA trainees.

On-the-job training

The revised 1966 on-the-job training program is projected at a level of 100,000 trainees—95,000 MDTA and 5,000 ARA. The program level now planned for 1966 reflects the interest again expressed by the congressional committees when considering the 1965 amendments that this program be emphasized and expanded. The on-the-job training program is estimated to cost an average of \$570 per trainee for an average duration of approximately 20 weeks.

Total estimated 1966 program: Training and allowance costs

[Dollar amounts in millions]

Activity	Total program		Institutional training		On-the-job training	
	Trainees	Amount	Trainees	Amount	Trainees	Amount
Total program.....	275,000	\$364.0	175,000	\$307.0	100,000	\$57.0
MDTA.....	260,000	342.0	165,000	287.8	95,000	54.2
Training costs.....		165.0		115.5		49.5
Allowances.....		177.0		172.3		4.7
ARA.....	15,000	22.0	10,000	19.2	5,000	2.8
Training costs.....		9.5		7.0		2.5
Allowances.....		12.5		12.2		.3

Activity 2. Program services

1966 appropriation.....	\$25,433,000
1966 supplemental estimate.....	7,629,000

NARRATIVE DESCRIPTION OF PROGRAM

Occupational training under the Manpower Development and Training Act is predicated upon these basic requirements: (1) determination of occupations in which there is a need for workers; (2) careful selection of persons to be trained so that they may become eligible for occupational placement once trained; (3) provision of the kind and amount of training which fills the gap between a trainee's aptitudes and current occupational capabilities and his potential placement in the occupation for which he is receiving training; and (4) reasonable expectation of placing the graduate trainee in a suitable job.

Training programs are closely identified with communities, and it is here in large degree that training programs are planned, developed, and operated, providing training to local residents with expectation of employment in their own hometowns. Where circumstances warrant, training programs may take on broader geographic coverage, reaching several communities or even across State borders to become regional or, conceivably, national in scope. The focal point for the development and administration of training programs is the State, and it is for these reasons that the Secretary of Labor has entered into agreements with State employment security and State apprenticeship agencies and the Secretary of Health, Education, and Welfare with State vocational education agencies. In addition, the Secretary of Labor enters into contracts with national, State, and local associations and organizations for the purpose of promoting, developing, and supervising on-the-job training projects. The services provided by this activity are described below.

Activity 2. (a) Employment security services

1966 appropriation.....	\$19,300,000
1966 supplemental estimate.....	3,300,000

State employment security agencies (and their local offices) are responsible for (1) determining the occupations in which there is a need for training; (2) essential screening, application taking, and/or counseling of individuals prior to their taking training; (3) selecting and referring to training of individuals, including tests; (4) determining entitlements and making training allowances and subsistence payments to persons who are eligible for such payments under

the act; and (5) placing of individuals after training, including followup. In the administration of the program the State agencies provide continuing technical services to their local offices and carry on program review and evaluation. They work in close cooperation with their counterpart State vocational education agencies in the promulgation, development, and review of all institutional training projects and with State apprenticeship agencies relative to on-the-job training projects and within their area of responsibility, recommended them for Federal review and approval.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided \$19,300,000 for State employment security agencies. The supplemental estimate for 1966 is an additional \$3,300,000.

The increase of \$3,300,000 over the appropriation is related to the selection and referral of trainees and the processing of allowance payments for a program level of 275,000 trainees as opposed to the appropriation level of 234,935 trainees. The 1966 appropriation provided approximately \$82 per trainee to cover these costs. The additional 40,000 trainees will require an additional \$3,300,000 at the rate of \$82 per trainee.

Activity 2. (b) Vocational education services

1966 appropriation-----	\$5,333,000
1966 supplemental estimate-----	2,667,000

State vocational agencies, under agreements entered into with the Secretary of Health, Education, and Welfare, provide institutional training utilizing public education agencies or institutions wherever possible. If these facilities are not adequate, however, State agencies make necessary arrangements with private educational or training institutions.

The Public vocational education system is a basic component of the total program. Once the occupations have been identified by the local public employment office as being suitable for training, the local education agency will determine what local resources there are for conducting the training courses. This requires an examination to determine the degree to which public facilities—i.e., buildings, space, equipment, tools, and supplies—are available, and what additional is needed. It included a determination of the institutional personnel required, and where they might be recruited.

After these determinations have been made, local school officials make an estimate of the additional costs required for conducting training in the selected occupations. This information, together with labor market data supplied by the local employment office, is embodied in a training proposal to be reviewed and approved at higher administrative levels.

After approval, the local school officials get the instructional program underway, developing courses of study where necessary and bringing instructors and facilities together. Individuals selected and referred by the employment offices are enrolled and instructed by the schools. School officials submit reports of attendance and performance on each trainee to the local and/or State employment security offices, on the basis of which weekly training allowances are paid. As training proceeds, there is constant interchange of information between the education facilities and employment service agencies to insure that trainable persons are being selected and that the curriculum and instructional program are providing job-related skills, including basic education needed by trainees with educational handicaps.

The State vocational education agency is responsible for administering the training program on a statewide basis. It provides local education officials information on the procedures to be followed in getting programs started, and technical assistance in formulating training proposals and executing them after approval. The State education agency, together with the State employment security agency, reviews all training programs proposed or undertaken in the State to insure conformity with standards prescribed in the act.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided \$5,333,000 for State vocational education agencies for State supervision and administration of the training program. The appropriation action was based upon the legislation prior to the enactment of the Manpower Act of 1965. The prior legislation required State matching

of one-third of the costs of State vocational education agencies. The amendments eliminate State matching for 1966, so the supplemental estimate is for an additional \$2,667,000 over the 1966 appropriation.

Activity 2. (c) On-the-job training services

1966 appropriation.....	\$800,000
1966 supplemental estimate.....	1,662,000

Section 204 of the act provides that "The Secretary of Labor shall encourage, develop, and secure the adoption of programs for on-the-job training needed to equip persons selected for training with the appropriate skills." The same section also states that the Secretary shall, to the maximum extent possible, secure the adoption by the States and other agencies and organizations of on-the-job training programs. Section 206 authorizes the Secretary to utilize the services of appropriate State agencies for the purpose of achieving the training objectives of the act and to make payments to such agencies for expenses incurred for the development and administration of training programs.

The participation of State apprenticeship agencies in the promotion, development, and servicing of on-the-job training programs was sought by inviting them to enter into agreements with the Secretary of Labor. Agreements have been made with California, Connecticut, Hawaii, Louisiana, New York, Oregon, Puerto Rico, and Wisconsin.

In addition to agreements with State apprenticeship agencies, the Secretary of Labor may also contract with various public and private agencies, associations, labor organizations, corporations, and other organizations for the purpose of promoting, developing, and servicing on-the-job training projects.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided \$800,000 for services performed by State apprenticeship agencies under this activity. The supplemental estimate is for an additional \$1,662,000. This increase is requested to finance contracts with various organizations to promote and develop on-the-job training projects.

In order to achieve the 100,000 on-the-job trainee level projected under the revised MDTA program, emphasis in the on-the-job training program will be given to the development of programs with organizations nationwide, regional, or multistate in scope, such as labor organizations, management associations, corporations, trade and service groups, and public or private agencies.

Under this type of contract with the Secretary of Labor, the sponsor is responsible for designing and promoting the development and operation of State or local projects, and in some instances for also providing technical assistance in the maintenance and operation of individual training projects that may be nationwide or multistate in scope.

An example of such a contract is one with the Chrysler Corp. The corporation, in cooperation with its local dealers, has developed a program which will provide training opportunities for 1,000 unemployed workers to be trained in local dealerships across the Nation.

Another example is the American Hospital Association which has a contract which will provide training for 4,000 trainees and a program currently is being developed by the National Association for Retarded Children and its affiliated local chapters for 2,400 trainees.

During the latter part of fiscal year 1965 the Bureau of Apprenticeship and Training has negotiated pilot contracts of this type and has found widespread interest and willingness to participate in the MDTA on-the-job training program. The funds requested do not include the actual trainee instructional costs which are included under "Activity 1, training costs and allowance payments."

Summary of fiscal year 1965 manpower development and training contracts with national organizations for on-the-job training services

Sponsor	Promotional, developmental, and supervisory cost	Total number of trainees
Chrysler Motor Corp.....	\$232, 879	1, 000
Hospital research and educational trust.....	438, 107	4, 000
Tidewater Oil Co.....	18, 432	1, 080
National Tire Dealers & Retreaders Association, Inc.....	24, 420	150
Association of Rehabilitation Centers.....	86, 707	500
Independent Cash Register Dealers Association.....	63, 999	125
Total.....	864, 544	6, 855

Activity 3. Federal institutional training services

1966 appropriation.....	\$2, 274, 000
1966 supplemental estimate.....	234, 000

NARRATIVE DESCRIPTION OF PROGRAM

Under the provisions of the Manpower Development and Training Act the Secretary of Health, Education and Welfare is responsible for providing institutional training and retraining to individuals whose skills have been rendered obsolete by forces not under their control and arising from dislocations in the economy due to automation, foreign competition, relocation of industries, shifts in market demands, and other changes in the economy, and to individuals to develop skills for new positions which are or will be in demand.

The Department of Health, Education, and Welfare cooperates with the Labor Department in carrying out the provisions of the Manpower Development and Training Act. The Secretary of Health, Education, and Welfare submits a separate report of the activities of his Department under title II of the act, together with recommendations regarding continuation and improvement of the program. The Under Secretary provides overall policy direction, coordination of departmental activities under the act, and liaison at the policy level with other departments and agencies. The Office of the General Counsel furnishes necessary legal services. The Office of Education directs program operation and management. Specifically, through its field staff, the Office helps States develop training programs, providing assistance in areas such as selection of courses of study; planning, organizing, and developing training standards for programs and instructors; preparing training plans and program procedures; designing course outlines; evaluating course content and the relationship of training to job opportunities; planning inservice training programs; tying program plans to manpower utilization surveys and expected effects of changing technology on the labor force; coordinating State activities with those of the Department of Labor. In addition, the Office prepares and issues procedural guides, instructions, and application forms to implement policies established by the Under Secretary; provides assistance to State departments of vocational education in planning and financing their programs; contracts with public or private educational agencies to conduct training activities where the State is unable to do so; offers guidance on improvement of curriculum and methods in training and retraining programs.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided \$2,274,000. The supplemental estimate is for an additional \$234,000.

Two new positions and \$27,000 are requested to provide liaison with the Department of Labor on the expanded on-the-job training program projected for 1966 and to provide guidance and coordination for the Department of Health, Education, and Welfare activities in the on-the-job training programs.

An increase of 16 positions and \$207,000 over the House allowance are also requested to provide for the continuation of the administration of the Department of Health, Education, and Welfare's responsibilities related to training

projects in redevelopment areas. Since fiscal year 1962 these positions have been financed from the appropriations made for area redevelopment activities. The 1965 amendments to the Manpower Development and Training Act incorporate the training programs previously authorized under the Area Redevelopment Act into MDTA. While the training program in redevelopment areas has been incorporated into MDTA, separate provisions, title II, part C, apply to the eligibility of trainees to receive allowances and the funds are exempt from the provisions requiring apportionment of the funds among the States. Therefore the training programs in redevelopment areas will continue to operate as they did under the ARA. The 1966 training program in redevelopment areas is estimated to provide training for 15,000 trainees in contrast to the 11,000 to 12,000 estimated for 1965.

In order to provide for the continuation of this program, 16 positions and \$207,000 (\$153,200 personal services; \$53,800 nonlabor), which have been provided for these activities in the past are requested to be included under this appropriation.

Distribution of field staff

Supervising offices	Appropriation, 1966			Supplemental estimate, 1966		
	Professional	Clerical	Total	Professional	Clerical	Total
Department of Health, Education, and Welfare:						
Atlanta.....	3	2	5			
Boston.....	3	2	5			
Charlottesville, Va.....	3	2	5			
Chicago.....	4	3	7			
Dallas.....	3	2	5			
Denver.....	3	2	5			
Kansas City, Mo.....	3	3	6			
New York City.....	5	4	9			
San Francisco.....	4	3	7			
Total, HEW.....	31	23	54			

EXPLANATION OF ESTIMATE BY OBJECT

Personnel compensation, \$172,500

The 1966 supplemental estimate of \$172,500 is for 18 full-time permanent positions and 16.5 average man-years; 16 positions, 14.7 man-years and \$153,200 represent the incorporation into this appropriation of positions previously provided in ARA appropriations.

Personnel benefits, \$12,500

The 1966 supplemental estimate of \$12,500 is based upon personnel compensation and represents retirement, insurance, FICA and health benefits costs.

Travel and transportation of persons, \$23,700

The 1966 supplemental estimate for this object is \$23,700. Of this amount, \$22,200 relates to travel costs previously provided in ARA appropriations, and \$1,500 is a program increase in the Department of Health, Education, and Welfare.

The supplemental estimate for 1966 provides for per diem, mileage, and transportation costs for 11 departmental staff and for travel of consultants. The estimated breakdown is as follows:

	Appropriation, 1966	Supplemental estimate, 1966
Subsistence per diem.....	\$91,333	\$9,400
Mileage and transportation costs.....	132,987	14,300
Total.....	224,320	23,700

Rents, communications, and utilities, \$8,700

The 1966 supplemental estimate for this object is \$8,700. Of this amount, \$6,500 relates to costs previously provided in ARA appropriations, and \$2,200 represents a program increase in the Department of Health, Education, and Welfare.

The 1966 supplemental estimate for this object provides for communications and rentals of office space as follows:

	Appropriation, 1966	Supplemental estimate, 1966
Rental of space.....	\$32,495	\$600
Communications services, including telephone toll calls, GSA telecommunications, teletype, and telegrams.....	24,900	7,700
Paid official mail.....	22,630	400
Total.....	80,025	8,700

Printing and reproduction, \$10,450

The 1966 supplemental estimate for this object is \$10,450. Of this amount, \$10,200 relates to costs previously provided in ARA appropriations, and \$250 represents a program increase.

The breakdown of the 1966 supplemental estimate for this object is as follows:

	Appropriation, 1966	Supplemental estimate, 1966
Printing.....	\$65,300	\$8,650
Duplicating.....	13,700	1,800
Total.....	79,000	10,450

Other services, \$1,450

The 1966 supplemental estimate for this object is \$1,450, of which \$700 relates to costs previously provided in ARA appropriations, and \$750 represents a program increase in the Department of Health, Education, and Welfare.

Supplies and materials, \$2,200

The 1966 supplemental estimate for this object is \$2,200 for envelopes and desk top supplies, subscriptions and duplicating supplies. Of this amount, \$2,000 relates to costs previously provided in ARA appropriations, and \$200 represents a program increase.

Equipment, \$2,500

The 1966 supplemental estimate for this object is \$2,500. Of this amount, \$1,000 relates to costs previously provided in ARA appropriations, and \$1,500 represents a program increase for purchase of furniture and equipment items for two new positions in the Department of Health, Education, and Welfare, at \$750 per position.

Grants, subsidies, and contributions, \$125,836,000

The 1966 supplemental estimate of \$125,836,000 will provide for a revised 1966 MDTA training program for an additional 40,000 trainees, will provide for the full Federal financing of training programs, and will provide for other liberalizing amendments to the MDTA contained in Public Law 89-15.

SUMMARY OF NEW POSITIONS

Activity 3. Federal institutional training services, Department of Health, Education, and Welfare

DEPARTMENTAL

1 GS-15 director, industrial training program-----	\$16,460
1 GS-5 secretary-----	5,000
Subtotal (2)-----	<u>21,460</u>

AREA REDEVELOPMENT ACTIVITIES—DEPARTMENTAL

1 GS-15 assistant director-----	18,740
1 GS-15 education research and program specialist-----	16,460
3 GS-14 manpower utilization officer-----	43,000
1 GS-13 manpower utilization officer-----	14,175
1 GS-13 supervisor, financial assistance-----	12,075
3 GS-12 assistant program specialist-----	30,750
1 GS-7 secretary-----	6,050
1 GS-5 secretary-----	5,165
1 GS-4 clerk-typist-----	4,630
3 GS-3 clerk-typist-----	13,770
Subtotal (16)-----	<u>164,815</u>
Grand total (18)-----	<u>186,275</u>

Senator PASTORE. We are meeting this morning to take testimony on the bill H.R. 1058 making supplemental appropriations for the Departments of Labor, Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes.

We shall not take testimony on each of the items. It is late in the session and furthermore we have just concluded the regular bill for the two Departments on which much testimony was taken on each item.

The Labor Department has several estimates, one group arising from the 1965 amendments to the Manpower Development and Training Act, and a single item for funds to permit the Secretary to disallow a farmer or foodgrower to import foreign labor.

We shall hear first from Mr. Stanley Ruttenberg who is in charge of the Manpower Administration.

Mr. RUTTENBERG. I have a very brief statement which I should like to read and then submit for the record four supporting statements for each of the individual appropriations items.

Senator PASTORE. All right, sir.

(The prepared statements follow:)

STATEMENT BY STANLEY H. RUTTENBERG, MANPOWER DEVELOPMENT AND TRAINING ACTIVITIES

Mr. Chairman and members of the committee, I am pleased to appear before you today on the 1966 supplemental estimate for manpower development and training activities. At the time I appeared before our regular Senate Subcommittee on Appropriations, I discussed the 1966 program contemplated under the Manpower Development and Training Act as it existed then. Since that appearance, Congress passed and the President signed into law on April 26, 1965, the Manpower Act of 1965, Public Law 89-15. The Manpower Act of 1965 again amended the Manpower Development and Training Act of 1962 to broaden the scope of the law and to make changes in the law found to be necessary after 3 years' operating experience. The 1965 amendments go beyond those passed in December 1963—which strengthened the act considerably—by creating some

new provisions and amending others to convert what was essentially a pioneering program into a continuing measure of active manpower development.

In summary, the major amendments to the Manpower Development and Training Act contained in the Manpower Act of 1965 are: (1) extension of the termination date of the training program under title II from June 30, 1966, to June 30, 1969; (2) postponement until fiscal year 1967 of the time when States must contribute to financing costs; (3) incorporation of the training provisions of the Area Redevelopment Act under MDTA and authorization of full Federal financing, without apportionment among the States, for training in redevelopment areas; and (4) increase from 1 to 2 years the period of training for which allowances may be paid and increase the basic amount of the training allowance as well as liberalization of the allowance payment eligibility rules.

In addition, the amendments transfer from title II to title I the authorization for experimental and demonstration projects, extend for 2 years and transfer from title II to title I the authorization for labor mobility demonstration projects, authorize a pilot trainee placement assistance program and increase the funding for the manpower research program under title I and authorize the use of grants in the research program. The program related to these latter amendments, since they relate to title I of the act, no longer are included under the manpower development and training activities appropriation but are included in the supplemental estimate for the Office of the Manpower Administrator salaries and expenses. A brief explanation of the amendments contained in the Manpower Act of 1965 is attached to this statement.

The 1966 supplemental estimate for manpower development and training activities is for an increase of 18 positions and \$126,070,000 over the 1966 appropriation of \$273,500,000 and 170 positions. The original 1966 budget estimate, however, was based upon State matching of \$97 million. Thus the total authorized Federal-State program level on the original appropriation was \$370,500,000 (\$273,500,000 in Federal funds and \$97 million in State funds).

The supplemental estimate provides for an increase of 40,000 trainees which brings the 1966 program to a level of 275,000 trainees. All of the increase in the number of trainees will occur in the on-the-job program, which is projected to increase from the 60,000 trainees provided by the original appropriation to 100,000 provided by the supplemental estimate. The expansion of the on-the-job training program reflects the interest expressed by the Congress in considering the 1965 amendments that this program be emphasized and expanded, and reflects also the interest of this committee in the on-the-job training program.

The additional \$126,070,000 in the supplemental estimate is accounted for by the following changes:

Represents the costs of postponing State matching-----	+ \$97, 000, 000
Represents the cost of the 40,000 additional on-the-job trainees--	+22, 800, 000
Represents the net additional costs for higher allowance costs and the revision of the estimated training cost for the institutional program-----	+9, 074, 000
Represents the transfer from title II to title I of the experimental and demonstration program. This program is now included in the Office of the Manpower Administrator, salaries and ex- penses estimate-----	-8, 000, 000
Represents the added costs for the State employment security agencies related to the selection, referral, placement, and pay- ment of allowances to the 40,000 additional trainees-----	+3, 300, 000
Represents new funds requested for financing contracts with var- ious public and private organizations for the promotion, devel- opment and supervision of on-the-job training programs-----	+1, 662, 000
Represents the additional funds requested for the Department of Health, Education and Welfare to maintain liaison with the Department of Labor on the expanded on-the-job training pro- gram and to continue positions provided for the administration of training program in redevelopment areas previously financed under the Area Redevelopment Act appropriation-----	+234, 000
Total increase-----	+126, 070, 000

The House has allowed the full \$126,070,000 requested.

This concludes my statement, Mr. Chairman. I shall be happy to answer any questions.

MANPOWER ACT OF 1965 (PUBLIC LAW 89-15)

A brief explanation of new amendments to the Manpower Development and Training Act

The following is a brief summary of the Manpower Act of 1965. This act, which was signed by the President on April 26, amends the Manpower Development and Training Act of 1962.

The general effect of the 1965 amendments is to broaden the scope of the law and to make changes found to be necessary after nearly 3 years' experience. The 1965 amendments go beyond those passed in December 1963—which strengthened the MDTA considerably—by creating some new provisions and amending others to convert what was essentially a pioneering program into a continuing measure of active manpower development.

Specifically, the amendments are:

Termination date.—Extend the training program under title II from the former June 30, 1966, termination date to June 30, 1969.

Financing the training program.—Postpone until fiscal year 1967 the time when States must contribute to costs; eliminate the requirement to match training allowance costs; lower from one-third to one-tenth the proportion States must contribute to training costs; and permit States to contribute to training costs "in kind" instead of in cash. The amendments also authorize the obligation of all costs of training and training allowances against the current appropriation at the time the total project is approved.

Redevelopment area training.—Incorporate the training provisions of the Area Redevelopment Act under MDTA. Training in redevelopment areas will continue as in the past except for the expansion of training programs which will result from the MDTA provisions relating to duration of training and eligibility for allowances and daily transportation expense payments. This new provision authorizes full Federal financing, without apportionment among the States, for training in redevelopment areas.

Training allowances.—Increase from 1 to 2 years the period of training for which training allowances may be paid.

Permit increases in the basic amount of training allowance payments by \$5 a week for each dependent over two and up to a maximum of four additional dependents.

Permit on-the-job trainees to engage in outside part-time work for up to 20 hours of paid employment per week without reduction in the training allowance. This amendment eliminates the distinction created by the 1963 amendments when this provision was enacted for institutional trainees only.

Extend eligibility for training allowances to single persons not living as members of a family or household group and broaden eligibility requirements to permit more than one unemployed member of a family or household to receive a regular training allowance, provided that the head of the household is unemployed.

Permit the payment of expenses for commuting from a trainee's regular residence to his place of training and allow certain increases in subsistence and transportation allowances in the noncontiguous States and territories.

Permit youth trainees to continue to draw allowances even if they reach age 22 during the training program and allow the Secretary of Labor administrative flexibility in conforming with the 25-percent limitation on youths receiving allowances.

Private education and training facilities.—Encourage use of private facilities for institutional training when such institutions can provide at comparable costs training substantially equivalent to that provided by public institutions or can provide equipment or services not available in public institutions. This amendment eliminates the former restrictive requirement that private facilities be used only if they made possible reduced Federal expenditures regardless of whether or not they might have advantages over public facilities. The amendments also encourage expansion of the individual referral method.

Manpower research.—Increase basic research funding and authorize the Secretary of Labor to make grants in addition to entering into contracts for manpower research.

Experimental and demonstration projects.—Transfer to the title I research program authorization for this pioneering measure to test new methods for rehabilitation of disadvantaged groups in the labor force, to assure the expansion of such projects without regard to limitations resulting from fund matching

requirements and apportionments of funds among the States, and to permit such projects to be undertaken through contracts or grants.

Labor mobility studies.—Give new emphasis to labor mobility demonstration projects—originally authorized under the 1963 amendments—by incorporating them as part of title I. Authority to conduct relocation projects is extended for 2 more years, the requirement that Federal grants to meet relocation expenses be limited to 50 percent is eliminated, and the appropriation authorization for labor mobility projects is increased from \$4 to \$5 million per year.

Special trainee placement assistance.—Authorize a pilot program to experiment with placing persons who have difficulty finding a job for reasons other than ability to perform. This new authority is intended particularly to assist in placing trainees who have difficulty in securing indemnity bonding required for employment—usually due to former police records.

Job development.—Authorize Federal assistance for active job development as part of a comprehensive manpower program by directing the Secretary of Labor to stimulate and assist job development programs in service and related occupations.

In addition to the foregoing, several amendments of a technical nature were incorporated into the act to improve its administration.

STATEMENT BY STANLEY H. RUTTENBERG, OFFICE OF THE MANPOWER ADMINISTRATOR,
SALARIES AND EXPENSES

Mr. Chairman and members of the committee, the amendments to the Manpower Development and Training Act contained in the Manpower Act of 1965, Public Law 89-15, effect very significantly the appropriation for the Office of the Manpower Administrator, salaries and expenses.

The regular 1966 appropriation estimate did not reflect the amendments to the act contained in the Manpower Act of 1965, Public Law 89-15.

The supplemental estimate, reflecting the impact of the amendments, is for an additional 56 positions and \$27,635,800.

By far the largest portion of the supplemental request, \$26,900,000, is for the costs of the experimental, demonstration, and research programs. In amending the Manpower Development and Training Act, Congress transferred from title II to title I the experimental and demonstration projects, extended for 2 years and transferred from title II to title I of the authorization for labor mobility projects, authorized under title I a pilot trainee placement assistance program, and increased the authorization for the manpower research program under title I and authorized the use of grants in the research program. Previously only the manpower research program was located in title I of the act. By placing all experimental and demonstration activities under the act in title I, a clearer distinction is made between these projects and the regular, conventional training projects carried on under title II. In addition the placing of these programs in title I exempts them from the requirements regarding apportionment of the funds among the States and exempts them from any requirement of State matching required of title II programs beginning in fiscal year 1967. Under the supplemental estimate, all programs and funds related to title I are included in the Office of the Manpower Administrator, salaries and expenses estimate.

For the experimental, demonstration, and research programs we are requesting an additional \$26,900,000. The additional \$26,900,000 is distributed as follows:

For the experimental and demonstration program-----	\$20,000,000
For the labor mobility program-----	5,000,000
For the trainee bonding program-----	200,000
For the research programs-----	1,700,000

The experimental and demonstration program has been carried on for the past several years under title II of the act. The experimental and demonstration program tests new techniques and demonstrates the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups with special training problems. While the program thus far has been limited to conceiving and proving out novel approaches to skill training and related activities, within the broadened authority of title I projects undertaken in 1966 will be more explicitly designed for channeling new techniques into regular manpower programs. In particular, emphasis will be placed upon the development and demonstration of new techniques designed to improve the

operations of the various manpower programs. For these experimental and demonstration projects we are requesting \$20 million.

The amendments authorize \$5 million for the labor mobility pilot program in 1966. This pilot program has been developed in 1965 to gain experience in a variety of geographic areas with varying groups of unemployed workers. The intent has not been simply to move the maximum number of unemployed workers, but rather to gather information on unemployed workers' interest in relocation, the problems encountered in relocation, the feasibility of matching workers and jobs in meaningful numbers, organizational difficulties, and the discovery of useful means of overcoming obstacles to relocation. The amendments contained in Public Law 89-15 extended the labor mobility pilot project program for an additional 2 years, since the initial project experience would not provide as wide a base of experimentation and experience as necessary for determining the desirability, nature, and scope of any possible broad-scale relocation program. The amendments also provide for additional flexibility in financial aid by removing the 50-percent restriction on grants and, in addition, authorize grants to meet expenses other than those incurred in the actual moving of family and household effects. They also authorize loans on an interest basis to experiment with aiding the meeting of extraordinary relocation expenses.

The full \$5 million is requested for 1966 to enable the development of projects in other and new types of areas, to aid additional types of worker groups, and to use other types of experimental approaches. It has not been possible to conduct projects in all major geographic regions or for many different types of unemployment concentrations. The feasibility of using different types of organizations, perhaps including unions and private business firms, will be explored. Many agencies, public and private, have expressed interest in undertaking such projects, and could focus on areas and groups for which effort is desirable. In 1965, however, these agencies were not ready to proceed. Pilot efforts with a greater variety and cross section of unemployed workers in the mainstream of the labor force will thus be made possible for the 1966 program.

The trainee bonding program is a new program resulting from the amendments. It will provide whatever funding may be required to cover suitable trainees with fidelity bonds which protect their employers. It is intended that by demonstrating the trustworthiness of rehabilitated trainees, employers will be stimulated to accept them and to facilitate their reentry into the normal working life of their country. In recognition of the fact that the restitution of such individuals to full participation in society and its work is much to be desired, both to recapture the project of their labors and to remove their compulsion to commit further acts against society, the Congress explicitly directed that such an experimental program of assistance to trainees aimed at demonstrating their reliability as workers be planned and operated. The amended title I authorizes \$200,000 in 1966 for this program, and this amount is included in this amended estimate.

The supplemental estimate for the manpower research program includes an increase of \$1,700,000 for contractual and grant research. In amending the act, Congress called for an expanded manpower research program and, in addition, provided explicit authority to the Secretary to make research grants in addition to the earlier contract authority. Of the \$1,700,000 increase requested, \$500,000 will be used for expansion of the present contractual research program to respond to some of the problem areas uncovered by the more limited experience of the last 3 years. The \$1,200,000 will be used for research grants, including the initiation of plans for establishing long-term relationships with one or several universities. The major emphasis on the grant research program will be to develop additional high-quality personnel in the manpower field. Young scholars will be encouraged to undertake exploratory and developmental research in new manpower areas. The research efforts of established scholars will be supported so that they can train and attract younger research personnel to the manpower field through experience gained on research projects. This exploratory research may lead, hopefully, to the development of new methods of approach to areas already being studied, and development of research designs for further studies.

For Federal administrative costs required to implement the expanded Manpower Development and Training Act program, a total of 56 additional positions and \$735,800 is requested.

Eight positions and \$116,000 are requested to plan, direct, and implement the expanded experimental and demonstration program and the expanded research program.

The expansion in the programs to be carried on under title I and the increase in the title II on-the-job program from 60,000 trainees to 100,000 trainees will

require additional positions for the contracting services and auditing programs. In each of these programs, the method of operation is by means of a contract and/or grant between the Secretary and a wide variety of public and private organizations. In order to insure the proper expenditure of Federal Government funds of approximately \$86 million, and in order to provide for contract assistance in the negotiation of contracts, and the review and processing of obligations and payments, additional staff is required. In addition, assistance is required in aiding sponsors in the location of surplus or excess property to be used by these projects. The use of such excess or surplus property reduces the cost of the Government of operating these programs. For all of these activities we are requesting 30 positions and \$335,400.

Two positions and \$34,000 are also requested to provide for an Executive Secretary and his secretary for the President's Committee on Manpower established by the President in Executive Order 11152. This Committee is assigned the responsibility of assisting the Secretary of Labor in assessing the Nation's current and prospective manpower requirements and supplies, developing recommendations to deal with current and prospective manpower problems, and developing improved methods for appraising national manpower needs and resources.

Six positions and \$109,000 are requested in my office to provide assistance in the direction and coordination of the President's job development program and the coordination of the various manpower programs of the Department.

Finally, 10 positions and \$141,400 are requested to provide for the continuation of the administration of the training program in redevelopment areas. These positions are not really new positions. These positions have been financed previously under the area redevelopment appropriation. With the incorporation into the Manpower Development and Training Act of training programs in redevelopment areas, these positions are requested to be included in this appropriation. Separate provisions apply to training in redevelopment areas and the training programs in these areas will continue to operate much as it has in the past.

The House allowed \$27,535,800, a reduction of \$100,000 from the supplemental request. The reduction of \$100,000 was related to the greater delay than had been budgeted in filling the new positions. We do not appeal the House action.

This concludes my statement, Mr. Chairman. I shall be happy to answer any questions.

STATEMENT BY HUGH C. MURPHY, BUREAU OF APPRENTICESHIP AND TRAINING,
SALARIES AND EXPENSES

Mr. Chairman and members of the committee, I am pleased to have again this opportunity to appear for the Bureau of Apprenticeship and Training to present its supplemental appropriation estimate for 1966.

Our request was for \$413,000. The increase specifically relates to achieving an increase of 40,000 trainees above the program level originally planned and is possible because of new legislation.

Major industries such as Chrysler Motor Corp., Douglas Aircraft, Hospital Research & Education Trust of the American Hospital Association, and National Precision Machine Tool & Die Association are now taking a most active part in the program. Needs of special groups are being met through on-the-job training contracts such as those with the National Urban League with projects in some 20 metropolitan areas; and the Association of Rehabilitation Centers, Inc., to prepare 500 therapeutic and psychiatric aids and other subprofessional trainees for jobs in more than 200 rehabilitation centers through the country.

The quality of the program is being forcefully demonstrated by a low dropout rate and better than 90 percent retention in employment. The advantages of training on the job are clear—it provides immediate employment, income to workers, experience in the workplace, and the availability of up-to-date equipment with competent instruction.

The greater part of the expanded trainee goal will be reached in the normal pattern of projects developed with individual employers and organizations at the local plant level.

The House allowed \$353,000, a reduction of \$60,000 from our estimate. The reduction was made because the new positions cannot be filled as soon as was originally planned and we do not appeal this action.

Mr. Chairman, I will be pleased to answer questions concerning our request.

STATEMENT BY ROBERT C. GOODWIN, BUREAU OF EMPLOYMENT SECURITY, SALARIES AND EXPENSES

Mr. Chairman, I appreciate the opportunity to appear before you to explain the added items included in the Bureau's supplemental budget estimate for fiscal year 1966. Since our original estimate for 1966, amendments to the Manpower Act of 1965 have been enacted which add new and expanded workloads which cannot be financed from existing resources. I would like to discuss these items as they are reflected in the document before you.

The 1966 supplemental estimate requested was for \$881,200 and 72 positions over the amount appropriated. The increase would provide \$439,100 for the transfer of 54 employees financed in 1965 from Area Redevelopment Act funds, \$237,000 and 18 positions for added responsibilities directly related to the Manpower Development and Training Act amendments, and \$205,100 for the completion of the counselor aid training program which was started in the fourth quarter of fiscal year 1965. The House allowed all of the positions requested and reduced the funds by \$37,000 on the basis of a more realistic date as to availability of the supplemental.

Several of the Manpower Development and Training Act amendments directly affect the programs of the Bureau of Employment Security. Foremost among these is the amendment which directs the Secretary of Labor to stimulate and assist job development programs in service and related occupations. The U.S. Employment Service bears a major responsibility for stimulating and assisting interested employers, agencies, and groups, both public and private, to cooperate in this job development effort. To meet the objective of expanded employment through the filling of service and service-related jobs now vacant because of lack of trained workers the Bureau will accelerate and intensify contacts with employers, acting through the Federal-State Employment Service system. Special procedures and techniques relating to training for service occupations will be developed. These include pilot programs to test approaches to the expansion of employment in existing service occupations, promoting the introduction of new service occupations, and enlisting community support.

The Bureau will also participate in the new emphasis accorded labor mobility studies by the new amendments. Experience from the 16 projects conducted in fiscal year 1965 will be translated into improved procedures for additional projects. In addition, some of the projects currently underway will be extended.

New projects will encompass new worker groups and will utilize new approaches as well as profit from the experiences gained from the initial project. For example, experience today where MDTA graduates have been included in the project population indicates that a combined mobility training approach may be essential, in many cases, if relocation allowances are to be an effective manpower weapon. Time limitation precludes referral to manpower development and training activities in the original series of mobility projects conducted under section 208. Since the new legislation (sec. 104) has extended the program through fiscal year 1967, ample opportunity is now available to use training and relocation assistance as complementary tools. Experience training classes, in some cases, will be developed for these mobility projects; in other cases, workers will be referred to courses on an individual basis. The training program will be conducted in both supply and demand areas, and will include both on-the-job training and institutional programs. Experience also indicates the need to experiment with improved past relocation adjustment services and followup activities in the demand area to better determine the kind of services needed to augment employment counseling, job-finding assistance, and relocation areas.

The amendments also incorporate the training provisions of the Area Redevelopment Act under the Manpower Development and Training Act. The cost of providing Bureau support in this function is included as part of the revised estimate and will require financing under the amended act. The staff to carry out these activities is presently on board and previously was financed under the Area Redevelopment Act authority. This request would transfer that staff to Manpower Development and Training Act financing.

Our estimate includes funds for completion of a counselor aid training program that was started in April. The program is based on a similar project designed to help meet the shortage of trained counselors which was carried out last summer. It will be a nonrecurring item for 1967.

Mr. Chairman, we are not appealing the House action in reducing the estimate by \$37,000. This concludes my statement on Bureau of Employment Security, salaries and expenses.

1965 MANPOWER ACT AMENDMENTS

Mr. RUTTENBERG. Mr. Chairman, we appreciate this opportunity to explain the supplemental estimates and the House action on the four appropriation items in H.R. 10586 which concern the manpower programs of the Department.

I have for the record a separate detailed statement for each appropriation item and with me, Mr. Goodwin and Mr. Murphy who will answer any questions you may have.

The need for the supplemental estimate arises as a result of amendment to the Manpower Development and Training Act of 1962. The amendments, which were contained in the Manpower Act of 1965, Public Law 89-15, were enacted April 26, 1965, so that the estimates for the expanded and new authority contained in the amendments were not included in the regular appropriation bill.

BUDGET REQUEST

The total estimate for the four accounts was \$155 million. The House has allowed \$154,803,000 or a \$197,000 reduction. The reduction made by the House was on the basis that the new employees authorized could not enter on duty before October 1, instead of the August 1 date contemplated by the estimate. We are not appealing the House action.

PERSONNEL INCREASE

The estimate contemplated a total of 178 additional positions not provided for in the regular bill, but of this number 82 had previously been financed from funds appropriated under the Area Redevelopment Act, which expired on June 30, and the authority for work in redevelopment areas is now a part of the Manpower Development and Training Act.

Therefore the net new positions involved are 96.

STATUTORY EFFECT OF AMENDMENTS

The most significant changes authorized by the legislation are to (a) forgo the requirement of State matching funds in 1966, (b) liberalize the training benefit provisions, and (c) expand the funding authority for experimental and demonstration projects and manpower research. A detailed summary of the amendments to the act is included in the justifications.

PROGRAM NOT AFFECTED BY HOUSE REDUCTION

Senator PASTORE. In other words, you are not asking for the restoration of any of the cuts made by the House.

Mr. RUTTENBERG. That is correct.

Senator PASTORE. Will this in any way impair the efficiency?

Mr. RUTTENBERG. No, sir; it is a matter of when the people will enter on duty.

SEPARATE PRESENTATIONS

Senator SALTONSTALL. Your figures as submitted to us show the House allowance of \$156,526,000. You stated the House allowed \$154,803,000.

Mr. RUTTENBERG. Yes, I think the difference between the two figures is the next item which is to be considered as a separate presentation; namely, the farm labor appropriation estimate of \$1.7 million.

Senator SALTONSTALL. Your statement did not include that.

Mr. RUTTENBERG. No, sir, Mr. Goodwin will take that up as a separate presentation.

Senator PASTORE. Mr. Cotton?

Senator COTTON. I take it any questions directed to the amounts requested for the Bureau of Employment Security and for the farm labor program should be reserved for Mr. Goodwin and not directed to you. Is that correct?

Mr. RUTTENBERG. Yes, sir.

Senator PASTORE. Mr. Byrd?

Senator BYRD. No questions.

Senator PASTORE. Senator Robertson?

Senator ROBERTSON. No questions.

OFFICE OF MANPOWER ADMINISTRATOR, SALARIES AND EXPENSES

Senator PASTORE. We have an estimate for the "Office of Manpower Administrator, salaries and expenses" in the amount of \$27,635,800, for which the House allowed \$27,535,800, a reduction of \$100,000 for which the Department is not appealing. The material submitted in support of the estimate will be inserted in the hearings for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"OFFICE OF MANPOWER ADMINISTRATOR SALARIES AND EXPENSES

"For an additional amount for 'Office of Manpower Administrator, salaries and expenses,' \$27,635,800."

Amounts available for obligation

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Appropriation or estimate.....	\$7,794,000	\$27,635,800	\$27,535,800	-\$100,000

Obligations by activity

Description	Appropriation, 1966		Supplemental estimate, 1966		House allowance		Change from supplemental estimate	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
1. Experimental, demonstration and research programs.....		\$2,100,000		\$26,900,000		\$26,900,000		
2. Planning, research, and evaluation.....	250	4,439,200	17	245,400	17	225,400		-\$20,000
3. Financial and management services.....	77	1,102,600	31	347,400	31	293,400		-54,000
4. Executive direction.....	10	152,200	8	143,000	8	117,000		-26,000
Total obligations.....	337	7,794,000	56	27,635,800	056	27,535,800		-100,000

Obligations by object

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Total number of permanent positions.....	337	56	56	
Positions other than permanent.....	3	1		-1
Average number of all employees.....	325	52	42	-10
11 Personnel compensation.....	\$3,515,300	\$494,600	\$402,300	-\$92,300
12 Personnel benefits.....	262,400	36,200	28,500	-7,700
21 Travel and transportation of persons.....	194,500	57,700	57,700	
22 Transportation of things.....	7,500	1,800	1,800	
23 Rent, communications, and utilities.....	99,600	42,900	42,900	
24 Printing and reproduction.....	198,500	16,500	16,500	
25 Other services.....	1,309,400	40,100	40,100	
Services of other agencies.....	2,100,000	26,900,000	26,900,000	
26 Supplies and materials.....	75,700	12,800	12,800	
31 Equipment.....	31,100	33,200	33,200	
Total obligations.....	7,794,000	27,635,800	27,535,800	-100,000
Working capital fund items included above.....	(273,700)	(52,000)	(52,000)	

Summary of changes

	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
1966 appropriation or estimate.....	\$7,794,000	\$7,794,000	
1966 revised.....	35,429,800	35,329,800	-100,000
Supplemental estimate.....	27,635,800	+27,535,800	-100,000
Program items:			
Increases:			
To provide for experimental and demonstration, labor mobility and trainee bonding projects under title I of the amended Manpower Development and Training Act. Experimental and demonstration projects previously had been included under title II of the Manpower Development and Training Act:			
Experimental and demonstration projects.....	20,000,000		
Mobility projects.....	5,000,000		
Trainee bonding projects.....	200,000		
	+25,200,000	+25,200,000	
To provide for expansion of manpower research program under title I of the Manpower Development and Training Act from a level of \$2,100,000 to \$3,800,000.....	+1,700,000	+1,700,000	
To provide for the administration of the expanded experimental and demonstration and research programs and for the evaluation of the new aspects of the Manpower Development and Training Act program (8 positions, \$82,800; nonlabor, \$33,200).....	+116,000	+96,000	-20,000
To provide for the continuation of the administration of the Area Redevelopment Act training programs which have been transferred to the Manpower Development and Training Act under the amendments to the act:			
Research, planning, evaluation (9 positions, \$102,100; nonlabor, \$27,300).....	+129,400	+129,400	
Financial and management services (1 position, \$9,900; nonlabor, \$2,100).....	+12,000	+12,000	
To provide for contract and audit services for the on-the-job training, experimental and demonstration, and research programs (30 positions, \$226,500; nonlabor, \$108,900).....	+335,400	+281,400	-54,000
To provide for an executive Secretary and his secretary for the President's Committee on Manpower established by the President by Executive Order 11152 (2 positions, \$27,600; nonlabor, \$6,400).....	+34,000	+28,000	-6,000
To provide in the Office of the Manpower Administrator for the leadership and coordination of the President's job development program and to provide needed assistance in the coordination of the Department's manpower programs (6 positions, \$81,900; nonlabor, \$27,100).....	+109,000	+89,000	-20,000
Total change.....	+27,635,800	+27,535,800	-100,000

Activity 1. Experimental, demonstration, and research programs

1966 appropriation.....	\$2,100,000
1966 supplemental estimate.....	26,900,000

NARRATIVE DESCRIPTION OF PROGRAM

This activity provides for the direct program costs for the experimental, demonstration, and research programs called for under title I of the Manpower Development and Training Act of 1962 as amended by the Manpower Act of 1965, Public Law 89-15. Only the direct contract and/or grant costs are included in this activity. Federal staff and administrative costs related to these programs are included under "Activity 2. Planning, research, and evaluation" and "Activity 3. Financial and management services."

Under title I of the act, the Secretary of Labor is directed to "establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meet-

ing the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups."

Title I provides, in addition, for the development of pilot projects in various geographical areas "to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses." In carrying out these projects, assistance, in the form of grants or loans or both, is provided to involuntarily unemployed individuals who cannot be expected to secure full-time employment in the community in which they reside.

A trainee placement assistance or bonding program is provided under title I to assist persons seeking employment or trainees completing training to whom employment is denied because of difficulty in securing bonds indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. Under their experimental and demonstration program the Secretary of Labor may make payments to or contracts with employees or institutions authorized to indemnify employers against such losses.

Title I also calls for a comprehensive manpower research program to develop the additional information and insight needed to guide effective improvement in manpower policies and programs. Research is directed toward appraising manpower requirements and resources, problems of unemployment resulting from automation and technological change, mobility of workers, adequacy of manpower development efforts, utilization of manpower resources, and such research and investigations which give promise of furthering the act. The research program is conducted through contracts or grants with universities, individuals, non-profit organizations, and other governmental agencies.

SUPPLEMENTAL ESTIMATE, 1966

The 1966 appropriation provided \$2,100,000 for the contractual research programs based upon the MDTA legislation prior to the enactment of the Manpower Act of 1965, Public Law 89-15. The appropriation also included \$8 million for the experimental and demonstration program under the "Manpower development and training activities" appropriation, since the program was included under title II of the act prior to the amendments.

In summary, the estimate for this activity is as follows:

Experimental and demonstration program-----	\$20,000,000
Labor mobility program-----	5,000,000
Research program-----	1,700,000
Trainee bonding program-----	200,000
Total-----	26,900,000

EXPERIMENTAL AND DEMONSTRATION PROGRAM

The experimental and demonstration manpower program to date has concentrated primarily on experimenting with and demonstration techniques for reaching and helping to train, or to make trainable, members of disadvantaged worker groups who otherwise would not be able to participate in and benefit from MDTA, skill training. Individual projects designed for target worker groups—low-income rural workers, including migrants; mental retardates; Indians; members of other minority groups; and particularly underprivileged youth and older workers—have clustered in the following training and training-related areas:

Recruitment.—Identifying the disadvantaged unemployed individual and "reaching" those who cannot or at any rate do not avail themselves of the traditional counseling, testing, and placement services offered by the State employment security agencies.

Selection.—Intelligence and ability testing, including nonverbal test situations, work tryout methods, in-depth counseling, and self-selection.

Motivation.—Initial encouragement and continuing stimulus through intensive counseling, on both an individual and group basis; work therapy; involvement of spouse, family, and peer group leaders.

Job development.—Use of employer contact committees, industrial relations personnel, and saturation canvassing; identification of newly emerging

jobs (especially in services); and use of OJT subcontracting to find job opportunities for the client group.

Training.—New patterns of remedial training, including basic education, labor force orientation, work familiarization, and tailor-made prevocational training.

The experimental and demonstration manpower program, conducted up to the present under the general authority in title II, has resulted in significant breakthroughs in several areas dealing with the human renewal of disadvantaged persons. Illustrative of experimental and demonstration pioneered techniques which have been made operational on a wide scale are youth opportunity centers, MDTA multioccupational projects in which training is provided in several different occupations for persons with various potentialities and special training needs who cannot initially determine an occupational objective, a work tryout method of vocational exploration and individual evaluation; and on-the-job training subcontracting procedure, and the use of supervised work crews to orient youth of the world of work.

Many other promising innovations are still in the experimental or demonstration stages including individual self-selection for remedial programs, prerelease occupational preparation of youth inmates of correctional institutions, skill development of the mentally retarded, and the occupational training and employment of former juvenile offenders.

While the program has thus far been limited to conceiving and proving out novel approaches to skill training and related activities, in 1966 the focus of experimentation will be enlarged and redirected to encompass problem areas encountered in all sectors of the comprehensive manpower program. This would include experimentation to develop new techniques, methods, and concepts to cope with the training and employment problems of such groups as the economically and culturally disadvantaged, minority racial groups, migrant farmworkers, the mentally or physically handicapped youth, older workers, and workers in declining industries or chronically depressed areas. In order to keep the regular operating programs of the Manpower Administration responsive to the ever-changing needs of the Nation's workers and economy, the development and operational testing of program innovations will be organized through formal planning arrangements to identify and invent ways of dealing with emerging problems across the whole gamut of manpower activities.

Within the broadened authority of the title I amendments, experimental and demonstration projects undertaken in 1966 will be more explicitly designed for channeling new techniques into regular manpower programs and for checking out new ideas for meeting problem situations which may require additional legislation.

The experimental and demonstration program in 1966 will—

1. Include projects designed to explore the training and employment problems of youth, older workers, the physically and mentally handicapped, minority group members, including Indians, agricultural migratory workers, and the urban and rural poor. Such work will seek to improve methods of evaluating the capacities and remediation needs of the disadvantaged, providing the training or motivational inputs required, and placing them successfully in jobs.

2. Develop and demonstrate innovations in manpower programing administrative structures. As one example of planning better utilization of Federal and State resources under existing manpower legislation, experience will be gained with the effectiveness of a State manpower commission in rationalizing and developing cohesive plans for meshing statewide manpower programs. Other projects will test out techniques and methodologies for building newly won insights into operating agencies' working procedures. Experimental work will be explicitly directed toward improving the structure of the job development effort, through exploring ways to introduce jobless workers into entrepreneurship, and devising operating techniques through which to identify and organize the substantially unfilled and largely inarticulated demand in service and service-related fields to provide continuity of employment to those presently unemployed who can be trained for such work.

3. Demonstrate the effectiveness of newly evolved program applications in new cultural environments. Many of the successful new techniques, such as work tryout, nonverbal testing devices; supervised work crews; use of indigenous neighborhood workers as recruitment resources; and methods of

evaluating occupational potential of youths, were pioneered in the large metropolitan area in the northeastern part of the country and on the west coast. The incorporation of such innovations into operating programs in other regions has not been wholly satisfactory. In order to exhibit the benefits which result from the use of new methods and to confirm their applicability in different cultural circumstances characteristic of the various regions of the Nation, demonstration projects, with needed modifications, will be undertaken where assimilation of new techniques has been slow.

4. Extract and distill the learning experience of all experimental, developmental, and demonstration projects conducted. A primary goal in the 1966 program is to design and organize the E. & D. experience systematically so that the full cumulative benefit of all related projects will be brought to focus on modifying existing operating techniques. Included in this objective is the detailed documentation and dissemination of project results, positive and negative, for the information and guidance of public and private organizations working in the field.

The supplemental estimate for experimental and demonstration projects is \$20 million. Since this program previously was included under the MDTA estimate, it represents an increase of \$20 million in this appropriation. However, the 1966 appropriation provided \$8 million in MDTA so that the actual program increase over the appropriation is \$12 million.

LABOR MOBILITY PROGRAM

The labor mobility pilot program has been developed to gain experience in a variety of geographic areas with varying groups of unemployed workers. The intent has not been simply to move the maximum number of unemployed workers but rather to gather information on unemployed workers' interest in relocation, the feasibility of matching workers and jobs in meaningful numbers, organizational difficulties, and the discovery of useful means of overcoming obstacles to relocation. Sixteen projects to move up to 2,500 unemployed workers and their dependents have been developed in fiscal year 1965 at an estimated cost of almost \$3 million; 11 of the projects are being conducted by State employment security agencies and 5 are being conducted by private organizations (3 universities, 1 nonprofit foundation, and 1 national social welfare nonprofit association).

These initial projects have been undertaken in various geographic areas. Some projects focus upon unemployed workers with particularly disadvantaged age, skill, or social characteristics. Other projects work with a general cross section of the unemployed. Each project seeks to work only with a limited number of potential relocatees. The majority of the relocations are intrastate. However, particularly for those workers with specific skills or for those workers who live near a State border, interstate relocations are being experimented with as well.

The 1965 projects were authorized to provide relocation financial assistance either in the form of grants up to 50 percent of the moving expenses incurred by the mover for his family and household effects, loans up to 100 percent of the expenses, or a combination of grants and loans not to exceed 100 percent of such expenses. These loans are provided on a noninterest basis.

The amendments contained in Public Law 89-15 extended the labor mobility pilot project program for an additional 2 years since the initial project experience would not provide as wide a base of experimentation and experience as desirable for determining the desirability, nature, and scope of any possible broad-scale relocation program.

The amendments also provide for additional flexibility in financial aid. They remove the 50-percent restriction on grants and, in addition, authorize grants to meet expenses other than those incurred in the actual moving of family and household effects. They also authorize loans on an interest basis to experiment with aiding the meeting of extraordinary relocation expenses. The Secretary of Labor is directed to prescribe the conditions under which grants and loans will be made.

The amendments authorize a maximum of \$5 million for the relocation pilot project program in 1966. This sum is requested to enable the development of projects in other and new types of areas, to aid additional types of worker groups, and to use other types of experimental approaches. It has not been possible to conduct projects in all major geographic regions or for many different types of unemployment concentrations. The feasibility of using different types of

organizations, perhaps including unions and private business firms, will be explored. Many agencies, public and private, have expressed interest in undertaking such projects, and could focus on areas and groups for which effort is desirable. In 1965, however, these agencies were not ready to proceed. Pilot efforts with a greater variety and cross section of unemployed workers in the mainstream of the labor force will thus be made possible for the 1966 program.

The 1966 appropriation provided no funds for labor mobility projects since no legislative authorization existed for the program at the time the original estimate was prepared. The supplemental estimate of \$5 million, therefore, is an increase of \$5 million over the 1966 appropriation.

TRAINEE BONDING PROGRAM

The trainee placement assistance demonstration program will provide whatever funding may be required to cover suitable trainees with fidelity bonds which protect their employers. It is intended that by demonstrating the trustworthiness of rehabilitated trainees, employers will be stimulated to accept them and to facilitate their reentry into the normal working life of their country. In recognition of the fact that the restitution of such individuals to full participation in society and its work is much to be desired, both to recapture the product of their labors and to remove their compulsion to commit further acts against society, the Congress explicitly directed that such an experimental program of assistance to trainees aimed at demonstrating their reliability as workers be planned and operated. House Committee Report No. 170 urges that program direction stress the need "to help meet the cost of securing bonds for persons with police records who have successfully completed MDTA training courses, but whom employers are unwilling to hire unless bonding can be provided." Past experience has shown that in the few cases in which the experimental and demonstration program was able to persuade employers to hire some members of the disadvantaged unemployed who have received skill training, the trustworthiness and value as workers of these people has been proven. Inasmuch as it has been virtually impossible for employers to obtain commercial fidelity bonds on people with a police record, many occupations and employment opportunities in positions of moderate trust have been virtually closed to these rehabilitated workers.

In the preliminary planning presently underway it has become apparent that there is little experience on which to base the programming of this activity. Commercial companies do not write bonds to cover individuals in the "high risk" category. Therefore, they do not have an actuarial base for projecting loss and cost patterns which might be expected in bonding this group.

Since losses and servicing costs associated with bonding of the normal clientele appear to run something under one-half of premiums which in turn approximate 1 percent of the face value of the bonds it is not unreasonable to estimate that losses under the demonstration program might go as high as 2 percent of the face value of the bonds. On this premise it is estimated that \$200,000 should provide experience and demonstration on the bonding of some 4,000 trainees. This assumes an average face value on the bond of each trainee of \$2,500.

The supplemental estimate provides \$200,000 for trainee bonding, the amount authorized by the act. Since this is a new provision in the act, the 1966 appropriation provided no funds for this program.

RESEARCH PROGRAM

In amending the Manpower Development and Training Act in April of this year, the Congress provided for the expansion of the research programs under title I. In commenting upon the need for expanding the research program, House Report No. 170 stated, "Second, the Nation's manpower research capability and efforts must be materially expanded to develop the additional information and insight needed to guide effective improvement in manpower policies and programs. The efforts already initiated under the modest research program provided under the original MDTA have been exceedingly useful and promising. They have identified the high potential contribution of enlarged research investment—and have established a good base for the needed expansion."

In enacting amendments, Congress in addition to providing legislative authority for an expansion of the research program also provided explicit authority to make research grants in addition to existing authority for research contracts.

The 1966 appropriation provided \$2,100,000 for contractual research. The supplemental estimate provides an additional \$1,700,000 for contractual and grant research.

By increasing the external research budget from \$2,100,000 to \$3,800,000 in 1966, the research program will be strengthened by providing \$1,200,000 for grants, and the contractual research funds will be increased from \$2,100,000 to \$2,600,000 thereby enabling the funding of worthwhile projects which could not be pursued at the \$2,100,000 level. Under the \$2,100,000, priorities for research had to be restricted to the more obvious manpower problems and to those problems which could yield information and knowledge in a relatively short period of time with only a small investment of budgeted funds. Many of the more basic manpower problems, which would require far larger sums of money, could not be explored. The estimated 1966 research program is distributed as follows:

A. Research grants

Research grants will be used for the following purposes:

1. To develop additional high-quality personnel trained in manpower research through the support of outstanding graduate candidates in their research for their dissertations.

2. To assist and encourage younger scholars to undertake exploratory and developmental research in new manpower areas.

3. To support the research efforts of established scholars so that they can train and attract younger research personnel to the manpower field through experience gained on research projects.

4. To support exploratory research which may lead to the development of new fields of inquiry, new methods of approach to areas already being studied, and development of research designs for further studies.

5. To support research projects for which the administrative burdens of contracting are unduly burdensome and expensive.

6. To provide flexibility for research so that the researcher can change to new directions as a result of his preliminary results.

7. To develop project ideas preliminary to negotiation of a contract.

8. To provide continuing relationships with a number of academic institutions which will enable them to:

- (a) Pool the efforts of scholars from different disciplines;

- (b) Conduct extended training programs for manpower researchers; and

- (c) Develop capabilities for research on regional manpower problems.

Under item number 8, the Department will initiate plans for establishing long-term relationships, such as financing manpower research centers, with one or several universities. House Report No. 170 specifically indicated its approval of such research centers.

B. Contractual research

In calendar year 1964, almost 200 research project proposals were received. In aggregate these projects had tentative budgets of about \$21 million. Contracts were actually negotiated on only about a fifth of these proposals, for about a tenth of the total funds sought. The Research Office has been unable to fund many worthwhile projects because the legislative authorization under the act prior to the 1965 amendments limited the funds for research. Thus, many research projects which could have contributed knowledge and suggested policy for programs could not be supported.

The contractual research program, the experimental and demonstration program and the experience gained during the operation of the Manpower Act have all contributed new research ideas and have underscored the complexity of social and economic problems and the need for further investigation by specialists in the manpower research field. The additional \$500,000 requested for contractual research for 1966 will be used to respond to some of the problem areas uncovered by the preliminary research experience.

In addition to the research ideas flowing from the current programs, the Research Office has recognized the need for greater emphasis upon directed research and the establishment of priorities for research.

The following substantive areas represent some of the research fields identified as requiring high priority under an expanded contractual research program.

Manpower requirements and resources

Training.—Information has to be developed as to the relative achievements, limitations, and potentialities of various sources of occupational training. The contributions of different levels of the educational system, training institutions, apprenticeship programs, employers' on-the-job instruction, and the Armed Forces must be evaluated. Questions as to the forms of training (and income maintenance through training allowances for the unemployed and financial assistance on training courses for the employed) have to be explored in order to provide broad opportunity for "continuous training throughout life."

Job development for limited-skill manpower.—Research is needed to determine what types of new institutions and jobs can be created or encouraged to attract and usefully employ persons whose skills are limited by their lack of ability or experience. What problems bar the way to development of such employment opportunities, and what can be done to promote employment for such persons? To what extent is the task of creating such jobs different between the private and nonprivate sectors of the economy, and what are the implications of such differences?

Stimulation of employment growth.—Various kinds of public and private economic policies and demand-stimulating measures have effects on manpower requirements and employment. Much more needs to be known about how these relate to manpower needs and the requirements for manpower development.

Costs of underutilization of individuals.—Customary emphasis in cost-benefit research is on costs and returns of particular programs. It would be helpful to develop clearer measures of cost of failures to provide education, training, and employment. Such studies might measure unrealized income, and the costs of public assistance, unemployment benefits, and social service expenditures attributable to unemployment and underemployment.

Adjustment to technological change

Measurement of the extent and pace of automation and other technology in the Nation's economy.—New approaches are needed to measure the rate of technological change, to indicate whether it is accelerating, and, if so, where, how rapidly, and with what consequences. Statistical measures of trends in output per man-hour must be improved. Greater detail by industry is needed, such as might be provided by direct plant reporting on productivity, new technology, investment, and research and development.

Employment-generating effects of technological change.—Techniques are needed for identifying and evaluating the employment-generating effects of new technology, and of changes in the occupational structure due to these changes. Studies should be made to isolate and identify the short- and long-term employment-generating effects of technological change on employment levels, on industries, and on geographic regions and areas.

Activity 2. Planning, research and evaluation

1966 appropriation-----	\$4, 439, 200
1966 supplemental estimate-----	245, 400

NARRATIVE DESCRIPTION OF PROGRAM

This activity provides for the Federal administration of the planning, research, and evaluation activities of the Office of the Manpower Administrator. It coordinates and provides leadership for the activities of many agencies, public and private, concerned with the motivation and development of human resources through training programs. It provides continuous review and appraisal of approved programs and identifies and develops solutions, through experimental and demonstration programs, for the special manpower problems and needs of various groups of potential trainees. Techniques, methodology, and solutions to problems developed through such programs are injected into the mainstream of the manpower development programs of the Nation.

This activity provides for the preparation of the reports of the Secretary of Labor to Congress which the Manpower Development and Training Act requires and which contain the specified reports that include evaluation of the training programs, number of persons trained, number and types of training activities, number of unemployed or underemployed persons who have secured full-time employment as a result of such training and the nature of such employment, the need for continuing such programs, and recommendations for improvement of

the program. Also provided by this activity is the direction and promotion of programs of information and communication required to achieve the purposes of the act as well as for staff support and servicing of the National Advisory Committee created by the act.

This activity also provides leadership, coordination, and direction to the manpower and automation research program of the Department of Labor. It develops the plans for research and determines priorities for their conduct. It arranges for research by its own staff, by other bureaus of the Department, or by contract arrangements with other governmental agencies and with individuals or research organizations outside the Department. It seeks to stimulate the interest of the research community generally in manpower and automation research and to develop the Nation's research capabilities in the manpower field. It analyzes and synthesizes research results; prepares, publishes, and disseminates reports of research; and makes recommendations for new or revised manpower policies and programs based on research findings.

SUPPLEMENTAL ESTIMATE, 1966

The 1966 appropriation provided \$4,439,200 and 250 positions for this activity. The supplemental estimate is for an additional \$245,400 and 17 positions.

The increases basically are requested for the administration and implementation of the expanded experimental and demonstration and research programs discussed under "Activity 1, experimental, demonstration, and research" programs. Activity 1 provides for the direct program costs of contracts and/or grants.

The experimental and demonstration projects discussed under activity 1 are projected to increase from a level of \$8 million under the Manpower Development and Training Act appropriation to a level of \$20 million under the supplemental estimate. The expansion of the experimental and demonstration program will extend the scope of projects, heretofore limited to training activities, to experiment with other components of a comprehensive manpower program.

The contract and grant research program described under activity 1 projects an increase of \$1,700,000 over the 1966 appropriation, making a total 1966 level of \$3,800,000. The amendments to the act have not only provided for an expansion of the research programs but also provided explicit authority to make research grants. The supplemental estimate provides \$1,200,000 for research grants and research centers.

In order to develop, review, monitor, and evaluate the expanded experimental and demonstration projects and in order to plan and implement the expanded research program will require eight additional positions, four professional and four clerical, and \$116,000.

An increase of nine positions and \$129,400 over the appropriation is also requested to provide for the continuation of the planning and evaluation activities related to training projects in redevelopment areas. Since fiscal year 1962, these positions have been financed from the appropriations made for area redevelopment activities under Public Law 87-27, which expires on June 30, 1965. The 1965 amendments to the Manpower Development and Training Act incorporate the training programs previously authorized under the Area Redevelopment Act into the Manpower Development and Training Act. While the training program in redevelopment areas has been incorporated into the Manpower Development and Training Act, separate provisions under title II, part C, apply to the eligibility of Area Redevelopment Act trainees to receive allowances. The funds are exempt from the provisions requiring apportionment of the funds among the States. Therefore, the training programs in redevelopment areas will continue to operate as they did under the Area Redevelopment Act. The 1966 training programs in redevelopment areas are estimated to provide training for 15,000 trainees in contrast to the 11,000 to 12,000 estimated for 1965. In order to provide for the continuation of this program, the nine positions and \$129,400 which have been provided for these activities in the past are requested to be included under this appropriation.

In total for this activity, 17 positions and \$245,400 (\$184,900 personal services; \$60,500 nonlabor) are requested above the appropriation.

Activity 3. Financial and management services

1966 appropriation.....	\$1,102,600
1966 supplemental estimate.....	347,400

This activity provides for administrative staff support to the Manpower Administrator to assist him in the achievement of an integrated, national manpower program. It furnishes administrative and staff support services to the Office of Manpower, Automation, and Training in the budget, fiscal management, and administrative services areas, and provides centralized personnel services to all organizations of the Manpower Administration.

This activity provides for the administration of contracts entered into under the provisions of the Manpower Development and Training Act of 1962, as amended, including the processing, fiscal control, review and audit of these contracts. Under the provisions of the act contracts are entered into in three basic categories: (1) contracts for research; (2) contracts with employers and other organizations for providing on-the-job training; and (3) contracts for experimental and demonstration projects.

This activity provides also for the development, execution, and control of the MDTA appropriation, and for provision of apportionment and control of funds among the States.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided 77 positions and \$1,102,600. The supplemental estimate is for an additional 31 positions and \$347,400.

The recently enacted amendments to MDTA will have a direct and substantial impact upon the Office of Financial and Management Services. The 1966 MDTA program will result in a substantial increase in the on-the-job training program, the contractual research program, and the experimental and demonstration project program. In each instance, these programs are operated by means of contracts between the Federal Government and a wide variety of organizations—private employers, labor organizations, universities, public and private nonprofit organizations and individuals. Each contract must be carefully and completely processed to insure the proper expenditure of Federal funds. The Office of Financial and Management Services provides contracting service in the negotiation, review and processing of obligations and payments, and reconciliation of audit reports as well as providing auditing services to the program.

The 1966 MDTA program provides for the following estimated contract workload and dollar volume of contracts. It should be emphasized that the estimated number of contracts for the OJT program is a minimum figure. The OJT program is projected for 100,000 trainees and the experience to date is that the number of OJT trainees average somewhat less than 50 trainees per contract. Therefore, the 1966 estimate of 1,500 contracts is a conservative estimate.

[Dollars in millions]

Type of contract	Estimated number of contracts	Estimated dollar value
OJT.....	1,500	\$57
Research and E. & D. programs.....	200	29
Total.....	1,700	86

In the contract area a wide variety of services are provided. These include assistance in negotiation, review of contracts for conformity with procedures, regulations and allowable costs, standards and procedures development, obligation processing, review and reconciliation of audit reports and processing of payments. In addition to the review and assistance in negotiation of the estimated 1,700 contracts for 1966, an estimated 750 audit reports and exceptions will have to be reviewed during the life of the contract and before final payments can be made. In addition some 7,200 separate payments will have to be made. For these contracting functions 16 additional positions are required—7 professional and 9 clerical.

The 1,700 contracts estimated to be processed by the Office of Financial and Management Services will have a combined value of approximately \$86 million. The expenditure of Federal funds demands close and careful financial control. A

comprehensive preaudit and postaudit program must be developed and conducted in order to insure the appropriate expenditure of these funds and to provide a basis for determining the adequacy of the projects and their conformity to appropriate regulations from the inception of the project to the time of approval.

It is estimated that out of the 1,700 contracts anticipated to be executed in 1966, approximately 750 audits will have to be made in order to effectively monitor the legal obligation and expenditure of funds. It would be neither feasible nor economical to audit each contract, and, thus, only a given percentage of the contracts will be audited, with particular emphasis being placed upon the larger contracts. For this audit program 10 additional positions, 7 professional and 3 clerical, are required.

The sharp increase in the number of training projects in fiscal year 1966 will increase the volume of financial reporting. Financial information regarding obligations and expenditure of funds for each project must be collected and prepared for machine processing and analysis. The 1965 amendments with respect to State apportionment provisions will also increase the number of separate State and national accounts to be maintained. Financial information must be provided for all congressional and departmental reports on the status of the MDTA program. For these activities two additional positions are required—one professional and one clerical.

The Office of Financial and Management Services also provides technical advice and assistance to contractors in the acquisition of equipment to be used in particular projects, as provided in the contracts. A contractor's request for equipment is processed and excess Government property is obtained or arrangements are made with the General Services Administration to purchase equipment. In addition, records are maintained of equipment acquired by contractors and an inventory is taken upon termination of the contract. Because of this activity, the cost to the Government for training is considerably less than it would otherwise be. The increase in the number of contracts in 1966 will require one additional professional and one additional clerical position.

An increase of one position and \$12,000 over the 1966 appropriation is also requested to provide for the continuation of the Office of Financial and Management Services responsibilities related to training projects in redevelopment areas. Since fiscal year 1962 these positions have been financed from the appropriations made for area redevelopment activities under Public Law 87-27, which expires on June 30, 1965. The 1965 amendments to the Manpower Development and Training Act incorporate the training programs previously authorized under the Area Redevelopment Act into the Manpower Development and Training Act. While the training program in redevelopment areas has been incorporated into the Manpower Development and Training Act, separate provisions under title II, part C, apply to the eligibility of ARA trainees to receive allowances. The funds are exempt for the provisions requiring apportionment of the funds among the States. Therefore the training programs in redevelopment areas will continue to operate as they did under the Area Redevelopment Act. The 1966 training programs in redevelopment areas are estimated to provide training for 15,000 trainees in contrast to the 11,000-12,000 estimated for 1965.

In order to provide for the continuation of this program, the one position and \$12,000 which has been provided for these activities in the past are requested to be included under this appropriation.

In total for this activity 31 positions and \$347,400 (\$236,400 personal services; \$111,000 nonlabor) are requested.

Activity 4. Executive direction

1966 appropriation.....	\$152,200
1966 supplemental estimate.....	143,000

NARRATIVE DESCRIPTION OF PROGRAM

This activity provides for the executive direction, supervision, and coordination of the manpower programs of the Department of Labor by the immediate Office of the Manpower Administrator. The Manpower Administration and the position of Manpower Administrator were established by the Secretary of Labor in February 1963 to bring together into a single administration the manpower organizations and programs of the Department. This activity also provides for the President's Committee on Manpower established by the President in Executive Order 11152.

1966 SUPPLEMENTAL ESTIMATE

The 1966 appropriation provided 10 positions and \$152,500. The supplemental estimate is for an additional eight positions and \$143,000.

PRESIDENT'S COMMITTEE ON MANPOWER

On April 15, 1964, the President issued Executive Order 11152 establishing the President's Committee on Manpower, with the Secretary of Labor serving as Chairman of the Committee. Other members of the Committee are: the Secretary of Defense; the Secretary of the Interior; the Secretary of Agriculture; the Secretary of Commerce; the Secretary of Health, Education, and Welfare; the Chairman of the Atomic Energy Commission; the Director of the National Science Foundation; the Administrator of the National Aeronautics and Space Administration; the Chairman of the Civil Service Commission; the Director of the Selective Service System; and such other heads of Federal agencies as the President may designate.

The Committee is assigned the function of (1) assisting the Secretary of Labor in assessing the Nation's current and prospective manpower requirements and supplies, (2) developing recommendations to deal with current and prospective manpower problems, and (3) developing improved methods and programs for appraising national manpower needs and resources. In order for the Committee to function effectively, it is necessary that two full-time positions of an Executive Secretary and his secretary be provided. Accordingly, two positions and \$34,000 are requested for the President's Committee on Manpower.

OFFICE OF THE MANPOWER ADMINISTRATOR

One of the new amendments to the MDTA program enacted by the Manpower Act of 1965 directs the Secretary of Labor to develop and maintain a program of job development, primarily in the service trades. This provision was included to emphasize the need for imaginative efforts to create new jobs. The importance of this program was stressed by the President on February 1, 1965, when he announced the nationwide effort to develop new job opportunities in the service and related fields. The President assigned the responsibility for this program to the Secretary of Labor and the Secretary of Commerce. The Secretary of Labor has given the responsibility for coordinating the efforts of the job development program to the Manpower Administrator. To assist the Manpower Administrator in providing leadership and coordination of the job development programs two new positions are requested.

In addition, with the increase in scope and magnitude of the Department's manpower programs, it is essential that the Manpower Administrator be provided assistance in the direction and guidance of manpower programs. There is an urgent need for an executive officer to the Manpower Administrator to provide such assistance and to provide liaison with other Federal departments and agencies involved in the MDTA and other manpower programs. To meet this need an executive officer and a secretary are also requested.

There also is a need for additional secretarial and related administrative staff in the immediate Office of the Manpower Administrator. An administrative assistant and a second secretary are requested for the Manpower Administrator's Office.

In total, six positions and \$121,100 are requested for the Office of Manpower Administrator.

In total for this activity eight positions and \$143,000 (\$109,500 personal services; \$33,500 nonlabor) are requested above the House allowance.

SUMMARY OF NEW POSITIONS

Activity 2. Planning, research, and evaluation

DEPARTMENTAL	
1 GS-15 manpower officer.....	\$16,460
3 GS-14 manpower specialists.....	42,510
1 GS-6 secretary.....	5,505
3 GS-5 secretaries.....	15,000
Total (8).....	79,475

AREA REDEVELOPMENT ACTIVITIES—DEPARTMENTAL

1 GS-15 manpower development specialist.....	17,600
3 GS-14 manpower development specialists.....	46,430
2 GS-13 manpower development specialists.....	25,830
1 GS-6 secretary.....	6,615
2 GS-5 secretaries.....	10,330
Subtotal (9).....	106,805
Total (17).....	186,280

Activity 3. Financial and management services

DEPARTMENTAL

1 GS-14 contract specialist.....	14,170
3 GS-13 auditors.....	36,225
2 GS-12 auditors.....	20,500
2 GS-12 contract specialists.....	20,500
1 GS-12 accountant.....	10,250
1 GS-11 management assistant.....	8,650
2 GS-11 auditors.....	17,300
2 GS-11 contract assistants.....	17,300
2 GS-9 contract assistants.....	14,440
4 GS-7 voucher auditors.....	24,200
7 GS-5 secretaries.....	35,000
3 GS-4 clerks or typists.....	13,440
Total (30).....	231,975

AREA REDEVELOPMENT ACTIVITIES—DEPARTMENTAL

1 GS-12 manpower development specialist.....	10,250
Subtotal (1).....	10,250
Total (31).....	242,225

Activity 4. Executive direction

DEPARTMENTAL

1 GS-17 executive secretary.....	21,445
1 GS-17 assistant manpower administrator.....	21,445
1 GS-14 Manpower officer.....	14,170
1 GS-13 administrative assistant.....	12,075
1 GS-9 secretary.....	7,220
2 GS-8 secretaries.....	13,260
1 GS-7 secretary.....	6,050
Total (8).....	95,665
Grand total (56).....	524,170

BUREAU OF APPRENTICESHIP AND TRAINING, SALARIES AND EXPENSES

Senator PASTORE. We have an estimate for "Bureau of Apprenticeship, salaries and expenses" in the amount of \$413,000, for which the House allowed \$353,000, a reduction of \$60,000 for which the Department does not appeal for restoration. The material in support of the Department's budget estimate will be inserted in the hearings for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

BUREAU OF APPRENTICESHIP AND TRAINING, SALARIES AND EXPENSES

"For an additional amount for Bureau of Apprenticeship and Training, Salaries and Expenses, \$413,000."

Amounts available for obligation

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Appropriation or estimate.....	\$6,665,000	\$413,000	\$353,000	-\$60,000

Obligations by activity

Description	Appropriation, 1966		Supplemental estimate, 1966		House allowance, 1966		Change from supplemental estimate	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
1. Training promotion and service to industry.....	483	\$5,285,700						
2. On-the-job training.....	80	1,066,500	32	\$413,000	32	\$353,000		-\$60,000
3. Administration and management services.....	27	312,800						
Total obligations.....	590	6,665,000	32	413,000	32	353,000		-60,000

Obligations by object

	Appropriation, 1966	Supplemental estimate, 1966	House allowance	Change from supplemental estimate
Total number of permanent positions.....	590	32	32	
Average number of all employees.....	569	29	23	-6
11 Personnel compensation.....	\$5,123,700	\$283,800	\$228,000	-\$55,800
12 Personnel benefits.....	384,100	21,300	17,100	-4,200
21 Travel and transportation of persons.....	567,200	44,100	44,100	
22 Transportation of things.....	21,000	3,800	3,800	
23 Rent, communications, and utilities.....	186,900	26,000	26,000	
24 Printing and reproduction.....	105,000	9,200	9,200	
25 Other services.....	162,200	10,300	10,300	
26 Supplies and materials.....	78,100	2,700	2,700	
31 Equipment.....	36,800	11,800	11,800	
Total obligations.....	6,665,000	413,000	353,000	-60,000
Working capital fund items included above.....	(218,800)	(9,700)	(9,700)	

Summary of changes

	Supplemental estimate, 1966	House allowance, 1966	Change from supplemental estimate
1965 appropriation or estimate.....	\$6,665,000		
1966 revised estimate.....	7,078,000		
Total change.....	+413,000	+\$353,000	-\$60,000
Program items:			
Increases:			
To provide additional staff required to implement expanded on-the-job training programs to attain a level of 100,000 trainees from the original level of 60,000, as provided by the amendments to MDTA contained in Public Law 89-15 (30 positions, \$289,000 personal services; \$100,000 nonlabor costs).....	+390,000	+330,000	-60,000
To provide for the continuation of the administration of training programs in Area Redevelopment Administration areas by transferring positions previously funded by the ARA appropriation to the MDTA appropriation (2 positions, \$15,200 personal services; \$7,800 nonlabor costs).....	+23,000	+23,000	
Total change.....	+413,000	+353,000	-60,000

Activity 2. On-the-job training

1966 appropriation.....	\$1,066,500
1966 supplemental estimate.....	413,000

NARRATIVE DESCRIPTION OF THE PROGRAM

On-the-job training programs under the Manpower Development and Training Act are designed to equip workers with the basic skills needed for immediate and continuing employability, to provide remedial training for underemployed workers, and to provide special training opportunities for workers from problem groups including disadvantaged youth, handicapped, retarded, minority, and other hard to train and place workers. Working directly with employers, management associations, labor unions, and other applicant training groups and agencies, Bureau representatives evaluate training facilities and capabilities, prepare training plans and schedules, negotiate training project contracts, and inspect and review training in progress for compliance with standards and training contracts. Contracts are entered into only when they do not result in a reduction or replacement of existing training being conducted by the prospective project sponsor. Work at the plant level is supported by national level promotion and assistance to management and labor organizations to secure OJT contracts for the development of projects in affiliate units of the parent organization. Under reimbursement agreements, the Bureau arranges for provision of promotional and technical assistance services on OJT by State apprenticeship agencies. Normal program-supporting services of management, administrative service, information, State-Federal coordination, research, and statistics are included in this activity.

The first MDTA-OJT projects were approved near the close of the fiscal year 1963 after preliminary planning and development of procedures had been accomplished by a small headquarters staff. Through fiscal 1964, projects for 13,537 trainees were approved. With program resources to support 47 positions in fiscal 1965, the program has accelerated; by mid-June, projects to provide training for more than 42,000 trainees have been approved. The cost of training a person enrolled in an OJT project is relatively low; OJT trainees are wage earners, training allowances are reduced or not required, and facility instructional costs are low. OJT training offers the advantage of visibly relating the training given to the future job of the trainee. Preliminary studies in a sample of 2,400 OJT trainees show a remarkable low dropout rate and above 90 percent job retention by completed trainees.

EXPANDED OJT PROGRAM

Additional 30 positions, \$390,000

In enacting the amendments to the Manpower Development and Training Act, Congress reiterated its view that the OJT program should be expanded. For fiscal year 1966, the supplemental estimate will provide for a program level of 100,000 trainees, an increase of 40,000 over the level contained in the 1966 appropriation. The revised program goal is expected to be achieved with less than a directly proportionate increase in positions. For the expanded program proposed, personnel requirements will be increased by 30 positions.

With a successful experience in work with national associations, organizations, and multiple-plant corporations to secure (under prime contracts) the development of local projects among affiliate units, this operating method will be strengthened. A step-up in contracts with substantial number of trainee slots similar to those developed in the current year with Chrysler Motor Corp., American Hospital Association, National Machine Tool & Die Association, Douglas Aircraft, and others, will be obtained. Two professional and a supporting clerical position are provided for in the supplemental estimate for this purpose. To bring about an awareness in the industrial community of the on-the-job program, its objectives, and the assistance it may give in meeting the employer's training needs, information and publication activities will be expanded. The supplemental estimate will permit development of more complete program and trainee characteristic information for use in planning and evaluation. Updating of present OJT procedures will be undertaken with particular emphasis upon simplification of project costing, contracting, and negotiation requirements. For each of the latter, the supplemental estimate will provide one additional professional position, for a total increase of six positions for functions at departmental level.

A substantial number of the 40,000-trainee increase will be produced in the normal pattern of projects developed at the local level with individual industrial establishments and organizations, and by increased use of community development programs whereby contracts will be negotiated with responsible community groups who will promote training on a communitywide basis. In the latter, the Bureau staff will act as catalysts, approve contracts, and handle technical problems. The improved productivity rate assumed for the additional positions is expected to be achieved through improvements introduced in clearance and approval procedures, supporting national level promotion, and the availability of additional specific promotional and informational materials. The 18 additional field professional and 6 supporting clerical positions provided in the supplemental estimate for the expanded program will be stationed in regional office cities. The additional positions will make available for use throughout each region, a professional capability for dealing with the more complex program development problems, the more difficult contract negotiations, and are required to meet the added workload of project reviews and approvals at the regional level.

AREA REDEVELOPMENT ACTIVITIES

Additional two positions, \$23,000

An increase of two positions and \$23,000 over the House allowance are also requested to provide for the continuation of the Bureau of Apprenticeship and Training responsibilities related to training projects in redevelopment areas. Since fiscal year 1962, these positions have been financed from the appropriations made for area redevelopment activities under Public Law 87-27 which expires June 30, 1965. The 1965 amendments to the Manpower Development and Training Act incorporate the training programs previously authorized under the Area Redevelopment Act into the Manpower Development and Training Act. While the training program in redevelopment areas has been incorporated into the Manpower Development and Training Act, separate provisions under title II, part C, apply to the eligibility of ARA trainees to receive allowances. The funds are exempt from the provisions requiring apportionment of the funds among the States. Therefore, the training programs in redevelopment areas will continue to operate as they did under the ARA. The 1966 training program in redevelopment areas is estimated to provide training for 15,000 trainees in contrast to the 11,000 to 12,000 estimated for 1965. In order to provide for the continuation of this program the two positions and \$23,000 which have been provided for these activities in the past are requested to be included under this appropriation.

In total, 32 additional positions and \$413,000 above the 1966 appropriation are required for the expanded OJT program projected for fiscal 1966. Included in this amount are increases in personal services and benefits of \$305,100 for 32 positions. The estimate for equipment, supplies, transportation of things, and all other facilitating services for the additional positions is \$107,900.

Distribution of field staff

	Appropriation, 1966			Supplemental estimate, 1966		
	Professional	Clerical	Total	Professional	Clerical	Total
Atlanta, Ga.....	38	21	49	1		1
Boston, Mass.....	20	15	35	2	2	4
Chambersburg, Pa.....	38	27	65	3		3
Chicago, Ill.....	33	23	56	2		2
Cleveland, Ohio.....	32	23	55	2	1	3
Dallas, Tex.....	29	21	50	2	2	4
Denver, Colo.....	15	10	25	1	1	2
Kansas City, Mo.....	20	13	33	1		1
Minneapolis, Minn.....	15	10	25			
New York, N.Y.....	26	16	42	2		2
San Francisco, Calif.....	21	12	33	2	1	3
Seattle, Wash.....	16	12	28	1		1
Total.....	293	203	496	19	7	26

Summary of new positions

Activity 2. On-the-job training:

Departmental:

1 GS-14 manpower development officer.....	\$14,170
2 GS-13 national industry specialists.....	24,150
1 GS-12 information officer.....	10,250
1 GS-9 economist.....	7,220
1 GS-5 secretary.....	5,000
Subtotal (6).....	60,790

Field:

11 GS-13 manpower development specialists.....	132,825
7 GS-12 manpower development specialists.....	71,750
6 GS-6 secretaries.....	33,030
Subtotal (24).....	237,605

Area redevelopment activities:

1 GS-12 manpower development specialist.....	10,605
1 GS-4 clerk-stenographer.....	4,630
Subtotal (2).....	15,235

Total (32).....	313,630
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BUREAU OF EMPLOYMENT SECURITY, SALARIES AND EXPENSES

Senator PASTORE. We have for consideration an estimate for "Bureau of Employment Security, salaries and expenses" in the amount of \$881,200. The House allowed \$844,200, a reduction of \$37,000, for which the Department does not ask restoration. The material submitted in justification of the estimate will be included in the hearings for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

BUREAU OF EMPLOYMENT SECURITY, SALARIES AND EXPENSES

"For an additional amount for Bureau of Employment Security, Salaries and Expenses, \$881,200."

Amounts available for obligation

	Appropriation 1966	Supplemental estimate	House allowance	Change from supplemental estimate
Limitation or estimate.....	\$17,594,000	\$881,200	\$844,200	-\$37,000

Obligations by activity

Description	Appropriation, 1966		Supplemental estimate		House allowance		Change from supplemental estimate	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
1. Unemployment Insurance Service.....	294	\$3,842,000						
(a) Unemployment insurance.....	165	2,146,600						
(b) Administration and management.....	78	1,058,800						
(c) Regional offices.....	51	636,600						
2. U.S. Employment Service.....	844	10,415,600						
(a) U.S. Employment Service.....	296	3,834,800						
Regional offices.....	151	1,867,100						
(b) Farm Labor Service.....	101	1,085,100						
Regional offices.....	76	861,700						
(c) Veterans Employment Service.....	141	1,708,000						
(d) Administration and management.....	79	1,058,900						
3. Administration and management.....	103	1,176,400						
(a) Office of the Administrator.....	35	448,000						
(b) Administration and management.....	68	728,400						
4. Manpower Development and Training Activities.....	123	1,702,000	72	\$881,200	72	\$844,200		-\$37,000
5. Farm labor contractor registration activities.....	26	458,000						
(a) State administration.....		165,000						
(b) Federal administration: Bureau of Employment Security.....	26	293,000						
Office of Solicitor.....								
Total obligations.....	1,390	17,594,000	72	881,200	72	844,200		-37,000

Obligations by object

	Appropriation, 1966	Supplemental estimate, 1966	House allowance on supplemental	Change from supplemental estimate
Total number of permanent positions.....	1,390	+72	+72	-----
Average number of all employees.....	1,317	+79	+76	-3
11 Personnel compensation.....	\$13,016,000	+\$689,300	+\$654,900	-\$34,400
12 Personnel benefits.....	975,100	+46,600	+44,000	-2,600
21 Travel and transportation of persons.....	1,058,300	+67,500	+67,500	-----
22 Transportation of things.....	34,100	+400	+400	-----
23 Rent, communications, and utilities.....	635,600	+32,700	+32,700	-----
24 Printing and reproduction.....	322,400	+9,300	+9,300	-----
25 Other services.....	1,149,000	+21,100	+21,100	-----
26 Supplies and materials.....	190,200	+7,000	+7,000	-----
31 Equipment.....	48,300	+7,300	+7,300	-----
41 Grants, subsidies, and contributions.....	165,000	-----	-----	-----
Total obligations.....	17,594,000	+881,200	+844,200	-37,000
Working capital fund items included above.....	(787,500)	(+58,400)	(+58,400)	-----

Summary of changes

	Supplemental, 1966	House allowance on supplemental	Change from supplemental estimate
1966 appropriation.....	\$17,594,000	\$17,594,000	-----
1966 estimate, revised.....	18,475,200	18,438,200	-\$37,000
Supplemental.....	+881,200	+844,200	-37,000
Program items:			
Increases:			
To provide additional staff to carry out the Manpower Act of 1965, 18 positions; \$177,800, personal services; \$59,200, nonlabor costs.....	+237,000	+200,000	-37,000
To provide additional staff formerly assigned to Area Redevelopment Act functions to Manpower Development and Training Act, 54 positions; \$412,800, personal services; \$26,300, nonlabor costs.....	+439,100	+439,100	-----
To provide for the Federal administration costs of the counselor aid training program, 41 temporary positions; \$145,300, personal services; \$59,800, nonlabor costs.....	+205,100	+205,100	-----
Total change.....	+881,200	+844,200	-37,000

Activity 4. Manpower development and training activities

1966 appropriation.....	\$1,702,000
1966 supplemental estimate.....	881,200

NARRATIVE DESCRIPTION OF PROGRAM

The Bureau of Employment Security provides through the State employment security system for the operating programs necessary to carry out the MDTA activities assigned to State employment security agencies. The Bureau exercises leadership, direction, coordination, and control throughout the Federal-State system. It provides the operating instructions and procedures for determining locally the specific occupations for which training should be undertaken; for the testing, counseling, selection, referral, and placement services subsequent to training to be furnished unemployed and underemployed workers by the local offices; and for making payments of trainee allowances, subsistence, and transportation. The Bureau works closely with the U.S. Office of Education, Department of Health, Education, and Welfare, on all matters related to institutional training. The Bureau has been delegated the Secretary of Labor's responsibility for Federal review and approval of proposed institutional training programs. The Bureau also collaborates with the Bureau of Apprenticeship and Training on matters requiring State employment security agency participation in the development of on-the-job training.

The Bureau's regional offices provide direct technical assistance to States in conducting skill surveys, in training project identification and development, in the counseling, testing, selection, and referral of unemployed workers to training and in the maintenance of necessary records and reports. Regional representatives, jointly with the Department of Health, Education, and Welfare and the Bureau of Apprenticeship and Training review and approve training projects.

With the 1965 amendments to MDTA, Bureau responsibilities will increase in the areas of job development and labor mobility.

1966 SUPPLEMENTAL ESTIMATE

The fiscal year 1966 appropriation is increased by 72 positions and \$881,200 (personal services cost, \$735,900; and nonlabor costs, \$145,300). The increase provides 18 positions and \$237,000 for new and expanded workload resulting from the MDTA Amendments of 1965, 54 positions and \$439,100 to carry out responsibilities formerly assigned by the Area Redevelopment Act and now incorporated into MDTA, and \$205,100 for conducting the counselor-aid training program.

NEW AND EXPANDED WORKLOAD RESULTING FROM MDTA AMENDMENTS (18 POSITIONS AND \$237,000)

JOB DEVELOPMENT

Additional seven positions, \$85,000

Increased emphasis on service occupations requires development of special procedures and techniques related to training for such occupations. These include pilot programs to test approaches to the expansion of employment in existing service occupations and promoting the introduction of new community support for the development of service jobs. Opportunities must be exploited to upgrade occupations which do not at present offer good employment possibilities in order to create interest among workers for training. Technical assistance will be provided in the identification of specifications and requirements for unfilled service jobs. New techniques and methods will also be developed for the application of a standardized testing program to assist in identifying candidates with potential for training and employment in service occupations.

In collaboration with regional and State agency farm units, and in correlation with allied training activities, plans and procedures will be developed for promoting liaison with appropriate farm and trade organizations, universities, and State agricultural colleges for the development of professional and semi-professional job opportunities in agricultural, horticultural, and associated occupations.

Technical assistance will be given to State agencies in devising improved methods and procedures in job development related to the new relocation provisions. These efforts will be directed heavily toward former agricultural migrants, intrastate and interstate, and will involve revival, improvement, and use of State inventories of job opportunities, especially adjusted to agricultural and related occupations.

Requirements to carry out the job development program in the national office will total seven additional positions—six professional and one clerical, \$85,000 (\$68,100 personal services, \$16,900 nonlabor costs).

LABOR MOBILITY

Additional six positions, \$77,000

Under the amendments, the labor mobility program will be expanded substantially in fiscal years 1966 and 1967. Experience from the 16 projects conducted in fiscal year 1965 will be translated into improved procedures for additional projects. In addition, some of the projects currently underway will be extended.

Development of pilot programs requires intensive technical guidance and coordination, as well as analysis and evaluation of experience. The programs also require close working relations with other agencies, both government and private, and with individual projects directors.

Development of training activities in connection with the mobility projects will require extensive individualized service tailored to the special needs of persons in each project. Also, training activities will require close followup and coordination, since training may take place in one area and placement in another, and in some instances an individual may receive training in two different areas.

To accomplish the foregoing activities will require five additional positions in the Employment Service.

The Unemployment Insurance Service will require an additional position to revise and expand current procedures and forms for the payment of relocation assistance allowances, review State agency-written procedures for conformity with Federal law and recommend procedures, review and comment as necessary on proposed projects submitted by State agencies, and assist the State agencies as necessary to install procedures and train personnel.

Expansion of the labor mobility program in total will require six additional positions—five professional and one clerical and \$77,000 (\$58,200 personal services; \$18,800 nonlabor costs).

FINANCIAL ADMINISTRATION

Additional, five positions, \$75,000

Implementation of the amendments will create an expanded workload in the financial administration area. Labor mobility demonstration projects which are just beginning in 11 States: California, Illinois, Indiana, Minnesota, Kentucky, Missouri, Montana, New York, Utah, Virginia, West Virginia—these projects will be extended to other States in the coming months, and will require separate funding and accounting for administration and allowance funds. Current plans include projects in Wisconsin, Mississippi and Pennsylvania. Studies are under way to extend the programs in Tennessee, Texas, Georgia and others. Although each project is initiated in a particular State in which there are unemployed workers who cannot find jobs locally, the relocation of the workers may be in any State. Thus, there will be expenditures in the "supply" State and in the "demand" State necessitating complex records to insure that funds are properly accounted for and that the various objects of expenditures are identified.

The Bureau and State agencies will be entering into an entirely new area of responsibility in bonding certain trainees who are referred to employment administration and management, in addition to maintaining special cost figures on bonding will be required to consult with regional offices, State agencies, and probably insurance companies in developing the most effective bonding operations in connection with the amendments.

The changeover provided by the 1965 amendments from fiscal year obligation of allowances to obligation of the entire projects costs at the time of approval will result in changed concepts of accounting. When the total costs are obligated at the beginning of the projects so that amounts which are now contingent charges against future fiscal years become charges against the year in which the project is approved, it will be mandatory to keep the current level of obligation of funds to the irreducible minimum. Very close attention will have to be put on analysis of State methods of obligation requiring constant communication with the States.

To provide fiscal information on the MDTA program for management purposes, the Bureau has begun a conversion of related manual operations to mechanized accounting procedures. There is a need for information to provide a basis for keeping abreast of allocations, obligations, accomplishments, and balances, so that unneeded amounts can be released for reallocation to added new projects. The MDTA amendments will require a reprogramming of all operations relating to allowance payments accomplished thus far, as well as new mechanized programs to accommodate the fiscal management implications in the amendments related to redevelopment areas, labor mobility projects, and bonding. The mechanization of fiscal accounting requires system analysis and programing activities.

To carry out the financial administration responsibilities under the amendments, administration and management will require five additional positions—four professional and one clerical and \$75,000 (\$51,500 personal services; \$23,500 nonlabor costs).

TRANSFER OF AREA REDEVELOPMENT TRAINING ACTIVITIES

Additional, 54 positions, \$439,100

An increase of 54 positions and \$439,100 over the appropriation is requested to provide for the continuation of the administration of the Bureau of Employment Security's responsibilities related to training projects in redevelopment areas. Since fiscal year 1962 these positions have been financed from the appropriation made for area redevelopment activities under Public Law 87-27 which expires June 30, 1965. The 1965 Amendments to the Manpower Development and Training Act incorporate the training programs previously authorized under the Area Redevelopment Act into the Manpower Development and Training Act. While the training program in redevelopment areas has been incorporated into the Manpower Development and Training Act, separate provisions under title II, part C, apply to the eligibility of ARA trainees to receive allowances. The funds are exempt from the provisions requiring apportionment of the funds among the States. Therefore, the training programs in redevelopment areas will continue to operate as they did under the Area Redevelopment Act. The 1966 training programs in redevelopment areas are estimated to provide training for 15,000 trainees in contrast to the 11,000 to 12,000 estimated for 1965.

In order to provide for the continuation of this program, the 54 positions—33 professional and 21 clerical and \$439,100 (\$412,800 personal services; \$26,300 nonlabor costs) which have been provided for these activities in the past are requested to be included under this appropriation.

COUNSELOR AID TRAINING PROGRAM

Additional, 41 temporary positions, \$205,100

The supplemental estimate includes \$205,100 for the fiscal year 1966 Federal administration costs of a program to train counselor aids and thereby help alleviate the critical shortage of trained counselors. This shortage is one recognized not only by the Department of Labor but also by the Nation's educational leaders, by Members of Congress as evidenced in a recently published report by the House Select Subcommittee on Labor, and by the administration. The 1965 Manpower Report of the President states:

"Shortages of personnel in the counseling profession have been intensified in the past 2 years—by the new educational and training legislation, the war on poverty, and the other new and expanded Government programs, as well as mounting school enrollments. The need for additional counselors is likely to become even more acute in the next few years unless there is a very sharp increase in the numbers of new entrants into the profession."

The shortage of trained counselors cannot be met by existing counselor education programs. These are lengthy, requiring in nearly all cases, a master's degree or similarly advanced accomplishment. During the year 1964, 4,500 persons received master's degrees in counseling and guidance and 117 were awarded doctor's degrees. This is a ratio of seven graduates for each educator in counseling and guidance. Most of these graduates became school counselors. Inasmuch as today's dire need for counselors was unforeseen 2 or 3 years ago and was grossly underestimated even a year ago, present efforts to meet the need are inadequate and late. In addition, counseling of the disadvantaged is a new field of specialization, requiring skills and techniques that have to be fully defined. This means that new curriculums will have to be planned and new course content developed, in order to devise appropriate courses of training for this type of counseling.

During the summer of 1964, in anticipation of the need for staffing youth opportunity centers, the Bureau of Employment Security developed in cooperation with 27 universities, a program of intensive training to be financed from the Manpower Development and Training Act. The program was called Project CAUSE, signifying "counselor-adviser university summer education." The CAUSE training program pointed the way toward a partial solution of the counselor shortage. To quote again from the 1965 Manpower Report of the President:

"The Department of Labor program of training counselor aids and youth advisers during the summer of 1964 and the current employment of these aids and advisers in the new youth opportunity centers provide an illustration of a pioneering effort in this area. The experience in training and utilizing these aids (and advisers) will be carefully evaluated. It is hoped that it may provide guidelines to efforts of similar kind in counseling and other fields."

Because it took advantage of available university facilities in the summer of 1964, Project CAUSE undoubtedly saved a year in helping relieve the critical shortage of counseling personnel. Not only has Project CAUSE doubled the number of counseling personnel with college degrees in the employment service, but it has provided trained staff in time for the opening of youth opportunity centers approved in fiscal year 1965. One of the direct effects of CAUSE was that it trained 1,724 persons for jobs who had been unemployed at the start of training. Well over a thousand have been hired for work in youth opportunity centers and other manpower programs of the employment service and most of the rest found jobs in other youth programs.

The principal reason that counselor aids and youth advisers were trained by Project CAUSE in 1964 was to meet the urgent present and prospective demand for qualified staff to help disadvantaged young persons achieve parity in the Nation's economy. CAUSE was designed not to supply fully trained counselors, but to provide persons sufficiently skilled in the techniques of counseling to establish the rapport necessary to channel disadvantaged young persons into opportunities that could give them another chance at life. Of the 21,993 persons who took the examination for CAUSE, 3,497 were invited to participate in the training. Of these, 1,901 accepted and arrived at the universities and colleges. Of the 1,832 who completed the training, 1,724 as noted above, were certified as either counselor aids or youth advisers.

Further, the project has directed the attention of the professions and the training agencies to the field of counseling with the disadvantaged, and it has provided the precedent for institutionalizing this kind of training. The use of on-the-job training encouraged the institutions and professors to work closely with other agencies and demonstrated the immense value of providing practical training to counselor students. The experience gained through the operation of Project CAUSE will be invaluable in the conduct of future programs of this type.

A second program of the Project CAUSE type began in April 1965. It was planned that 2,520 persons would be trained at 35 to 40 universities. Those eligible for training were:

1. The unemployed—both the new unemployed and those who are already identified with the labor force.
2. Those who have already met State civil service or merit system requirements, including examination requirements and who are on State lists or register of eligibles.
3. Those who are presently employed by a State agency and who wish to transfer to a youth opportunity center or to a program of special services to youth in a local office.

To be acceptable for selection, an applicant had to meet the appropriate qualifications for the position in which he was interested in applying, as follows:

1. *Master's degree counselor*.—Requirements are—

A master's degree in vocational guidance; or

A master's degree in psychology, education, social work, public or personnel administration; with a minimum of 15 semester hours (or not less than 225 hours of academic preparation) in vocational guidance, the other behavioral sciences or courses which contribute directly to counselor preparation (e.g., social psychology, education psychology, community resources, and social welfare). The trainee must either have the 15 semester hours or be in a position to have met these requirements by the end of the training course. Experience equivalencies for an M.A. degree will not be permitted for this program.

2. *Counselor aid*.—A bachelor's degree is required, plus 15 credit hours in fields relevant to counseling, or a bachelor's degree, plus a sufficient number of relevant credit hours to make 15 when added to credits earned during the training.

3. *Community worker*.—A minimum of high school graduation or a high school equivalency diploma is required. One year of experience in working with youth may be substituted for each year of high school. The candidate must also live, or have lived at one time, in a disadvantaged neighborhood; and must be a resident of the city in which he is to be employed when the training is completed. Selection would be limited to certain States.

A major recruitment effort was launched nationally to insure contact with as many as possible of those who were interested in and eligible for the training. Direct mailings and all other media—the press, radio, and appeals to

national organizations and community agencies were utilized. Among those directly contacted were:

1. June graduates of all colleges in the United States, with special emphasis on Negro colleges and their graduates.
2. All eligibles on State civil service and merit system registers in appropriate fields.
3. CAUSE trainees who qualified for last summer's training and who were invited to training but were unable to accept the offer. (A study of reasons for rejection showed they were practically all valid reasons such as short notices, personal emergency and other situations making them temporarily unavailable.)
4. Returning Peace Corps volunteers. Due to the crash nature of last year's program, these contacts were not given sufficient emphasis.
5. All CAP, E and D, YOC, neighborhood centers, and youth projects in major cities.
6. Appropriate candidates from local employment service offices.

State agencies and their respective civil service and merit system counterparts were closely involved in the selection of candidates for the training. Selection standards varied in terms of the differing skills required for the positions for which candidates were to be trained. An examination for selection purposes was prepared in cooperation with the Department of Health, Education, and Welfare, Division of State Merit Systems. However, States had the alternative of administering to prospective candidates, either the CAUSE examination or the appropriate civil service or merit system examination. Persons on eligible lists were required to take the examination, as were employment service employees who applied for the training. For these latter two groups the examination was not rated. (Where State quotas were exceeded and acceptance for training became competitive, rating of examinations was made to resolve the problem). In addition to the examination, prospective candidates for training were rated on their applications, references, and personal interviews before final selection.

Thirty-eight leading universities are participating in the training. The number of trainees at a given university average about 60. Recommendations were sought both from State and regional offices in the selection of universities. Training for the master counselor, counselor aid, and community worker positions are in separate classes and partially in separate universities. The latter were asked to bid for the type of training they would be best qualified to administer. Some aspects of the training are similar for all three skills; other components are specifically tailored to the training needs of the particular group. State agency personnel are closely involved in the training and assessment at all levels. A State agency training person was asked to serve on the university training faculty to handle the course on Employment Service activities. The entire training course runs 12 weeks. Eight weeks to be spent in the university training course and 4 weeks in full-time on-the-job training (OJT). In all cases the OJT follows the university training and will be carried out in the youth opportunity center or employment service special youth services unit in the trainee's home community. Estimates for MDTA training allowances during the first 8 weeks of institutional training and OJT payments during the last 4 weeks of training are based on an average of \$35 per week per trainee.

In addition to full participation in the selection and training processes, State agency personnel will have ample opportunity during the OJT period to supervise and evaluate the trainees before final assignment. Since State civil service and merit system requirements will already have been met in most cases, those who successfully complete their OJT should be eligible for assignment to a position in a youth opportunity center or youth services unit of a local employment service office. Inasmuch as State quotas will have been previously determined, graduates should be virtually assured of hiring by State agencies and appointment should follow quickly upon completion of the OJT. However, in those instances where the graduates do not receive appointments, they may be referred for jobs with other youth programs, or elsewhere in the State employment service system.

The total costs of the 1965-66 training program is estimated at \$5,094,600. It provides \$2,900,000 for contracts to universities, including curriculums and subsistence, \$485,000 for State agency administration costs, \$1,159,000 for direct trainee costs such as transportation and MDTA allowances and \$550,600 for Federal administration.

Of the total amount \$4,432,500 is applicable to 1965 and \$662,100 to 1966. All costs other than the 1966 Federal administration estimate will be financed from available MDTA funds.

To provide for the temporary employment and related Federal costs of the counselor aid training program in 1966 will require 41 temporary positions and \$205,100 (\$145,300 personal services; \$59,800 nonlabor costs).

Distribution of field staff

	Appropriation, 1966			Supplemental estimate, 1966		
	Profes- sional	Clerical	Total	Profes- sional	Clerical	Total
Bureau of Employment Security:						
Atlanta, Ga.....	24	12	36	-----	1	1
Boston, Mass.....	21	9	30	-----	1	1
Chambersburg, Pa.....	21	14	35	-----	1	1
Chicago, Ill.....	20	9	29	-----	1	1
Cleveland, Ohio.....	20	11	31	-----	1	1
Dallas, Tex.....	25	11	36	-----	1	1
Denver, Colo.....	19	8	27	-----	-----	-----
Kansas City, Mo.....	21	8	29	-----	-----	-----
New York, N.Y.....	24	10	34	-----	1	1
San Francisco, Calif.....	26	12	38	-----	-----	-----
Seattle, Wash.....	19	8	27	-----	1	1
Subtotal.....	240	112	352	-----	8	8
Veterans' Employment Service.....	77	52	129	-----	-----	-----
Federal auditors (State operations).....	19	-----	19	-----	-----	-----
Subtotal.....	336	164	500	-----	8	8

Summary of new positions

Manpower development and training activities:

Unemployment Insurance Service: 1 GS-12 social administration specialist..... \$10,250

U.S. Employment Service:

1 GS-13 labor economist..... 12,075
 2 GS-13 manpower development specialists..... 24,150
 1 GS-13 occupational analyst..... 12,075
 5 GS-12 employment service advisers..... 51,250
 1 GS-12 manpower development specialist..... 10,250
 1 GS-5 secretary..... 5,000
 1 GS-5 statistical clerk..... 5,000
 Total (12)..... 119,800

Administration and management:

1 GS-14 supervisory budget analyst..... 14,170
 1 GS-13 ADP systems analyst..... 12,075
 1 GS-13 budget analyst..... 12,075
 1 GS-12 budget analyst..... 10,250
 1 GS-4 bookkeeping machine operator..... 4,480
 Total (5)..... 53,050

Area redevelopment activities:

Unemployment Insurance Service:

1 GS-13 chief of branch	\$14,595
1 GS-12 social administration specialist	12,025
1 GS-12 social insurance research analyst	11,670
1 GS-9 social administration specialist	7,955
1 GS-7 social administration specialist	6,050
1 GS-5 secretary	5,660
1 GS-4 statistical clerk	5,240
1 GS-4 clerk-stenographer	5,080
Total (8)	68,275

U.S. Employment Service:

1 GS-14 chief of branch	14,660
1 GS-13 activity analyst	12,915
1 GS-13 employment service adviser	12,075
3 GS-13 manpower development specialists	37,905
1 GS-12 employment service adviser	10,605
4 GS-12 manpower development specialists	44,905
6 GS-11 manpower development specialists	52,195
1 GS-11 occupational analyst	8,945
1 GS-11 psychologist	8,650
1 GS-11 statistician	8,945
1 GS-9 employment service adviser	7,220
1 GS-9 labor market analyst	7,465
1 GS-9 manpower development specialist	7,465
1 GS-9 occupational analyst	7,465
1 GS-6 secretary	6,615
1 GS-5 secretary	5,165
3 GS-4 clerk-stenographers	14,490
1 GS-4 clerk (typing)	4,780
2 GS-3 clerk-stenographers	8,415
Total (32)	280,880

Farm Labor Service:

1 GS-13 chief of branch	12,495
1 GS-4 clerk-stenographer	4,480
Total (2)	16,975

Administration and management:

1 GS-11 budget analyst	8,935
1 GS-9 budget analyst	8,935
1 GS-7 budget analyst	6,050
1 GS-5 secretary	5,000
Total (4)	28,920

Regional offices:

3 GS-5 secretaries	16,485
5 GS-4 clerk-stenographers	23,150

Total (8)	39,635
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Grand total (72)	617,785
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ACTIVITIES RELATING TO ADMISSION AND EMPLOYMENT IN AGRICULTURE OF NONIMMIGRANT ALIENS, SALARIES AND EXPENSES

STATEMENT OF ROBERT C. GOODWIN, ADMINISTRATOR, BUREAU OF EMPLOYMENT SECURITY; ACCOMPANIED BY W. R. CURTIS, DEPUTY ADMINISTRATOR, BUREAU OF EMPLOYMENT SECURITY; JACK S. DONNACHIE, DEPUTY DIRECTOR, OFFICE OF FARM LABOR SERVICE; HERBERT A. MEYER, CHIEF, DIVISION OF APPROPRIATIONS AND FEDERAL FISCAL ACTIVITIES; AND V. S. HUDSON, DEPUTY ASSISTANT SECRETARY FOR ADMINISTRATION

APPROPRIATION ESTIMATE

"ACTIVITIES RELATING TO ADMISSION AND EMPLOYMENT IN AGRICULTURE OF NON-IMMIGRANT ALIENS, SALARIES AND EXPENSES

"For expenses necessary for the performance of such functions as the Secretary of Labor deems necessary to assure, in connection with the admission of nonimmigrant aliens under the Immigration and Nationality Act (8 USC 1184) for employment in agriculture, that maximum efforts are made to recruit and retain domestic agricultural workers for available job opportunities, that domestic workers are given preference in employment over alien workers, and that the employment of alien workers does not adversely affect the wages and working conditions of workers in this country, \$1,968,000."

Amounts available for obligation

	Supplemental estimate, 1966	House allowance on supplemental estimate	Change from supplemental estimate
Appropriation or estimate.....	\$1,968,000	\$1,723,000	-\$245,000

Obligations by activity

Description	Supplemental estimate, 1966		House allowance on supplemental estimate		Change from supplemental estimate	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Admission and employment in agriculture of nonimmigrant aliens:						
Investigation for compliance with the Secretary of Labor's regulations.....	80	\$1,107,000	80	\$961,800	-----	-\$145,200
Development of job area data.....	22	250,300	22	234,700	-----	-15,600
Recruitment assistance to State employment agencies.....	39	486,500	39	419,400	-----	-67,100
Administrative and legal services.....	12	124,200	12	107,100	-----	-17,100
Total obligations.....	153	1,968,000	153	1,723,000	-----	-245,000

Obligations by object

	Supplemental estimate, 1966	House allowance on supplemental	Change from supplemental estimate
Total number of permanent positions.....	153	153	
Average number of all employees.....	138	111	-27
11 Personnel compensation.....	\$1,150,900	\$923,000	-\$227,900
12 Personnel benefits.....	86,300	69,200	-17,100
21 Travel and transportation.....	491,800	491,800	
22 Transportation of things.....	7,700	7,700	
23 Rent, communications, and utilities.....	103,900	103,900	
24 Printing and reproduction.....	5,000	5,000	
25 Other services.....	30,600	30,600	
26 Supplies and materials.....	30,600	30,600	
31 Equipment.....	61,200	61,200	
Total obligations.....	1,968,000	1,723,000	-245,000
Working capital fund items included above.....	(72,800)	(72,800)	(.....)

Summary of changes

	Supplemental estimate, 1966	House allowance on supplemental	Change from supplemental estimate
1966 supplemental.....	\$1,968,000	\$1,723,000	-\$245,000
PROGRAM ITEM			
Increase: To provide Federal staff to carry out the Secretary of Labor's functions with respect to evaluating the need for admission for employment in agriculture of nonimmigrant aliens under the provisions of the Immigration and Nationality Act:			
Investigation for compliance with the Secretary of Labor's regulations (80 positions \$680,500; nonlabor costs \$426,500).....	+1,107,000	961,800	-145,200
Development of job area data (22 positions \$165,600; nonlabor costs \$84,700).....	+250,300	234,700	-15,600
Recruitment assistance to State employment agencies (39 positions \$296,700; nonlabor costs \$189,800).....	+486,500	410,400	-67,100
Administrative and legal services (12 positions \$94,400; nonlabor costs \$29,800).....	+124,200	107,100	-17,100
Total change.....	+1,968,000	1,723,000	-245,000

Comparison of Federal farm labor costs

TOTAL FARM, FISCAL YEAR 1966, WITHOUT MEXICAN PROGRAM

	Positions	Amount
1966 base (1965 appropriation and mandatory items).....	112	\$1,356,800
Supplemental (annual basis).....	65	590,000
Amendment.....	141	1,843,800
Subtotal.....	318	3,790,600
Farm labor contractor registration activities.....	25	281,100
Total.....	343	4,071,700

TOTAL FARM, WITH MEXICAN PROGRAM

1966 base (1965 appropriation and mandatory items).....	112	\$1,356,800
Compliance ¹	164	1,258,000
Mexican S. & E. ¹	213	1,785,000
Total.....	489	4,399,800

¹ Last full year of operations prior to liquidation, 1963.

PUBLIC LAW 414, EIGHTY-SECOND CONGRESS—CHAPTER 477

H.R. 5678

(Original bill enacted June 27, 1952)

ADMISSION OF NONIMMIGRANTS

SEC. 214. (a) The admission to the United States of any alien as a nonimmigrant shall be for such time and under such conditions as the Attorney General may by regulations prescribe, including when he deems necessary the giving of a bond with sufficient surety in such sum and containing such conditions as the Attorney General shall prescribe, to insure that at the expiration of such time or upon failure to maintain the status under which he was admitted, or to maintain any status subsequently acquired under section 248, such alien will depart from the United States.

(b) Every alien shall be presumed to be an immigrant until he establishes to the satisfaction of the consular officer, at the time of application for a visa, and the immigration officers, at the time of application for admission, that he is entitled to a nonimmigrant status under section 101(a)(15). An alien who is an officer or employee of any foreign government or of any international organization entitled to enjoy privileges, exemptions, and immunities under the International Organizations Immunities Act, or an alien who is the attendant, servant, employee, or member of the immediate family of any such alien shall not be entitled to apply for or receive an immigrant visa, or to enter the United States as an immigrant unless he executes a written waiver in the same form and substance as is prescribed by section 247(b).

(c) The question of importing any alien as a nonimmigrant under section 101(a)(15)(H) in any specific case or specific cases shall be determined by the Attorney General, after consultation with appropriate agencies of the Government, upon petition of the importing employer. Such petition shall be made and approved before the visa is granted. The petition shall be in such form and contain such information as the Attorney General shall prescribe. The approval of such a petition shall not, of itself, be construed as establishing the alien as a nonimmigrant.

REGULATIONS GOVERNING APPLICATIONS FOR FOREIGN WORKERS FOR TEMPORARY AGRICULTURAL EMPLOYMENT IN THE UNITED STATES UNDER THE IMMIGRATION AND NATIONALITY ACT

Pursuant to the authority vested in me by 8 C.F.R. 214.2(h)(2)(ii), I hereby amend title 20, C.F.R. 602.10, to read as follows:

“(a) Any agricultural employer with a foreseeable labor shortage remaining after reasonable efforts utilizing all sources of available domestic workers, including the interstate clearance process, may request through the appropriate State agency the certification of need for foreign labor. Before such certification will be made by the appropriate Regional Office of the Bureau of Employment Security, it must be shown that:

“(1) Reasonable efforts have been made and will continue to be made to obtain domestic workers for the period for which these workers are requested. ‘Reasonable efforts’ will include full use of (i) day-haul operations in accordance with the general practices of other employers in the area, or, in the absence of local day-haul operations, day-haul operations in accordance with the general practices within the State; (ii) other appropriate recruitment efforts; and (iii) the interstate clearance process for recruitment in areas with a reasonable distance, including use of the annual worker plan, where practical. (In order to recruit workers from out of the State, a minimum period of 15 days prior to the date of need will be required by the labor-supply State agency for positive recruitment. In addition, the offer for local workers must be at the same rate which is specified on the date of need in the clearance order, or a request for foreign workers will be denied.

“(2) Employment of such labor will not adversely affect the wages or working conditions of domestic workers similarly employed.

“(b) On and after January 1, 1965, the State agency will not process a request for workers more than 60 days nor less than 30 days prior to the date of need; and such request shall be reviewed by the State agency not more than 15 days

prior to the date of need and the State agency will advise the appropriate Bureau of Employment Security regional office whether the conditions necessitating foreign workers previously certified to by the State agency still prevail, or whether the request should be canceled or revised.

"(c) No certification shall be made for the admission of foreign workers under section 214 of the Immigration and Nationality Act for agricultural employment in the United States unless the following criteria have been followed and adhered to:

"(1) Effective January 1, 1965, and through March 31, 1965:

"(A) Employment offered to domestic workers must provide for wage payment rates which are no less than the applicable amount listed on schedule A for the State in which the work is being performed, except that where the prevailing rate for the crop activity in the area is higher, the higher rate shall be paid. Piece rates shall be designed to produce hourly earnings at least equivalent to the prescribed hourly rates and in no event shall the worker be paid less than the prescribed hourly rate.

"(B) Except as otherwise specifically provided, domestic workers must be offered, as a minimum, all the terms and conditions of employment that are offered to Mexican workers under the Migrant Labor Agreement of 1951, as amended, including a written contract embodying those conditions.

"(C) Family housing must be provided where feasible and necessary.

"(2) Effective April 1, 1965:

"(A) Employment offered to domestic workers must provide for wage payment rates which are no less than the applicable amount listed on schedule B for the State in which the work is being performed, except that where the prevailing rate for the crop activity in the area is higher, the higher rate shall be paid. Piece rates shall be designed to produce hourly earnings at least equivalent to the prescribed hourly rates and in no event shall the worker be paid less than the prescribed hourly rate.

"(B) Except as otherwise specifically provided in this section, domestic workers must be offered, as a minimum, all the terms and conditions of employment that are offered to Mexican workers under the Migrant Labor Agreement of 1951, as amended, including a written contract embodying those conditions.

"(C) Family housing must be provided where feasible and necessary.

"(3) Effective January 1, 1965:

"(A) Reasonable costs of transportation to and from the place of employment must be borne by the employer.

"(B) No certification shall be made permitting the employment of any foreign worker for a period exceeding 120 days; nor shall any certification be made with respect to any petition of any employer which would result in the employment of foreign workers by such employer for more than 120 days in any calendar year, except in specific cases, when necessary to avoid undue hardship, in accordance with criteria prescribed by the Department of Labor.

"(C) No certification shall be made with respect to the petition of any employer who has been found by the Secretary of Labor or his designated representative to have failed, without good cause, to comply with the work contracts entered into with any domestic or foreign agricultural workers, or who has in his employ or is found to have had in his employ after the effective date of these regulations, any alien when such employer knows or has reasonable grounds to believe or suspect or by reasonable inquiry could have ascertained that such foreign worker is not lawfully within the United States.

"(D) When domestic workers become available for jobs in which foreign workers are employed, the domestic workers must be given preference.

"(E) No foreign workers shall be assigned to fill any job to which referral of U.S. workers would be prohibited under regulations or policies of the U.S. Department of Labor governing the referral of workers to jobs involved in strikes or other labor disputes.

"(F) These criteria shall not be applicable to Basque shepherders."

Signed W. WILLARD WIRTZ.

DECEMBER 19, 1964.

Schedule A

State:	Wage rate	State—Continued	Wage rate
Arizona.....	\$1.05	Massachusetts.....	\$1.25
California.....	1.25	New Mexico.....	.90
Connecticut.....	1.25	Texas.....	.90
Florida.....	.95		

Schedule B

State:	Wage rate	State—Continued	Wage rate
Arizona.....	\$1.25	New Hampshire.....	\$1.30
Arkansas.....	1.15	New Jersey.....	1.30
California.....	1.40	New Mexico.....	1.15
Colorado.....	1.30	New York.....	1.30
Connecticut.....	1.40	Oregon.....	1.30
Florida.....	1.15	Rhode Island.....	1.30
Indiana.....	1.25	South Dakota.....	1.40
Kansas.....	1.40	Texas.....	1.15
Maine.....	1.25	Utah.....	1.40
Massachusetts.....	1.30	Vermont.....	1.30
Michigan.....	1.25	Virginia.....	1.15
Minnesota.....	1.40	West Virginia.....	1.15
Montana.....	1.40	Wisconsin.....	1.30
Nebraska.....	1.40	Wyoming.....	1.25

Activity 1. Admission and employment in agriculture of nonimmigrant aliens
 1966 supplemental estimate..... \$1,968,000

NARRATIVE DESCRIPTION OF PROGRAM

The Office of Farm Labor Service within the U.S. Employment Service of the Bureau of Employment Security develops policies, program objectives, and operating procedures for a nationwide program to service the needs of farmworkers and farm employers. A major part of the program is concerned with the recruitment and placement of many thousands of seasonal farmworkers, many of whom must be migratory. As an integrated part of that program, these responsibilities will be greatly intensified with the need of the Federal-State system to recruit roughly 250,000 more domestic workers, to replace foreign workers formerly employed.

The task is now expected to be rendered singularly more difficult, since it will be directed toward the complete transition from foreign to domestic labor and involve employers with a longstanding attachment to foreign labor. As a concomitant of these recruitment actions will require absolute conformity with the Secretary's regulations governing applications for foreign temporary agricultural employment. The responsibility for insuring this conformity is vested in the Bureau's Farm Labor Service.

Legal service will be provided by the Office of the Solicitor.

1966 SUPPLEMENTAL ESTIMATE

This estimate includes 153 positions and \$1,968,000 for fiscal year 1966 for providing staff for insuring adherence and compliance with the Secretary of Labor's regulations relating to Public Law 414. Of the 153 positions, 112 will be professional and 41 clerical; it is expected that nearly all personnel would be drawn from appropriate registers of the Civil Service Commission. No organizational or functional changes are involved in acquiring the additional personnel.

INVESTIGATION FOR COMPLIANCE WITH THE SECRETARY OF LABOR'S REGULATION

Additional, 80 positions, \$1,107,000

Most of the employers who will be involved in recruitment actions covered by this request will be former users of foreign farm labor. As described in the

general statement, the pressures to obtain foreign labor are expected to be heavy and constant. A prerequisite to any application for foreign farm labor is the placing of job orders for domestic workers and the criteria of the orders must be in conformity with the Secretary's regulations issued on December 19, 1964. The criteria, among other requirements, provide for the application of specific wage payment rates applicable in specified States under certain conditions; terms and conditions of employment, including individual written work contracts; provision of adequate family housing, where such is feasible and necessary; and payment of reasonable costs of transportation to and from the place of employment. A major task of the Federal personnel in the Bureau of Employment Security will be to insure that employers live up to the terms of the contract. In essence, this activity is of a compliance nature and is vitally necessary if full utilization of the farm labor force is to be achieved. To carry out the Secretary's regulations, the following activities will be performed:

1. Confirm the stated labor needs of "criteria" employers to determine that such needs are commensurate with crop acreage and productivity.
2. Determine by investigation that "criteria" employers have taken all reasonable steps to hire and retain domestic labor.
3. Conduct followup visits to confirm the fulfillment of the contract provisions relating to wage payments, housing, transportation, and other applicable provisions.
4. Investigate worker complaints of employers' failure to live up to contract terms, conversely, investigate employer complaints of worker's failure to apply himself with diligence.
5. Investigate allegations by "criteria" employers of crop losses or impending crop losses because of lack of field labor.
6. Ascertain that foreign workers are being used only in authorized occupations.
7. Recommend to the Secretary of Labor the admission of foreign supplemental labor to avert impending crop losses, if efforts to recruit domestic labor prove inadequate.

To perform the above mentioned activities, 80 additional staff will be required—65 professional and 15 clerical, and \$1,107,000 (\$680,500 personal services; \$426,500 nonlabor costs).

DEVELOPMENT OF JOB AREA DATA

Additional, 22 positions, \$250,300

The development, distribution, and use of farm labor information is an indispensable part of farm placement operations. With the end of Public Law 78, and the policy of the Department of Labor to eliminate reliance upon supplemental foreign farm labor through expanded employment of domestic workers, the Department is assuming a much greater responsibility in the recruitment of domestic labor. These increased responsibilities will necessitate obtaining more information about the individual needs of employers seeking foreign workers.

The value of reliable employment and wage data cannot be overemphasized. The end of foreign labor programs will result in significant and far-reaching changes in the pattern of seasonal farm employment and, perhaps, even in the pattern of agriculture itself in areas where there was heavy reliance upon foreign labor. These changes must be identified as they occur to assist in an orderly transition to a domestic labor force. New sources of domestic labor must be identified; traditional labor forces must be expanded. The mechanism for developing, analyzing, and distributing farm labor information must be greatly improved to provide accurate and timely data needed to plan and operate efficiently the farm labor recruitment program in this critical period. Information about available supplies of labor must be provided promptly to employers. The successful recruitment of the workers themselves will require comprehensive information concerning areas of labor demand, working and living conditions, and potential earnings. This is particularly true when large numbers of intrastate and interstate migrants become involved. More accurate information on the total amount of earnings that may be reasonably expected in crop activities must be obtained. In the past, heavy concentration on wage information has been on the hourly or piece rates offered; this information will continue to be developed, but the total earnings information will be a new feature. This latter is extremely important in recruiting workers; the development of the informa-

tion and its careful analysis and use will require staff with professional competence.

The means for transmitting crop and wage information will be speeded up in order that it may be used to the greatest advantage in recruiting workers in supply areas. The greatest use will be made of the LINCOS West communications system, and teletype in the States where this facility exists. In all other areas the data will be transmitting by telephone to expedite quick action in recruitment.

To accomplish the above-mentioned work, 22 additional staff will be required—13 professional and 9 clerical, and \$250,300 (\$165,600 personal services; \$84,700 nonlabor costs).

RECRUITMENT ASSISTANCE TO STATE EMPLOYMENT AGENCIES

Additional, 39 positions, \$486,500

This intensified recruitment program is to assist farmers and growers who have placed job orders which meet the criteria issued by the Secretary of Labor on December 19, 1964. State agency efforts on this activity will be coordinated, strengthened, and functionally supported by Bureau of Employment Security personnel who will engage in the following field activities as they relate to farm job orders that meet the criteria of the Secretary's regulations:

1. Plan, direct, and participate in intensive local recruitment, including selection, referral, and placement verification.

2. Plan, direct, and participate in mobile recruitment activities in all outlying areas remote from the local offices.

3. Direct and participate in "positive" type recruitment of "pool" type recruitment of individuals, crews, and groups on intrastate and interstate clearance orders meeting the Secretary's criteria.

Interstate actions will entail the movement of staff to supply areas in the States, and many of these actions will be of a "crash" nature designed to meet critical labor needs.

4. Give technical assistance to State and local offices in determining the need for and establishing temporary seasonal farm labor offices, and coordinating these recruitment activities with the parent local office.

To accomplish the additional work in the foregoing program areas will require 39 additional positions—27 professional and 12 clerical, and \$486,500 (\$296,700 personal services; \$189,800 nonlabor costs).

ADMINISTRATIVE AND LEGAL SERVICES

Additional, 12 positions, \$124,200

The estimate includes provision for support services to be provided by Administration and Management in the Bureau of Employment Security.

The 145 new farm positions requested will produce an increased workload in the processing of financial documents. The volume of mail, both incoming and outgoing, will increase. Using current averages of incoming and outgoing mail handled in the mailrooms, the new positions will generate additional mail and file work to occupy 1.4 employees full-time. Unless new staff is provided to handle this new workload, mailroom services now being provided to the Bureau will deteriorate. We can expect a significant increase in the number of official releases issued by the Bureau. Editing, clearing, and approving this material will constitute a burden which cannot be borne by present staff.

There are still other housekeeping areas which will feel the pressures of the need for services by the additional Farm Labor staff. There will be a significant increase in the use of ADP. This will involve system analysis, design, and computer programming prior to the preparation of reports, as well as machine analyses of the data. Provision will have to be made for space and telephone service, both in the national offices and in the regions. Messenger routes and schedules will need to be stretched out to give regular service in view of the additional workload generated by these new positions. Providing equipment, supplies, and central files services for the new employees will severely tax our present staff resources.

Expansion of the Farm Labor Service will place increased demands on the statistical reporting function which can be met only by additional staff. Information from the in-season farm labor report, Form ES-223, will have to be processed and summarized twice each month instead of on a monthly basis, as has been done previously. This is a basic report, covering each agricultural reporting area in which 500 or more seasonal hired farmworkers are employed.

The information contained in this report is essential in evaluating employment trends by area and crop activity, and in getting a measure of availability of seasonal hired farmworkers, by type. The additional responsibilities of the Farm Labor Service in assuring the recruitment of domestic agricultural workers in adequate number make it essential that the information reported on this form be as accurate as is reasonably possible. It will be necessary, therefore, to devote professional staff time to an evaluation of presently reported information, and to the development of the most effective techniques for securing and utilizing to the best advantage all pertinent information. In addition, it will be necessary to provide technical assistance to the States in their development of effective programs to this end, taking into account their widely differing resources. In addition, new weekly reports from "criteria" employers must be processed.

The minimum staff requirements to meet these additional needs are eight positions—three professional and five clerical, and \$63,200 (\$47,400 personal services; \$15,800 nonlabor costs).

Necessary legal services will be provided by the Office of the Solicitor. Attorneys will review and give legal advice in connection with the Bureau's activities under Public Law 414 and in the maintenance of an effective domestic farm labor program.

The legal services to be performed will cover a broad range of activity. Investigation of the need for supplemental foreign labor under the criteria outlined in the Secretary's regulations and the resolution of any litigation resulting from Bureau determinations will require legal assistance. Other aspects of the program including the administration of compliance with wage and housing standards and similar provisions with respect to domestic workers will require close legal scrutiny.

The estimate includes four attorney positions, to be assigned to regional offices in areas of greatest need, to carry out these legal activities—four professional and \$61,000 (\$47,000 personal services; \$14,000 nonlabor costs).

Number of Mexican workers contracted by State, 1960-64¹

State	1960	1961	1962	1963	1964
U.S. total.....	315,846	291,420	194,978	186,865	177,736
Arizona.....	19,324	16,747	11,985	15,857	16,768
Arkansas.....	27,413	26,849	8,850	5,806	4,572
California.....	112,995	98,733	116,455	110,823	112,096
Colorado.....	8,492	9,083	9,119	9,337	8,615
Georgia.....	0	25	0	0	0
Illinois.....	234	35	0	0	0
Indiana.....	65	0	25	35	35
Kansas.....	17	145	123	223	300
Kentucky.....	150	45	0	0	0
Michigan.....	4,815	6,744	9,968	9,932	9,929
Minnesota.....	34	0	0	0	0
Missouri.....	235	0	0	0	0
Montana.....	2,438	2,640	1,814	2,208	1,481
Nebraska.....	2,255	2,129	2,119	2,037	1,781
Nevada.....	158	83	66	55	0
New Mexico.....	10,404	7,503	1,634	1,823	1,437
North Dakota.....	45	0	0	0	0
Oregon.....	350	327	253	67	187
South Dakota.....	240	252	98	49	52
Tennessee.....	1,138	688	165	0	0
Texas.....	122,755	117,368	30,152	26,084	18,171
Utah.....	486	365	371	370	339
Washington.....	60	0	0	0	0
Wisconsin.....	528	110	383	602	584
Wyoming.....	1,215	1,549	1,398	1,557	1,389

¹ Comparable data for 1965 not available; as of May 31, 1965, about 1,600 Mexicans were employed, all of them in California.

Source: Bureau of Employment Security.

*Peak employment of British West Indian, Canadian, Japanese and Filipino agricultural workers by major user States, 1961-65*¹

[thousands]

	1961		1962		1963		1964		1965	
	Date of peak	Number	Date of peak	Number	Date of peak	Number	Date of peak	Number	Date of peak ²	Number
British West Indian (U.S.)	Dec. 31	12.1	Dec. 30	13.8	Jan. 31	14.9	Dec. 30	15.1	Jan. 1	14.9
Florida	Dec. 31	11.6	Dec. 31	13.3	Jan. 31	14.3	Dec. 31	14.0	Jan. 15	14.1
Connecticut	July 15	1.3	Aug. 15	1.3	Aug. 15	1.3	July 31	1.4	Jan. 15	.6
Massachusetts	Sept. 30	.4	Sept. 15	.6	June 15	.4	Sept. 15	.6	Apr. 15	.2
New Jersey	Oct. 15	.8	Oct. 15	.9	Oct. 15	.8	Oct. 15	.8	May 15	(3)
New York	Oct. 15	.5	Oct. 15	.5	Sept. 30	.5	Sept. 30	.5	May 15	(3)
Virginia	Oct. 31	.6	Oct. 15	.7	Sept. 30	.8	Oct. 15	1.0	May 15	(3)
West Virginia	Sept. 30	.2	Sept. 30	.3	Sept. 30	.3	Oct. 15	.4	May 15	(3)
Canadians (U.S.)	Sept. 30	8.6	Sept. 30	8.7	Sept. 30	8.4	Sept. 30	7.8	May 15	(3)
Maine	Sept. 30	8.1	Sept. 30	8.1	Sept. 30	7.6	Sept. 30	7.0	May 15	(3)
New Hampshire	Sept. 30	.2	Sept. 30	.3	Sept. 30	.4	Sept. 30	.3	May 15	(3)
Japanese and Filipinos:										
California	Jan. 1	1.8	Apr. 30	1.4	Aug. 15	1.4	Feb. 15	1.4	Jan. 1	.9

¹ In addition to the major user States listed, a few hundred British West Indians were also used in Louisiana and Michigan, and small numbers of Canadians were employed in Rhode Island, Vermont, New York, and Massachusetts.

² Date of peak within period of January 1-May 15, 1965.

³ No British West Indians, Canadians, Japanese, or Filipinos employed through May 15.

Composition of seasonal hired farm force at time of total peak employment, 1961-65

	1961	1962	1963	1964	1965 ¹
	Sept. 30	June 30	June 30	July 15	May 31
Total	1,315.1	1,231.2	1,146.4	1,290.9	861.8
Domestic	1,104.0	1,141.8	1,076.9	1,236.5	856.0
Foreign	211.1	89.4	69.5	54.4	5.8
Mexican	194.6	79.3	64.7	50.1	1.6
British West Indian	6.4	8.6	3.2	2.7	3.4
Canadian	8.6	.2	.3	.3	.0
Japanese and Filipino	1.5	1.3	1.3	1.3	.8

¹ Includes only period of January-May 1965. The annual peak normally occurs later in the year.

NOTE.—Number of workers in thousands. Items may not add to total due to rounding.

Source: Bureau of Employment Security In-Season Farm Labor Reports.

NUMBER OF FARM EMPLOYERS

The most recent data available on the number of farm employers are from the 1959 Census of Agriculture. About 1,785,000 farms were reported to have had some expenditures for hired labor in 1959. No hired labor expenditures were reported for the remaining 1,923,000.

In 1964, about 21,700 employers used foreign agricultural labor compared with 27,900 in 1963.

Distribution of field staff

Regional offices	Supplemental estimate			House allowance on supplemental		
	Profes- sional	Clerical	Total	Profes- sional	Clerical	Total
Atlanta, Ga.....	18	5	23	18	5	23
Boston, Mass.....	5	3	8	5	3	8
Chambersburg, Pa.....						
Chicago, Ill.....	3	1	4	3	1	4
Cleveland, Ohio.....	4	1	5	4	1	5
Dallas, Tex.....	9	2	11	9	2	11
Denver, Colo.....	10	3	13	10	3	13
Kansas City, Mo.....	4	1	5	4	1	5
New York, N. Y.....						
San Francisco, Calif.....	45	14	59	45	14	59
Seattle, Wash.....						
Total.....	98	30	128	98	30	128

NOTE.—4 professional attorney positions for the Office of the Solicitor are assigned to Atlanta, Dallas, Denver, and San Francisco, respectively.

Farm labor service—Summary of positions, national and regional offices

Region	1965 base		Farm supple- mental, 1965		FLCRA		Farm supple- mental, 1966		Total	
	Pro- fes- sional	Cleri- cal	Pro- fes- sional	Cleri- cal	Pro- fes- sional	Cleri- cal	Pro- fes- sional	Cleri- cal	Pro- fes- sional	Cleri- cal
I. Boston.....	3	1	1	0	0	0	5	3	9	4
II. New York.....	4	1	1	0	1	0	0	0	6	1
III. Chambersburg.....	4	1	2	3	1	1	0	0	7	5
IV. Atlanta.....	3	1	1	0	3	1	17	5	24	7
V. Cleveland.....	4	1	1	0	1	1	4	1	10	3
VI. Chicago.....	3	1	1	0	1	1	3	1	8	3
VII. Kansas City.....	3	1	1	0	1	0	4	1	9	2
VIII. Dallas.....	6	1	3	3	3	1	8	2	20	7
XI. Denver.....	4	1	1	1	1	0	9	3	15	5
X. San Francisco.....	6	1	1	1	1	1	44	14	52	17
XI. Seattle.....	3	1	1	0	1	0	0	0	5	1
Total, regional offices.....	43	11	14	8	14	6	94	30	165	55
Total, national office.....	35	24	25	18	4	1	11	6	75	49
Total, Federal staff.....	78	35	39	26	18	7	105	36	240	104
Grants staff.....	1,791		318		20				2,129	

¹ In fiscal year 1966, the Farm Labor Service was reduced by 1 professional position in the national office due to the absorption of pay costs.

U.S. DEPARTMENT OF LABOR

Summary of new positions

Bureau of Employment Security:

Farm Labor Service:

3 GS-14 agricultural employment specialists	\$42,510
3 GS-13 agricultural employment specialists	36,225
1 GS-13 labor economist	12,075
2 GS-12 agricultural employment specialists	20,500
1 GS-12 agricultural economist	10,250
1 GS-12 labor economist	10,250
3 GS-5 secretaries	15,000
3 GS-4 clerk-stenographers	13,440

Subtotal (17)	160,250
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Administration and management:

1 GS-12 computer programmer	10,250
1 GS-12 survey statistician	10,250
1 GS-9 management technician	7,220
1 GS-5 budget clerk	5,000
2 GS-5 statistical clerks	10,000
1 GS-3 mail clerk	4,005
1 GS-3 printing and publications clerk	4,005

Subtotal (8)	50,730
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Regional offices:

8 GS-13 agricultural employment advisers	96,600
3 GS-13 agricultural economists	36,225
30 GS-12 agricultural employment specialists	307,500
2 GS-12 labor economists	20,500
30 GS-11 agricultural employment specialists	259,500
21 GS-9 agricultural employment specialists	151,620
9 GS-5 secretaries	45,000
21 GS-4 clerk-stenographers	94,080

Subtotal (124)	1,011,025
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Total (149)	1,222,005
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Office of the Solicitor:

Regional offices: 4 GS-13 attorney (adviser)	48,300
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Grand total (153)	1,270,305
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FARM AMENDMENT, FISCAL YEAR 1966—DISTRIBUTION OF STAFF INCREASES

Bureau of Employment Security

	Number of positions	Title	Base location
Regional offices:			
Region I: Boston-----	2	GS-13 agricultural employment adviser.	Hartford, Conn.; Augusta, Maine.
	3	GS-12 agricultural employment adviser.	Hartford, Conn.; Augusta, Maine; Boston, Mass.
	2	GS-5 secretary-----	Hartford, Conn.; Augusta, Maine.
	1	GS-4 clerk-stenographer-----	Boston, Mass.
Total-----	8		
Region II: New York-----	None		
Region III: Chambersburg-----	(1)	(1)-----	(1).
Region IV: Atlanta-----	1	GS-13 agricultural economist	Tallahassee, Fla.
	1	GS-13, agricultural employment adviser.	Do.
	6	GS-12 agricultural employment adviser.	Do.
	6	GS-11 agricultural employment specialist.	Do.
	3	GS-9 agricultural employment specialist.	Do.
	1	GS-5 secretary-----	Do.
	4	GS-4 clerk-stenographer-----	Do.
Total-----	22		
Region V: Cleveland-----	2	GS-12 agricultural employment adviser.	Cleveland, Ohio.
	2	GS-11 agricultural employment specialist.	Do.
	1	GS-4 clerk-stenographer-----	Do.
Total-----	5		
Region VI: Chicago-----	1	GS-12 agricultural employment adviser.	Chicago, Ill.
	2	GS-11 agricultural employment specialist.	Do.
	1	GS-4 clerk-stenographer-----	Do.
Total-----	4		
Region VII: Kansas City-----	2	GS-12 agricultural employment adviser.	Kanas City, Mo.
	2	GS-11 agricultural employment specialist.	Do.
	1	GS-4 clerk-stenographer-----	Do.
Total-----	5		
Region VIII: Dallas-----	1	GS-13 agricultural employment adviser.	Austin, Tex.
	2	GS-12 agricultural employment adviser.	Do.
	1	GS-12 labor economist-----	Dallas, Tex.
	2	GS-11 agricultural employment specialist.	Do.
	2	GS-9 agricultural employment specialist.	Do.
	1	GS-5 secretary-----	Austin, Tex.
	1	GS-4 clerk-stenographer-----	Do.
Total-----	10		
Region IX: Denver-----	2	GS-13 agricultural employment adviser.	Denver, Colo.; Albuquerque, N. Mex.
	2	GS-12 agricultural employment adviser.	Denver, Colo.
	3	GS-11 agricultural employment specialist.	Denver, Colo. (2); Albuquerque, N. Mex.
	2	GS-9 agricultural employment specialist.	Denver, Colo.
	2	GS-5 secretary-----	Denver, Colo.; Albuquerque, N. Mex.
	1	GS-4 clerk-stenographer-----	Denver, Colo.
Total-----	12		

Bureau of Employment Security—Continued

	Number of positions	Title	Base location
Region X: San Francisco.....	2	GS-13 agricultural employment adviser.	Phoenix, Ariz.; Sacramento, Calif.
	2	GS-13 agricultural economist.	Do.
	12	GS-12 agricultural employment adviser.	Phoenix, Ariz. (2); Sacramento, Calif. (10).
	1	GS-12 labor economist.....	Sacramento, Calif.
	13	GS-11 agricultural employment specialist.	Sacramento, Calif. (12); Phoenix, Ariz.
	14	GS-9 agricultural employment specialist.	Sacramento, Calif. (13); Phoenix, Ariz.
	3	GS-5 secretary.....	Phoenix, Ariz.; Sacramento, Calif. (2).
	11	GS-4 clerk-stenographer.....	Sacramento, Calif. (10); Phoenix, Ariz.
Total.....	58		
Region XI: Seattle.....	(1)	(1).....	(1).
Farm Labor Service.....	3	GS-14 agricultural employment specialist.	National office.
	3	GS-13 agricultural employment specialist.	Do.
	1	GS-13 labor economist.....	Do.
	2	GS-12 agricultural employment specialist.	Do.
	1	GS-12 agricultural economist.	Do.
	1	GS-12 labor economist.....	Do.
	3	GS-5 secretary.....	Do.
	3	GS-4 clerk-stenographer.....	Do.
Total.....	17		
Administration and management.	1	GS-12 computer programmer.....	Do.
	1	GS-12 survey statistician.....	Do.
	1	GS-9 management technician.	Do.
	1	GS-5 budget clerk.....	Do.
	2	GS-5 statistical clerks.....	Do.
	1	GS-3 mail clerk.....	Do.
	1	GS-3 printing and publishing clerk.	Do.
Total.....	8		
Office of the Solicitor.....	4	GS-13 attorney (adviser).....	Atlanta, Ga., Dallas, Tex.; Denver, Colo.; San Francisco, Calif.
Total.....	153		

¹ To be covered in season by temporary assignment.

Senator PASTORE. We will hear next from Mr. Robert Goodwin on the item 4, "Activities relating to admission and employment in agriculture and nonimmigrant aliens."

I should direct your attention, Mr. Goodwin, to the Senate report on the 1966 regular bill of the committee's interest in making proper provision for furnishing labor whether it be domestic or foreign for the harvesting of crops and ended with this comment:

The Department should be prepared when it appears to testify before this committee on the pending 1966 supplemental for additional funds under Public Law 414 to inform the Senate of the specific plans which will be used to prevent further crop loss and income loss due to its failure to carry out its responsibilities in the past week or so in getting harvest labor for the apple crops.

There is in the paper this morning a story about the Department sending "coordinators" to Virginia and West Virginia to insure the usage of domestic labor for the harvesting of the apple crop.

No arrangements have been made for workers to harvest crops up home either. In your testimony before the House committee you

stated that there was no problem with the apple harvest. There was available sufficient domestic workers for the problem you asserted, but the growers do not agree with you.

There is a meeting being held later today on this floor to discuss this situation.

Mr. Goodwin, you have the floor.

(The prepared statement of Mr. Goodwin follows:)

Mr. Chairman, the Department asked for a separate appropriation of \$1,968,000 from general funds of the Treasury to deal with the critical farm problem. The House has acted on this request and allowed the full estimate less \$245,000 to compensate for lapse in filling the positions. We are not appealing the House action. The need for this estimate was not apparent when our regular budget request was prepared but has developed in the last several months. The additional resources are requested expressly to cope with a condition which not only threatens our domestic farmworkers, but also threatens to defeat the intent of the Congress when it ended the Mexican farm labor program, Public Law 78.

You will recall, Mr. Chairman, that following the termination of Public Law 78, the Congress provided supplemental funds in fiscal year 1965 to expand farm labor recruitment activities in the States and within the Bureau. Those additional resources in the last quarter of the fiscal year helped meet the initial challenge to replace foreign labor with American farmworkers.

Since December 1964, when Public Law 78 ended, our efforts have been heavily concentrated in the 29 States where foreign farm labor had been employed in 1964. As a result of these experiences, we know that we must strengthen our efforts if there is to be an effective transition from foreign to domestic labor in those States.

The Congress has determined that the mass importation of foreign labor is no longer consistent with the national interest. The Secretary has determined that the use of foreign farm labor will be approved only in emergencies, and then under conditions that will not adversely affect American farmworkers. Those conditions are embodied in the regulations governing applications for foreign temporary farmworkers under Public Law 414, issued by the Secretary of Labor on December 19, 1964. These regulations, among other things, prescribe the criteria that must be met by employers prior to the approval of any application for foreign temporary farmworkers. The regulations provide for specific wage payment rates under certain conditions, the terms and conditions of employment, the provision of family housing where it is feasible and necessary, and reasonable costs of transportation to and from the place of employment. The effective implementation of the Secretary's regulations is regarded as the key factor in accomplishing a full and lasting transition to an all-domestic farmwork force.

The responsibility for implementing the regulations is vested in the Bureau of Employment Security. During the past 7 months the full implications of this responsibility have become sharply evident. Mr. Chairman, in 1964 there were 21,000 growers who used foreign labor at various times in the year, and many different crops were involved. This year, as their crops developed, many of these growers elected to abide with the Secretary's criteria, as a means of qualifying, potentially, for foreign labor should the need arise. One of the requirements is that the criteria employers give evidence of their actions to recruit and retain domestic workers, including the placing of job orders with local offices of the State employment services. Mr. Chairman, I would like to believe that all growers did so with sincerity and good faith, earnestly wanting domestic farmworkers, but there have been too many instances where this was not the case.

There have been too many instances of growers and camp operators continuing to serve Mexican-style meals, despite worker protests—failures to meet busloads of incoming interstate workers arriving at night, soiled bedding, unsanitary camps, new workers being unduly pushed by professional "pacers," abusive, ill-tempered field foremen, failures to live up to requirements in worker training, supervision, and orientation. These are only a few of the unhappy conditions found to exist, all of which resulted in unnecessary turnover and protests of worker incompetence.

In addition to these, there have been allegations of crop losses due to insufficient labor, but I have yet to see a single instance in which this was the sole contributing factor. There have also been allegations that insufficient labor has resulted in price increases of certain kinds of produce. In analyzing the 1965 price movements of bracero and the other foreign labor crops, the major causal factor that could be isolated was the weather. For example, high lemon prices reflected a crop almost one-fourth smaller than last year. This was brought about by bad weather in the 1964 blooming season, followed by unseasonal cold in November which damaged the fruit and has caused a much smaller crop available for harvest this year. Bad weather also affected the supply and distribution of lettuce, strawberries, celery, and asparagus, and was accompanied by temporary price increases higher on the average than in recent years. It has been established that these increases clearly exceeded the amounts that could be justified on the basis of direct farm labor costs. Regrettably, a good deal of publicity was given these matters, almost all of it unjustly ascribing the high prices to increased labor costs. Lettuce is a good example of this. In order to attract domestic workers to the lettuce harvest, growers raised the harvest wage rate from 1 penny a head to one and one-third cents per head. At the new rates domestic workers are earning about \$1.75 per hour and there has been an ample supply of workers for the harvest. But, weather problems caused a dislocation in the production of lettuce and the retail price in eastern retail markets jumped from 29 cents a head to 49 cents for a short time. The propagandists for foreign labor blamed the price rise solely on the lack of labor and the increase in wage rates. In the last 7 months I cannot recall a week that was not accompanied by incidents of the kind I have mentioned. Unfortunately, the Bureau's current field staff is too small to investigate effectively labor availability and utilization and charges of crop loss.

We need to separate the propaganda from the facts so that prompt remedial action can be taken to assist those growers who are honestly making a sincere and sustained effort to recruit and retain domestic workers and are still encountering serious labor problems.

Mr. Chairman, the money we are now seeking is to enable us to implement effectively the Secretary's regulations. We are now approaching the peak harvesting period for most States. Very shortly winter harvesting will begin—from the Imperial Valley of California clear across to Florida—all of it involving high labor-using crops in which foreign labor was heavily used in 1964. When these operations subside in May 1966, the entire cycle will begin again. We must be prepared for it, but it cannot be done with present staff resources.

Other program areas are also included in this request, each of which is related to that which I have just discussed. The need for improvement in the development, distribution, and use of farm labor information became sharply apparent in our experience since last December. Workers have been recruited from any States to fill the gaps left by the foreign workers in the States where they were employed in 1964. Many of these interstate orders originated with employer associations representing large number of members, and covering a variety of crop activities. Since most were committed to the criteria of the Secretary's regulations, many problems of validating the job openings and employment conditions were involved.

Task force recruitment activities conducted from December 1964 to this date, in States where foreign labor was previously used, demonstrated a critical need to supplement State agency efforts in pressure areas. The result was a joint State-Federal team approach in the planning, programing, and execution of intensified recruitment on all criteria orders. By arrangement with the State agencies, Bureau staff members assisted in many forms of recruitment to help satisfy labor needs in these pressure areas. With the approval of the earlier farm supplemental, State agencies were in a better position to conduct recruitment activities in May and June of this year because of additional part-time staffs, but many of these will of necessity be working on orders from noncriteria employers.

The great majority of farm employers having high labor-using crops rely wholly upon domestic workers. For years the local employment offices have helped these growers assemble their seasonal work forces, and this they must continue to do. Now, with strong competition for that same labor, local offices are finding it more difficult to serve those employers who have long relied upon them. This is an important factor contributing to the need for field assistance

by Bureau staff. Throughout this fiscal year Bureau personnel will continue to give field assistance to all 29 States previously using foreign labor, and will participate in interstate recruitment actions in all supply areas and States. I should make it clear that, when Bureau personnel engage in these joint operations, they supplement State staff and do not assume administrative responsibility, which still remains with the State agency.

Mr. Chairman, we believe that we are at a crossroads in respect to seasonal farm labor. The Congress expressed itself in clear terms when it terminated Public Law 78, the chief instrument for the mass use of foreign farm labor. This Nation has the manpower to satisfy the needs of its agricultural employers. Our employers have the ability and the resources to train and utilize that manpower to the mutual benefit of themselves and the workers. Most of our employers have been doing that for years; it is up to the few who have not done so to continue the adjustments they began this year. We seek the additional resources to help bring this about.

We believe that an effective transition from foreign to domestic labor in all States can be accomplished through improved wages, employment conditions, and housing facilities. Although faced with continuous resistance to the expanded use of domestic workers by some growers, we believe that, given the resources necessary to insure compliance with appropriate conditions, the objective can be achieved.

It is our purpose to collaborate closely with State officials in developing a well-coordinated, joint approach to the farm labor problems which we know are ahead. We believe that, with this approach, and by holding firmly to the intent of Congress and to the regulations of the Secretary of Labor, an effective transition to a domestic farm work force can become a reality.

Mr. Chairman, this concludes my statement on activities relating to admission and employment in agriculture of nonimmigrant aliens, salaries and expenses.

FARM LABOR PROBLEM

Mr. GOODWIN. Mr. Chairman and members of the committee, the request we have before your committee today is for a separate appropriation of \$1,968,000 from the general fund of the Treasury to deal with the farm labor problem. The House has acted on this request and allowed the full estimate less \$245,000, which reduction was made to compensate for the lapse in filling the positions.

The conclusion was that the positions could not be filled before October 1 and the amount could be reduced by \$245,000. We agree with that conclusion and we are not appealing the House action.

DOMESTIC WORKERS VIS-A-VIS FOREIGN WORKERS

I think all of the members of this committee are aware of the fact that we have been going through a period of adjustment since the termination of Public Law 78. Efforts have been made to recruit domestic workers to make up for the foreign workers imported through the Mexican program.

We have also been making efforts to reduce the number of foreign workers who have been used from other sources including the British West Indies. We have been doing this because we have had a substantial number of unemployed workers in the country.

ANNUAL DESERTION OF FARMWORK IN FAVOR OF OTHER TYPES OF WORK

We have had about 200,000 farmworkers who have left the farms each year to go to work in other occupations, and it has been our conviction that most of the jobs that have been previously filled by foreign workers could be filled from the ranks of our own unemployed workers in the country.

DESERTED JOBS FILLED BY UNEMPLOYED DOMESTIC WORKERS

We have been quite successful in this objective in most parts of the country. For example, in the State of California for the month of July last year we had some 58,000 Mexicans. This year that number has been reduced down to about 2,400. In spite of many of the statements that have been made, this way achieved without any significant crop loss.

DOMESTIC AND FARM LABOR COSTS

Senator PASTORE. I realize that we have a lot of unemployed domestic workers in this country and our first concern should be that we see they are occupied because I think that is our national responsibility, but it is true that many of these farmers are complaining about the harvesting of their apple crop.

Is it not a fact that a domestic worker receives more money than the farmworker? Are the pay scales higher?

Mr. GOODWIN. No, the pay scales are the same, Senator. This is the basic policy.

Senator ROBERTSON. Will the chairman yield there? I come from that area.

Senator PASTORE. I want to finish this question and then I will yield to you. I don't think there is anyone here who understand this problem better than Senator Robertson.

It might well be that these farmers are harvesting their crops not because they think it would be profitable to do so. They would just rather let it go rather than getting into an unprofitable transaction. Could that be the case?

Mr. GOODWIN. We have had no evidence that that has been the case up to now.

DEPARTMENT PREDETERMINATION TO SEND INEXPERIENCED AND DISINCLINED WORKERS TO FARM AREAS

Mr. ROBERTSON. I know the distinguished chairman of this subcommittee would be disappointed if I did not raise some objection to this program. There is nothing that has caused more real trouble in areas that produce vegetables and fruit than this predetermination of the Department of Labor to take dropouts of high schools and other unemployed in the cities and put them out in the areas to do farmwork which they have never done before, for which they have no qualifications and no inclination to do it if it involves any sweat because they don't propose to sweat any time or at any place.

As far as the pay is concerned, it is on a bushel basis. So a good worker can get \$20 a day. The bottom of the ladder they use is spread like an ordinary ladder but the top is an inverted V and some skill is involved in placing it.

You take one of these high school boys and he wouldn't know how to put the ladder up in the apple tree so it won't fall out. When he gets up on the ladder he has to pick the apples. When you pick cherries, you pick them with the stems on. With apples, you pick them with the stems off. You have to have physical stamina to stand up in that tree, to fill an apron with apples, shinny down the ladder, empty it and shinny up and pick some more and do it for 8 hours.

These men that they want to send to us from the schools have been turned down. They would be in the draft if they were any good. They are not in college, they won't go to school, they don't have any schooling and they don't want any work.

It creates a false hope to say "give us \$1.7 million more and we will give you all the workers you want." They are not there. We know they are not there.

BRITISH WEST INDIES PICKERS NEEDED FOR LARGE CROP

We have one of the biggest apple harvests in recent years, and unless they will turn us loose and get these pickers from the British West Indies, a fourth of the apples will not be picked and there will be a great increase in the cost of apples.

The apples that would ordinarily go for the commercial markets will either go to the apple cider field, or applesauce.

PROGRAM PRACTICE IN SOCIOLOGY

It is a practice in sociology. It is not going to work but they are so recalcitrant they are going to force it on us anyway. They will tell you, "Don't worry. Give us more money and we will get them for you."

Senator PASTORE. You have the opportunity of rebuttal.

Senator ROBERTSON. Yes, please rebut.

MEETING OF NEW ENGLAND APPLGROWERS

Senator SALTONSTALL. In 20 minutes I am going in to meet with Senator Cotton, and the Senator from Rhode Island, with the leading applegrowers of all of New England. They are very much concerned with this problem. We don't have Jamaican fishermen but we have lobster fishermen who come down from Nova Scotia every year, and while I am not skilled in apple picking, I know it is very hard to pick apples without dropping some and the minute you drop one you have lost 50 percent of its value.

You have the great problem of putting those ladders up, so that people won't fall and I have had the experience of dropping many baskets. What I am trying to bring out here is that this apple picking is a technical job and requires some hard work. As I say, in 20 minutes Mr. North is coming to a meeting in room 1114. I don't know what other representatives there will be from the Labor Department but I know the Agriculture Department is going to be represented because it means an awful lot to us in New England, especially in my State of Massachusetts where we have a great number of apples and they are very much concerned.

RELATIONSHIP OF APPLES TO FOREIGN LABOR PROBLEM

Senator COTTON. Before Mr. Goodwin rebuts, I just want to add one little point that I hope he will include in his rebuttal.

Mr. Goodwin testified before the House committee and referring to page 240 of the House hearings, he said:

First, I would make the point that most of the greatest increases that have taken place in recent weeks have been on commodities that are in no way related to the use of foreign labor.

For instance, potatoes are, I think, at an alltime high.

Then he said:

Let me finish the point. I would say potatoes, meat, and apples are good examples of commodities that have no relationship to the foreign labor problem at all and you have some of your sharpest increases as far as price is concerned in those three.

I will have something more to say later, but I wonder if Mr. Goodwin will state, when he takes up this matter, if he is still of that opinion and if we can understand it is the position of the Department that the harvesting of apples has no relationship whatsoever to the import and use of foreign labor.

Senator ROBERTSON. I would like to give him one other example that I would like him to answer.

About a month ago I was in the gymnasium taking a little exercise. One of my daily exercises is to push up a 75-pound barbell. I enjoy doing it. I invited a colleague to do it. He pushed it up once and he went to the hospital and it was over a month before he would touch another barbell.

I wanted to know why the other man couldn't push up the barbell. Now, do you have the answer to that?

Senator PASTORE. I hope we don't get into a lot of applesauce here.

Senator COTTON. This is very amusing to many but it is not to anyone from the State of New Hampshire.

Senator PASTORE. I know that but I hope we don't start pushing up barbells.

Senator Byrd?

REQUIREMENT FOR QUALIFIED APPLEPICKERS

Senator BYRD. I share the expressions of concern that have been made by Senator Cotton and Senator Robertson. We have a \$20 million apple industry in the eastern Panhandle of West Virginia and in my 13 years of service in the Congress I don't know of any issue that has created greater concern among my constituents than has this matter of securing an adequate number of qualified applepickers.

My applepickers tell me that the Department may be able to get an adequate number of persons but that they won't be qualified applepickers.

LETTER OF FREDERICK COUNTY FRUIT GROWERS ASSOCIATION

I would like to read into the record one paragraph that appears on page 336 of the hearings before the Committee on Agriculture and Forestry, U.S. Senate, 89th Congress, 1st session. It is on the subject of importation of foreign agricultural workers.

SORRY RESULTS OF EFFORTS TO RECRUIT FROM DISTRICT OF COLUMBIA MEN LISTED AS EXPERIENCED FARM WORKERS

I am reading a paragraph from a letter addressed to Senator Allen Ellender by the Frederick County Fruit Growers Association. Mr. Charles S. Tohn says this:

Our association attempted to recruit in Washington, D.C. over 600 men listed as having previous agriculture experience to report for interviews; 120 men came in. On finding that these jobs were for more than a single day, only 22

remained. Of these 18 accepted bus tickets to the job; only 17 reported to work. By the end of 2 weeks only four remained and none completed the season.

This is an indication, Mr. Chairman, of the difficulties our apple-growers have in securing an adequate number of qualified pickers who will stay on the job and do an efficient job and remain as I say until the harvest has ended.

There has been a great deal of talk over the years about the unemployment that exists in the District of Columbia. Of course there is unemployment here but I have often wondered why we couldn't get these people who are unemployed in this area to go up to the eastern Panhandle of West Virginia and pick apples. I think the answer is that they don't want to pick apples. I would like to hear from Mr. Goodwin.

DEPARTMENT SUGGESTION THAT APPLE PICKERS BE RECRUITED FROM
MENTAL INSTITUTIONS

Senator COTTON. Would the Senator yield on just that point?

Senator BYRD of West Virginia. Yes, sir.

Senator COTTON. One of the men sent to the State of New Hampshire by Mr. Goodwin's department to help recruit domestic labor—and this is just one of the items I shall mention here and in the full committee, and on the floor of the Senate—made the preposterous suggestion to the commissioner of employment security of the State of New Hampshire that rather than recruit experienced Canadians we should take people from our mental institutions to harvest these apples. And that is the type of fellow for whom they are asking us in this bill to furnish money, to pay to go into a State and make such perfectly asinine suggestions. I want him to have that in mind. I have been unable to reach him by telephone, so I ask him here.

COSTLY EXPERIMENT

Senator BYRD of West Virginia. I do not want to take too long at this point, Mr. Chairman. I have already called attention to the fact that this is a \$20 million industry in our eastern panhandle, and if the apples are not picked during a certain period of time, then, there is going to be a loss. I, for one, certainly favor the employment of unemployed American laborers, but if we cannot get the qualified pickers and an adequate number of them, and we sustain a heavy loss of our crop, this is going to prove to be a very costly experiment.

I would certainly hope that we could hear something from Mr. Goodwin now which would indicate that the Department is confident that it is going to secure an adequate number of qualified pickers; that it has set in motion the procedures whereby these will be secured; and, if they cannot be secured that foreign laborers can and will be imported in time to prevent heavy losses on the part of our apple-growers.

Senator PASTORE. Here are six Senators with a toothache and you say it can't be. Now you prove it.

RELATIONSHIP OF APPLES TO FOREIGN LABOR PROBLEM

Mr. GOODWIN. I would like to answer one or two of the specific things.

Senator Cotton made reference to my testimony before the House Appropriations Committee. I would like to say with respect to that I think I was in error, at least in part, in including apples. Although most of the apples in this country are grown and harvested without the use of foreign workers, it is true that we have used them to some extent on the east coast, particularly New England, Virginia, and West Virginia. So, to that extent, my statement was in error on that point, and I apologize for that.

MAJORITY DOMESTIC WORKERS

Most of the apples, even in the area you gentlemen are talking about now, are harvested by domestic workers. We had in all of New England last year only 1,200 or 1,250 workers from Canada, and the remainder—I don't have the figure right here—but it is my recollection that there were in the neighborhood of 10,000 or 12,000 all told in New England. So less than 10 percent of the workers were foreign workers.

The same picture is true in the other areas. In Virginia last year there were 975 foreign workers out of 2,922 total, and in West Virginia there were 375 out of 2,055. Therefore, it has been necessary in recent years to supplement only to a small percentage as far as the foreign workers are concerned.

Most of these foreign workers who have been brought in, the Canadians and the BWI's, at the time they are recruited—and this is particularly true with the BWI's—have not had experience in picking apples. They don't grow them in the British West Indies. The workers who are brought in here must be trained and part of our position is that that training should be applied to our own domestic workers, and good results would be yielded that way.

Senator ROBERTSON. Most of our apple pickers move up from Florida and they have had more experience on picking oranges than in picking apples. So your theory is 100 percent wrong. Our Virginia men are trained in apple groves.

Mr. GOODWIN. They have to be trained.

Senator ROBERTSON. They have to be trained, but we get the trained ones.

SUPERIOR QUALITY OF LABOR FROM BRITISH WEST INDIES AND CANADA

Mr. GOODWIN. I would recognize and readily admit that the quality of the labor force that can be recruited from the British West Indies and from Canada is probably somewhat more efficient than we can recruit here in the United States. This is particularly true with the British West Indies. They have a large amount of unemployment. In jobs of this kind, the employers can be highly selective. So they get a group of men who are in the prime of life, who are physically fit, in the very best of shape; and they do represent the cream of the labor crop in the countries from which they are recruited.

OBLIGATION TO USE UNEMPLOYED AMERICAN WORKERS

We have among our unemployed a somewhat marginal group. We have people who do not measure up completely to the standards I have just described, but we believe and I submit that we have an obligation

to use these unemployed American workers if they are capable of doing the job. And we think they are capable of doing the job, even though they might not be able to do it quite as efficiently and quite as effectively as some people we can recruit from other countries.

Senator PASTORE. Would you hire anyone in your Department to assist you under those terms?

Mr. GOODWIN. Yes.

Senator PASTORE. Would you take someone who is less efficient than somebody else and have him assist you in carrying out your responsibility, if he was not the best you could get?

Mr. GOODWIN. On the example we are using, Mr. Chairman, we would be required to, because the Labor Department can't hire people from foreign countries.

POINT OF VIEW OF APPLÉGROWERS

Senator PASTORE. That is not the point. After all, you have certain standards. You have already admitted here—and you have to look at the other side of the coin—there is a national responsibility involved here to take these boys off the streets, to take these dropouts and find gainful employment for them. At the same time, you have to look at the applegrower's point of view. He wants to get the best for the least amount of money. In the final analysis, who is going to pay this bill? The consumer of America. If your price of apples goes up, the consumer is going to pay that differential. But you have already admitted in the record that, while there may be a semblance of qualification, you do admit that there is a certain amount of deficiency here that has to be taken up.

Mr. GOODWIN. Yes.

Senator PASTORE. Who is going to assume that? We have a whole group of applegrowers who have come in here today to speak to their Senators and they are lamenting the fact that they cannot get along on this situation.

1965 FOREIGN APPLEPICKERS

Senator ROBERTSON. He said we didn't need but 900 imported workers. In the valley of Virginia alone, they say they need 3,000.

Mr. GOODWIN. I said you had 975 last year.

Senator ROBERTSON. That was for the whole State. The best estimate now is that we need 3,000 workers who will pick apples and who know how to pick them.

Mr. GOODWIN. The 975 were the foreign workers who were here last year. You had a little less than 3,000 all told.

Senator ROBERTSON. Now we are getting together. We need 3,000 again, and you are going to say: "No, you can't have them. We will send you high school boys."

Mr. GOODWIN. Most of your workers last year were domestic workers recruited from our own domestic sources. You only had 975 foreign workers. This was the point I was trying to make.

COMPLAINTS BY APPLÉGROWERS TO SENATORS

Senator PASTORE. I realize that. I don't think we should badger you, Mr. Goodwin. I think that would be wrong. After all, you have a responsibility. The law is made and you carry it out. I understand

that. But after all, there has to be an answer to this problem. You sit there and you are confronted by six reputable Senators who have a problem. We have no bone to pick here. We are trying to do our job like you are trying to do your job.

We are confronted with the fact that today we are besieged with complaints and these gentlemen have lived with this problem. These gentlemen have made a trip to Washington to make this complaint, to meet with their Senators. They are not coming here just to look at the Washington Monument. They have their apples on their trees, and they want these apples picked.

You say this is working out fine and the applegrowers say it is not working. Have you talked with the applegrowers?

REQUIREMENT OF 3 WEEKS' TESTING PERIOD

Mr. GOODWIN. Yes, Mr. Chairman.

The point I would make on that, Mr. Chairman, is that we have not had the test this year yet. We are in the process right now of recruiting for the apple harvest. We will know in the next 3 weeks whether we are right or wrong.

SEASONAL JOB NOT PERMITTING OF TESTING TIME

Senator SALTONSTALL. We have to get the pickers down there, Mr. Byrd says about West Virginia. Everybody around this table knows when an apple is dropped it loses half of its value. If that apple is on the ground, it has to be picked up or it ruins the next year's crop. You are saying we wait 2 or 3 weeks. That will be too late. Mr. Byrd said it is a seasonal job, and it is a job that has to be done in a very quick time when the apples are right to go to the freezers, or wherever they are going to go. And we can't wait 2 or 3 weeks.

OBLIGATION TO MAKE FULL TEST OF DOMESTIC WORKERS' AVAILABILITY

Mr. GOODWIN. I am saying, Senator, we have an obligation to make a full test on the availability of our own domestic workers.

Senator ROBERTSON. That is the point. You make a test and it does not work. Who is going to take the loss?

NEW HAMPSHIRE APPLE HARVEST

Senator COTTON. Mr. Chairman, let me say—and I am speaking only for my State—apples happen to be one commodity that the little State of New Hampshire produces. A few years ago, out of the 10 largest apple-producing counties in the Nation, we had 2 of them.

We have a tremendous apple industry from our statewide standpoint. Most of our apples are McIntosh and the season for picking them is shorter than that for many other kinds of apples. Yesterday the 24th of August was D-day as far as our getting our usual or even a part of our usual people in from Canada, because you can't recruit them and get them in from Canada overnight. Incidentally, you are right. We wanted the experienced ones we have had year after year.

If this goes much beyond the 1st of September and certainly beyond the 7th of September, our people will lose \$200,000 a day with the apples that have fallen in the State of New Hampshire.

Senator ROBERTSON. The McIntosh is a fall apple and it has to be picked in August and early September.

Senator COTTON. You talk about giving you a fair opportunity to try it out. I have a letter from the Secretary of Labor dated July 28 in which he says:

While we are making every effort to supply domestic workers, the extent that there is demonstrated need for Canadian workers in New Hampshire which cannot be met by Canadian workers, the continued importing of Canadians will be authorized.

NEW HAMPSHIRE RECRUITMENT EFFORT

That was back on July 28. You had your recruiters up there, and I have received information on this from our State commissioner as of this morning. Incidentally, the State hired six recruiters paid for by the Federal Government to go out and help recruit pickers. During these weeks they have made almost a thousand contacts in schools and various organizations throughout the State.

They and our own people have advertised in every grocery store and public building, as well as utilizing newspaper and radio advertising and every other available device. What has been the result to date? They have obtained 146 full-time workers, signed up 157 part-time workers, and 144 weekend workers, which totals 447 out of 1,600 necessary to provide a daily force of nearly 1,000. Moreover, the experience of the applegrowers in New Hampshire, as verified by the New Hampshire Department of Unemployment Security, is that only one in five, or 20 percent of those that even sign up ever report for work.

That means in all of these weeks the efforts of these people you are asking this committee to produce money for, have actually produced what we can hope would be about 90 actual workers in addition, of course, to the regular work force that our people maintain. They have done everything in their power and these are the pitifully inadequate results. In the past we have recruited from the off-duty military personnel at Pease Air Force Base. By reason of the present international situation, they are on frequent alert and we won't have as many of them.

COMPETITION BY PEACE CORPS CAMPS

In the past we have recruited students to the best of our ability. However, right now they are creating neighborhood youth corps camps which will start at the same time as the apple season, and many from this potential labor pool would prefer to go to the youth camps.

ANTICIPATED LARGER CROP

Yesterday was D-day for the orderly recruitment of Canadians. Yet, you apparently are determined to wait and continue to experiment. I also want to say that I have had more poppycock sent up to me on this than any other issue in my recollection, and not entirely from your Department. The Department of Agriculture apparently had the nerve to advise you that the apple crop would be less this year than last year, while the applegrowers estimate that instead of 1.3 million bushels in 1964 there will be 1.5 million bushels. In addition, the apple trees are increasing, because it is a growing industry, by 10 percent a year.

NEW HAMPSHIRE REQUIREMENT FOR EFFICIENT CANADIAN WORKERS

The crop will be bigger, the available labor force is smaller. Last year we had to have and did have between 350 and 400 workers from Canada. They come back year after year, they are recruited by the same people, they have to be recruited immediately, they are efficient and effective and they are needed in New Hampshire. If the crop is destroyed, it will mean unemployment for our own workers. Yesterday was D-day and within a week it is going to be too late, and I must say to you that our need is immediate and imperative. I agree with the chairman that I don't want to abuse you because you are doing your duty to the best of your ability, although I must say you are pretty hard to get at as I have found in the last 2 weeks, but I do want and expect results.

Let me say with the apple crops in New Hampshire going to rot, I will fight as long as I can in this subcommittee and in the full committee—and I can talk 16 hours at least on the floor of the Senate—before we give you 1 damn cent for any of these people to go up there and fiddle around and advise us to get mental patients out of our hospitals to save a precious apple crop for the State of New Hampshire.

I am sorry to speak so strongly, but I feel more deeply on this than anything I have felt for the State of New Hampshire in my 19 years in Congress. This is not a partisan issue. It does not make any difference which side of the aisle I sit on, but I am going to fight until the last breath in my body for what we need in New Hampshire.

Senator PASTORE. I think there has to be an answer to this, Mr. Goodwin. You can't be all right and we be all wrong or vice versa. If it is true that the man who has this intimate responsibility in New Hampshire reports only one out of five actually gets there after they assign them there, you have a very serious problem and these apples won't wait forever.

There has to be a D-day.

IMMEDIATE ACTION REQUIREMENT

Senator COTTON. Perhaps holding up this appropriation will not do the job but let me say I think it may be worth trying, because we have to have immediate action. When the Secretary of Labor called you and me up and talked to us about his \$25 million that he wanted restored in the regular bill, he had no trouble getting to us and we were glad to cooperate.

If we are not going to get relief before our apple crop fails maybe it is not going to do any good but, then again, maybe we will see some action.

Senator PASTORE. That is a case of reprisal.

Senator COTTON. They will act if we can stop this appropriation. I am not seeking revenge. I am seeking present action.

DEPARTMENT DETERMINATION TO RECRUIT DOMESTIC WORKERS

Senator PASTORE. I have read the regulation here and apparently the determination has already been made by the Department that they have to recruit domestic workers. There is your problem.

If you block the money it just means you don't have any up there to recruit anybody whether it is foreign or domestic.

I think Mr. Saltonshall has a suggestion that he is going to make about Mr. Goodwin sitting down with these people but I think there has to be an answer to this problem. Something has to be done here.

MEETING OF NEW ENGLAND APPLÉGROWERS

Senator SALTONSTALL. In 12 minutes we are meeting with 13 of the leading apple-growers in New England. They have come down here for the purpose. Mr. North, your assistant secretary, is going to be there and also a representative of Mr. Freeman in the Department of Agriculture.

I said to the chairman I would appreciate it as the one who is going to start this meeting if you could come in here as soon as your testimony here is through.

That is in room 1114 and let me know or whoever is going to be here. There will be 17 Members of Congress and all of their representatives.

Senator PASTORE. As a matter of schedule, we have people from NIH, we have Dr. Shannon here. If you boys are all going to leave at 11:30—

Senator ROBERTSON. We trust you. Besides, I am not going to leave.

Senator PASTORE. I appreciate your trust but I would rather have your proxy.

Frankly, when you gentlemen leave I would hope we could recess this meeting until this afternoon because I think this apple situation is very important.

NOTIFICATION TO VIRGINIA APPLÉGROWERS RE TRANSPORTATION OF PICKERS

Senator ROBERTSON. When do you plan to notify the Virginia apple-growers as to whether they can bring any of these imported workers in?

When do you plan to notify them?

Mr. GOODWIN. The schedule in Virginia has been set back 10 days to 2 weeks due to the weather. As you know Virginia has had a long dry spell and then had rain recently. The growers believed this would put some additional size on the apples and they have pushed back their picking dates by about 10 days to 2 weeks.

The last information I had was that this would mean that most of them would be starting around the 10th of September.

Senator ROBERTSON. When will you notify them about these imported workers?

Mr. GOODWIN. We think that we will have an evaluation as to whether domestic workers can be obtained by around Labor Day.

Senator ROBERTSON. Is it going to be around the first part or the last part of Labor Day?

Mr. GOODWIN. Labor Day is just 1 day.

Senator ROBERTSON. Are you going to announce it on Labor Day? You won't be working?

Mr. GOODWIN. The decision will be made by Secretary Wirtz. We will try to keep him advised.

Senator ROBERTSON. Then you won't try to block—he wrote me what he is going to do.

Mr. GOODWIN. Good heavens, no.

Senator ROBERTSON. Here is the final letter of July 30 from Secretary of Labor Wirtz:

Thank you for asking comment on a letter from Mr. Snapp of Winchester. You will be pleased to know that we have changed the date when the decision will be made regarding the possible use of foreign farmworkers in the apple harvest. It has been changed from September 10 to September 1 as Mr. Snapp suggested.

This does not, of course, relate to the content of the decision which will depend on the factual situation.

May we depend on that, that on September 1 you are going to tell us, "yes" or "no," you can bring them in or we will take the experiment and if it does not work the growers can take the loss?

Mr. GOODWIN. No; I never try to block the Secretary of Labor.

MEETING OF NEW ENGLAND APPLÉGROWERS

Senator COTTON. Mr. Chairman, I am very much concerned because I can't turn my back on a delegation of applegrowers from New Hampshire, who are now assembled elsewhere in this building.

Senator PASTORE. I am coming in there, too.

Senator COTTON. You said these people had terminated their testimony and I have other things to ask them.

Senator PASTORE. That is why I think we should recess at 11:30 until 2 o'clock.

I have applegrowers in Rhode Island.

Senator COTTON. I understood you to say you would go on to the HEW provisions of the bill.

Senator PASTORE. No; at 2 o'clock we will resume this hearing. We are not through with Mr. Goodwin yet.

Senator COTTON. Neither am I.

Senator PASTORE. Are there any further questions at this moment of Mr. Goodwin?

PROCEDURE TO RECRUIT ADEQUATE AND QUALIFIED APPLE PICKERS

Senator BYRD. I want to point out that Mr. Goodwin has not answered my question.

Senator PASTORE. Repeat the question.

Senator BYRD. I asked Mr. Goodwin to indicate the steps that are being taken to recruit an adequate number of qualified apple pickers and also indicate and he did answer this, I think, as to when a decision would be made regarding the use of foreign workers, and at that time what procedures would be taken to procure an adequate number of foreign workers in time to save the apple harvest.

HARVEST PEAK

I would also like to ask Mr. Goodwin as to when the peak of the harvest will be reached.

Mr. GOODWIN. I would be glad to respond to that, Senator.

To take the last point first, the peak of the harvest would be about the latter part of September, pretty close to October 1.

On the efforts that are being made to recruit domestic workers, we have a number of—

Senator BYRD. May I interrupt at this point. Excuse me, Mr. Goodwin. I have a letter from Mr. and Mrs. Fred C. Mattison, operators of the Loop Orchard in West Virginia. She refers to a letter in which I believe you indicated that the peak of the apple harvest would be around the middle of September.

She says in this paragraph "He suggested by September 15 the harvest will have passed its peak" so in a piece of correspondence you indicated that the harvest would pass its peak on the 15th. She said that the actual facts are that at that time they will have barely started with Red Delicious, later followed by Golden Delicious and beginning about October 1 the tempo increases daily with the peak generally between October 10 to 20 with a sustained labor demand until November 1.

SCHEDULE CHANGE AND VARIANCES

Mr. GOODWIN. As I indicated earlier, there has been a change in the scheduling because of the rain a couple of weeks ago, and it has been pushed back.

I do not know the date of that letter but the whole schedule has been pushed back by about 2 weeks. The peak varies somewhat by orchards and different types of apples but in total the peak is now expected to come about the end of September.

There may be a few days one way or the other. Then it stays at a pretty high level for a number of weeks and then goes down rather abruptly toward the end.

Senator PASTORE. Did this pushing up of the date to September 1 come as a surprise to you?

Mr. GOODWIN. What was quoted from the letter, no.

Senator PASTORE. Then why did you say Labor Day? This date is September 1 and then Labor Day is on us and then whether it was going to be in the morning or the night.

TENUOUS NATURE OF PROMISES TO WORK

Now which is it? September 1 to me makes some sense.

Mr. GOODWIN. I was thinking in terms of the changes that have taken place in the schedule due to the change in the weather conditions. Actually you can't test out adequately whether you can get domestic workers until you get to the point of making referrals.

Sometimes you line people up for work a week or 10 days or 2 weeks ahead of time and something happens in the interim and they don't report.

FALLACY OF DEPARTMENTAL TOTAL RELIANCE ON DOMESTIC APPLE PICKERS

Senator PASTORE. I am not too proficient in the growing and picking of apples—all I do is eat them, but it strikes me that you could work in a combination of the two.

I don't think you ought to be as drastic as you have been. There has to be an answer to this. You need the combination of trying to get domestic qualified help as much as you can, but where there is an apparent deficiency or inadequacy it should be recognized immediately.

COMBINATION OF FOREIGN AND DOMESTIC WORKERS

Then you ought to be able to move in quickly your imported workers. There has to be a combination of the two but you don't have that. What you are striving for is to fill in this gap of 10 percent by these other people who have to be trained.

Now the peril that you run there, the minute you have 90 percent efficient workers and you bring in 10 percent of inefficient workers. You demoralize the operation and the whole organization depends to fall about. I realize you have to recruit domestic workers as much as possible but I do say you ought to be able to work fast and move fast so that you don't injure these applegrowers.

This is an experiment but in the meantime this experiment is costing the people money.

INCOMPARABILITY OF PICKING CUCUMBERS AND PICKING APPLES

Senator ROBERTSON. I want to point out a defect in the underlying deficiency in this letter.

The growers have been working closely with the public employment service. In this connection it is pertinent to note more than 355 West Virginians were recruited for the July-August pickle harvest in Michigan, during a period of 2 days of efforts in West Virginia.

This type of effort should meet the problems of recruiting of labor in the apple industry.

What is comparable between picking a cucumber and picking an apple? Why could they get the cucumber pickers and not the apple pickers? When the time comes to get them, the apples fall off the trees and you find a great loss.

ADEQUATE PICKERS FOR HARVEST PEAK

Senator BYRD. The important point, I think, is whether we can be assured that D-day gives enough time to get an adequate number of foreign pickers by the time the harvest peak is reached if foreign pickers are needed. I have not heard the answer to that question yet.

Mr. GOODWIN. I would like to comment on the points you made a few moments ago. The policy of the Secretary is the policy you outline.

FRUIT GROWERS RESISTANCE TO TRANSITION FROM FOREIGN TO DOMESTIC PICKERS

He said we must make every effort to recruit domestic workers, and the foreign labor source can be used if we are unsuccessful in getting domestic labor. Our problem in much of the area we are talking about now comes from the fact that we are making a transition.

We are trying to go from a period when the growers have been using a foreign labor force which they like very much, and I don't blame them for it, to the use of domestic workers where they have to go through a lot of effort to recruit them and in some cases they have to train them.

They don't want to make that transition. It is as simple as that. We are trying to get them to make every possible effort to make the recruitment, but I would say to you again that the Secretary has

taken the position all the way through on this problem that if the effort is made and if we can't actually produce the domestic workers that we do have this supply of foreign workers available.

TIME REQUIREMENT FOR RECRUITING CANADIAN APPLE PICKERS

There is one other point I want to make in connection with this.

There has been reference here to so-called D-day and that a decision has to be made today in order to supply these workers for New England.

Our experience is that these workers from Canada can be recruited in a matter of 2 or 3 days. The distances are not great and the information is available as to where they are, and it is not necessary, in our opinion to sign these people up as much as 2 weeks ahead.

Senator PASTORE. I think that is the assurance these people need. I have to go to it too. I think these people have to be convinced of what the program is. I think also the suggestion should be made if this does not work out, it will not destroy their crops and they can go ahead and get these imported workers.

Mr. GOODWIN. Secretary Wirtz made that statement in the letter and so far as I know that position has held straight through.

SUBCOMMITTEE RECESS

Senator PASTORE. Apparently there is some apprehension about this. They have to be quieted. This subcommittee is recessed until 2 o'clock.

(Whereupon, at 11:35, the subcommittee recessed, to reconvene at 2 p.m., the same day.)

(AFTERNOON SESSION, 2 P.M., WEDNESDAY, AUGUST 25, 1965)

DEPARTMENT OF LABOR

STATEMENT OF ROBERT C. GOODWIN, DEPUTY MANPOWER ADMINISTRATOR FOR OPERATIONS, ADMINISTRATOR, BUREAU OF EMPLOYMENT SECURITY—Resumed

CERTIFICATION OF INABILITY TO OBTAIN ADEQUATE APPLE PICKERS

Senator PASTORE. All right, Mr. Goodwin. We had quite a session in the other room. Is there anything further?

Senator COTTON. Mr. Chairman, I will not take the committee's time nor the time of the gentlemen who are here with us to put a lot more information and facts into the record. I will save that for some other time.

There are just a couple of points. One is this: It is my understanding that my own State of New Hampshire is the only one of the Northeastern States that has officially certified to your Department that they have been unable and are unable to obtain sufficient domestic employment. Have you received such official certification?

Mr. GOODWIN. This is the only one that we have received to the best of my knowledge, Senator.

Senator COTTON. How long have you had that? Do you know?

Mr. GOODWIN. We have had this only a few days.

Mr. DONNACHI. It reached the regional office on Monday, sir.

UNEMPLOYED

Senator COTTON. During our conference with the apple growers you gave some figures on the pool of domestic unemployed people in the various States. I believe you gave in New Hampshire the number of approximately 6,000.

Mr. GOODWIN. Yes, and I did say, Senator, that it was a June figure and that conditions have improved a little some since then.

Senator COTTON. By improved, you mean less unemployment?

Mr. GOODWIN. Yes, sir.

Senator COTTON. Since our conference I have communicated with our State commissioner of employment security who also is responsible for unemployment compensation. He informs me that the total figure in my State is now down to 5,800, and of that between 60 and 70 percent are women, who obviously are not fitted or available for apple picking, and that another substantial portion are over 60 years of age and obviously not physically qualified for this kind of employment.

To be sure, there are indubitably some unemployed shoe industry and other such workers technically available; but you yourself, I am sure from your long experience, realize that it is pretty difficult to get a

weaver or shoemaker into an apple orchard or that he amounts to much if he is there because of the nature of the work.

I merely wanted to get that into the record and also to let the record show that in 1963, as of I believe the month of August, according to our State department, the percentage of unemployment in the State was 3.3 percent. In 1964 for the same month it was 3.1 percent; and this year it is 2.2 percent. So the figures indicate that we have the lowest pool of unemployed in New Hampshire that we have had since World War II, and I believe these figures indicate the lowest number of unemployed of any New England State at the present time.

POTENTIALLY LARGER APPLE CROP

And against that, as I mentioned this morning, I have before me a report of our New Hampshire commissioner of agriculture. His statement is contrary to what somebody from your Department reported to me that the expected apple crop in the Northeast will be smaller this year.

But our figures, both from the applegrowers and from our State department of agriculture—and I have a letter here which I can submit for the record later—is that it will be substantially larger and run 1.5 million bushels instead of 1.2 million. So I just wanted the record to show very clearly that we have a potentially larger crop with a potentially smaller number of domestic workers.

Mr. GOODWIN. On this point, Senator, if I may just say this.

Senator COTTON. Certainly.

Mr. GOODWIN. The figures that the U.S. Department of Agriculture have published on this show that last year there were 1,180,000 bushels, and this year the estimate is 1,300,000 bushels, so that it is somewhat higher.

IMPERATIVE FOR IMMEDIATE DECISION BY SECRETARY OF LABOR

Senator COTTON. Well, the estimate of our State department of agriculture—I know because I have the letter here—is 1.5 million. I think the point was thoroughly emphasized to you and to the Under Secretary this morning. It is incredible to me that the actual evidence presented of the unsuccessful efforts made to recruit would not justify an imperative call for immediate decision on the part of the Secretary of Labor, but I am not going to belabor the question here this afternoon.

I was very emphatic this morning, because I think what is being done to our apple growers, in your attempts to carry out a perfectly legitimate policy that has been laid down by Congress, is working an incredible hardship of them.

NEW HAMPSHIRE RECRUITMENT EFFORTS

I just want you to know, and I would like to have the record show the extent of that hardship. This will not take more than 2 or 3 minutes, but here is just a sample of the kind of telegrams that I have been receiving in the last week.

This is from an apple grower—a telegram:

We are getting desperate. I never figured that in this free country that we could not hire help to harvest our crop. We have put in ads in the papers; but the response is terrible. Calls come in from 12- to 14-year-old children to pick. I am appealing to you for help for Canadian pickers.

Then a second letter, a letter which I received a month ago.

We desperately need your help. The start of our apple harvest is less than 2 months away. At this moment we have no idea as to how, who, or when we may get men to help harvest our crops.

I won't go into detail as to our individual needs because I am sure you are aware of the whole situation. It seems imperative to me that we be allowed to bring Canadians into the country to help with our harvest. Without these men as a nucleus, our harvest will be utter chaos.

I do not agree with the Secretary of Labor's view that Public Law 78 was intended to stop the importation of all foreign labor. I am a college graduate, served as a Navy pilot during World War II, received three DFC's, seven Air Medals, et cetera. I thought I was fighting for a democracy. For 20 years my brother and I have been trying to build a business. I hate to see the rug pulled out from under us now.

We employ the following: (1) 14 women 9 months a year picking apples; (2) 9 full-time men; (3) 5 high school or college boys during the summer; (4) 50 migrant Negro pickers; (5) all local labor that we can find during harvest (including drunks, ex-convicts, et cetera); (6) for the past few years we have also used 50 Canadians to help with our harvest.

I just wanted that in the record, Mr. Chairman. They are typical of the telegrams and letters I am receiving. I know that it is unnecessary for me to keep belaboring this matter. If what I said this morning indicated or sounded like trying to swing a big stick and threaten in regard to this bill, I most certainly am sorry. But I still say that we have had in the State of New Hampshire—and I say this calmly and much more dispassionately than I was speaking this morning—an example of some of the most futile and ridiculous efforts on the part of personnel in dealing with a situation which is just as plain as the nose on your face.

IMPRACTICAL DEPARTMENTAL APPROACH

My administrative assistant walked into a store in New Hampshire just 4 days ago and saw a notice pleading for names to harvest the apple crop. That notice had been there over a week and there was not a name on it. When someone comes to the State from the regional office, representing the Department of Labor, and talks about going into mental institutions to get people to pick apples, in the first place, obviously, they would not be competent to do so. In the second place, the purpose of this law, as I understand it, is to furnish jobs for unemployed, and inmates of mental institutions could hardly be considered as part of the unemployed pool and are not so cataloged or calculated in any kind of statistical accounting of which I am aware.

I know that these men were up against it, doing the best they could; but it has not been, frankly, an inspiring example of a practical approach to a very difficult problem. I just cannot help but believe that within the next day or two, if not within a few hours, the Secretary of Labor, for whom I have profound respect and highest regard, will come to our assistance. We all know he has been deeply immersed in the terrific problem of trying to settle a strike and you cannot consider everything at once, but our problem, too, is imperative.

I hope that you will use your influence and I hope we can get a decision. Now, may I say that if the applegrowers of New Hampshire have to wait their Government's decision while the opportunity passes to recruit their Canadian labor that they have had every year, even when we had a greater domestic supply of labor and a smaller crop, if

they have to wait while their opportunity to harvest their apples fails, I certainly shall feel amply justified in taking such steps as one Senator can take to see that we do not throw much more money after bad in some of these activities that are covered by the requests contained in this bill. And if our applegrowers can wait, I am not sure that you cannot wait while we give extended consideration to this bill in full committee and on the floor of the Senate.

Now, I hope I have expressed myself clearly.

Senator ROBERTSON. Mr. Chairman.

Senator PASTORE. Mr. Robertson.

RECRUITMENT OF APPLE PICKERS FOR VIRGINIA

Senator ROBERTSON. I was interested in the thing proposed by my distinguished colleague about waiting for advice from Washington about picking the apples, because Thomas Jefferson had spoken on that subject. Thomas Jefferson said:

If our farmers have to be told from Washington as to when to sow and when to reap, we will soon be without bread.

I checked my files and I find that on February 23, I notified Secretary Wirtz that we were expecting a good crop of apples, that we just had to have many imported workers and asked him to agree to let us bring them in. Now, you have had all of the year. How many recruits do you now have to pick apples in Virginia? How many?

Mr. GOODWIN. I am not sure what the up-to-date figure is.

Senator ROBERTSON. Give me the best estimate you have.

Mr. GOODWIN. I think that the figure is—those that have definitely indicated their willingness to go—400 or 500.

Senator ROBERTSON. All right, now, on the basis—if we get 100 of those we will be lucky, but 400 or 500; where are they coming from?

Mr. GOODWIN. We are recruiting in West Virginia and Virginia.

Senator ROBERTSON. West Virginia does not have enough to pick their own apples. Do not say we are going to get pickers from West Virginia when they are urging you to get somebody else to pick their apples.

RECRUITMENT OF COALWORKERS

Mr. GOODWIN. We are recruiting in North Carolina and Kentucky.

Senator ROBERTSON. You are recruiting in the Harlan coalfields of Kentucky? You know the coal miners—they only work in types of mines to which they are accustomed—loading from the knees in thin seams or standing up in thick seams. I can't picture them picking apples from a ladder.

Mr. GOODWIN. Some of them will.

RECRUITMENT INADEQUACY AND STATISTICAL DATA INACCURACY

Senator ROBERTSON. Will you mind giving us the names and addresses of the 500 you have recruited so we might make contact with them and see how many of them are actually coming?

Mr. GOODWIN. I do not have those names.

Senator ROBERTSON. All right. You want us to go—they will start harvesting the first type of Jonathans next week. My information is,

if we get the foreign workers it takes 2 weeks, 10 days at a minimum, and 2 weeks to get the papers filled out and get them lined up. They want to start harvesting.

Now, I have just checked with the secretary of the growers, and here is what he tells me.

This is Mr. Charles Toan, executive director, Frederick County Fruit Growers—Frederick and Clark Counties; they are two counties, incidentally. Senator Byrd has orchards in Frederick and Clark, and he also has some over in Maryland.

Senator BYRD. That is Senator Byrd of Virginia.

Senator ROBERTSON. He will probably have a million and a quarter or a million and a half this year. He is the biggest individual grower in the Nation, in the world.

In Frederick and Clark, they are just two counties. Neither one of them are big counties. Only 2,500 apple pickers are needed. You said we had 975 all told foreigners. Mr. Toan said in those 2 counties alone they had 1,004 foreigners last year. That just shows your past figures are not accurate, and your estimate of 500 would not fill the needed amount in those 2 counties.

And they are not where you can give me the names and addresses of those that are going so we can check and see whether they are actually coming or not, or whether they are going to get them.

Mr. GOODWIN. The growers have been working with the recruiters and the growers know who they are.

APPLEGROWERS ESTIMATE OF REQUIREMENT FOR OUT-OF-STATE APPLE PICKERS IN VIRGINIA

Senator ROBERTSON. The growers tell me that what you are going to do for them is no good, that these are the people that they want to import, outside of what you are going to get for them. In Rappahannock, Warren, Madison, 3 more counties in the Blue Ridge area, 500 pickers are needed. They had no foreign workers last year.

In Rockingham and Shenandoah, that is close to where I live, 750. They used no foreigners last year. In Augusta County, that is adjoining me, and Nelson, that is across the mountain from me, 500 are needed—they had none. In Roanoke and the southwest they need 750; there is a total of 5,000, and you said you hoped you would get 500, and none of them with any experience.

Mr. GOODWIN. The figures you are giving, Senator, as I understand it, represent the total need, not the number of foreign workers that were used last year.

Senator ROBERTSON. They need that many to be brought in. Did you know the unemployment in Virginia is only 2 percent, and we have no unemployment in skilled workers—the main unemployed are housewives who have never had a permanent job. There is no real unemployment in Virginia at this time. And that is our situation. And we would offer \$40 a day and we would not get them.

I ask that the telegram from which I have quoted be included in the hearings.

Senator PASTORE. Without objection it is so ordered.

(The telegram referred to follows:)

Senator A. WILLIS ROBERTSON,
Senate Office Building, Washington, D.C.:

Estimated needs for apple pickers in Virginia areas are Frederick and Clark, 2,500; Rappahannock Warren, and Madison, 500; Rockingham and Shenandoah, 750; Augusta and Nelson, 500; Roanoke and southwest Virginia, 750; total, 5,000. Only Frederick and Clark used foreign workers in 1964 in the amount of 1,004.

FREDERICK COUNTY FRUIT GROWERS,
CHAS. C. TOAN,
Executive Secretary.

ANTICIPATED RESULTS OF MEETING OF NEW ENGLAND APPLGROWERS

Senator PASTORE. I told the Senator from Virginia that we were going to give him a little report on this meeting that we had with the applegrowers. I am ready to do that.

Senator ROBERTSON. I would be pleased to hear it. Is it sort of in line with the way we feel?

Senator PASTORE. I can say this, that no results were guaranteed. But I think we are pretty much on the road to results. They heard from the applegrowers and the Congressmen and Senators from the New England area. We were honored to have the presence of the Senator from West Virginia and I think our position was pretty well stated and pretty well known, and it is a matter of certifications that they are waiting for, and I think these two meetings, today, both this morning and the one that we had with the applegrowers have had a very salutary effect, and I am quite sure that these gentlemen are dedicated people who realize what the situation is, trying to do their job under the law, and they realize what our problem is, I think, a little better than before they came here.

I am at least very optimistic and hopeful that the matter will be straightened out.

Senator ROBERTSON. Do you understand they are going to carry out the promise to let me know by September 1 what they are going to do? They did not promise me what they would do, but they will let me know what they will do.

Senator PASTORE. I think you may be assured you will get an answer.

Senator COTTON. Mr. Chairman. While you are reporting on that meeting, may I say on behalf of myself, and I am sure my colleague, Senator McIntyre, as well as the applegrowers in New Hampshire, that we were most appreciative of the very able way that you presented and championed our cause.

One reason for my meek and pious and friendly attitude this afternoon is that now you have taken up the cudgel, I think it is time for a lowly representative to keep his mouth shut and wait and see this job done. But if it is not done, I shall again raise hell. [Laughter.]

Senator PASTORE. Anything else?

Senator HILL. No, thank you, Mr. Chairman.

Senator PASTORE. Senator Byrd?

RECRUITMENT OF QUALIFIED PICKERS

Senator BYRD of West Virginia. Mr. Chairman, let me say that Under Secretary Henning and Secretary Wirtz, Mr. Goodwin and Mr. North have been very cooperative in working with me on this mat-

ter, and it is not my purpose to lampoon them or embarrass them or to use any cudgel upon them.

But nevertheless, I still have a great concern that the Department might come forward with too little and too late to meet this situation.

Now, we have the problem of replacement. I talked with our director of the department of employment security during the noon hour and he indicated that it was difficult to get people in West Virginia to do this kind of work, among the unemployed. He says that during their childhood, during their adolescence, during their adult working years, they have not done this kind of work. It is difficult to get people who are unemployed to go into the apple orchards and stoop and climb trees and so forth, and they are not qualified by experience to do this.

He says that you are putting on a good recruiting drive down there and he feels you are going to get some results. But he is not too sure that you are going to get the right kind of people, the qualified pickers and ones who will stay on the job—you may get enough people in numbers to meet the immediate and initial need but after awhile, there is this problem of their getting tired of this kind of work or feeling they cannot do it, or getting irritated and walking off the job.

TIME REQUIREMENT FOR RECRUITING FOREIGN APPLE PICKERS

Then there arises a problem of replacement. I would certainly hope that you will take a look at this thing to make a determination as to whether or not you need additional foreign workers and allow yourself time to get those foreign workers so that we do not end up with part of those 5 million bushels of apples in West Virginia lying on the ground and not being harvested.

You have not answered my question of this morning. I asked what assurance you could give that you would be able to get foreign workers if, indeed, the local recruitment program does not bring forward a sufficient number of qualified pickers.

I did not get the answer to that question, and perhaps I should phrase it like this. Mr. Goodwin, once the decision is made, how much time do you need to get foreign workers recruited and get them to the orchards?

Mr. GOODWIN. I said this morning, it may have been over at the other meeting, that as far as the Canadian problem is concerned, that we believe, based on past experience that we can get them in a matter of 2 or 3 days.

Now, as to the British West Indian group, we always can get them quickly. I would say there it would be on the order of 3 or 4 days, maybe 5.

Mr. DONNACHIE. In the past we could have because of the availability of BWI's in the country who could be transferred. We are faced with the situation now of getting them from Jamaica or the West Indies, and I believe it would require about 10 days.

Senator BYRD. Ten days?

Mr. DONNACHIE. Yes.

TIMELY ACTION BY DEPARTMENT

Senator BYRD. Do we have assurance that that step will be taken when the Department is convinced that these foreign workers are going to have to be recruited?

Mr. GOODWIN. This decision would be made by Secretary Wirtz. He has indicated time after time, however, that the law requires certification of foreign workers if we cannot get the domestic workers. I think you have in what the Secretary has done and said and in the provisions of the law, adequate assurance that he will do that.

Senator BYRD. Well, I certainly hope that it will work out and I hope that the experiment or the test, to use your words, will prove to be successful. I just hope that, although the operation is successful, the patient does not die.

Mr. GOODWIN. That is very frank and to the point.

Senator ROBERTSON. Mr. Chairman, I would like to ask another question.

Senator PASTORE. Go ahead.

VIRGINIA AND WEST VIRGINIA RECRUITMENT PROGRAMS

Senator ROBERTSON. I have given you an accurate estimate of how many workers in addition to local workers will be needed in Virginia. The total is 5,000.

You have been working for 6 months to get recruits and you tell me you hope to have 500. Can you give me any reason why I should assume that between now and the 1st of September, which is next week, we can get the other 4,500?

Mr. GOODWIN. We have not been working on recruitment for 6 months or even 2 or 3 months, Senator. We made very detailed plans. But actually if you start your recruitment too early, you lose them before you need them, so that we are only this week getting underway on the actual recruitment for the Virginia and West Virginia problem.

DESIRABILITY OF CONTINUING TEST

Senator ROBERTSON. All right.

But, I have been writing you every 2 or 3 weeks that the picking time was approaching and you wait until a week before to do anything about it and you will not give us your decision until next week, and you say we can get them up here for 10 days.

But our experience is it takes 2 weeks. Now, we need 5,000. Why can you not tell us now that you know you cannot get 5,000? Why can you not tell us now you can at least bring in as many as you had last year when we know we will need at the minimum twice what we had last year? Why do we have to wait on that when you know you cannot perform?

Mr. GOODWIN. We want to continue this test for a short additional time. We will report in detail, Mr. Chairman, to the Secretary on the position that you and your colleagues have taken. We will reassess the while matter, and I am sure that the Secretary will want to get back in touch with you.

Senator PASTORE. And will you have the Secretary get in touch with Mr. Robertson and answer his question with reference to how speedily or quickly—

Senator ROBERTSON. When you know we need 5,000, you know you cannot get them. Why do you hold off? That is the point.

Senator PASTORE. There is a vote going on, and we are all through with the Labor Department. We will come back for the Department of Health, Education, and Welfare.

LETTER OF EDWARD C. LEADBEATER AND NEW HAMPSHIRE CERTIFICATION

Senator COTTON. Mr. Chairman, before we come to the next item, may I request permission of the committee, of the chairman, to insert in the record at the close of my remarks this afternoon in relation to the apple matter a statement by Mr. Edward C. Leadbeater, made at Governor King's conference with the New Hampshire congressional delegation, together with the letter of transmittal, the certification for New Hampshire and the justifications concerning this?

Senator PASTORE. Is there any objection? [No response.]

The Chair hears none. It is so ordered.

(The documents referred to follow:)

STATEMENT BY EDWARD C. LEADBEATER, NEW HAMPSHIRE FRUIT GROWERS' ASSOCIATION, AT GOVERNOR KING'S CONFERENCE WITH THE NEW HAMPSHIRE CONGRESSIONAL DELEGATION, APRIL 22, 1965

New Hampshire apple growers and some other farmers who harvest seasonal crops have been greatly disturbed by the attitudes and regulations of the Department of Labor since the expiration of Public Law 78 (the "Bracero" act). We feel that we have paid good wages for pleasant work and have provided good housing, all of which is confirmed in the Annual Farm Labor Report for 1964 of the Department of Employment Security. It appears to us that we are going to be made to suffer for abuses that may have been heaped upon agricultural employees in other parts of the country.

Our apple industry has been developed around the McIntosh variety because it has proved to be the variety most adaptable to our climatic and soil conditions. It is a variety generally eaten out of hand which means that the individual apple must be good quality and appearance in order to have consumer acceptance. Unfortunately the McIntosh is a tender fruit; its quality and appearance can be speedily down-graded and its value destroyed unless it is carefully and skillfully handled. Until recent years the optimum time for picking McIntosh was compressed into a period of 10 days, but new storage techniques and the use of "stick-on" sprays have extended this time element. All growers have other varieties too, but substantially the bulk of the commercial crop should be picked within a period of 4 weeks.

Not every Tom, Dick, and Mary Jane is qualified to be or to become an apple picker, but the person with the right attributes and attitudes can quickly become an earner of very good wages. A good apple picker must have many of the characteristics of a good athlete: he should have strength and stamina, good coordination, quickness of hand and eye, and a willingness to keep plugging. Unfortunately for us, anyone who has these qualifications is employable and locally, at least, he is employed in a full-time job from which we could not hope to wean him and enough others when we can offer no more than 4 or 5 weeks work.

"Apple time" in New Hampshire is a beautiful time of year; foliage is gorgeous and the crisp, cool air is wonderful to breathe. It is also a period of frosty mornings and rapidly cooling twilights and occasionally cold, drizzly days, but the picking must go on. Experience has proved that the migrant picker from the Southern part of the country is not generally adaptable to these climatic conditions; and, too, the migrant who has the right attitudes to make him a good picker would in most cases have found employment elsewhere in the country where a longer harvest season and warmer temperatures would be more to his liking. Contrariwise, many of us have found that Canadian apple pickers are able to cope with the vagaries of our weather. Economically it will be a terrific blow to our industry if we are denied this type of harvest labor in the future.

The Secretary of Labor has indicated there would be no shortage of harvest help "if decent working conditions are provided and if it is paid for on terms in line with those for other work that is equally hard and unpleasant." Apple picking is not easy work but, on the other hand, the working conditions are certainly decent and, for those willing to work, it is pleasant work. As to pay, the opportunity for the qualified worker is certainly comparable to that available to the average day laborer in about any industry. The Farm Labor

Report for 1964 states that "all apple pickers in New Hampshire averaged \$1.85 per hour and \$104.30 per week."

We must commend the aims of Government to reduce unemployment and to alleviate poverty, but why should agriculture be singled out to do this job? Is it not because there have been many jobs in farming which could be performed by the unskilled or the handicapped, and because over many years agriculture has given employment to these unfortunates? (Farmers have been able to employ this type of help as long as wages were in line with the amount and quality of the work performed; but the establishment of minimum hourly or daily wages can only result in increasing the unemployability of such persons.)

We have little to fear from the establishment of minimum wages for the competent worker, but we can't afford to pay transportation from some distant city or State, to furnish housing and then pay wages to someone who cannot or will not do our work. Under the proposed "voluntary recruitment" plan the incompetent would be replaced, but can he be replaced in time to pick the apples that should have been picked yesterday? If the Department of Labor can properly screen applicants from the rolls of the unemployed or poverty stricken so as to assure us that they will be competent apple pickers, we will be happy to employ them. Since the aim of the Department of Labor is to improve the lot of the unemployed and impoverished, should not the Government at least pay for the transportation of these workers? The possible margins of profit for applegrowers in this day when the price of our product has not advanced anywhere near as rapidly as have all of our costs, including labor, simply do not permit us to absorb all of the extra costs it is proposed to saddle upon us.

It appears to me that the application of all of the criteria proposed by Secretary Wirtz can only result in business failure for many applegrowers. A resultant shortage of apples might result in an increase of apple prices which would permit the few growers remaining in the business to meet the demands of labor. Is it the real objective of the Department of Labor to add the farmers themselves to the unemployment rolls?

AUGUST 20, 1965.

Mr. ARTHUR C. GERNES,

*Regional Administrator, Bureau of Employment Security, Department of Labor,
Boston, Mass.*

DEAR MR. GERNES: Enclosed herewith you will find an original and two copies of our ES-349 requesting the establishment of a ceiling of 450 seasonal foreign agricultural workers for the State of New Hampshire, during the fall harvest season. Copies of the supplement are not necessary since all requirements have been met.

We are also attaching to each copy of the ES-349, a "Narrative Justification of Need for Foreign Agricultural Workers" required and outlined in USES Program Letter No. 1500.

All applicable copies of ES-232's were submitted last fall immediately after the completion of the fall harvest.

Sincerely,

BENJAMIN C. ADAMS,
Commissioner.

U.S. DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

(ES-349 (5/62))

STATE CERTIFICATION OF NEED FOR FOREIGN SEASONAL AGRICULTURAL WORKERS

To: Region I, Boston.

From: New Hampshire Department of Employment Security.

I certify that a need exists after full utilization of all available domestic workers for 450 foreign seasonal agricultural workers in the area coded I-30.01, for the period starting September 1, 1965 and ending October 30, 1965, and that, with the exception of such deficiencies as may be indicated on the supplement to form ES-349 the basic certification requirements have been met and that the following requirements have been complied with: No workers under this title shall be made available for employment in any area unless "(1) sufficient domes-

tic workers who are able, willing, and qualified are not available at the time and place needed to perform the work for which such workers are to be employed, (2) the employment of such workers will not adversely affect the wages and working conditions of domestic agricultural workers similarly employed, and (3) reasonable efforts have been made to attract domestic workers for such employment at wages, standard hours of work, and working conditions comparable to those offered to foreign workers."

In carrying out the provisions of (1) and (2) of this section, provision shall be made for consultation with agricultural employers and workers for the purpose of obtaining facts relevant to the supply of domestic farmworkers and the wages paid such workers engaged in similar employment. Information with respect to certifications under (1) and (2) shall be posted in the appropriate local public employment offices and such other public places as the Secretary may require, except for the conditions (if any) which are described in the attached supplement with the proposed remedial action indicated.

Recommended approval of the certification and assignment of the requested ceiling.

Certified by :

Commissioner.

AUGUST 20, 1965.

NARRATIVE JUSTIFICATION OF NEED FOR FOREIGN AGRICULTURAL WORKERS

1. All the foreign workers needed in New Hampshire will be used in the apple harvest, beginning about Labor Day and lasting 4 or 5 weeks.

2. (a) We estimate that the producing trees are increasing at about 10 percent a year. This is mainly because most of our larger growers have been setting out new orchards, both in old fields and in newly cleared woodland, for the past 10 or 12 years. These new trees have now reached a size and vigor which is increasing their production by leaps and bounds. Some of the growers are also taking over old orchards, where available, and bringing them back into production by intensive reworking and cultivation. The crop estimate is now for about the same number of bushels as last year, but this is based on rainfall deficiency which has persisted through the spring and early summer, and is expected to reduce the size of each apple. There are more apples to be picked than last year and if any appreciable amount of rainfall is received before harvest, and the apples reach normal size, there could well be a considerable increase in number of bushels.

2. (b) So far no one has been able to come up with any mechanical means for harvesting the soft McIntosh apple, which must be handled more gently than eggs, if it is to survive a winter's storage and come out next spring in good enough condition to attract purchases in the markets. This is an entirely different proposition from the hard processing apple more commonly grown in other areas.

3. Our supply of intrastate domestic labor is at a new low. Industrial activity is at such a peak that our unemployment rate is at the lowest point in years. We can also hope for little or no assistance from interstate recruitment at any other point within the region, for all our surrounding States have the same need for the same workers at the same time, and in most cases, in much larger numbers, not only for apples, but also for potatoes and other crops.

We have always relied upon off-duty servicemen and their dependents from Pease Air Force Base, Portsmouth Navy Yard, Marine barracks, etc. to furnish most of the extra help needed in the seacoast area apple harvest. Some 800 to 900 individuals working part time have in past years furnished the equivalent of 300 to 400 full-time workers. This source is affected by international complications, as several alerts have recently occurred, and we feel sure there will be more in the next few months. When this happens the gates are closed, and not even the off-duty men can leave the base. These same international events have also postponed, at least for the present, the programmed layoff of several hundred from the shipyard.

4. We are planning to use every available source of domestic workers, including off-shift and vacation workers, women, to the extent they can be used, youth, in all out-of-school hours, retired workers, and any others who can be discovered. We plan to use all of the Puerto Ricans now working on vegetables who can be prevailed on to stay for the apple harvest. We expect to use three

crews of southern migrants, already committed, and which we hope will bring in at least 200 pickers.

However, based on past experience, and the current reports we receive from the Mid-Atlantic States now using these crews, we must expect they will arrive shorthanded, if, indeed they arrive at all. Any shortage in this supply will add to our deficit.

Every grower has been informed that he must make every possible effort to recruit, on his own, every possible worker in his own area, and most of them have already been doing this, including advertising in local papers, over radio stations, and in the weekly market bulletin. This will not only make sure that all local workers are used, but will save the limited amount of housing for workers brought in from beyond the commuting area.

The housing has already been, and will continue to be, periodically inspected by our own people, and by the inspectors of the board of health, who have been most cooperative in this joint endeavor to enlarge and improve safe and sanitary onfarm housing for out-of-area apple pickers.

This year for the first time we have been furnished additional money to assist us in helping the farmers recruit additional domestic applepickers from all parts of the State. Six additional workers have been selected from the interviewer register by the personnel division, have been trained, and are now working in all parts of the State, with instructions to visit and explain the need to every possible point of public contact in every town and city in the State. These will include town and city officials, stores, post offices, clubs, veteran organizations, welfare agencies, newspapers, radio and television stations, our own local offices and itinerant points, and any other point where people may learn of these opportunities. Rosters are placed in these establishments, on which interested workers may sign up, indicating their availability for full time, part time or weekend work in the orchards. These men are now in their second week of fieldwork, and returns are just beginning to come in as to the results obtained. It is much too soon to reach a final judgment, but the first returns are very disappointing.

This recruitment will be further complicated by the start of the various Neighborhood Youth Corps projects, which will probably get underway at about the same time as the apple harvest, or a little sooner, and will remove several hundred youth from the already badly depleted labor supply, who might otherwise have been prevailed upon to pick apples.

If enough domestic workers can be located, able and willing to do the job, they will, of course, have absolute priority, and the foreign workers will not be requested or used.

At the present moment, however, all indications show a sizable deficit, as detailed on the accompanying ES-349.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

NATIONAL INSTITUTES OF HEALTH

HEART, CANCER, AND STROKE PROGRAMS

STATEMENT OF DR. JAMES A. SHANNON, DIRECTOR, NATIONAL
INSTITUTES OF HEALTH

PREPARED STATEMENT

Senator PASTORE. The committee will be in order.

We have next for consideration the amount of \$44,120,000 for the heart, cancer, and stroke program based on existing legislation. We had a great deal of discussion in the consideration of the 1966 regular bill of funds which will be needed for this program based on existing legislation.

We will hear first from Dr. Shannon, Director of the National Institutes of Health, inasmuch as the responsibility for the program has been lodged with the NIH.

Dr. SHANNON. Thank you, Mr. Chairman. I have a statement which I can file and will highlight in a brief comment.

Senator PASTORE. Without objection, the statement will be put in the record at this point in its entirety.

(The prepared statement follows:)

Mr. Chairman and members of the committee, I am glad to have an opportunity to testify on behalf of so important a program as that which will be launched by the proposed heart disease, cancer, and stroke budget amendment. Taken together, these three diseases claimed 1.2 million American lives in 1963—more than 7 out of 10 deaths in this country. Compared with them, all the other diseases of man—the infectious diseases, accidents, congenital and nutritional disorders—seem relatively insignificant. Among those claimed as victims by these three groups of diseases are a tragically large number of men and women in the prime of life and even a not inconsiderable number of youngsters.

Heart disease, cancer, and stroke are also responsible for a tremendous amount of disability ranging from complete paralysis to a wide range of conditions which restrict an individual's activities, often very severely. The economic cost of these diseases is staggering—it amounts to many billions of dollars each year. The cost in human suffering and in bereavement is simply incalculable.

COMMISSION ON HEART DISEASE, CANCER, AND STROKE

To develop plans for a major attack on these diseases, the President last year appointed a Special Commission on Heart Disease, Cancer, and Stroke. This Commission was charged with the task of identifying the obstacles to progress in controlling the three diseases and to recommend a national program to reduce their toll by applying existing knowledge more effectively and by accelerating the acquisition of new knowledge. The Commission's report, presented to the President in December 1964, contained 35 major recommendations, which, if fully implemented, would require more than \$2.9 billion over the next 5 years to carry out.

CARRYING OUT RECOMMENDATIONS OF COMMISSION

Primary responsibility for carrying out these recommendations within the Public Health Service was assigned by the Surgeon General to the National Institutes of Health which has for many years been deeply involved in the fight against heart disease, cancer, and stroke. A number of the recommendations require action for which the Public Health Service does not, at present, have legislative authority. A bill which would provide the necessary authority is now before the Congress. It was passed by the Senate on June 28 and is now being considered in the House. Many of the recommendations made by the President's Commission, however, can be carried out under existing legislative authorities. It is with these recommendations that the supplemental appropriations request now before you is concerned. The total amount requested for NIH appropriations is \$20,250,000.

Three of the Institutes are directly concerned, because of the nature of their categorical mission, with the program proposed by the President's Commission. These are the National Heart Institute, the National Cancer Institute, and the National Institute of Neurological Diseases and Blindness one of whose major concerns is the problem of stroke. In addition, the National Institute of General Medical Sciences plays a particularly important role in the support of research and training in broad disciplinary areas—such as radiology, anesthesiology, and surgery—which are fundamental to the work of each of the categorical Institutes. Much of the substance of the programs conducted by the National Institute of General Medical Sciences is directly relevant to a major effort to conquer heart disease, cancer, and stroke.

Separate statements for these four Institutes will be presented, Mr. Chairman—or can be submitted for the record, if you prefer—which set forth in some detail the purposes for which these supplemental appropriations are requested. I shall, therefore, limit myself to a brief summary of their distribution by broad activity categories.

RESEARCH GRANTS

More than half of the \$20 million—a total of \$12.5 million—falls under the general heading of research grants and is focused on the development of new knowledge. These funds will support a greater number of research project grants in the three categorical disease areas. They will increase the support available for clinical research facilities in heart disease, cancer, and stroke. They will make it possible to stimulate planning for more concentrated and comprehensive attacks on these diseases.

Almost all of the remainder—\$7 million—is to provide specialized training relevant to these diseases through fellowships and training grants.

The request for the National Heart Institute also includes \$750,000 for planning in connection with the collaborative program on the development of an artificial heart.

These funds will make it possible for the National Institutes of Health to make a significant start on an accelerated program in the areas of heart disease, cancer, and stroke that holds great promise for the American people.

This is a very bare outline of the scope of this program and I shall be very pleased to discuss in more detail any aspect of it in which the committee may be interested.

Thank you, Mr. Chairman.

DEBAKEY REPORT RECOMMENDATIONS CURRENTLY AUTHORIZED

Dr. SHANNON. The appropriation before you, insofar as it involves the National Institutes of Health, amounts to \$20,250,000.

The general conception of the budget is that these funds will provide for those elements of the DeBakey report which can be developed within the present legislative authority. The proposal makes no attempt to address testimony to any deficiencies in the general program. Rather it is aimed at specific programs that are believed to have high priority and, as key points, will have a major thrust in important areas in relation to the DeBakey report.

They refer to program opportunities and needs identified through discussions we have had during the past 3 months with a number of representatives of universities and States. I am very glad to answer any questions, sir.

OFFICIAL ESTIMATES NOT PREPARED AT NIH

Senator PASTORE. Now, in your appearance before the House committee on these items, you pointed out, I believe, that the estimates for the NIH items were not prepared at NIH. Is that true?

Dr. SHANNON. This is correct, sir.

INDICATION BY NIH OF EFFECTIVE GREATER EXPENDITURE

Senator PASTORE. You were invited by Mr. Fogarty, chairman of the House group, to submit data to show just what your estimate for NIH would have been had you been consulted in the preparation of the estimate. Such an indication is that the NIH officials felt that \$29,250,000 could have been effectively used. At this time, some 2 months later, what is your view as to what could effectively be used by your department for this program?

PRESENT AGREEMENT WITH BUDGET ESTIMATE WITH CHANGE IN ACTIVITY STRUCTURE

Dr. SHANNON. Senator Pastore, if one were to take our submission to the House of \$29,250,000, and reduce that, because of the passage of time and because of further information we have from States, universities, and institutions, the resulting figure would be \$25,250,000. I

arrive at this conclusion on the assumption that, by the time the appropriation is made and apportionment occurs only 9 months of the current fiscal year will remain during which one can implement programs. Furthermore, these are 1-year funds.

For this reason I would suggest a substantially lower figure than we told Mr. Fogarty in June.

Senator PASTORE. In other words, if I gather properly your testimony, you can live with the figure \$20,250,000?

Dr. SHANNON. We can live with any figure, sir.

In response to your request of whether I would modify the \$29,250,000, my response was that I would lower it at this time to \$25,250,000. We could live with a less effective program at \$20,250,000, in which case we would like the activity structure changed, based upon our experience during the past 3 months in discussions with a number of university groups and State groups.

Senator PASTORE. And how would you change that structure?

Dr. SHANNON. Which figure?

Senator PASTORE. Of \$20,250,000?

Dr. SHANNON. I can give it to you in detail, sir, or I can give it to you in broad general terms.

Senator PASTORE. Yes.

Dr. SHANNON. I think the broad general terms are probably better. We would propose reduction of research grants from \$9,250,000 to \$2 million. We would propose the increase of planning grants from \$750,000 to—I am sorry. I am giving you the wrong figures.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

I do not have the summary. I will have to give you the detail. In the National Institute of General Medical Sciences, the figure that adds up to \$29,250,000 consists of \$6 million for research grants, \$1.3 million for fellowships, \$3.7 million for training, and \$250,000 for program direction.

We propose that be modified to \$1 million for research, \$600,000 for fellowships, \$2.7 million for training grants, and \$250,000 for program direction.

NATIONAL CANCER INSTITUTE

In the Cancer Institute the figure of \$29,250,000 for the National Institutes of Health is composed of \$800,000 for planning grants, \$2 million for center grants, \$1,850,000 for training grants, and \$350,000 for program direction.

In the figure adding up to \$20,250,000, the figures there would be \$800,000 for planning grants, \$1.5 million for center grants, \$2.5 million for training grants, and \$350,000 for program direction.

NATIONAL HEART INSTITUTE

In the case of the Heart Institute, the \$29,250,000 proposal to the House was composed of \$800,000 for planning grants, \$2 million for center grants, \$2,850,000 for training grants, and \$350,000 for program direction.

Reducing the overall for the Heart Institute to \$20,250,000, the pertinent figures would be \$800,000 for planning grants, \$1 million for center grants, \$2.4 million for training grants, and \$350,000 for program direction.

NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

In the case of neurology, the figures adding up to \$29,250,000 amount to \$800,000 for planning grants, \$2 million for center grants, \$750,000 for fellowships, and \$2.1 million for training grants, and \$350,000 for program direction. This would be reduced to \$800,000 for planning grants, \$1.5 million for center grants, \$750,000 for fellowships, \$2.1 million for training grants, and \$350,000 for program direction.

In the aggregate it comes to \$20,250,000. What this does primarily is to emphasize the need in these programs to expand the training function to encompass certain quite scarce medical specialties in specific program areas, to provide more adequately for the planning function, and to provide for program direction both within the central core of NIH and within its operating divisions.

I think that summarizes the major changes, sir.

Senator PASTORE. Of course, what I would like to have you do,

doctor, is to give to me straight on the \$20,250,000. Now, if we can go back—

Dr. SHANNON. Those I read into the record, sir, and I would be glad to submit a table.

Senator PASTORE. I wish you would do that, showing the grand total of \$20,250,000 as well as the total of \$29,250,000 to which you have referred.

Dr. SHANNON. Yes, sir.

(The tables requested follow:)

NIH SUPPLEMENTAL APPROPRIATION REQUEST FOR HEART DISEASE, CANCER, AND STROKE
 Submission to Senate Appropriations Committee (\$25.25 million) compared with original supplemental estimate (\$20.25 million)

	NIGMS		Cancer		Heart		Neurology		Total	
	Original estimate	Submission to Senate	Original estimate	Submission to Senate	Original estimate	Submission to Senate	Original estimate	Submission to Senate	Original estimate	Submission to Senate
Grants:										
Research grants	\$1,000,000	\$2,000,000	\$1,750,000		\$5,000,000		\$1,500,000		\$9,250,000	\$2,400,000
Planning grants			250,000		250,000		250,000		750,000	2,400,000
Center grants			1,000,000		1,000,000		500,000		2,500,000	7,000,000
Fellowships	300,000	1,300,000			400,000		250,000		950,000	2,050,000
Training grants	900,000	3,700,000	1,000,000		2,400,000		1,750,000		6,050,000	10,500,000
Collaborative studies					750,000					
Program direction		250,000		350,000						
Total	2,200,000	7,250,000	4,000,000	6,000,000	9,800,000	6,000,000	4,250,000	6,000,000	20,250,000	25,250,000

Proposed redistribution of original supplemental estimate (\$20,250,000) compared with original supplemental estimate (\$20,250,000)

	NIGMS		Cancer		Heart		Neurology		Total	
	Original estimate	Revised distribution of estimate	Original estimate	Revised distribution of estimate	Original estimate	Revised distribution of estimate	Original estimate	Revised distribution of estimate	Original estimate	Revised distribution of estimate
Grants:										
Research grants	\$1,000,000	\$1,000,000	\$1,750,000		\$5,000,000		\$1,500,000		\$9,250,000	\$1,000,000
Planning grants			250,000		250,000		250,000		750,000	2,400,000
Center grants			1,000,000		1,000,000		500,000		2,500,000	4,500,000
Fellowships	300,000	600,000			400,000		250,000		950,000	1,350,000
Training grants	900,000	2,700,000	1,000,000		2,400,000		1,750,000		6,050,000	9,700,000
Collaborative studies					750,000					
Program direction		250,000		350,000						
Total	2,200,000	4,550,000	4,000,000	5,150,000	9,800,000	5,080,000	4,250,000	5,500,000	20,250,000	20,250,000

Senator PASTORE. Any questions?

AGGREGATE USE OF GREATER AMOUNT

Senator HILL. If you had the extra \$5 million, what would that be for?

Dr. SHANNON. In the aggregate we would increase the center grants; namely heart, cancer, stroke type activities from \$4.5 million to \$7 million. We would increase the fellowship item by a figure of \$700,000. We would increase training grants in the aggregate by approximately \$800,000. I would be glad to give you a detailed breakdown on that.

Senator PASTORE. It would be a million; would it not?

Dr. SHANNON. It would increase the training grants at NIGMS \$1 million, would increase them in cancer by \$350,000, would increase them in heart by \$450,000; so that would be \$1.8 million.

Senator PASTORE. That is right.

(The table referred to follows:)

NIH SUPPLEMENTAL APPROPRIATION REQUEST FOR HEART DISEASE, CANCER, AND STROKE
Submission to Senate Appropriations Committee (\$25,250,000) compared with submission to House Appropriations Committee (\$29,250,000)

	NIGMS		Cancer		Heart		Neurology		Total	
	Submission to House	Submission to Senate	Submission to House	Submission to Senate	Submission to House	Submission to Senate	Submission to House	Submission to Senate	Submission to House	Submission to Senate
Grants:										
Research grants	\$6,000,000	\$2,000,000							\$6,000,000	\$2,000,000
Planning grants			\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	2,400,000	2,400,000
Center grants			2,000,000	2,000,000	2,000,000	2,000,000	3,000,000	2,000,000	7,000,000	7,000,000
Fellowships	1,300,000	1,300,000						750,000	2,050,000	2,050,000
Training grants	3,700,000	3,700,000	1,850,000	2,850,000	2,850,000	2,850,000	2,100,000	2,100,000	10,500,000	10,500,000
Collaborative studies										
Program direction	250,000	250,000	350,000	350,000	350,000	350,000	350,000	350,000	1,300,000	1,300,000
Total	11,250,000	7,250,000	5,000,000	6,000,000	6,000,000	6,000,000	7,000,000	6,000,000	29,250,000	25,250,000

PENDING LEGISLATION

Senator HILL. Let me ask you this, Doctor. The Senate, as you know, in June passed the legislation to carry out the recommendations of the President's Commission with reference to heart, cancer, and stroke. That legislation was pending in the House of Representatives. It is still in the House Commerce Committee, I think. I suppose if and when that legislation does pass, as I expect it will pass, I imagine you would have some supplementals on that; would you not? The legislation on heart, cancer, and stroke, carrying out the recommendations of the President's Commission?

Dr. SHANNON. I believe that it is planned to submit a supplemental request for that. The precise timing and the precise amount, I do not believe can be stated at the present time. At least I have no knowledge of it, sir.

Senator HILL. Of course, the legislation has yet to pass the House. Until it passes the House and the House and the Senate agree on it, and it is passed in its final form, you cannot know just exactly what it might be.

Dr. SHANNON. No, sir.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES SURGERY PROGRAM

Senator HILL. I was interested in your statement which you put in the record. I notice that under the National Institute of General Medical Sciences, among others, radiology, anesthesiology, and surgery. That "surgery" is a pretty broad term. What do you have particularly in mind there?

Dr. SHANNON. Well, sir, as you know, the National Institute of General Medical Sciences is composed of programs that service a number of categorical areas. The surgery that is presented there would be the general surgical training in anticipation of further specialized training of a specialized nature essential to specific fields such as heart or cancer.

For instance, in cancer, superimposed upon general surgical training would be thoracic surgery, as an example.

Senator HILL. Thoracic would be specialized after you had your general surgery?

Dr. SHANNON. In the cardiovascular field after the general surgeon has developed broad competence, there is an add-on of vascular surgery on the one hand, open-heart surgery on the other. These constitute quite specialized fields that require added dollars. But there must be basic support to bring some of the brilliant young surgeons to the point from which they can embark upon a highly specialized area.

ANESTHESIOLOGY

Senator HILL. I may say that here some 2 years ago, Dr. I. S. Ravdin, whom I consider one of the greatest surgeons of our time and a most eminent man in the field of surgery, testified before our committee and most of his testimony dealt with the importance and the vital part of the anesthesiologist. I suppose you would agree with that, would you not?

Dr. SHANNON. I would agree with that completely, and this is one of the items contained in the training grants.

Again, it is a professional area that cuts across a variety of surgical fields that find representation in a specialized fashion on each of the other three appropriations.

Senator PASTORE. Any questions, Mr. Cotton?

1966 APPROPRIATIONS FOR NIH IN EXCESS OF ESTIMATES

Senator COTTON. In view of the reduction of some of your figures, this question loses perhaps some of its import. But in the regular appropriations bill which we passed recently there were two or three items in NIH in which we exceeded the budget request, and it was understood at that time that the supplemental bill was already pending in the House. It was understood the amount by which we exceeded the budget request would be taken into consideration by us when we marked up the supplemental.

Now, perhaps Senator Hill can answer this as well as you can, doctor, but I want to get it clear in my mind on some of those items in which we exceeded the budget, whether this supplemental has been accordingly decreased from the amount that was pending at that time?

Dr. SHANNON. There is basically no overlap, sir, between this request and the additional funds made available by the Senate.

Senator COTTON. It might not necessarily be an overlap. If this committee of its own volition increased in the regular bill certain of these amounts while your supplemental was already pending in the House—

Mr. KELLY. Senator Cotton, it was my understanding that this issue was discussed in the conference between the House and the Senate on the regular bill. It was the preference of the House to take those items which were included in the Senate allowance, which are also under consideration in connection with the heart, stroke, and cancer item, and remove them from the regular bill and consider them in this supplemental and that was agreed to.

Senator COTTON. I recall that such was the case. There was also an understanding that next year they wanted to do it in the other direction.

Mr. KELLY. These would be consolidated thereafter.

CHANGE IN ACTIVITY STRUCTURE

Senator PASTORE. It is also true, is it not, while the money aspect is the same, there has been a reshuffling of categories and that is what you explained today?

Dr. SHANNON. That is correct.

Senator PASTORE. In other words, you are notifying us that you desire to have it put in those places where you can use it and employ it more effectively?

Dr. SHANNON. That is correct, Senator Pastore, and this is on the basis of discussion with some 40 or 50 professionals representing some 20 to 30 medical centers and State groups who are concerned with these programs.

PERSONNEL INCREASE

Senator COTTON. Do you have any aggregate figure as to the number of positions that will be added by reason of these appropriations?

Dr. SHANNON. Yes, sir. Our estimate at this time that relates to \$20,250,000 is 8 positions in Cancer, 25 in Heart, 8 in Neurology, 8 in General Medical Sciences, and 10 in the Central Office of Program Development. In the aggregate these are 59.

Senator COTTON. Those are positions at the National Institutes of Health?

Dr. SHANNON. I am only talking about the National Institutes of Health; yes, sir.

Senator COTTON. There are undoubtedly some additional positions in the Office of the Secretary.

Dr. SHANNON. The total budget before you is a budget of \$44,120,000. I understood you were addressing yourself to that part that is composed of the National Institutes of Health activities which amount to \$20,250,000.

Senator COTTON. My point is that in your estimate of 59 positions, that, of course, does not take into consideration such extra positions the Office of the Secretary might ask for because of these added activities on your part?

Dr. SHANNON. It does not, sir, no.

INCREASED PERSONNEL IN BUREAU OF STATE SERVICES OF PUBLIC HEALTH AND VOCATIONAL REHABILITATION SERVICES

Mr. KELLY. May I make a statement with respect to that? With respect to the heart, stroke, and cancer item, there are no increases in the Office of the Secretary. There are increases in the Bureau of State Services of the Public Health Service and in the Vocational Rehabilitation Administration. I will submit a table that will show those if I may.

Senator COTTON. Those that are necessitated because of these increases?

Mr. KELLY. Yes, sir.

Senator COTTON. Thank you.

Senator PASTORE. Any further questions, Mr. Byrd?

Senator BYRD. No, thank you.

Senator PASTORE. Thank you very much, doctor.

(The table referred to follows:)

Effect of House action, authorized positions

Agency and account	1966 available			1966 revised estimate			1966 House allowance		
	Washing- ton area	Other	Total	Washing- ton area	Other	Total	Washing- ton area	Other	Total
Office of Education: Salaries and expenses.....	1,441	164	1,605	1,771	164	1,935	1,771	164	1,935
Vocational Rehabilitation Administration:	4	4	4	4		4	4		4
Research and training.....	224	60	284	231		291	231	60	291
Salaries and expenses.....									
Public Health Service:									
Chronic diseases and health of the aged.....	626	372	998	650	385	1,035	650	385	1,035
Communicable disease activities.....	9	1,797	1,806	9	1,814	1,823	9	1,814	1,823
Community health practice and research.....	239	109	348	271	109	380	271	109	380
National Institute of General Medical Sciences.....	184		184	184		184	192		192
National Cancer Institute.....	1,417	124	1,541	1,417	124	1,541	1,425	124	1,549
National Heart Institute.....	605	158	763	605	158	763	630	158	788
National Institute of Neurological Diseases and Blindness.....	670	84	754	670	84	754	678	84	762
Total, Public Health Service.....	3,750	2,644	6,394	3,806	2,674	6,480	3,855	2,674	6,529
Administration on Aging.....	22	17	39	57	26	83	63	26	89
General Administration and other:									
Salaries and expenses, Office of Audit.....	50	296	346	53	322	375	53	322	375
Salaries and expenses, Office of the General Counsel.....	119	98	217	124	103	227	124	103	227
National Technical Institute for the Deaf.....				5		5	5		5
Total, supplemental estimate.....	5,610	3,279	8,889	6,051	3,349	9,400	6,106	3,349	9,455

VOCATIONAL REHABILITATION ADMINISTRATION

Senator PASTORE. We have for consideration estimates from the Vocational Rehabilitation Administration in connection with the program for the heart, cancer, and stroke diseases. Inasmuch as the House allowed the full amounts requested, the clerk will insert the justifications in the record for the information of the committee and the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"VOCATIONAL REHABILITATION ADMINISTRATION

"RESEARCH AND TRAINING

"For an additional amount for 'Research and training', \$6,100,000."

Amounts available for obligation

	Estimate, 1965	Original estimate, 1966	Revised estimate, 1966	Increase
Appropriation-----	\$41,065,000	\$46,045,000	\$52,145,000	\$6,100,000

Obligations by activity

Activity	Estimate, 1965		Original estimate, 1966		Revised estimate, 1966		Increase	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Research and demonstra- tions-----		\$17,070,000		\$18,570,000		\$20,570,000		\$2,000,000
Training-----		19,810,000		22,200,000		23,800,000		1,600,000
Special center program-----		4,085,000		5,075,000		7,575,000		2,500,000
International research; do- mestic support-----		100,000		100,000		100,000		
National study of rehabili- tation needs-----			4	100,000	4	100,000		
Total obligations-----		41,065,000	4	46,045,000	4	52,145,000		6,100,000

Obligations by object

	Estimate, 1965	Original estimate, 1966	Revised estimate, 1966	Increase
Total number of permanent positions-----			4	4
Full-time equivalent of all other positions-----			2	2
Average number of all employees-----			5	5
11 Personnel compensation:				
Permanent positions-----		\$31,000	\$31,000	
Positions other than permanent-----		15,600	15,600	
Total personnel compensation-----		46,600	46,600	
12 Personnel benefits-----		3,400	3,400	
21 Travel and transportation of persons-----	\$110,000	128,500	148,500	\$20,000
23 Rent, communications, and utilities-----		3,000	3,000	
24 Printing and reproduction-----	30,000	38,000	38,000	
25 Other services-----	1,617,900	1,818,000	2,598,000	780,000
26 Supplies and materials-----		500	500	
31 Equipment-----	50,000	52,000	52,000	
41 Grants, subsidies, and contributions-----	39,258,000	43,955,000	49,255,000	5,300,000
Total obligations by object-----	41,065,000	46,045,000	52,145,000	6,100,000

Summary of changes

1966 original estimate-----	\$46,045,000
1966 revised estimate-----	52,145,000
	6,100,000
	6,100,000
Increases:	
Research and demonstrations program-----	2,000,000
Training and traineeships program-----	1,600,000
Special center program-----	2,500,000
	6,100,000
Total increase-----	6,100,000

EXPLANATION OF CHANGES

Research and demonstrations.—An increase of \$2 million is requested to support 35 projects in the areas of heart disease, cancer, and stroke.

Training and traineeships.—An increase of \$1,600,000 is requested. Of this increase \$500,000 is for long-term graduate training, \$500,000 is for research training and \$600,000 is for short-term training to continue the education of medical personnel in heart disease, cancer, and stroke rehabilitation procedures. The increase in long-term traineeships will provide about 215 traineeships in the fields of occupational therapy, physical therapy, speech pathology, and nursing. The \$500,000 for research training would enable the VRA to develop a formal program of predoctoral and postdoctoral research training for rehabilitation personnel in heart disease, cancer, and stroke.

Special center program—An increase of \$2,500,000 is requested for the rehabilitation research and training centers to strengthen the research training and patient care component for heart disease, cancer, and stroke in the operating medically oriented centers.

JUSTIFICATION

An additional \$6,100,000 is requested for this appropriation estimate to strengthen rehabilitation research and training in the area of heart disease, cancer, and stroke. This \$6,100,000 is composed of the following: \$2 million for about 35 additional research and demonstration projects in heart disease, cancer, and stroke; \$1,600,000 for training—\$500,000 for long-term graduate training, \$500,000 for research training, and \$600,000 for short-term training to continue the education of medical personnel in heart disease, cancer, and stroke rehabilitation procedures; and \$2,500,000 is for additional grants to the present medically oriented rehabilitation research and training special centers.

There follows a more detailed explanation of the requests for the above items.

RESEARCH AND DEMONSTRATION GRANTS

Thirty-five projects at a cost of \$2 million are planned for fiscal year 1966 in the rehabilitation of heart disease, cancer, and stroke victims.

The research projects to improve rehabilitation techniques or demonstrate rehabilitation of persons disabled by heart disease will concentrate activity in such areas as the following:

1. Studies of cardiac output on the job and the development of physical standards for the cardiac in industry.
2. The psychosocial adjustment of the cardiac patient through the use of group therapy and recreational facilities will be the subject of research studies. In conjunction with these studies, research into the premorbid and postmorbid personality of the cardiac to develop guides for counselors and other rehabilitation personnel working with cardiacs will be undertaken.
3. A special study of the work potential indicators for cardiac patients especially following cardiac surgery will be initiated.
4. Studies to improve rehabilitation evaluation procedures particularly for the more seriously involved cases.

The projects which are planned in rehabilitation of stroke victims will include—

1. The use of assistive devices and their efficacy in the rehabilitation of hemiplegics.

2. An organized and standardized approach to data collecting on aphasia cases to enable statistical analyses that have previously been impossible due to lack of data on large number of cases.

3. A study of spasticity in general to determine causes and methods of treatment including special rehabilitation devices.

4. Studies in the psychosocial and emotional problems of the hemiplegic with special attention to the family unit.

5. The use of a mobile rehabilitation team to evaluate hemiplegic cases in rural areas to determine effectiveness of early and complete diagnosis and treatment in rehabilitation.

6. Demonstrations of the extent to which a community workshop can rehabilitate hemiplegics previously considered nonfeasible for employment.

7. Studies of the effects of prolonged exercise on subjects with hemiplegia to determine metabolic and cardiovascular requirements for stroke victims at work.

The projects which will be supported to study the problems of rehabilitating cancer patients include—

1. The psychological relationships of the cancer patient and his family during rehabilitation.

2. The rehabilitation needs of individuals with cancer or tumors of the brain and neurological system.

3. Preoperative and postoperative counseling of cancer patients to achieve the best adjustment after surgery and to improve the vocational rehabilitation potential.

4. Family relationships and rehabilitation problems of individuals with cancer of the lungs, genitourinary system, gastrointestinal system, and the larynx.

5. The special rehabilitation problems of individuals with cancer of the bone and joints.

6. The attitudes of professional personnel working with cancer patients who are in the process of rehabilitation.

7. Development of new or improved methods in cosmetic restoration and surgical repair of facial disfigurement due to cancer.

8. Research in treatment of laryngectomized patients who require training in esophageal speech to coordinate surgical, prosthetic, psychiatric, psychological, and speech therapy facilities in improving esophageal speech.

TRAINING AND TRAINEESHIPS

Long-term traineeships

Field	Number	Amount requested	Average cost		
			Stipend	Tuition	Total
Nursing.....	13	\$50,000	\$2,700	\$1,146	\$3,846
Occupational therapy.....	79	125,000	935	647	1,582
Physical therapy.....	68	125,000	848	990	1,838
Speech pathology.....	57	200,000	2,400	1,108	3,508
Total.....	217	500,000			

A total of \$500,000 is requested for 217 long-term traineeships in the fields tabulated above. The traineeships in the fields of nursing, occupational therapy, and physical therapy are priced out at the average for the corresponding field in the regular 1966 budget submission. The training costs are based on experience.

Traineeships costs for short-term training in this submission average the same as in the regular submission. The instructional costs of the average program are somewhat higher (about \$6,800 as compared to about \$4,200) than in the regular submission because of the exclusively specialized professional nature of the subject matter of short-term courses for health and medical personnel.

Nursing.—An additional \$50,000 is requested to provide 13 traineeships to nurses interested in preparing for a teaching career with emphasis on rehabilitative nursing of cardiovascular and cancer patients. Rehabilitation nurse instruc-

tors are in short supply in both graduate and undergraduate schools of nursing. The average cost of \$3,846 includes \$1,146 for tuition.

Occupational therapy.—An additional \$125,000 is requested to provide 79 traineeships in occupational therapy. The 31 approved schools are currently graduating about 500 students a year; the estimated need is for about 12,000 with approximately 4,000 new occupational therapists required each year. The average cost of \$1,582 includes \$647 for tuition.

Although occupational therapy is an important service in most disabilities, the services of an occupational therapist are essential for the comprehensive care of stroke patients, for those who have had mastectomies due to cancer and for patients with a variety of heart conditions.

Physical therapy.—An additional \$125,000 is requested for 68 traineeships. The number of existing budgeted vacancies in physical therapy positions is estimated at about 1,000. The 43 schools of physical therapy are currently graduating fewer than that number and a number of schools could expand their enrollment if scholarship assistance were available. The average cost of \$1,838 includes \$990 for tuition.

Physical therapists are urgently needed for adequate comprehensive care of hemiplegic patients.

Speech pathology.—An additional \$200,000 is requested for 57 traineeships for graduate study in speech pathology and audiology. In addition to generally increasing the supply of personnel for service to people disabled by disorders of communication, about 35 of these traineeships would be for specialized, advanced study in aphasia resulting from stroke and in rehabilitation of the laryngectomee whose larynx had been removed as a result of cancer. The average cost of \$3,508 includes \$1,108 for tuition.

Short-term training

	Number	Amount	Average
Instructional costs.....	41	\$280,000	\$6,830
Traineeships.....	1,745	320,000	184
Total.....		600,000	

The additional sum of \$600,000 would make possible the conduct of about 41 short-term training courses that would provide for the continuing education of personnel in the health professions in relation to the rehabilitation of persons with cancer or cardiovascular disorders.

These courses would include (1) training programs for medical consultants and supervisory personnel in State vocational rehabilitation agencies in the development of criteria for determining eligibility for vocational rehabilitation services of clients with cancer or cardiovascular conditions; (2) regional courses for speech pathologists on rehabilitation of patients with aphasia resulting from strokes; (3) regional courses for speech pathologists and State vocational rehabilitation agency personnel on rehabilitation of laryngectomy patients as a result of cancer of the larynx; (4) training courses for faculty of rehabilitation counselor training programs and schools of social work on development of curriculum content related to heart disease, cancer, and stroke; (5) courses for experienced occupational and physical therapists in advanced methods of rehabilitating hemiplegic patients; (6) postgraduate courses for practicing physicians in rehabilitation methods for cancer and cardiovascular patients; (7) courses for home economists, public health nurses, and other personnel on work simplification and energy conservation for homemakers with heart disease.

Research training.—The \$500,000 requested for fiscal year 1966 would enable the vocational rehabilitation agency to develop a formal program of predoctoral and postdoctoral research training for rehabilitation personnel in heart disease, cancer, and stroke.

The program visualized by the request includes both individual fellowships based on a careful selection of research trainees applying under the current vocational rehabilitation agency research fellowship program and grants to leading universities for specialized training of rehabilitation research personnel in the area of heart disease, cancer, and stroke. These grants would provide training funds for about seven research traineeships in each institution. These

research traineeships would support advanced trained research investigators in the many fields—medical and social—with which rehabilitation is concerned.

REHABILITATION RESEARCH AND TRAINING CENTERS

Additional funds amounting to \$2.5 million are requested for rehabilitation research and training centers in the specific areas of heart disease, cancer, and stroke.

There is a total of 10 medically oriented special research and training centers—5 fully developed and 5 in the developmental phase. The fully developed centers are located at the following institutions of higher learning: New York University, University of Minnesota, University of Washington, Baylor University, and Western Reserve University. The developmental grants are made to Emory University, Tufts University, Temple University, George Washington University, and the University of Colorado.

The more developed medical centers will develop activities along the following lines:

1. The application of ongoing biomedical research staff to investigations related specifically to the rehabilitation of those who suffer with heart disease, cancer, and/or stroke.
2. Increased funds for the extension of ongoing and newly developed research studies related to the care and treatment of the cardiac, cardiovascular accident, and cancerous patient from the standpoint of factors closely related to their capacity to work and live in their society. In relationship to this program we will be in a position to liberalize existing restrictions on the number of patients admissible to the research and training center grant program.
3. Specific research related to the vocational rehabilitation of the heart disease, cancer, and stroke victim will be encouraged, especially in such areas as the evaluation and treatment of aphasia, speech and rehabilitation, the evaluation of work tolerance, the work orientation of the cancerous patient and his family.

The other centers will expand along the following lines:

1. The recruitment and development of staff primarily oriented in the fields of research training and patient care of the heart, cancer, and stroke victims.
2. Additional patient care. The amounts currently available for patient care in these less developed centers allows very little for the heart, cancer, and stroke patient. The proposed expansion is vital if any significant contribution is to be made by these centers.
3. Additional equipment and space for research in rehabilitation of the heart disease, cancer, and stroke patients.
4. Early development in the areas of orthotics and prosthetics devices to reduce the workload and increase the efficiency of individuals limited due to heart disease, cancer, and stroke.
5. Visiting lecturers and consultants in the field of heart disease, cancer, and stroke not generally available in the developmental grant program.

APPROPRIATION ESTIMATE

SALARIES AND EXPENSES

“For an additional amount for ‘Salaries and expenses’, \$70,000.”

Amounts available for obligation

	Estimate, 1965	Original estimate, 1966	Revised estimate, 1966	Increase
Appropriation	\$3,232,000	\$3,415,000	\$3,485,000	\$70,000

Obligations by activity—New basis

	Estimate, 1965		Original estimate, 1966		Revised estimate, 1966		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Program services.....	70	\$815,900	75	\$873,800	75	\$873,800		
Regional operations.....	64	866,000	65	880,400	65	880,400		
Research and training.....	58	718,200	63	779,200	69	\$43,700	6	\$64,500
Executive direction and program coordination.....	30	399,100	33	428,600	33	428,600		
Management services.....	46	432,800	48	453,000	49	458,500	1	5,500
Total obligations.....	268	3,232,000	284	3,415,000	291	3,485,000	7	70,000

Obligations by objects

	Estimate, 1965	Original estimate, 1966	Revised estimate, 1966	Increase
Total number of permanent positions ¹	268	284	291	7
Full-time equivalent of all other positions.....	6	6	6	
Average number of all employees.....	253	269	274	5
11 Personnel compensation:				
Permanent positions.....	\$2,514,800	\$2,666,600	\$2,713,900	\$47,300
Positions other than permanent.....	54,600	54,600	55,600	1,000
Other personnel compensation.....	65,800	44,000	44,000	
Total personnel compensation.....	2,635,200	2,765,200	2,813,500	48,300
12 Personnel benefits.....	193,800	203,100	206,600	3,500
21 Travel and transportation of persons.....	150,000	171,000	177,000	6,000
22 Transportation of things.....	4,000	4,000	4,000	
23 Rent, communications, and utilities.....	65,000	77,000	82,600	5,600
24 Printing and reproduction.....	61,000	64,000	66,500	2,500
25 Other services.....	77,000	74,000	74,000	
26 Supplies and materials.....	22,000	26,900	27,500	600
31 Equipment.....	24,000	29,800	33,300	3,500
Total obligations by object.....	3,232,000	3,415,000	3,485,000	70,000

¹ Excludes reimbursable positions from Public Health Service; 3 in 1965 and 2 in 1966.

Summary of changes

1966 original estimate.....	\$3,415,000
1966 revised estimate.....	3,485,000
Net change in appropriation request.....	70,000

EXPLANATION OF CHANGES

An increase of \$70,000 is requested for seven additional positions needed to administer the heart disease, cancer, and stroke rehabilitation research, and training grants to be supported by the \$6,100,000 requested for this program. Of the seven positions, four professional and two clerical are requested for the program area of the research and training activity and one clerical position is requested for management services because of the increased fiscal activity associated with the increase in the program area of heart disease, cancer, and stroke.

JUSTIFICATION

An additional \$70,000 is requested for 1966 for this appropriation estimate for seven additional positions needed to administer the heart disease, cancer, and stroke rehabilitation research and training grants to be supported by the \$6,100,000 requested under "Research and training." All of the positions are

departmental. Of the seven positions, six come under activity 3, research and training and one comes under activity 5, management services. Of the six new positions in the research and training activity, two professional positions and a clerical position are needed in connection with increased activity in heart disease, cancer, and stroke rehabilitation research and training in 10 medically oriented special centers. One professional and a clerical position are needed in connection with increased research grant activity in the area of heart disease, cancer, and stroke. One professional position is needed in connection with increased training grant activity in heart disease, cancer, and stroke. One clerical position is requested for activity 5, management services because of increased fiscal activity associated with the increase in the program area of heart disease, cancer, and stroke.

New positions requested, fiscal year 1966

	Grade	Annual salary
Research and training:		
Medical consultant.....	GS-14.....	\$16,130
Do.....	GS-13.....	14,595
Program analyst.....	GS-13.....	12,075
Short-term training specialist.....	GS-13.....	12,075
Secretary.....	GS-6.....	5,505
Do.....	GS-5.....	5,000
Subtotal (6).....		65,380
Management services: Fiscal clerk (1).....	GS-6.....	5,505
Total new positions (7).....		70,885

PUBLIC HEALTH SERVICE

CHRONIC DISEASES AND HEALTH OF THE AGED

Senator PASTORE. There was presented to the Congress an estimate in the amount of \$14 million for "Chronic diseases and health of the aged" in connection with the heart, cancer, and stroke program. The House allowed \$12,800,000, a reduction of \$1,200,000, for the restoration of which the Department does not appeal because the request for certain project grants were in excess of the amount authorized for the purpose.

The material in support of this request will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"For an additional amount for 'Chronic diseases and health of the aged', \$14,000,000."

Amounts available for obligation

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Appropriation.....	\$53,908,000	\$67,453,000	\$81,453,000	+\$14,000,000
Comparative transfer to "Salaries and expenses, Office of the Surgeon General".....	-14,000	0	0	0
Unobligated balance brought forward.....	+1,060,000	0	0	0
Total obligations.....	54,954,000	67,453,000	81,453,000	+14,000,000

Obligations by activity

Description	1965 estimate		1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grants:								
(a) Research.....		\$1,790,000		\$2,551,000		\$3,551,000		+\$1,000,000
(b) Formula grants to States:								
(1) Cancer.....		3,500,000		3,500,000		3,500,000		
(2) Heart.....		7,000,000		7,000,000		9,500,000		+2,500,000
(3) Other chronically ill and aged		11,750,000		12,300,000		12,300,000		
(c) Project:								
(1) Cancer.....		5,273,000		5,933,000		13,933,000		+8,000,000
(2) Neurological and sensory.....		3,450,000		7,250,000		7,250,000		
(3) Other chronically ill and aged		7,000,000		9,200,000		11,200,000		+2,000,000
(d) Training.....		100,000		200,000		200,000		
(e) Mental retardation planning.....		1,060,000		1,060,000		1,035,000		-25,000
(f) Research, training, and technical services.....	898	14,031,000	998	19,519,000	1,035	20,019,000	+37	+500,000
(g) Cancer control.....	189	2,247,000	221	4,381,400	253	4,811,400	+32	+430,000
(h) Diabetes and arthritis control.....	79	1,210,500	79	1,242,600	79	1,242,600		
(i) Heart disease control.....	392	5,654,400	392	5,826,300	392	5,826,300		
(j) Respiratory disease control.....	7	110,000	27	1,110,000	27	1,110,000		
(k) Neurological and sensory disease.....	82	1,414,300	82	1,415,300	82	1,415,300		
(l) Mental retardation.....	15	399,100	45	872,000	45	872,000		
(m) Gerontology.....	39	989,800	39	1,039,800	39	1,039,800		
(n) Nursing home services.....	36	577,200	36	1,366,700	36	1,366,700		
(o) Care and preventive services.....	57	1,388,000	57	1,403,900	62	1,473,900	+5	+70,000
(p) Renal disease control.....	2	463,000	20	861,000	20	861,000		
Total obligations.....	898	54,954,000	998	67,453,000	1,035	81,453,000	+37	+14,000,000

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Obligations by object

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Total number of permanent positions.....	898	998	1,035	+37
Full-time equivalent of all other positions.....	59	56	73	+17
Average number of all employees.....	854	927	947	+47
11 Personnel compensation.....	\$7,124,000	\$7,837,000	\$8,286,000	+\$449,000
12 Personnel benefits.....	976,300	1,039,000	1,084,000	+45,000
21 Travel and transportation of persons.....	1,072,000	1,300,000	1,368,000	+68,000
22 Transportation of things.....	115,000	135,000	148,000	+13,000
23 Rent, communication, and utilities.....	244,000	352,000	385,000	+33,000
24 Printing and reproduction.....	97,000	215,000	218,000	+3,000
25 Other services.....	968,700	1,079,000	1,091,000	+12,000
Services of other agencies.....	132,400	227,000	227,000	-----
Project contracts.....	2,280,000	6,030,000	6,060,000	+30,000
Payment to:				
"Bureau of State Services management fund".....	682,600	771,600	791,600	+20,000
"National Institutes of Health management fund".....	30,000	22,000	22,000	-----
26 Supplies and materials.....	245,000	342,000	349,000	+7,000
31 Equipment.....	176,000	243,400	263,400	+20,000
41 Grants, subsidies, and contributions.....	40,811,000	47,860,000	61,160,000	+13,300,000
Total obligations.....	54,954,000	67,453,000	81,453,000	+14,000,000

Summary of changes

	Positions	Amount
Original estimate.....	998	\$67,453,000
Revised estimate, 1966.....	1,035	81,453,000
Increase.....	+37	+14,000,000
1. Grants:		
Research.....		1,000,000
Heart formula grants to States.....		2,500,000
Cancer project grants.....		8,000,000
Other chronically ill and aged project grants.....		2,000,000
2. Research, training, and technical services:		
Cancer control program.....	32	430,000
Care and preventive services.....	5	70,000
Total increases.....	37	14,000,000

JUSTIFICATION

GENERAL STATEMENT

The report of the President's Commission on Heart Disease, Cancer, and Stroke clearly establishes the tragic price we pay as a Nation as a result of these diseases. A great deal of the human suffering and economic waste results from not applying the knowledge we have about these killing and crippling diseases at every level of our medical and health practice. This is not to say that efforts to date have been ineffectual but only that greater efforts are required to take full advantage of the available knowledge.

We have long been concerned with assisting States and communities in providing as complete a system of health services as possible to meet the needs of their chronically ill and aged. About 50 percent of our present budget is devoted to strengthening and extending programs for the prevention, detection, and treatment of heart disease, cancer, and stroke. We are therefore in a unique position to implement many of the proposals of the President's Commission since they are either expansions or closely related to our existing programs.

This budget amendment requesting \$14 million proposes action to bring about a sharp decline in the deaths due to cancer of the cervix; increase the number and improve the skills of medical and allied medical personnel who treat and serve patients suffering from cancer; provide assistance to States and communities in planning and coordinating health services and in conducting research studies, and in establishing and maintaining coordinated statewide laboratory facilities for chronic disease control.

The merit of these programs can only be measured in terms of the need for them and the price we are paying without them. Cancer of the cervix kills 14,000 women each year, and in cancer control there are serious shortages of clinically trained health personnel and programs for keeping already practicing health personnel apprised of and proficient in the most recent techniques and medical advances. The programs described below offer a reasonable and productive approach to meeting these challenges.

(a) *Research grants—increase of \$1 million*

An increase of \$1 million is requested to support additional chronic diseases research into the methods and techniques for community programs for the prevention and control of chronic diseases. Individual investigators using the community as a laboratory can do much to contribute to the knowledge needed for improved programs of disease detection and control. With the impetus provided by the Commission report, we can expect a vastly accelerated level of high quality grant applications requesting support for community-oriented studies relating to cardiovascular disease and cancer. For example, there is a need for (1) descriptive epidemiological studies of the population to evaluate demographic and medical factors associated with stroke as a basis for community action in identifying the stroke-prone individual; (2) evaluation of the role of dietary alteration and physical activity in preventive community programs in the coronary disease area; (3) epidemiologic research aimed at determining the methods for the early detection of congestive heart failure and optimal methods of treatment; and (4) development of new and improved techniques and methods for the early detection of cancer and for overcoming obstacles to the mass application of already developed early detection techniques.

These funds could be used to make an initial impact on the community problems of heart disease, cancer, and stroke. Research which would allow development of the preventive approach is much needed. Screening and diagnostic procedures to identify the cases in their early stages, or ideally to identify the individual prone to the disease problems, could be most economical to the patient and to the community. The potential heart disease, cancer, or stroke victim could be found and advised as to the nature of his problem and influenced to make indicated changes. However, research is needed to develop more sensitive devices; to organize these into a logical and efficient system; to determine the social and psychological attributes of the problems; and to develop the techniques of implementing this knowledge. Joint efforts are needed on the part of many disciplines—physicians, engineers, computer scientists, social scientists, administrators, and numerous others—particularly, to utilize the rapidly developing technology in automation and engineering.

Research in patient care applying the most recently available knowledge will be supported. The Division is presently supporting a project dealing with the treatment of acute myocardial infarction using monitoring equipment and mechanical assistance of circulation when needed. Research similar to this in stroke is needed as well as developing more effective techniques of rehabilitation.

The requested increase will fund approximately 26 new grants.

(b) *Heart disease control formula grants to States—increase of \$2,500,000*

An increase of \$2,500,000 in formula grants to States is requested for carrying out the Commission's recommendations for establishing and maintaining coordinated statewide laboratory facilities.

Reliable laboratory support is recognized as an integral part of chronic disease epidemiologic and clinical investigations, particularly heart disease. Laboratory determinations and physiologic measurements are gradually assuming a highly useful role in cardiovascular community programs. The laboratory serves as an effective partner in the different types of heart disease and cancer control programs by: (1) Aiding in detection of early disease; (2) helping to make and confirm a diagnosis; (3) measuring activity or degree of disease or condition; (4) detecting and following complications or sequelae; (5) detecting early and following toxic effects arising from control procedures; (6) determining proneness or resistance to different diseases; and (7) contributing information about reasons for observed signs and symptoms and natural course of disease. The development of a laboratory network to perform these services would make it possible to achieve a significant impact in reducing death and disability.

During the past 15 years with clinical and epidemiologic laboratories increasing in numbers and size, there has developed uncertainty about the accuracy and precision existent within a laboratory and the comparability of values among

laboratories. This has been caused by modification of methods by many investigators, the use of reagents from different sources, lack of effective control systems in many laboratories, personnel with insufficient training and limited abilities, use of equipment and instruments of varying quality and capacity, and absence of "yardsticks" for purposes of reference or comparison.

The laboratories established through this program would help in forming a coordinated statewide program of chronic disease control, directed by a specific unit within the State health department and primarily related to heart disease. They would cooperate with the numerous public and voluntary agencies whose work impinges on chronic disease control and would collaborate closely with the private physicians of the State. This statewide laboratory network would conduct well standardized and controlled tests which could help other laboratories check their methods for acceptable accuracy and also provide laboratory service in areas where it is needed, such as the provision of services for the laboratory control of patients receiving anticoagulant agents, prompt identification of the group A beta hemolytic streptococci to assist practicing physicians in rheumatic fever control programs, and cytological screening for cervical cancer detection.

(c) *Cancer control project grants—increase of \$8 million*

National cervical cancer detection program.—It is proposed that a \$5 million increase be made available for implementing a national program against cancer of the uterine cervix.

The President's Commission on Heart Disease, Cancer, and Stroke recommended: "A cervical cancer detection program directed at those 8 million women aged 25 years and over who are admitted to hospitals in the United States each year. The Commission feels that such a hospital-centered screening program will be most economical, will reach the high-risk, low-socioeconomic group, and offers the highest potential for rapid public and professional education." The report further stated that "each year, many thousands of women die of cancer of the cervix. Most of these deaths are unnecessary, for the disease can be detected easily at a stage in which it is almost invariably curable. There is no excuse for further delay in launching a major attack that can reduce the death toll from this form of cancer virtually to the vanishing point."

The Public Health Service aims to integrate cervical cancer examination by exfoliative cytology (the "Papanicolaou smear") into the regular medical care patterns of the women of the Nation. It is proposed to do this through a broad spectrum of demonstration projects which will be primarily hospital centered.

In accordance with the Commission's recommendation, the first major effort will be directed at public short-term stay hospitals. These city, county, and university hospitals are the principal medical resources of large numbers of the medically indigent, who include the women who have the highest risk of cervical cancer. In some 18 such hospitals that already have projects, procedures have been piloted that are adaptable to coverage of such groups as maternity admissions, all appropriate bed patient admissions, or outpatient groups, in other similar hospitals. The increase requested here will provide funds to raise the number of such projects by 100, at beginning levels. In these projects, all new costs resulting from the project's activities will be eligible for grant support.

Approximately 30 community hospitals will be assisted in establishing cervical cancer detection projects similar in general pattern to those in public hospitals. In these projects all costs of statistical and other program evaluation and observation, and the cost of cytological examination for the medically indigent patients will be eligible for grant support.

There is also a large population of women in long-term care hospitals such as State mental hospitals. Many of these are from the underprivileged groups in which cervical cancer is most common. It is proposed to assist 20 such institutions in 1966 demonstrating the integration of cervical cancer detection into their medical care programs. With these institutions, it is anticipated that all of the cytology along with the recordkeeping and quality control will be eligible for grant support.

In each of these three types of hospital-centered projects, the grantees will be expected to provide cervical cancer detection services for these women who have been given medical care in their institutions, and only these women. This is because cervical cancer detection, like many other disease detection procedures, works best when the procedure is repeated regularly, and is accepted by the individual and her own physician or clinic as a mutual responsibility and a regular part of the patient's medical care program.

In none of these projects will the grants pay for hospitalization, or for further diagnosis and treatment of patients found to have cancer. It is anticipated that there will be 20 assignments in lieu of cash grant requests approved.

We will continue to work with groups of general practitioners and pathologists through such organizations as the State academies of general practice and with public clinics operated by voluntary agencies and State and local health units to achieve complete coverage of regular high-quality cervical cancer detection programs.

With the funds recommended by the President's Commission for the hospital-centered projects, these approaches offer the most promising opportunity that has been seen as yet to defeat cervical cancer.

Health technician training.—An increase of \$1 million is requested to expand our present programs of training for several classes of technicians whose services are essential to the clinical management of cancer. Without expansion of the number and improvement of the training of these groups, any large-scale program for improving the lot of the cancer patient will be difficult if not impossible.

All of the cancer control training programs for technical personnel are framed and organized in close cooperation with the professional societies of the medical specialists with whom the various technicians work. The pathologists and radiologists have appointed committees to work with the Public Health Service, and widely recognized members of these specialty groups serve as advisers to the Service. This close cooperation keeps the training programs attuned to the developing needs of clinical medicine.

Of the \$1 million increase, \$200,000 will be used for assisting professional groups in increasing the numbers and improving the training of medical technicians. These groups give constant attention to means of updating the capabilities of working laboratory personnel. They also work to meet the continuing need for keeping the curriculums and methods of basic training abreast of the continuing development of technical knowledge. It will expand curriculum development and recruitment and provide four special institutes on cancer-related laboratory work for practicing medical technologists.

Of the increase, \$300,000 will be for training technical assistants to radiotherapists and for initiating projects to develop training for technicians in diagnostic radiology. Developments in diagnostic procedures and methods have created a need for training technicians in lymphangiography, Xerography, and thermography. These and the continuing development of mammography and other soft-tissue diagnostic procedures have created a need for such new training procedures.

The proposed development of a hospital centered cervical cancer detection program will immediately heighten the shortage of trained cytotechnologists. The current program produces about 375 to 400 technologists annually. It is believed that an increase of from 150 to 200 technologists will be needed in 1966, requiring an increase of \$500,000.

It is proposed to achieve this result, partly by adding a few schools to the 55 now participating in the program, but mainly by increasing the number of trainees served by the most successful of the present schools.

Clinical training.—The proposed expansion of clinical training in cancer will require \$2 million and encompasses two broad categories of training mechanisms.

An increase of \$600,000 is requested to complement the senior clinical traineeship program, with opportunities for shorter term intensive training experiences for many physicians, and for full year resident training for specialists who are not physicians. These provisions will enable the limited number of institutions that have both qualified training leadership and adequate numbers of cases to accelerate their efforts to seed the Nation with young professionals who have the intensive observation and practice in utilizing special skills and knowledges in the management of cancer.

Grants will provide stipends and expenses for individuals selected through competing applications. For physicians in board-governed specialties, the expanded program will provide intensive training experiences of 3 to 9 months. For others the grant program will provide training experiences up to a year in duration. Such specialized fields as clinical pharmacology, cytopathology, oral pathology, maxillofacial prosthetics, lymphangiography, and physics and engineering in clinical radiology will receive special attention in this program.

An increase of \$1,400,000 is requested to accelerate cancer training for practicing physicians through grants to agencies and institutions. Grants will be made to hospitals with approved residency programs, to medical schools and to medical

societies, to enable them to expand cancer teaching programs for both resident physicians and physicians on their attending staffs and in the communities they serve.

This program is aimed at improving our national performance in both early detection and management of cancer. Physicians need to be informed of the continuing refinement of cancer detection procedures and of understanding of the clinical and epidemiological indications for their use. Applications of cytology, mammography, and other diagnostic knowledge are not static. The complex teamwork of specialists through which cancer is most successfully treated also continues to expand and to become more complex.

The institutions through which this program operates are the normal channels for communication of medical development to physicians in residence and in private practice. Their efforts have been persistent but severely limited by shortages of funds and full-time staff for this purpose.

The cancer control program supports systematic study of training needs, and systematic planning and implementation of training programs for physicians. It fosters coordination of medical society, hospital, and medical school programs. Participation by the working physician in planning for his own training will be stressed, and sharing of scarce teaching talent among the smaller institutions will be developed in an orderly fashion.

The amount requested will initiate 30 new projects sponsored by nonuniversity affiliated teaching hospitals, medical schools, and State and National medical organizations. These will be set up for periods up to 5 years. The projects will be reviewed annually with a view to assuring excellence, as well as to utilizing their findings and recommendations and appraising the possibilities of developing permanent support. In general, projects receiving awards in fiscal year 1966 will begin operation in the 1966-67 school year.

(d) Other chronically ill and aged project grants, increase of \$2 million

One of the major factors inhibiting the maximum availability of health services relating to heart disease, cancer, and stroke is lack of coordination of services. The mere availability of services and facilities does not assure appropriate care for the patient unless there is a pattern of coordination and communication between these resources. Furthermore, the changing needs of the chronically ill heart, cancer, or stroke patient require that the community be able to shift patients from one agency or institution to another, to move from hospital to home or the hospital to nursing home. Statewide and community planning and coordination to achieve these ends is lacking in all but a very few places.

An increase of \$2 million is requested for assisting States and communities to develop mechanisms for identifying needed resources and facilities and the coordination of existing and newly developed services for the benefit of the long-term patient. Approaches will vary with the existing State and community pattern of health services and organization. Grant applicants could include health departments, voluntary agencies, hospitals, or other nonprofit institutions or agencies. Prerequisite for receipt of a grant would be active participation from a broad spectrum of the community including professional societies, civic leaders, and educational institutions in addition to those cited above. Projects activities might include central health information and referral services coordinating requests for services, making referrals and identifying gaps, needs, and duplications; development of mechanisms for coordinating care of the individual patient through coordination of home care services and facilities services in the community; central coordination and communication service participated in by major providers of services for the heart, cancer, and stroke patient; planning groups in the community to evaluate existing coordination and continuing review group comprising representatives of local agencies to develop interagency handling of patients by referral forms and other mechanisms.

(e) *Research, training, and technical services, increase of 37 positions and \$500,000*

An increase of 37 positions and \$500,000 will be required for promoting, stimulating, reviewing, consulting, and maintaining surveillance of \$13,500,000 in expanded grant programs requested.

Primary among these expanded grant programs is the national cervical cancer detection proposal which will use \$5 million to initiate an estimated 150 community and university hospital projects. Our experience in programing sound cervical cancer casefinding projects has shown that a continuing amount of consultation from a variety of professional staff is necessary if the projects are to be successful.

We have formalized and set forth 14 of the steps necessary for complete success in operating hospital cervical cancer detection projects. From the initial contact between the cancer control program and a potential grantee, whether it be by a public health representative in the regional office or a medical officer in Washington, up to 2 years of frequent consultation and staff guidance are required to develop full adaptation of the 14-step plan.

Consultation will be provided to many institutions in addition to the estimated 150 grantees. A great many other interested hospitals will apply for support or request opportunities to study the program and observe operating projects. Physicians, health educators, community relations and public health experts and statisticians all have roles in helping the hospitals bring this lifesaving program to their users.

Twenty-seven new positions and \$350,000 are requested to mount this major new effort in cervical cancer detection, with 13 positions estimated for regional offices. This will provide one health professional in each regional office and clerical assistance in those where the greatest amount of workload is anticipated. The headquarters staff will provide the planning, review, specialized consultation, and overall coordination of the program.

The \$3 million increase requested for the training of residents, practicing physicians, and health technicians in cancer control will add new areas of support from the Public Health Service as well as increase the level of our ongoing programs for training cytotechnicians. A total of five positions and \$80,000 are requested, which will provide three professional medical and public health personnel to develop the grant guidelines, consult with the agencies and institutions capable of or interested in carrying on the type of training provided for in the grant program, and maintain close liaison with the grantees to see that all possible assistance and guidance is available for assuring the successful accomplishment of the grant.

The grant increases of \$1 million for expanded community research and \$2 million for providing a source of planning funds for the identification and coordination of existing community services to the chronically ill heart, cancer, or stroke patient, are important steps forward. Five positions and \$70,000 are requested to provide the program staff for working with State and local health departments, voluntary agencies, hospitals, and other nonprofit institutions and agencies who will be involved in these grant programs. The development and review of grant proposals and the continual review of the progress and results of these grants are of real importance to the community, to the citizens of the community, and to other communities facing similar problems.

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Allocations of grant-in-aid funds for heart disease control

State or territory	1966 original estimate	1966 revised estimate	Increase
Alabama.....	\$159,700	\$222,700	\$63,000
Alaska.....	52,800	54,400	1,600
Arizona.....	86,200	107,100	20,900
Arkansas.....	113,800	150,400	36,600
California.....	372,200	557,500	185,300
Colorado.....	90,000	113,000	23,000
Connecticut.....	95,200	121,200	26,000
Delaware.....	56,400	60,000	3,600
District of Columbia.....	61,500	68,200	6,700
Florida.....	190,000	270,500	80,500
Georgia.....	175,200	247,200	72,000
Hawaii.....	63,000	70,500	7,500
Idaho.....	66,200	75,500	9,300
Illinois.....	240,100	349,400	109,300
Indiana.....	154,500	214,600	60,100
Iowa.....	113,200	149,500	36,300
Kansas.....	100,100	129,000	28,900
Kentucky.....	144,000	198,000	54,000
Louisiana.....	151,900	210,500	58,600
Maine.....	73,600	87,100	13,500
Maryland.....	116,100	154,000	37,900
Massachusetts.....	149,800	207,200	57,400
Michigan.....	220,900	319,100	98,200
Minnesota.....	129,900	175,800	45,900
Mississippi.....	139,300	190,700	51,400
Missouri.....	143,700	197,600	53,900
Montana.....	64,700	73,200	8,500
Nebraska.....	81,900	100,200	18,300
Nevada.....	55,200	58,200	3,000
New Hampshire.....	62,900	70,300	7,400
New Jersey.....	170,200	239,300	69,100
New Mexico.....	74,700	88,900	14,200
New York.....	364,100	544,600	180,500
North Carolina.....	195,200	278,600	83,400
North Dakota.....	65,000	73,600	8,600
Ohio.....	262,600	384,700	122,100
Oklahoma.....	113,600	150,100	36,500
Oregon.....	88,400	110,400	22,000
Pennsylvania.....	297,000	438,900	141,900
Rhode Island.....	68,000	78,300	10,300
South Carolina.....	135,100	184,000	48,900
South Dakota.....	67,000	76,800	9,800
Tennessee.....	164,200	229,900	65,700
Texas.....	311,800	462,300	150,500
Utah.....	72,600	85,600	13,000
Vermont.....	57,900	62,500	4,600
Virginia.....	162,500	227,200	64,700
Washington.....	111,100	146,300	35,200
West Virginia.....	99,000	127,100	28,100
Wisconsin.....	140,200	192,000	51,800
Wyoming.....	55,200	58,200	3,000
Guam.....	33,200	33,200	-----
Puerto Rico.....	149,900	207,400	57,500
Virgin Islands.....	17,500	17,500	-----
Total.....	7,000,000	9,500,000	2,500,000

New positions requested, fiscal year 1966

	Grade	Number	Annual salary
Medical officers.....	GS-16.....	3	\$56,805
Public health program specialist.....	GS-15.....	1	16,460
Medical officer.....	GS-14.....	1	16,130
Public health program specialist.....	GS-14.....	1	14,170
Medical officer.....	GS-13.....	1	14,595
Public health program specialists.....	GS-13.....	5	60,375
Do.....	GS-12.....	7	71,750
Do.....	GS-11.....	3	25,950
Administrative assistant.....	GS-9.....	1	7,220
Public health program specialist.....	GS-7.....	1	6,050
Clerical assistants.....	GS-5.....	10	50,000
Do.....	GS-4.....	3	13,440
Total new positions.....		37	352,945

COMMUNICABLE DISEASE ACTIVITIES

Senator PASTORE. There is before us an estimate in the amount of \$1 million for an additional amount for "Communicable disease activities" in connection with the heart, cancer, and stroke program. The House allowed the estimate in its entirety. The material in support of the budget request will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"For an additional amount for "Communicable disease activities", \$1,000,000."

Amounts available for obligation

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Appropriation.....	\$29,974,000	\$31,497,000	\$32,497,000	+\$1,000,000
Comparative transfer from other accounts:				
National Institute of Child Health and Human Development.....	+5,000	0	0	0
National Cancer Institute.....	+5,000	0	0	0
National Heart Institute.....	+12,000	0	0	0
National Institute of Allergy and Infectious Diseases.....	+20,000	0	0	0
Unobligated balance brought forward.....	+8,641,348	0	0	0
Total obligations.....	38,657,348	31,497,000	32,497,000	+1,000,000

Obligations by activity

Description	1965 estimate		1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grants:								
(a) Research grants		\$1,739,000		\$1,921,000		\$1,921,000		
(b) Community immunization grants		18,000,000		0		0		
Research, training, and technical services	1,457	14,541,000	1,480	15,309,000	1,497	16,309,000	+17	\$1,000,000
(a) Development of control techniques	757	6,317,200	762	6,712,200	762	6,712,200		
(b) Special assistance to States	700	8,223,800	718	8,596,800	735	9,596,800	+17	+1,000,000
Aedes aegypti eradication	211	5,736,000	326	14,267,000	326	14,267,000		
Total obligations	1,668	30,016,000	1,806	31,497,000	1,823	32,497,000	+17	+1,000,000

¹ There is also an unobligated balance brought forward of \$8,641,348 which is not shown.

Obligations by object

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Total number of permanent positions	1,668	1,806	1,823	+17
Full-time equivalent of all other positions	137	69	69	
Average number of all employees	1,571	1,613	1,626	+13
11 Personnel compensation	\$10,952,400	\$11,451,800	\$11,575,800	+\$124,000
12 Personnel benefits	1,164,300	1,236,200	1,245,200	+9,000
21 Travel and transportation of persons	946,000	1,073,900	1,088,900	+15,000
22 Transportation of things	504,700	737,300	750,300	+13,000
23 Rent, communications, and utilities	654,000	786,500	836,500	+50,000
24 Printing and reproduction	166,700	175,200	185,200	+10,000
25 Other services	294,800	512,400	637,400	+125,000
Project contracts	3,100,000	9,669,000	10,019,000	+350,000
Services of other agencies	40,000	40,000	40,000	
Payment to Bureau of State Services management fund	559,000	593,000	606,000	+13,000
Payment to National Institutes of Health management fund	22,000	16,000	16,000	
26 Supplies and materials	1,886,300	2,410,500	2,477,500	+67,000
31 Equipment	627,600	876,600	1,100,600	+224,000
41 Grants, subsidies, and contributions	9,100,300	1,921,000	1,921,000	
95 Deduct quarters and subsistence	30,018,100	31,499,400	32,499,400	+1,000,000
	-2,100	-2,400	-2,400	
Total obligations by object	30,016,000	31,497,000	32,497,000	+1,000,000

¹ There is also an unobligated balance brought forward of \$8,641,348 which is not shown.

Summary of changes

	Positions	Amount
Original estimate	1,806	\$31,497,000
Revised estimate, 1966	1,823	32,497,000
Increase	+17	+1,000,000
Research, training, and technical services: Special assistance to States	+17	+1,000,000
Total increase	+17	+1,000,000

JUSTIFICATION

Research, training, and technical services—increase of 17 positions and \$1,000,000

An expansion of the medical audiovisual program is proposed to implement recommendations No. 12(B) and 31 of the President's Commission on Heart Disease, Cancer, and Stroke for the use of audiovisuals by the health profession as a means of communicating health knowledge.

In 1966 a survey will be made of selected medical, dental, nursing, and other schools of the health professions to determine the problems, resources, and needs in the field of medical audiovisual communications. Continuing education in biomedical audiovisual communication will be supported through the development of selected seminars on contemporary communications problems. These sessions will be open to the medical and scientific communities. Subjects will include but not be limited to medical television, self-study devices such as the single concept film, automated film strips and tapes and pictorial programed instruction. Similar programs dealing with the development of communications systems will be organized. A series of seminars in medical communication will be held and training courses organized to develop skills in schools of the health professions in the planning and production of medical motion pictures, television, audio programs, graphics, photography, and other audiovisual forms. Curriculum-oriented single concept films, including those relating specifically to the prevention, diagnosis and control of heart disease, cancer, and stroke, will be produced for participating schools in such quantities as to permit statistically significant evaluations.

Support of promising projects in medical audiovisual communications will be undertaken. This program will be carried out through contracts with approximately six people at an average cost per school of approximately \$58,000. The use of educational television stations will be developed for continuing education of the health professions (including paramedical personnel) and the public. The 17 positions requested are needed to establish a television section, a training and research section and to expand the utilization and distribution section to include evaluation.

New positions requested, fiscal year 1966

	Grade	Number	Annual salary
Assistant chief of branch.....	GS-15	2	\$32,920
Administrative staff assistant.....	GS-14	2	28,340
Chief of section.....	GS-14	3	42,510
Public health program specialist.....	GS-13	2	24,150
Do.....	GS-12	1	10,250
Statistician.....	GS-9	1	7,220
Financial operations assistant.....	GS-7	1	6,050
Clerical assistant.....	GS-5	5	25,000
Total new positions.....		17	176,440

COMMUNITY HEALTH PRACTICE AND RESEARCH

MR. PASTORE. There is an estimate in the amount of \$2,700,000 for "Community health practice and research" in connection with the heart, cancer, and stroke program. The full budget estimate was allowed by the House and no testimony will be taken on this item. There will be inserted in the record for the information of the committee and of the Senate the material submitted in support of the request.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"For an additional amount for 'Community health practice and research', \$2,700,000."

Amounts available for obligation

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Appropriation or estimate.....	\$28,230,000	\$59,932,000	\$62,632,000	+\$2,700,000
Transferred from "Office of Economic Opportunity".....	5,000,000			
Comparative transfer from:				
"Nursing services and resources".....	3,221,000			
"Health professions educational assistance".....	10,286,000			
Total.....	46,737,000	59,932,000	62,632,000	+2,700,000

Obligations by activity

Description	1965 estimate		1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grants:								
(a) Research.....		\$2,682,000		\$2,816,000		\$3,816,000		+\$1,000,000
(b) Fellowships.....		10,000,000		10,000,000		100,000		
(c) Formula grants to States (general health).....		9,690,000		10,000,000		13,900,000		+200,000
(d) Training.....		4,500,000		7,700,000		(7,000,000)		
(1) Public health traineeships.....		(2,500,000)		(2,500,000)		(2,500,000)		
(2) Grants to schools of public health.....		(2,500,000)		(4,000,000)		(4,000,000)		
(3) Project grants for graduate public health training.....		(2,500,000)		(200,000)		(400,000)		
(4) Research training.....		2,500,000		0		0		
(e) Migrant health services.....		10,200,000		15,400,000		15,400,000		
Student health programs:		3,100,000		8,400,000		8,900,000		
(a) Health professions.....		3,100,000		4,565,000		6,066,000		
(b) Nursing.....	325	8,655,000	348	4,565,000	380	8,900,000	+32	+1,500,000
Research, training, and technical services.....								
(a) Medical care and health economics.....	75	1,065,000	75	1,065,000	75	1,065,000		
(b) Public health administration.....	79	893,000	79	897,000	79	897,000		
(c) Health communications.....	24	302,000	24	708,000	41	1,708,000	+17	+1,000,000
(d) Health services for migrant workers.....	45	500,000	45	500,000	45	500,000		
(e) Community health manpower.....								
(f) Program direction of training grant programs.....	24	232,000	33	335,000	15	500,000	+15	+500,000
(g) Student loan programs.....	20	207,000	20	231,000	33	335,000		
(h) Selective service program.....	18	5,000,000	18	49,000	18	49,000		
(i) Physical fitness program.....			14	315,000	14	315,000		
(j) Program direction for regional offices.....	40	461,000	40	466,000	40	466,000		
Subtotal.....								
Appropriation available from subsequent year.....	325	46,737,000	348	55,482,000	380	58,182,000	+32	+2,700,000
Appropriation available from prior year.....		13,690,000		20,100,000		20,100,000		
				-15,650,000		-15,650,000		
Total obligations.....	325	62,387,000	348	59,932,000	380	62,632,000	+32	+2,700,000

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Obligations by objects

	1965 estimate	1966 original estimate	1966 revised estimate	Increase
Total number of permanent positions.....	325	348	380	+32
Full-time equivalent of other positions.....	4	5	6	+1
Average number of all employees.....	296	311	335	+24
11 Personnel compensation.....	\$2,485,000	\$2,698,000	\$2,937,000	+\$239,000
12 Personnel benefits.....	260,000	268,000	285,000	+17,000
21 Travel and transportation of persons.....	253,000	290,000	318,000	+28,000
22 Transportation of things.....	12,000	12,000	16,000	+4,000
23 Rent, communications and utilities.....	85,000	109,000	136,000	+27,000
24 Printing and reproduction.....	49,000	87,000	107,000	+20,000
25 Other services.....	306,400	374,400	379,400	+5,000
Project contracts.....	174,000	434,000	1,567,000	+1,133,000
Contracts with State agencies.....	4,785,000	0	0	0
Payment to—				
“Bureau of State Services management fund”.....	165,600	189,600	194,600	+5,000
“National Institutes of Health management fund”.....	37,000	28,000	28,000	-----
26 Supplies and materials.....	34,000	65,000	72,000	+7,000
31 Equipment.....	29,000	31,000	46,000	+15,000
33 Investments and loans.....	25,450,000	28,250,000	28,250,000	-----
41 Grants, subsidies, and contributions.....	28,262,000	27,096,000	28,296,000	+1,200,000
Total obligations.....	62,387,000	59,932,000	62,632,000	+2,700,000

Summary of changes

	Positions	Amount
Original estimate.....	348	\$59,932,000
Revised estimate 1966.....	380	62,632,000
Increase.....	32	2,700,000
1. Grants:		
(a) Research.....		1,000,000
(b) Research training.....		200,000
2. Research, training, and technical services:		
(a) Health communications.....	17	1,000,000
(b) Health manpower.....	15	500,000
Total.....	32	2,700,000

JUSTIFICATION

Research grants.—An increase of \$1 million is requested for research grants. Recommendation 7 of the President’s Commission on Heart Disease, Cancer, and Stroke stated that “greatly increased emphasis and support be given to programs of community health research and research training within the Public Health Service.”

It is also noted that community health is a new research field. Very little systematic knowledge exists on which to base the development of public health education programs, the coordination of health services, or the recruitment and education of health services personnel. The Commission cited examples of how the various types of community research can lead to the improved operation of health services. “Epidemiologic research can reveal patterns of disease distribution which in turn permits a concentrated attack where it will do the most good. Behavioral research, economics research, and research in public health administration all can contribute to effective planning and programing.”

These areas of basic research needs outlined by the Commission coincide closely with existing research grant priorities. These priorities include the development of knowledge leading to improved ways of organizing, financing, administering, and delivering health services and to improved understanding and acceptance of recommended health practices by both the individual and the community. This research requires the involvement of the social and behavioral sciences, demography, economics, and public health and medical care administration.

Within the past year there has been a marked acceleration of interest in research related to medical education and the general strengthening of manpower in the health professions. The interest engendered this year may be expected to continue to rise. For example, the program of collaborative research being developed by the Association of American Medical Colleges and the National Board of Medical Examiners in qualifications and performance of physicians is only in its infancy. We would expect additional projects from these agencies alone to require and qualify for substantial support within the next year.

With the concern expressed by the Commission serving as a stimulus, we would expect a marked rise in research grant requests in the areas related to recruitment and training programs to strengthen the present supply of health manpower; as well as to efficient use of resources; areawide planning for coordinated and unduplicated services; communication techniques for imparting health knowledge to the practicing physician and to the public; and increased health motivation on the part of the public.

In other areas of community health services' interest, particularly health economics and planning for health services in metropolitan areas, there has also been an increase in the number of research grant applications received and in the amount of support requested.

Based upon the budget of \$2,816,000 presently requested for fiscal year 1966, there will be a backlog of at least \$1 million in approved but unfunded grants accumulating during the year. The additional \$1 million requested will enable accelerated progress to be made in meeting the urgent community health research needs related to dealing with the problems of heart disease, cancer, stroke, and other diseases.

Research training grants.—An increase of \$200,000 for research training grants is requested.

The President's Commission on Heart Disease, Cancer, and Stroke directly recommended that the Public Health Service increase emphasis on research training in community health research. It noted that community health is a new research field and that few trained people exist to do the job. Its recommendation No. 7 reads: "The Commission recommends that greatly increased emphasis and support be given to programs of community health research and research training with the Public Health Service."

This recommendation is one of a series designed, in the words of the Commission's report, "to strengthen the total national resource for advancing scientific knowledge and providing medical services," complementing the recommendations regarding the specific disease programs. The Commission's recognition of the importance of supporting research training as a part of the total effort to stimulate and develop research concerned with community health is part of its overall recommendations regarding the development of health research manpower, facilities, and administration.

The report recommended increased appropriations for research training. The current funding levels cannot overcome the short supply of well-trained research investigators equipped to deal with the special problems involved in research in public health practice. Much interest has been manifest in developing the kind of research training especially organized to train individuals in basic research methods and in research approaches which are particularly pertinent to the planning, organization, provision, utilization, evaluation, and financing of community health services.

Based upon the \$200,000 presently available in the 1966 budget, we will only be able to support two grants. These are the same grants presently receiving first-year support. There are now available four additional grants which could be supported on July 1, 1965, if additional funds were available. By the close of fiscal year 1966, if no additional funds are made available, we will have a backlog of at least \$200,000 in approved but unfunded grants.

Inability to support additional grants in 1966 will prevent support of projects which could make a substantial contribution in meeting the problems related to heart disease, cancer, stroke, and other diseases. As a specific example, one project which will not be supported without additional funds provides for training of graduate students for research in the areas of organization of medical care and health services.

In view of the recommendations of the report, and in view of the factors which have been presented, we are requesting an additional \$200,000 for research training grants. This will enable an additional three to four projects to receive support.

Health communications

A request of \$1 million is made to initiate a program to meet recommendation 11. The projects supported with these funds will enable progress in making scientific knowledge on heart disease, cancer, and stroke and other subjects systematically and conveniently available to practicing physicians and other health professionals.

Recommendation 11 of the President's Commission on Heart, Stroke, and Cancer recommended that the Public Health Service be provided with funds to conduct a program of continuing education for practicing physicians and other health professionals.

The Commission report clearly cites the need for a continuing education program. In so doing, it is buttressed by other concerns which have been expressed for such programs. The medical profession itself, through its support of the report from "The Joint Study Committee in Continuing Medical Education," called for a nationally coordinated approach to the problem of continuing education. The rapid advance in knowledge due to research is only one of the reasons given for the widening gap between scientific knowledge and application. Other reasons are (1) the maldistribution of opportunities for continuing medical education; (2) educational inadequacies even in those places where opportunities do exist; (3) patterns of educational organization and dissemination of knowledge which are not efficient in terms of the physician-student's needs.

Approximately \$550,000 of the requested increase of \$1 million will be used to undertake a series of coordinated contract projects at four to five medical centers already experimenting in continuing education. Each university or medical center will carry on demonstrations and test new methods of its own choice, and the participating schools and organizations such as the Association of American Medical Colleges would discuss and evaluate ongoing or proposed work. The Public Health Service, with the help of national professional associations, will meet with the participants two or three times a year for the necessary exchange of information, evaluation, and coordination. In some cases a particular approach could be tried at all of the participating schools in order to test it thoroughly in different settings.

An example of the type of work which would be explored in this program is the use of television to enable a medical school to act as the continuing education center for a network of hospitals throughout an entire State or region. The school would develop a program to meet the particular needs of the participating hospitals. Another approach to be tested involves the use of hospital center specialists to conduct clinics at different locations. In the process of reviewing specific cases with the local physicians, the specialists bring the latest information to these practitioners. More important, there is ample opportunity for discussion and questions.

The present budget request contains funds to make a small start in three to four schools or centers in fiscal year 1966. The additional funds provided in this amendment will enable undertaking a program of a scope commensurate with the urgency of the problems which need solving and the recommendations of the President's Commission.

In addition to these major projects, a number of smaller scale demonstrations will be initiated. They will have the purpose of gaining new knowledge about continuing education practice, demonstrating the value of a variety of different approaches, and sending across the country units and persons capable of conducting effective continuing education programs in medical schools, community hospitals, medical societies, health agencies, and other organizations.

The following are types of activities these funds would support—

(1) A system of setting priorities on needs in programs of continuing education for physicians will be developed and tested. The practical goal is to make it feasible to relate hospital staff conferences, medical society meetings, and other continuing education activities to medical problems that are most crucial for raising the quality of medical care in a particular community.

(2) Projects will be undertaken to demonstrate a scientific, dynamic approach to program development for directors of continuing education. One serious deficiency in current continuing education progress is selection of methods without analyzing program content, population groups concerned, factors influencing action, and other dimensions of a problem. Even when educational methods are appropriately chosen, they are frequently used in unproductive ways. Emphasis will be placed on selection of methods.

management of group discussion and other participative learning methods, and effective use of communications technology.

(3) Projects will be developed for the evaluation of systems for cataloging the content of medical curriculum to serve as the basis for more effective programs in continuing education. One of the needs in continuing education is to find a way to bridge the gap between medical school training and continuing education programs. One medical school has developed a system to analyze and catalog the detailed items of knowledge, skills, attitudes and understanding which constitute curriculum subject matter. This and other pertinent systems need to be applied to programs of continuing education so that experiences after medical school build systematically upon training. In this way learning acquired in school may be reinforced and maintained in practice.

(4) Projects will be established to identify factors producing successful continuing education experiences in an outpatient clinic and determine methods of implementing relevant approaches to other clinics.

(5) Projects will be established to focus efforts on continuing education for physicians having no hospital affiliation. The hospitals and medical schools would develop new methods of conducting an educational program to interpret diagnostic and treatment procedures to this "hard-to-reach" group of medical practitioners.

The request for \$1 million, in addition to supporting the activities outlined, will also be used to support a staff of 17 positions needed to help implement this program.

With the continuing and increased emphasis being placed on continuing education, an increase in supporting staff will be necessary if adequate attention is to be given to each aspect of this program. The 17 positions requested will be needed to give technical guidance and consultation in a highly complex health related field.

The additional 17 headquarters positions requested will provide staff support and the necessary technical guidance to help implement the undertaking of the proposed projects in medical centers. Positions will be needed to provide the extensive consultation which will be required to see that the projects meet the intended needs of a comprehensive program in continuing education. Additional staff must be provided in order to help identify institutions throughout the country which could undertake the needed work, to help determine the specific projects which could be most valuable in meeting continuing education needs, and to meet with and advise staff members of the participating medical centers and other interested agencies. Staff members will be required to establish priorities among the various projects and to evaluate ongoing projects to see that there is proper project planning and program continuity. Several staff members will be skilled in communications technology. These staff members will assist in identifying latest technological developments in areas such as programmed instruction and other techniques taking advantage of latest scientific findings. Staff will also be available for short-term assignments to the various participating centers to help encourage overall project planning and to promote program continuity.

Community health manpower

An amount of \$500,000 and 15 positions is requested for community health manpower.

The President's Commission on Heart Disease, Cancer, and Stroke recently emphasized the need for a strong health manpower unit. It was urged (recommendation No. 27) that there be established in BSS (CH) a unit "comparable to the research manpower unit of the NIH responsible for continuous assessment of national manpower requirements for health services." A first year budget of \$500,000 was also recommended.

The President in his health message urged that we "improve utilization of available professional health manpower, expand the use and training of technicians and ancillary health workers * * * plan ahead to meet requirements for which the leadtime is often 10 years or more."

The Second National Conference on Public Health Training recommended "a health manpower unit in the Public Health Service, closely related to operating programs and training activities * * * responsible for—

- "(a) Collection and analysis of pertinent data on a continuing basis;
- "(b) Conduct and support of studies and demonstrations related to training and recruitment; and
- "(c) Dissemination of information on all aspects of all health manpower."

To implement these recommendations, to meet the concerns which have been expressed, and to meet the needs for a program for studies and demonstrations in the field of health manpower, \$500,000 and 15 positions are requested. A separate unit of branch status will be established in the Division of Community Health Services to implement this program. The program will be responsive to the concerns expressed in the President's health message to the 89th Congress, to recommendation 27 of the Report of the President's Commission on Heart Disease, Cancer, and Stroke, and to recommendation 2 of the Second National Conference on Public Health Training.

The proposed manpower branch will have a broad scope of activity and it will be concerned with all types of health manpower which are involved in the administration, provision, and financing of community health services. Prime efforts will be in providing an "overview" of the Nation's health manpower problem, as well as giving attention to the many areas in which little or nothing is being specifically dealt with by other activities.

Studies will be initiated and sponsored which are designed to assist government, voluntary and private interests toward the eventual goal of having the right number of health people in the right places at the right time doing things for which they are economically most useful.

Studies will be done both by the program staff and by contract. They will include studies on the relationship of professional and nonprofessional personnel, auxiliary personnel, recruitment, costs, and improved methods. Examples of studies which need to be undertaken are as follows:

Relationship of professional and nonprofessional personnel:

1. Definition and function of different types of health workers.
2. Studies to determine maximum utilization of each kind of professional and nonprofessional category.
3. Studies regarding team approaches, in both institutional and private practice settings.
4. Determine what the public's requirement for paramedical service is.

Auxiliary personnel:

1. Establishment of baseline regarding what the several auxiliary categories actually do and the kinds of training they have had. These studies of training and utilization of health auxiliary personnel will be conducted at both institutional and private office settings.
2. Definition of specific element which could be delegated to a "physician assistant."
3. Feasibility of establishing special training programs for "physician assistants."

Recruitment: Special studies on recruitment, i.e., proper ways to approach and utilize youth, women, the social and economically disadvantaged, the technological displaced, handicapped, and retired.

Costs: Identification of cost elements and total costs relative to the training of health professionals and auxiliaries.

Improved methods:

1. Study of the ways of shortening the length of time needed for the training of health professionals.
2. Exploration of a mechanism of projecting manpower needs via automatic data processing.

The personnel requested for the Health Manpower Branch will have the responsibility for implementation of projects such as those listed in the preceding narrative. It will be necessary for staff members to set priorities for projects to be undertaken. The staff must identify sources of data. Once identification of sources of data has been accomplished appropriate studies will be designed.

Many of the studies to be undertaken will be carried out by staff members within the community health manpower branch. Those studies which are not of an intramural nature will be accomplished through contracts with universities, health agencies, and other appropriate agencies working in the field of health manpower.

It will be necessary for the professional staff members to carry out constant evaluation of the studies which are undertaken to assure that projects are meaningful and timely with regard to their program application.

Staff members will also be available to give necessary technical advice and consultation to interested groups and agencies at the State and local level.

With regard to action-oriented programing, we would explore the idea of a basic core curriculum for students of the paramedical disciplines, broadening and standardizing the educational base for all paramedical personnel. It would be anticipated that there would be consideration of taking advantage of the numerous 2-year community colleges springing up over the country in connection with assisting community hospitals in close-by areas to cooperate with such educational institutions.

Another type of action-oriented program would be to take the data presently available and promote a program. For example, since the number of physicians through 1969 are fixed and the number of specialists in heart disease, stroke, and cancer are pretty much fixed through 1972-73, we would therefore begin to promote an immediate program of training to ancillary health personnel who could provide special services in these areas. This would involve recruiting and training of such people and the planning by the community agencies to train these people in medical complexes, as well as employ them.

Thus, although dealing with the broad field of health manpower, the programs to be undertaken in 1966 will be of immediate significance in dealing with manpower needs relating to health services concerned with heart disease, cancer, stroke, and other diseases.

New positions requested, fiscal year 1966

Research, training, and technical services	Grade	Number	Annual salary
Health communications:			
Continuing education specialist.....	GS-15.....	1	\$16,460
Do.....	GS-14.....	3	42,510
Public health program specialist.....	GS-13.....	3	36,225
Do.....	GS-12.....	2	20,500
Do.....	GS-11.....	1	8,650
Do.....	GS-9.....	1	7,220
Do.....	GS-7.....	1	6,050
Secretary.....	GS-5.....	1	5,000
Clerk-steno.....	GS-4.....	1	4,480
Do.....	GS-3.....	3	12,015
Total.....		17	159,110
Health manpower:			
Branch chief.....	GS-15.....	1	16,460
Statistician.....	GS-14.....	1	14,170
Public health program specialist.....	GS-14.....	2	28,340
Do.....	GS-13.....	3	36,225
Do.....	GS-12.....	2	20,500
Do.....	GS-9.....	1	7,220
Statistical clerk.....	GS-7.....	1	6,050
Secretary.....	GS-6.....	1	5,505
Do.....	GS-5.....	1	5,000
Clerk-steno.....	GS-4.....	2	8,960
Total.....		15	148,430
Total new positions, all activities.....		32	307,540

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OFFICE OF EDUCATION

STATEMENT OF FRANCIS KEPPEL, COMMISSIONER OF EDUCATION;
ACCOMPANIED BY HENRY LOOMIS, DEPUTY COMMISSIONER OF
EDUCATION, ARTHUR L. HARRIS, ASSOCIATE COMMISSIONER FOR
ELEMENTARY AND SECONDARY EDUCATION; JOHN F. HUGHES,
DIRECTOR, DIVISION OF PROGRAM OPERATIONS; MRS. GEN-
EVIEVE O. DANE, BUDGET OFFICER; AND JAMES F. KELLY,
COMPTROLLER

LETTER OF APPEAL FROM SECRETARY GARDNER

Senator PASTORE. I have a letter from the Honorable John W. Gardner, Secretary of Health, Education, and Welfare, commenting upon the effect of the House action on the item "Elementary and Secondary Educational Activities" and asking for partial restoration of the House cut. The letter will be placed in the record for the information of the committee and of the Senate.

(The letter referred to follows:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 24, 1965.

Hon. JOHN O. PASTORE,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR PASTORE: The House of Representatives, in acting on the 1966 supplemental appropriations bill for the Departments of Labor, and Health, Education, and Welfare, H.R. 10586, made reductions of \$330,294,500 in the President's request of \$1,396,950,000 for programs of this Department.

The principal elements in this reduction are decreases of \$328,684,000 for elementary and secondary educational activities, \$1,200,000 for chronic diseases and health of the aged, and \$479,500 for increased lapses on new positions requested for the Office of Education, the Office of Audit, and the Office of the General Counsel. These decreases are offset by an increase of \$69,000 for partial restoration of the Bureau of the Budget reduction for the Administration on Aging.

The House reduction in the request for chronic diseases and health of the aged is a consequence of congressional action on the Department's regular 1966 appropriation bill, which caused the supplemental request to exceed the amount authorized under law. Several other reductions represent a different judgment concerning the time required to recruit new staff and undertake new programs. The House report makes clear, however, that the House committee supported fully the objectives of the estimates they considered.

After careful review of the House action, I am requesting the Senate to restore funds for two items. These include \$184 million for assistance to educationally deprived children under title I of the Elementary and Secondary Education Act and \$8 million for grants to strengthen State departments of education under title V of the act.

"The House committee allowed \$775 million for title I with appropriation language to permit grant awards and payments to eligible school districts in the full amount of the formula requirements of the program, which combined with requirements for State administrative expenses now total approximately \$1.171 million. Such language is a workable approach to funding full requirements of school districts while recognizing that there will be certain factors causing reduced requirements during the first year—such as compliance with civil rights requirements, limitations on grants to 30 percent of a school district's budget,

and normal delays in initiating programs. While acknowledging the validity of these assumptions, we believe that the House estimate of lapse amounting to \$384 million is excessive. We do not believe that the information available at this time would support such a large estimate of unused funds. The 30-percent limitation will result in reductions of only about \$20 million.

"Compliance with the Civil Rights Act by Southern States and school districts is proceeding rapidly. Children in school districts which have already satisfied the requirements now represent 72 percent of the school population of those States. Assuming no further progress the remaining school districts would represent a loss of \$110 million. This would not be a reasonable assumption; on the contrary, it is our judgment that substantial compliance activity will occur between now and the date when funds will be available and that most of this potential slippage will be eliminated. There is no basis for estimating the slippage which will occur in initiating the program; however, we are assured that States and school districts have planned effectively for the early initiation of projects once funds are available. In view of the foregoing, I strongly urge that \$184 million be restored to title I, thus providing a total of \$959 million.

The House allowed \$17 million to strengthen State departments of education compared to our request of \$25 million on the basis that the program can be in effect for only part of the year. However, immediately following approval of the act, State agencies began to plan for the new program. We have developed procedures for rapid grant approvals, and the States now have draft applications ready to submit as soon as funds are appropriated. Therefore, the leadtime normally associated with new programs has been substantially reduced in practically all States. In addition, the larger States with heavy concentrations of educationally deprived children have the greatest need for the statewide leadership and services provided under title V; yet these States would absorb the greater proportion of the House reduction under the program's allotment formula. Smaller States, too, would be adversely affected since they lack the basic administrative capacity to administer effectively other titles of the act. Therefore, I am requesting restoration of the entire reduction of \$8 million in order to assist States in providing the urgently needed dynamic leadership envisioned by Congress when it authorized the program.

Our proposed amendments to the bill as reported by the House committee are enclosed.

In conclusion, I would like to emphasize the importance which I place in the programs for which we are requesting additional funds in the estimates which are before you, particularly those for carrying out the new Federal role in the improvement of educational opportunities for the disadvantaged children of this Nation.

Sincerely,

JOHN W. GARDNER,
Secretary.

AMENDMENTS REQUESTED BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE TO H.R. 10586, 89TH CONGRESS, 1ST SESSION, IN THE SENATE OF THE UNITED STATES

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATIONAL ACTIVITIES

1. Page 4, line 9, strike out "\$967,000,000" and insert in lieu thereof "\$1,159,000,000".
2. Page 4, line 10, strike out "\$775,000,000" and insert in lieu thereof "\$959,000,000".
3. Page 4, line 19, strike out "\$17,000,000" and insert in lieu thereof "\$25,000,000".

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATIONAL ACTIVITIES

APPROPRIATION ESTIMATE

"ELEMENTARY AND SECONDARY EDUCATIONAL ACTIVITIES

"For grants and payments under title II of the Act of September 30, 1950, as amended by title I of the Elementary and Secondary Edu-

tion Act of 1965, and under titles II, III, and V of said 1965 Act, \$1,295,684,000, of which \$1,070,684,000 shall be for meeting the special educational needs of educationally deprived children under title II of the Act of September 30, 1950, as amended, \$100,000,000 shall be for school library resources, textbooks and other instructional materials under title II of said Elementary and Secondary Education Act of 1965, \$100,000,000 shall be for supplementary educational centers and services under title III of said Act, and \$25,000,000 shall be for strengthening State departments of education under title V of said Act."

Amounts available for obligation

	1966 amended appropriation estimate
Appropriation.....	\$1,295,684,000

Obligations by activity

	1966 amended appropriation estimate
1. Assistance for educationally deprived children:	
(a) Grants to local educational agencies.....	\$1,060,083,000
(b) Grants for State administrative expenses.....	10,601,000
2. Grants to States for school library materials.....	100,000,000
3. Supplementary educational centers and services.....	100,000,000
4. Strengthening State departments of education:	
(a) Grants to States.....	21,250,000
(b) Grants for special projects.....	3,750,000
Total obligations.....	1,295,684,000

Obligations by object

	1966 amended appropriation estimate
41 Grants, subsidies, and contributions.....	\$1,295,684,000

Summary of changes

1966 original estimate.....	
1966 revised estimate.....	\$1,295,684,000
Total change.....	+1,295,684,000

Increases:

Program:

1. Assistance for educationally deprived children:	
(a) Grants to local educational agencies.....	1,060,083,000
(b) Grants for State administrative expenses.....	10,601,000
2. Grants to States for school library materials.....	100,000,000
3. Supplementary educational centers and services.....	100,000,000
4. Strengthening State departments of education:	
(a) Grants to States.....	21,250,000
(b) Grants for special projects.....	3,750,000

EXPLANATION OF CHANGES

1. An amount of \$1,070,684,000 represents the full authorization under title I of the Elementary and Secondary Education Act of 1965. This request includes \$1,060,083,000 for grants to enable local school districts to expand and improve educational programs which contribute particularly to meeting the special educational needs of children from low-income families. Also included is \$10,601,000 for grants to States to assist them in meeting the costs incurred in administering the title I program.

2. The requested \$100 million, the maximum authorization under title II, will provide grants to States for the acquisition of library materials for use by teachers and pupils in public and private elementary and secondary schools.

3. For grants to local educational agencies for supplementary educational centers to provide vitally needed educational services and to establish exemplary model school programs, \$100 million is requested. This amount represents the full authorization under title III of the act.

4. An amount of \$25 million, the total authorized, is requested for title V grants to strengthen the leadership resources of State educational agencies and to assist them in establishing and improving programs to identify and meet the educational needs of the States. The act provides that \$21,250,000 be allotted to States based on the number of public school children, and that the remaining \$3,750,000 be reserved for special experimental projects for award by the Commissioner.

	1966 original estimate	1966 revised estimate	Increase
1. Assistance for educationally deprived children:			
(a) Grants to local educational agencies.....		\$1,060,083,000	+\$1,060,083,000
(b) Grants for State administrative expenses.....		10,601,000	+10,601,000
2. Grants to States for school library materials.....		100,000,000	+100,000,000
3. Supplementary educational centers and services.....		100,000,000	+100,000,000
4. Strengthening State departments of education:			
(a) Grants to States.....		21,250,000	+21,250,000
(b) Grants for special projects.....		3,750,000	+3,750,000
Total obligations.....		1,295,684,000	+1,295,684,000

JUSTIFICATION OF ESTIMATE

The enactment of Public Law 89-10, the Elementary and Secondary Education Act of 1965, establishes programs of far-reaching significance to education. President Johnson has called it the most important Federal legislation ever enacted in behalf of American education. Not only will the act provide direct assistance to alleviate the educational problems caused by concentration of low-income families, but it provides for a broad attack on problems of educational quality. The effects of the legislation will be felt in every State, county, city, and school throughout the Nation. It promises to yield major improvements in our educational system. The following sections provide specific information on the provisions and budgetary needs of each title in the act.

	1966 original estimate	1966 revised estimate	Increase
1. Assistance for educationally deprived children:			
(a) Grants to local educational agencies.....		\$1,060,083,000	+\$1,060,083,000
(b) Grants for State administrative expenses.....		10,601,000	+10,601,000
Total.....		1,070,684,000	+1,070,684,000

Title I of the act authorizes grants to States so that local educational agencies may expand and improve educational programs and services in public and non-public elementary and secondary schools which will contribute particularly to meeting the special educational needs of children from low-income families. The program embodies a national approach to a national problem—to break the cycle of poverty so that the children of the present generation of poverty shall not grow up to be the next generation of poverty. Title I is the key to significant and far-reaching improvements in the quality of elementary and secondary education upon which our total educational progress ultimately depends. Special attention to the education of the children of the poor will, at the same time, enhance the quality of the whole of education.

The program is directed to the needs of the 5 million children (out of the 48 million children aged 5 to 17) who are in families with annual incomes of less than \$2,000, as well as the children of families on welfare who may receive more than \$2,000 a year. According to a study made by school superintendents, known as the great cities study, one-third of the 3,700,000 children enrolled in the Nation's 15 largest school systems need special educational help. In inner city high schools as many as 60 percent who enroll in the 10th grade may drop out before graduation. Evidence of this national problem is reflected in the draft rejection rates because of educational deficiencies. It is also shown by the manpower retraining problems which are aggravated by the fact that there are over 8 million adults who have completed less than 5 years of school. A recent study shows that third grade children in the lower economic bracket of a major city are about one grade behind the national average of reading comprehension, and by the time they reach the eighth grade they are 2.5 grades below the national average.

The act provides that the funds be distributed through State educational agencies to local school districts based on the average expenditure per pupil in the State and the number of children from low-income families. Census data will be used to determine an allocation for every county in the United States. The allocation to school districts within the county will be broken down on the basis of census data where census data are available; otherwise, the use of noncensus data is authorized. The State educational agency is responsible for distribution of funds within the State based upon State-approved plans for special educational programs submitted by local school districts.

A local public school district may use the funds for the broad purpose of stimulating and improving the quality of education from low-income families. Creativity, imagination, and flexibility are to be encouraged in developing and adapting programs and projects that will effectively deal with the special educational needs of these children. The school districts will design special educational services and arrangements in which all children in the area in need of such services can participate. Examples of the types of educational programs and projects which may be financed under title I include inservice training of teachers, supplementary instructional materials, construction of facilities, preschool training programs, mobile learning centers, field trips for cultural and educational development, and educational radio and television.

In order to provide an objective evaluation of the program, the act directs the President to appoint a National Advisory Council on Education of Disadvantaged Children. This Council will prepare an annual report on the administration and operation of title I.

The fiscal year 1966 request of \$1,060,083,000 represents the authorized amount which local educational agencies are eligible to receive under title I. This amount includes entitlements for the 50 States, the District of Columbia, American Samoa, Guam, Puerto Rico, the Virgin Islands, and the Trust Territory of the Pacific.

Title I also authorizes matching grants to States to assist them in administering the title I program. Such payments may not exceed 1 percent of the grants made to local school districts. The request of \$10,601,000, the full authorization, will help assure that the program is properly and efficiently carried out.

TITLE I—FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES FOR THE EDUCATION OF CHILDREN OF LOW-INCOME FAMILIES

“KINDS AND DURATION OF GRANTS

“SEC. 202. The Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for basic grants to local educational agencies for the period beginning July 1, 1965, and ending June 30, 1968, and he shall make payments to State educational agencies for special incentive grants to local educational agencies for the period beginning July 1, 1966, and ending June 30, 1968.

“BASIC GRANTS—AMOUNT AND ELIGIBILITY

“SEC. 203. (a) (1) From the sums appropriated for making basic grants under this title for a fiscal year, the Commissioner shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine and shall allot such amount among Puerto Rico, Guam, American Samoa, the Virgin Islands, and the

Trust Territory of the Pacific Islands according to their respective need for such grants. The maximum basic grant which a local educational agency in Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be eligible to receive shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title.

"(2) In any case in which the Commissioner determines that satisfactory data for that purpose are available, the maximum basic grant which a local educational agency in a State shall be eligible to receive under this title for any fiscal year shall be (except as provided in paragraph (3) an amount equal to the Federal percentage (established pursuant to subsection (c) of the average per pupil expenditure in that State multiplied by the sum of (A) the number of children aged five to seventeen, inclusive, in the school district of such agency, of families having an annual income of less than the low-income factor (established pursuant to subsection (c)), and (B) the number of children of such ages in such school district of families receiving an annual income in excess of low-income factor (as established pursuant to subsection (c)) from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act. In any other case, the maximum basic grant for any local educational agency in a State shall be determined on the basis of the aggregate maximum amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate maximum amount shall be equal to the Federal percentage of such per pupil expenditure multiplied by the number of children of such ages and families in such county or counties and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with basic criteria prescribed by the Commissioner. For purposes of this subsection the 'average per pupil expenditure' in a State shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all local educational agencies in the State (without regard to the sources of funds from which such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year. In determining the maximum amount of a basic grant and the eligibility of a local educational agency for a basic grant for any fiscal year, the number of children determined under the first two sentences of this subsection or under subsection (b) shall be reduced by the number of children aged five to seventeen, inclusive, of families having an annual income of less than the low-income factor (as established pursuant to subsection (c)) for whom a payment was made under title I for the previous fiscal year.

"(3) If the maximum amount of the basic grant determined pursuant to paragraph (1) or (2) for any local educational agency for the fiscal year ending June 30, 1966, is greater than 30 per centum of the sum budgeted by that agency for current expenditures for that year (as determined pursuant to regulations of the Commissioner), such maximum amount shall be reduced to 30 per centum of such budgeted sum.

"(4) For purposes of this subsection, the term 'State' does not include Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(b) A local educational agency shall be eligible for a basic grant for a fiscal year under this title only if it meets the following requirements with respect to the number of children aged five to seventeen, inclusive, of families having an annual income of less than the low-income factor (as established pursuant to subsection (c)):

"(1) In any case (except as provided in paragraph (3)) in which the Commissioner determines that satisfactory data for the purpose of this subsection as to the number of such children of such families are available on a school district basis, the number of such children of such families in the school district of such local educational agency shall be—

"(A) at least one hundred, or

"(B) equal to 3 per centum or more of the total number of all children aged five to seventeen, inclusive, in such district, whichever is less, except that it shall in no case be less than ten.

"(2) In any other case, except as provided in paragraph (3), the number of children of such ages of families with such income in the county which

includes such local educational agency's school district shall be one hundred or more.

"(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Commissioner has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies for all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of children of such ages of families of such income for such local educational agency shall be determined in accordance with regulations prescribed by the Commissioner for the purposes of this subsection.

"(c) For the purposes of this section, the 'Federal percentage' and the 'low-income factor' for the fiscal year ending June 30, 1966, shall be 50 per centum and \$2,000, respectively. For each of the two succeeding fiscal years the Federal percentage and the low-income factor shall be established by the Congress by law.

"(d) For the purposes of this section, the Commissioner shall determine the number of children aged five to seventeen, inclusive, of families having an annual income of less than the low-income factor (as established pursuant to subsection (c)) on the basis of the most recent satisfactory data available from the Department of Commerce. At any time such data for a county are available in the Department of Commerce, such data shall be used in making calculations under this section. The Secretary of Health, Education, and Welfare shall determine the number of children of such ages from families receiving an annual income in excess of the low-income factor (established pursuant to subsection (c)) from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act on the basis of the best available data for the period most nearly comparable to those which are used by the Commissioner under the first two sentences of this subsection in making determinations for the purposes of subsections (a) and (b). When requested by the Commissioner, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families having an annual income less than the low income factor (established pursuant to subsection (c)) in each county or school district, and the Commissioner is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information.

"SPECIAL INCENTIVE GRANTS

"SEC. 204. Each local educational agency which is eligible to receive a basic grant for the fiscal year ending June 30, 1967, shall be eligible to receive in addition a special incentive grant which does not exceed the product of (a) the aggregate number of children in average daily attendance to whom such agency provided free public education during the fiscal year ending June 30, 1965, and (b) the amount by which the average per pupil expenditure of that agency for the fiscal year ending June 30, 1965, exceeded 105 per centum of such expenditure for the fiscal year ending June 30, 1964. Each local educational agency which is eligible to receive a basic grant for the fiscal year ending June 30, 1968, shall be eligible to receive in addition a special incentive grant which does not exceed the product of (c) the aggregate number of children in average daily attendance to whom such agency provided free public education during the fiscal year ending June 30, 1966, and (d) the amount by which the average per pupil expenditure of that agency for the fiscal year ending June 30, 1966, exceeded 110 per centum of such expenditure for the fiscal year ending June 30, 1964. For the purpose of this section the 'average per pupil expenditure' of a local educational agency for any year shall be the aggregate expenditures (without regard to the sources of funds from which such expenditures are made, except that funds derived from Federal sources shall not be used in computing such expenditures) from current revenues made by that agency during that year for free public education, divided by the aggregate number of children in average daily attendance to whom such agency provided free public education during that year.

Fiscal year 1966 estimated amounts authorized

United States and outlying areas.....	\$1, 159, 249, 189	Nebraska.....	6, 920, 191
50 States and the District of Co- lumbia.....	1, 136, 064, 205	Nevada.....	949, 930
Alabama.....	34, 632, 142	New Hampshire.....	1, 452, 253
Alaska.....	1, 576, 908	New Jersey.....	24, 559, 433
Arizona.....	10, 246, 647	New Mexico.....	9, 789, 895
Arkansas.....	22, 600, 021	New York.....	109, 639, 348
California.....	77, 915, 038	North Carolina.....	52, 826, 063
Colorado.....	9, 588, 586	North Dakota.....	5, 219, 893
Connecticut.....	7, 196, 504	Ohio.....	41, 681, 245
Delaware.....	1, 975, 217	Oklahoma.....	16, 868, 896
Florida.....	27, 477, 512	Oregon.....	8, 166, 814
Georgia.....	37, 339, 943	Pennsylvania.....	54, 906, 916
Hawaii.....	2, 198, 398	Rhode Island.....	4, 039, 555
Idaho.....	2, 446, 630	South Carolina.....	27, 478, 721
Illinois.....	56, 834, 758	South Dakota.....	6, 358, 002
Indiana.....	18, 377, 230	Tennessee.....	32, 206, 225
Iowa.....	18, 561, 366	Texas.....	78, 197, 018
Kansas.....	10, 482, 963	Utah.....	2, 820, 824
Kentucky.....	30, 131, 330	Vermont.....	1, 731, 300
Louisiana.....	38, 344, 221	Virginia.....	30, 619, 294
Maine.....	4, 014, 213	Washington.....	10, 746, 303
Maryland.....	15, 249, 238	West Virginia.....	16, 991, 225
Massachusetts.....	16, 539, 689	Wisconsin.....	17, 701, 478
Michigan.....	34, 727, 568	Wyoming.....	1, 463, 660
Minnesota.....	24, 509, 212	District of Columbia.....	5, 381, 927
Mississippi.....	30, 894, 244	American Samoa.....	} 23, 184, 984
Missouri.....	29, 856, 573	Guam.....	
Montana.....	3, 631, 645	Puerto Rico.....	
		Virgin Islands.....	
		Trust Territory of the Pacific	

NOTE.—Distribution based on revised total of eligible 5-17 population, Aug. 17, 1965, and revised cost of education per ADA as of Aug. 16, 1965.

	1966 original estimate	1966 revised estimate	Increase
2. Grants to States for school library materials.....		\$100, 000, 000	+\$100, 000, 000

Title II of the act authorizes \$100 million for fiscal year 1966 for grants to States for the acquisition of library resources, textbooks and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools.

The school composed chiefly of classrooms is obsolete. In the future schools will devote a far greater portion of the student's time to work in the libraries, laboratories, and other study areas. In such study spaces there must be available a wide range of resources including books, microfilms, slide films, audio and video tapes, charts, maps, 8 millimeter single concept films, periodicals, and other resource materials.

The current level of expenditures for the acquisition of library books in the public schools averages \$2.28 per pupil. To achieve standards recommended by professional authorities would require an annual expenditure of \$4 to \$6 per student. Recent nationwide school library surveys show that 53 percent of the public schools and 45 percent of the nonpublic schools are without libraries. Certainly such poorly equipped schools will move rapidly to take advantage of

this title. Estimates made within the last few years indicate that schools have been spending approximately \$53 million annually for library books. However, an annual expenditure of \$180 million would have been necessary to provide a minimal quantity of such materials.

In addition to the needed acquisition of library materials an equally critical need exists for the purchase of new up-to-date textbooks. Recent studies have shown that one-fourth of the school systems in 128 of our largest cities do not provide free textbooks at the high school level. Nonpublic schools rarely provide free textbooks. Textbook sales in the Nation in 1963 for kindergarten through grade 12 amounted to approximately \$293 million or about \$6.11 per student. This per student expenditure would on the average purchase hardly two new textbooks per year per student which is woefully inadequate in view of the explosion of knowledge and the rapidly changing content characteristic of such disciplines as science, mathematics, and social studies.

Other materials such as periodicals, bulletins, encyclopedias, atlases, dictionaries, audio and video tapes, and films are also short in supply and are relatively expensive.

Funds under title II are allotted to States based on the number of children enrolled in public and private elementary and secondary schools. Up to 2 percent of each year's appropriation is reserved for Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. Each State will submit a plan setting forth its program and establishing criteria to be used in making the materials available in the State. The plan will take into consideration the relative need of children and teachers for such materials and will assure that such materials will be provided on an equitable basis for all elementary and secondary school children and teachers. It will also provide that such materials be available on a loan basis only, and that a public authority will retain title and administrative control over such materials. In any State in which no public agency is authorized to provide instructional materials for students who are not enrolled in public schools, the Commissioner is authorized to arrange for their provision on an equitable basis with the cost supported by the State's allotment. For fiscal year 1966 up to 5 percent will be available from a State's grant to assist the State in administering the program.

An amount of \$100 million, the full authorization, is requested for fiscal year 1966. Experience during the past 6 years of State educational agencies in administering title III of the National Defense Education Act, acquisition of equipment and minor remodeling, will enable such agencies to take immediate action to launch this program. Because of the close correlation of educational benefits of these two programs, it is expected that title II can be implemented rapidly and efficiently. Since all States will need to develop and revise standards and procedures, it is anticipated that the maximum 5 percent may be expended by the State agencies for administering the program.

TITLE II—SCHOOL LIBRARY RESOURCES, TEXTBOOKS, AND OTHER INSTRUCTIONAL MATERIALS

APPROPRIATIONS AUTHORIZED

SEC. 201. (a) The Commissioner shall carry out during the fiscal year ending June 30, 1966, and each of the four succeeding fiscal years, a program for making grants for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools.

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$100,000,000 for the fiscal year ending June 30, 1966; but for the fiscal year ending June 30, 1967, and the three succeeding fiscal years, only such sums may be appropriated as the Congress may hereafter authorize by law.

ALLOTMENT TO STATES

SEC. 202. (a) From the sums appropriated for carrying out this title for any fiscal year, the Commissioner shall reserve such amount, but not in excess of 2 percent thereof, as he may determine and shall allot such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title. From the remainder of such sums, the Com-

missioner shall allot to each State an amount which bears the same ratio to such remainder as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children enrolled in such schools in all of the States. The number of children so enrolled shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term "State" shall not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallocation from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 201 shall be deemed part of its allotment under section (a) for such year.

Grants to States for school library materials¹ fiscal year 1966 estimate

United States and outlying areas	\$100,000,000	Nebraska	775,144
50 States and the District of Co- lumbia	98,000,000	Nevada	211,763
Alabama	1,734,277	New Hampshire	336,232
Alaska	118,854	New Jersey	3,233,812
Arizona	815,164	New Mexico	590,702
Arkansas	937,854	New York	8,293,725
California	9,308,483	North Carolina	2,435,404
Colorado	1,065,929	North Dakota	347,300
Connecticut	1,392,995	Ohio	5,406,689
Delaware	256,903	Oklahoma	1,266,877
Florida	2,604,055	Oregon	975,757
Georgia	2,174,706	Pennsylvania	5,908,219
Hawaii	391,124	Rhode Island	427,974
Idaho	370,581	South Carolina	1,320,035
Illinois	5,361,699	South Dakota	386,888
Indiana	2,528,237	Tennessee	1,826,346
Iowa	1,483,765	Texas	5,345,745
Kansas	1,146,723	Utah	587,662
Kentucky	1,549,486	Vermont	208,027
Louisiana	1,922,905	Virginia	2,095,347
Maine	525,829	Washington	1,591,758
Maryland	1,809,594	West Virginia	924,800
Massachusetts	2,622,125	Wisconsin	2,278,827
Michigan	4,671,827	Wyoming	187,468
Minnesota	1,988,186	District of Columbia	345,817
Mississippi	1,218,307	American Samoa	} 2,000,000
Missouri	2,309,246	Guam	
Montana	382,828	Puerto Rico	
		Virgin Islands	
		Trust Territory of the Pacific	

¹ 2 percent (\$2,000,000) reserved for distribution to the outlying areas.

	1966 original estimate	1966 revised estimate	Increase
3. Supplementary educational centers and services		\$100,000,000	+\$100,000,000

This title establishes a 5-year program of grants to local educational agencies for supplementary educational centers to provide vitally needed educational services and to establish exemplary model school programs. During the first year an appropriation of \$100 million is authorized. During the following 4 years specific appropriations must be authorized by Congress. The funds, which are to be apportioned among the States in accordance with school age population and total population, may be used to plan, establish, and operate programs for supplementary centers and services by local educational agencies.

All States plus the outlying areas of Guam, Puerto Rico, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, and the District of Columbia are eligible.

President Johnson in his message to the Congress pointed out that "the educational gap we face is one of quality as well as quantity." Our schools need to learn to use modern materials and to adopt educational innovations which are an outgrowth of educational research and development. Not only do our schools lack the resources and know-how to take advantage of new practices and knowledge; in many cases they are deficient in the application of known principles and practices. They lack resources for counseling, for remedial instruction, for specialized instruction in critical subjects, for teaching of handicapped children, and for enrichment of the curriculum through the use of cultural resources in the community. Science laboratories are available to all secondary schools in only 10 of the States. Less than 30 percent of our secondary schools have language laboratories. One-half of our school systems maintain schools without kindergarten and only 1 out of 260 school systems in the Nation make nursery schools available.

Obviously these deficiencies cannot be overcome by the 26,000 operating school districts functioning on their own limited resources. Only by pooling the resources of a community or communities with Federal assistance can these special needs be filled.

A 5-year program of grants for the creation and operation of supplementary educational centers is proposed. Local educational agencies, higher education institutions, State agencies, other public agencies, cultural agencies, and various nonprofit groups will jointly participate in providing direction and leadership for the development of centers programs.

Applications for center projects will be approved by the Commissioner when they satisfy criteria to be set forth in regulations and following recommendations of an advisory committee provided in the statute.

Subject to the prior satisfaction of a variety of criteria including effective administrative arrangements, geographic and demographic distribution, adequate utilization of appropriate talent outside the school system, assurance that all children of the appropriate age group would be served, and the demonstration of substantive and financial need, the Commissioner may award grants to support a wide range of activities under the terms of this program. For example, pupil personnel services for guidance, testing, remedial instruction, social work, and psychological and psychiatric assistance may be supported. Educational radio and television programs may be developed, produced, and transmitted. Supplementary programs in humanities and the arts to make use of available community resources in these areas or to create such resources could be supported. Comprehensive academic services and vocational guidance for continuing adult education are other areas of support.

Exemplary school programs ranging all the way from the demonstration of a single innovative curriculum program, such as physics, to the creation of an entire model demonstration school may be approved.

Funds under this program will be used to support specialized instruction for advanced subjects, for subjects not already included in the school curriculum, or for subjects which could be provided better on a centralized basis. Special services for persons from rural areas or who have been otherwise isolated from normal educational opportunities will also be developed. In addition, authority is granted to use funds appropriated under this title to construct and equip facilities that are necessary because of the special nature of the service to be offered.

Under the terms of section 303(a), it is contemplated that grants will be made to about 500 communities in the fiscal year 1966 to plan centers and to initiate pilot projects designed to test the effectiveness of the plans. These grants will be made on the basis of criteria to be established and following the procedures established for review by State educational agencies and by the overall advisory

committee. Plans must be comprehensive and include such features as services to be provided, populations to be served, surveys of need, arrangements for physical facilities, establishment of participant agencies, architectural plans and drawings, and carefully developed administrative procedures.

Pilot projects, which will be included as part of the plans, may cover the initiation of projects designed to test the curriculum innovations and remedial services which will be provided. The use of special communications media, such as television and motion pictures, for various purposes and groups will be included. Feasibility projects for automated classrooms will be conducted. This will be extremely useful in carrying out the intent of the law to achieve an equitable distribution of assistance based on population and financial needs. Many communities cannot mount quality programs without the advantage of assistance in terms of planning and pilot projects.

Another phase of the program will include the development of new community programs where the basis for such expansion or development is available and the expansion of existing programs. Many of our larger communities have programs in existence which can be expanded in terms of population to be served, new areas to be covered, new facilities and equipment to be provided, and new programs to be initiated. A major need is for the provision of physical facilities and equipment to be acquired or leased. Another major need is for the identification and recruitment of entirely new types of personnel to staff the centers. These would include in addition to special teachers, artists, physical therapists, scientists, scholars, doctors, and various professions in the fields of welfare, health, recreation, and industry.

TITLE III—SUPPLEMENTARY EDUCATIONAL CENTERS AND SERVICES

APPROPRIATIONS AUTHORIZED

SEC. 301. (a) The Commissioner shall carry out during the fiscal year ending June 30, 1966, and each of the four succeeding fiscal years, a program for making grants for supplementary educational centers and services, to stimulate and assist in the provision of vitally needed educational services not available in sufficient quantity or quality, and to stimulate and assist in the development and establishment of exemplary elementary and secondary school educational programs to serve as models for regular school programs.

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$100,000,000, for the fiscal year ending June 30, 1966; but for the fiscal year ending June 30, 1967, and the 3 succeeding fiscal years, only such sums may be appropriated as the Congress may hereafter authorize by law.

APPORTIONMENT AMONG STATES

SEC. 302. (a) From the sums appropriated for carrying out this title for each fiscal year, the Commissioner shall reserve such amount but not in excess of 2 per centum thereof, as he may determine and shall apportion such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands, according to their respective needs for assistance under this title. From the remainder of such sums the Commissioner shall apportion \$200,000 to each State and shall apportion the remainder of such sums among the States as follows:

(1) he shall apportion to each State an amount which bears the same ratio to 50 per centum of such remainder as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States, and

(2) he shall apportion to each State an amount which bears the same ratio to 50 per centum of such remainder as the population of the State bears to the population of all the States.

For purposes of this subsection, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) The number of children aged five to seventeen, inclusive, and the total population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

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(c) The amount apportioned under this section to any State for the fiscal year ending June 30, 1966, shall be available for payments to applicants with approved applications in that State during that year and the next fiscal year.

(d) The amount apportioned to any State under subsection (a) for any fiscal year which the Commissioner determines will not be required for the period for which that amount is available shall be available for reapportionment from time to time, on such dates during that period as the Commissioner may fix, among other States in proportion to the amounts originally apportioned among those States under subsection (a) for that year, but with the proportionate amount for any of the other States being reduced to the extent it exceeds the sum the Commissioner estimates that State needs and will be able to use for that period; and the total of these reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced. Any amount reapportioned to a State under this subsection from funds appropriated pursuant to section 301 for any fiscal year shall be deemed to be a part of the amount apportioned to it under subsection (a) for that year.

Supplementary educational centers and services,¹ fiscal year 1966 estimate

United States and outlying areas	\$100,000,000	Montana	537,823
		Nebraska	879,119
		Nevada	377,415
50 States and the District of Columbia	98,000,000	New Hampshire	495,293
		New Jersey	3,150,198
Alabama	\$1,843,542	New Mexico	698,347
Alaska	318,293	New York	8,010,486
Arizona	935,099	North Carolina	2,507,564
Arkansas	1,098,100	North Dakota	512,900
California	8,239,821	Ohio	4,912,452
Colorado	1,107,310	Oklahoma	1,322,315
Connecticut	1,432,727	Oregon	1,067,258
Delaware	425,115	Pennsylvania	5,392,267
Florida	2,702,679	Rhode Island	600,568
Georgia	2,229,496	South Carolina	1,449,458
Hawaii	530,441	South Dakota	541,281
Idaho	536,393	Tennessee	1,965,556
Illinois	4,929,120	Texas	5,083,486
Indiana	2,451,748	Utah	690,284
Iowa	1,487,761	Vermont	390,283
Kansas	1,230,857	Virginia	2,215,361
Kentucky	1,687,506	Washington	1,588,747
Louisiana	1,878,224	West Virginia	1,070,069
Maine	659,025	Wisconsin	2,118,449
Maryland	1,779,430	Wyoming	363,035
Massachusetts	2,581,226	District of Columbia	533,880
Michigan	4,051,798	American Samoa	} 2,000,000
Minnesota	1,863,225	Guam	
Mississippi	1,338,363	Puerto Rico	
Missouri	2,188,807	Virgin Islands	
		Trust Territory of the Pacific	

¹ 2 percent (\$2,000,000) reserved for distribution to the outlying areas. Basic allotment of \$200,000 for the 50 States and the District of Columbia, with the balance distributed $\frac{1}{2}$ (\$43,900,000) on the basis of the estimated 5 to 17 population as of July 1, 1963, and $\frac{1}{2}$ (\$43,900,000) on the basis of the estimated total resident population as of July 1, 1963.

	1966 original estimate	1966 revised estimate	Increase
4. Strengthening State departments of education:			
(a) Grants to States.....		\$21,250,000	+\$21,250,000
(b) Grants for special projects.....		3,750,000	+3,750,000
Total.....		25,000,000	+25,000,000

Title V of the act provides grants to strengthen the leadership resources of State educational agencies and to assist them in establishing and improving programs to identify and meet the educational needs of the States. An amount of \$25 million is authorized for fiscal year 1966, of which 85 percent or \$21,250,000, is to be apportioned among the States for grants, based on the number of public schoolchildren. The remaining 15 percent, or \$3,750,000 is to be reserved for grants for experimental projects or for establishing special services which hold promise of making a substantial contribution to solving problems common to several or all State agencies. These grants are to be awarded at the discretion of the Commissioner, and proposals can originate with one or more State agencies or with the Commissioner.

The immediate responsibility for providing professional counsel and direction to school systems lies with the State departments of education. At the very time that demand for this kind of service is increasing the ability of the State departments to respond is inadequate. Rising costs of school construction and operation exert increasing pressure to restrict the share of the school dollar made available to State departments. The result is a general pattern of inadequate services and leadership from the State agencies to local units. Moreover, the responsibility of insuring the wise and proper use of Federal funds dispensed in a variety of Federal-State cooperative programs generally rests squarely with State educational agencies.

The recent growth of State departments of education has largely occurred in federally subsidized areas to the neglect of other vital areas. For example, after 5 years of support under title III of the National Defense Education Act, the number of State supervisory personnel in science, mathematics, and foreign languages has risen from 15 to 173. In contrast, State supervisory personnel in English rose from 13 to 18, and in social studies from 7 to 14. Title V has been designed to help State departments move forward with balanced programs that will meet local and State needs for educational leadership.

Another vital need to be served by this program is the support of inservice education for school administrative, supervisory, and teaching personnel. Efforts to make it more effective must be concerted, drawing on the combined resources of universities, State departments of education, local school systems, professional organizations, and the Federal Government.

The States vary greatly in their educational expenditures. Some spend barely \$200,000 a year for State educational leadership (including travel, publications, research, and clerical expenses as well as professional salaries), while others spend more than 70 times that amount. Some States employ 500 professional educators; other States, as few as 35. Professionals to oversee school library services are lacking altogether in one-third of the State departments of education. Only 11 States have consultants in school social work.

The department of education in a typical, middle-income State has 75 professional staff members available to serve as consultants to 20,000 school personnel: superintendents, principals, teachers, and others. On the average, these professionals are able to visit the State's schools for only one-half day each 7 years. Such demands on the education budget of a State make it virtually impossible for the State department to improve its services.

Title V funds will provide staff, space, equipment, contractual services, and other operating costs to support such activities as the following: Educational planning on a statewide basis; services for educational data reporting and analysis systems including automated data systems; dissemination of educational information; educational research and studies; publication and distribution of curricular materials; programs to improve quality of teacher preparation; statewide programs to measure educational achievement; inservice education and other programs to develop competency of individuals who serve State or local

educational agencies; and consultative and technical assistance to local educational agencies.

The entire authorization of \$25 million is requested for fiscal year 1966. Many States report that they are ready to move forward promptly in this program; in fact, a good number already have project plans partially developed. In the absence of any matching requirements in 1966, it is believed that the full amount can be efficiently and effectively used.

The quality of educational programs at the local level in large measure depends on the availability and competency of professional personnel in State agencies. For the other programs under this act to achieve optimum results, it is imperative that State departments be strengthened considerably. Indeed, every other title of the act will be enhanced by adequate, imaginative, and vigorous leadership at the State level.

TITLE V—GRANTS TO STRENGTHEN STATE DEPARTMENTS OF EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 501. (a) The Commissioner shall carry out during the fiscal year ending June 30, 1966, and each of the four succeeding fiscal years, a program for making grants to stimulate and assist States in strengthening the leadership resources of their State educational agencies, and to assist those agencies in the establishment and improvement of programs to identify and meet the educational needs of States.

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$25,000,000 for the fiscal year ending June 30, 1966; but for the fiscal year ending June 30, 1967, and the three succeeding fiscal years, only such sums may be appropriated as the Congress may hereafter authorize by law.

APPORTIONMENT AMONG STATES

SEC. 502. (a) (1) From 85 per centum of the sums appropriated for carrying out this title for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 2 per centum of such 85 per centum of such sums, as he may determine and shall apportion such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this title. From the remainder of such 85 per centum of such sums the Commissioner shall apportion \$100,000 to each State, and shall apportion to each State such part of the remainder of such 85 per centum of such sums as the number of public school pupils in the States bears to the number of public school pupils in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this paragraph, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(2) Fifteen per centum of the sums appropriated pursuant to section 501 for each fiscal year shall be reserved by the Commissioner for grants for special projects pursuant to section 505.

(b) (1) The amount apportioned to any State under paragraph (1) of subsection (a) for any fiscal year which the Commissioner determines will not be required for that year shall be available for reapportionment from time to time, on such dates during that year as the Commissioner may fix, to other States in proportion to the amounts originally apportioned among those States under subsection (a) (1) for that year, but with the proportionate amount for any of the other States being reduced to the extent it exceeds the sum the Commissioner estimates that State needs and will be able to use for that year; and the total of these reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced. Any amount reapportioned to a State under this subsection from funds appropriated pursuant to section 501 for any fiscal year shall be deemed part of the amount apportioned to it under subsection (a) (1) for that year.

(2) In accordance with regulations of the Commissioner any State may file with him a request that a specified portion of the amount apportioned to it under subsection (a) (1) be added to the amount apportioned to another State under that subsection for the purpose of meeting a portion of the Federal share (as defined in section 503(b) of the cost of carrying out one or more programs or activities under an approved application of that other State. If the Commis-

sioner finds that the programs or activities with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of the amount apportioned to that State, as requested by it, would assist in carrying out the purposes of this title, that portion shall be added to the amount apportioned to the other State under subsection (a) (1) to be used for the purpose referred to above. The Federal share of the total funds expended for such programs of activities shall be adjusted on the basis of the proportion of such total funds so expended by each participating State from the amounts originally apportioned to each such State.

Strengthening State departments of education,¹ fiscal year 1966 estimate

United States and outlying areas.....	\$21,250,000	Montana.....	\$162,626
50 States and the District of Colum- bia.....	20,825,000	Nebraska.....	220,497
Alabama.....	411,619	Nevada.....	137,894
Alaska.....	121,337	New Hampshire.....	147,601
Arizona.....	238,848	New Jersey.....	576,593
Arkansas.....	270,243	New Mexico.....	198,805
California.....	1,672,034	New York.....	1,288,213
Colorado.....	280,701	North Carolina.....	547,459
Connecticut.....	312,652	North Dakota.....	156,051
Delaware.....	139,737	Ohio.....	946,737
Florida.....	549,680	Oklahoma.....	327,809
Georgia.....	495,621	Oregon.....	267,391
Hawaii.....	159,850	Pennsylvania.....	939,966
Idaho.....	165,497	Rhode Island.....	157,218
Illinois.....	875,820	South Carolina.....	340,190
Indiana.....	517,718	South Dakota.....	162,285
Iowa.....	335,566	Tennessee.....	428,208
Kansas.....	292,294	Texas.....	1,035,640
Kentucky.....	351,893	Utah.....	207,310
Louisiana.....	398,520	Vermont.....	131,119
Maine.....	182,826	Virginia.....	467,894
Maryland.....	379,359	Washington.....	372,829
Massachusetts.....	477,050	West Virginia.....	265,521
Michigan.....	828,465	Wisconsin.....	415,673
Minnesota.....	399,197	Wyoming.....	133,422
Mississippi.....	319,780	District of Columbia.....	153,685
Missouri.....	460,057	American Samoa.....	} 425,000
		Guam.....	
		Puerto Rico.....	
		Virgin Islands.....	

¹ 85 percent of \$25,000,000 distributed; 2 percent (\$425,000) of \$21,250,000 reserved for distribution to the outlying areas. Basic allotment of \$100,000 for the 50 States and the District of Columbia; balance distributed on the basis of public elementary and secondary school enrollment, fall 1964.

ELEMENTARY AND SECONDARY EDUCATION ACTIVITIES

Senator PASTORE. We have the Office of Education next, for three items. We will take no testimony on "Research and training," or on "Salaries and expenses."

The House made a substantial reduction in the item "Elementary and secondary education activities" on the premise that the funds would not be used because of the lateness in the availability of funds and because of noncompliance with the Civil Rights Act and because of the legislative limitation of not to exceed 30 percent of the current budget for any school district.

The Department is asking for partial restoration or \$192 million. Outline briefly the reasons why you believe that less than the budget estimate for the basic grants to the States is needed. Perhaps you will not wish to identify States in connection with the noncompliance or with the Civil Rights Act. But give us the number of States and the amounts which you think will not be needed.

PREPARED STATEMENT

Mr. KEPPEL. Sir, may I enter for the record a formal statement?

Senator PASTORE. Without objection it is so ordered.

(The prepared statement of Mr. Keppel, and memorandum on reduction in requirements follow:)

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965, OFFICE OF EDUCATION

Mr. Chairman and members of the committee, I welcome this opportunity to testify in behalf of the President's request for funds to carry out the Elementary and Secondary Education Act of 1965. In signing the new act the President said, "As President of the United States, I believe deeply that no law I have signed or will ever sign means more to the future of America * * *. Let us not delay in putting it to work." This committee has, of course, a vital part to play in putting the new act to work. Your determinations bring the Nation to the threshold of one of the most important advances in the history of American education.

Since the act was signed by the President on April 11, the Office of Education has been working constantly with State education officials, local communities, and research administrators, to advance the planning of activities to be funded by this appropriation. We have already issued a variety of planning documents to the States and we are assured by our reports from them that projects and activities can be initiated promptly when funds are appropriated. We are also assured that the appropriation of the full amounts of the request will enable the States to make full and effective use of the funds this year.

The House committee allowed \$1,016,050,000 of the original budget estimate of \$1,345,184,000. Our revised estimate to implement the act is now \$1,208,050,000 including costs for Federal administration. With your permission, I would like to offer some details.

Assistance for educationally deprived children, \$959,000,000

The major thrust of the new act is in title I, which provides assistance to State and local agencies to meet the special educational needs of children from low-income families. This title attacks the corroding cycle of poverty that plagues our society. It permits the creation of local education programs to alleviate the handicaps faced by more than 5 million pupils who come from families earning less than \$2,000 per year. Funds are allocated according to the number of children from low-income families times 50 percent of the average per pupil expenditure for education in each State.

We have received from the Bureau of the Census and the Welfare Administration population data for fund allocations to States and counties. We have also compiled information as to the per capita costs of education in the States for fiscal year 1964. These data are generally sufficient for the allocation of funds by county. We have given the States information for suballocation of county amounts by individual school districts where the county is not coterminous with a school district.

Our current estimate of the national total of maximum grants amounts to approximately \$1.171 billion. The budget estimate of \$1,070,684,000 was reduced to \$775 million by the House committee which included appropriation language to permit payments on the basis of the full authorization. This recommended language is a workable approach to funding the full requirements of the school districts while recognizing the fact that there will be certain lapses in authorization usage in the first year of the program.

The amount of such lapse which has been estimated by the House committee on this basis amounts to \$396 million. The House report states that certain factors such as compliance with civil rights requirements, limitations on school district grants to 30 percent of a district's budget, and delays in initiating pro-

grams will reduce fund requirements in fiscal year 1966. The validity of the House committee report findings is acknowledged except that we believe the estimate of lapse that will occur in the first year is substantially less than that estimated by the House committee. In general we are of the opinion that the requirements will be approximately \$212 million less than the full amounts of grants authorized as compared with the House committee estimate of \$306 million. Our estimate of fund requirements is based on the fact that the 30 percent limitation will result in reductions of only about \$20 million in authorized grants during fiscal year 1966, and that other delays and civil rights compliance problems will not exceed \$192 million. Specifically, it is pointed out that the compliance with civil rights requirements by Southern States and school districts is proceeding so rapidly that children in school districts which have already satisfied the requirements now represent 72 percent of the school population of those States. At the most this would represent a loss of \$110 million if there were no further action by the States and communities to establish compliance. On the contrary it is our judgment that substantial compliance activity will occur between now and the date when school funds will be available and that most of this potential slippage will be eliminated. Also, we are assured that States and school districts have planned effectively for the early initiation of projects once funds are available.

We are therefore requesting an amount of \$959 million, an increase of \$184 million over the House allowance.

STATES ORIGINATE PROGRAMS

Title I, while recognizing that educating the children of poverty requires a massive national effort, looks to the States and local communities to devise and carry out their own programs.

Among the many approaches that title I anticipates are preschool programs for children of poor families to acquire good learning habits. Teachers can be given special training to work in slum areas. Special materials may be developed to remedy language and cultural deficiencies. Extra guidance services may be provided to identify early and salvage potential dropouts. Mobile learning centers may be established with enriched materials and special teachers to provide experiences otherwise unavailable. Shared time arrangements may be made and special media may be developed to bring the poorer schools the advantages enjoyed by wealthier communities. Title I assistance also could introduce these poor children to the cultural resources of the community—their first visit to a museum, perhaps, or an art gallery, or a concert. Physically and mentally handicapped children could receive special services that schools can rarely provide.

Whatever the specific form of services under title I, the purpose is to improve and equalize educational opportunities for all our children. To begin this exciting work we urge your support of our revised estimate of \$959 million in fiscal year 1966. One percent of these funds is set aside for the States to assist localities with plans under title I programs.

Grants to States for school library materials, \$100 million

Under title II, funds will be allocated on a per capita basis according to the needs of elementary and secondary pupils in both public and nonpublic schools. The sum of \$100 million authorized is requested for the fiscal year 1966.

An effective program of education today requires well-supplied libraries, up-to-date textbooks, visual and audio aids such as films, slides, and tapes, periodicals and newspapers, and instructional aids such as maps, globes, and observation instruments.

These materials are becoming available more and more but their cost is frequently beyond the reach of the poorer schools. These new tools of education should be available to all children, particularly those attending the poorer schools.

NONPUBLIC SCHOOLS PARTICIPATE

Title II recognizes that needs will vary within States and requires the development of individual State plans weighing the relative needs of both public and nonpublic schools. Materials would in all cases be owned by a public agency. While the States would administer their own plans, the Commissioner of Education could supply materials to non-public-school children if necessary due to State constitutional limitations. Wide flexibility is provided to the States

in the formulation of their plans. However, Federal funds must be used to improve present programs, not to substitute for State and local funds. The major objective is to bring library services to the 30 percent of our public school pupils, and the 37 percent of our non-public-school pupils, who now lack school library service.

Another benefit will be to provide up-to-date textbooks to students who now must buy their own or go without. The sum provided by this title in 1966 amounts to approximately \$2 per pupil in the Nation, a modest start toward correcting a problem that afflicts most of our schools. Administration will be facilitated by a 5-percent set-aside of allotment to each State.

Supplementary educational centers and services, \$75 million

In his message to Congress, President Johnson said, "The educational gap we face is one of quality as well as quantity." Title III of the act is designed to start closing that quality gap.

The purpose is to establish supplementary educational centers to provide educational services not available in traditional classrooms.

Many examples of the kinds of activities which may qualify for support are set forth in our justifications. These include—

- (1) Counseling and guidance, remedial instruction, health, and psychological and social work;
- (2) Special programs and study areas available when schools are not in session;
- (3) Model educational programs, demonstrating innovative techniques to achieve old goals or to identify new ones;
- (4) Specialized instruction and equipment for teaching foreign languages, science, or other academic subjects on a centralized basis;
- (5) Special equipment or specially qualified personnel, such as artists or musicians, on a temporary basis;
- (6) Educational radio and television programs;
- (7) Physical education and recreation;
- (8) Special instruction or services for persons in or from rural areas.

There will be many other types of services proposed by local educational agencies which have special needs and have devised imaginative remedies.

The funds requested in title III will provide services where the need is evident but local funds are not available.

Model programs will make it possible for local educational agencies to take full advantage of new techniques. Particular projects might include development of centers based on studies by local communities acting independently or in concert. Pilot demonstrations to test new ideas would greatly aid in carrying out the mandate of the statute to achieve an equitable distribution of assistance within each State.

Adults as well as children will benefit from this title. Significant progress will be made to identify and satisfy the special needs of potential school dropouts, a problem that is becoming increasingly troublesome.

In pursuit of improved quality in education we must tap all sources of knowledge, culture, and wisdom that can help us achieve our end. The act provides that a local educational agency must provide in planning, establishing, and carrying out a program for the participation "of persons broadly representative of the cultural and educational resources of the area." Such participation is calculated to emphasize that education is everybody's job.

Similarly, title III calls for an advisory committee to advise the Commissioner of Education on criteria and regulations, and review specific project proposals. Funds would be allotted on the basis of school-age population and general population. The State educational agency would review each proposal submitted to the Commissioner.

Our original estimate of \$100 million for title III was reduced by the House committee to \$75 million on the basis that the program can be in effect for only a part of the fiscal year. It appears that no serious inequities will result from this decrease due to delay of fund availability and that the \$75 million will provide sufficient funds for implementing the first year of the program.

Educational research and training, \$45 million

Title IV amends the Cooperative Research Act and expands present research and development programs. It adds grant as well as contract authority, extends the use to a variety of groups and individuals heretofore excluded, establishes a new program for training educational researchers, and for disseminating the

results. In addition, \$100 million is authorized over the next 5 years for national and regional research facilities.

The request for \$45 million for fiscal 1966 includes \$25 million for broadened research programs under section 401, and \$20 million for constructing and equipping national and regional research and related facilities under section 403.

RESEARCH VITALLY NEEDED

Each addition to the program is essential. Expanded authority to use grants as well as contracts, for example, will enable colleges, universities, and State departments of education to call in professional societies, private research organizations, and even industry, to work on educational problems. The term "dissemination" in the authorization allows for exploration of new means of getting the research results into educational practice. Nowhere is the need for research personnel so critical as in education. This fund would support predoctoral and postdoctoral training programs, research internships, institutes, and undergraduate research. The need for research-oriented curriculum developers, administrators, and innovators is just as obvious.

The most novel feature of title IV, however, and perhaps the most challenging, is the network of national and regional laboratories. Designed to concentrate educational, scientific, and cultural resources on quality education, the laboratories would be broad associations of universities, State departments of education, local schools and other appropriate organizations. They would conduct research, develop the results for classroom use, test these new forms, and train teachers to use them.

TESTING NEW METHODS

The laboratories would provide research and classroom facilities for educational experimentation and for evaluating new materials and techniques. They would also provide a clearinghouse for research and curriculum materials. Each laboratory would be associated with a variety of operating schools. The laboratory concept is a flexible one. Needs of each region vary, and those responsible for setting up laboratory programs would be expected to come up with individual solutions.

Our plans for these laboratories reflect a confidence in the capacity of research and development to improve the whole educational process. There is an urgent need for large scale support if the promise of educational research is to be fulfilled.

Strengthening State departments of education, \$25 million

A sum of \$25 million has been requested to help State educational agencies to build the balanced, professional, high-quality staffs they need. The success of Public Law 89-10 will depend to a great degree on the quality of State leadership.

In the past, Federal programs have provided assistance to State education departments in certain fields, for example, in the Vocational Education Act. The unfortunate result has been to emphasize certain programs at the expense of others. The strengthened State leadership resulting from this title would help correct the present imbalance.

BROADER STATE ACTIVITIES

Many critically needed activities could be undertaken by State education departments such as—

- (1) Statewide educational planning, including the identification of educational problems, issues, and needs, the evaluation of current education programs, studies of State education finance management, administration, and future needs.
- (2) Providing support for statistical services, including the use of automated data systems.
- (3) Programs for conducting research and demonstration projects.
- (4) Publication of materials developed at curriculum research centers.
- (5) Programs to improve the quality of teacher preparation.
- (6) Support of programs to measure educational achievement.
- (7) Training State or local educational personnel for leadership and administrative or special services.

(8) Providing local agencies with technical assistance on particular aspects of education, such as the handicapped, school design, social work, health, physical education, and recreation.

INTERSTATE COOPERATION

Under the authorizing act, 85 percent of the funds would be for the programs we have just been discussing. The remaining 15 percent would be for grants to study problems common to State departments of education in some or all States. Through this cooperative process, the best of one State's program could be adapted for use in other States.

The House committee reduced the budget estimate of \$25 million for strengthening State departments of education to \$17 million due to the fact that the program can be in effect for only a part of the fiscal year. However, following the enactment of Public Law 89-10, the State agencies immediately responded by providing staff and other resources to engage in planning activities for the new program. The Office of Education has developed streamlined procedures for grant approvals, and the States now have applications in draft form and will submit concrete proposals as soon as funds are appropriated. Therefore, the leadtime normally associated with new programs has been substantially reduced in practically all States. Under the program's allotment formula, the large populous States would absorb the greater proportion of the House reduction. Yet it is these States with heavy concentrations of educationally deprived children that have the greatest need for the statewide leadership and services provided under title V. In addition, smaller States which lack basic administrative capacity to administer effectively other programs of the act would be adversely affected by the reduction. Since there is every indication that the total funds requested can be efficiently and effectively used, we are requesting a restoration of the \$8 million to assist the States in providing the urgently needed dynamic leadership envisioned by Congress when it authorized the program.

NEW STAFF REQUIREMENTS

Salaries and expenses, \$4,050,000

The new responsibilities also entail the establishment of an adequate administrative structure. Since our budget justification was prepared in April, the President appointed a White House Task Force on Education. The organization recommendations of this task force were accepted by the Department of Health, Education, and Welfare and the White House, and the Office was reorganized as of July 1. We believe that this will result in a stronger administration of the Office's programs. Maximum advantage will be taken of existing staff structure and positions to minimize the needs for additional staff.

The funds for Federal administration for the first year are three-tenths of 1 percent of those requested for program grants. We believe that prudent administration of the vast sums authorized calls for at least this amount to initiate staffing and operation for the first year. We have analyzed the requirements of each of the titles and details are presented in our justification for the 330 positions.

On the basis of our continued assessment of the responsibilities imposed by the new act and in terms of our need for strengthened organization as reported by the White House task force, we are confident that the 330 positions is a reasonable estimate of additional staff requirements of the Office in 1966 for the new act. With this request, the budgeted positions for salaries and expenses for the Office of Education for the coming year will amount to 1,935 positions. This total number of positions will be deployed in terms of the new organizational structure to give maximum effectiveness to present and new program activities.

The House committee reduced the estimate of \$4,500,000 to \$4,050,000. The reduction of \$450,000 is in recognition of the fact that the positions cannot be filled for as large a part of the fiscal year as anticipated when the request was submitted due to delayed availability of funds. We have therefore, revised our estimate to the House allowance of \$4,050,000.

We will be happy to respond to your questions.

REDUCTION IN APPROPRIATION REQUIREMENTS—TITLE I, ELEMENTARY AND SECONDARY EDUCATION ACT

Various factors will operate to reduce the appropriation requirements for title I projects in fiscal year 1966 including the following:

(a) A limitation imposed by the law precludes any eligible district from receiving grants this fiscal year in excess of 30 percent of its approved budget. This limitation will affect primarily those rural districts with low per pupil expenditures from their local and State funds, particularly when such districts have relatively large numbers of their population in the low income category. Our estimate is that this limitation will reduce project grants on a national basis on the order of \$20 to \$30 million.

(b) At this time a number of school districts in the Southern States have not completed all required actions to establish compliance with title VI of the Civil Rights Act of 1964. There are at this time 13 States where funds could not be paid to some districts because of noncompliance. Recent and continuing progress in the submittal of desegregation plans assures us that the present level of noncompliances by all such districts whose combined eligibility exceeds \$100 million will be reduced to a small fraction of this sum by October 1, 1965.

(c) Normal delays in the initiation of new projects, particularly those which require personnel additions this year, will cause some districts to use less than the maximum amount of their grants because of recruiting delays that have already occurred. Our estimate of this lapse is on the order of \$150 million in fiscal year 1966.

(d) In summary we estimate that \$200 million of the maximum grant authorization of \$1,159 million will not be claimed in fiscal year 1966. Under the language in the House bill, in the event the districts claim funds in excess of our estimate we would submit a supplemental request for the exact needs in the spring of 1966.

ESTIMATES OF FUND REQUIREMENTS

Mr. KEPPEL. Eliminating those items which are not before us today, at the end of the second and third page we give our line of reasoning, sir, with regard to the amount.

The amount of such lapse, which is the word used, which has been estimated by the House committee on this basis, amounted to \$396 million. The House report stated, you recall, sir, that certain factors such as compliance with the civil rights requirements, limitations on school district grants to 30 percent of the district's budget, and delays in initiating programs, those three, would reduce the fund requirements in fiscal year 1966.

The validity of the House findings is acknowledged except that we believe that the estimate of lapse that will occur in the first year is substantially less than that estimated by the House committee.

30-PERCENT LIMITATION

In general, we believe, sir, that the requirements will be approximately \$212 million less than the full amount as compared with the House estimate of \$396 million. Our estimate of fund requirements is based on the fact that the 30-percent limitation, that is no more than 30 percent to any given school district in the first year, would result in reductions of only about \$20 million during fiscal year 1966. And other delays, and the civil rights compliance problem, will not exceed \$192 million.

COMPLIANCE BY SCHOOLS WITH CIVIL RIGHTS REQUIREMENTS

Specifically, sir, we point out that the compliance with civil rights requirements by the Southern States and school districts is proceeding so rapidly that the children in school districts which have already satisfied requirements now represent 72 percent.

May I say, sir, that since this was prepared, the figure is now 81 percent of all of the children in the 17 Southern and border States are in school districts that have complied, and the figure is changing daily.

Senator HILL. Increasing daily?

Mr. KEPPEL. Yes, sir; the number of children enrolled in school districts coming into compliance. Yesterday, for example, sir, I signed 77 acceptable plans—and I have already this morning signed another 25 I think it was.

But at the 72-percent figure, our best estimate is that this would represent a loss of \$110 million if there were no further action by the States and communities to establish compliance. It is, of course, recognized, sir, that the three points raised by the House, are, of course, valid points—No. 1, the 30-percent limitation; No. 2, the civil rights compliance; and, No. 3, the question of getting the show going this fall.

INITIATION OF PROGRAMS

As to the third point we have been in touch with many of the State and local school officials, and we think we can get it underway.

To go back to the chairman's question specifically there are two States in which less than 50 percent of the pupils as of this moment are in school districts that are in compliance.

All others are pushing well past 50 and 60 percent. I hope that answers your question, sir.

RESTORATION REQUEST

Senator PASTORE. The House cut you how much?

Mr. KEPPEL. From our original estimate, \$328,684,000, sir.

Senator PASTORE. And you are asking that \$184 million of that be restored?

Mr. KEPPEL. That is right, sir.

Mr. KELLY. \$192 million is the total of the restoration.

Senator PASTORE. What is the difference between the \$184 and the \$192 million?

TITLE I AND TITLE V GRANTS

Mr. KELLY. The \$184 million is a revised estimate of the amount that would be required for title I, and \$8 million is a specific request for restoration of the title V grants to States which the House disallowed.

Mr. KEPPEL. To which I had not yet spoken, sir, this would be the second part of our appeal.

Senator PASTORE. I see. You had not come to that yet?

Mr. KEPPEL. That is right.

Senator PASTORE. All right, go ahead.

GRANTS TO STRENGTHEN STATE DEPARTMENTS OF EDUCATION

Mr. KEPPEL. Title V of the Elementary and Secondary Education Act is the part which involves grants to States based on their project requests to strengthen the State departments of education.

If I may say so, sir, I regard it as of importance beyond the relative dollar figure. The whole program that the Congress passed is based

on the State's responsibility for carrying it out. The State department of education must approve local district plans and not the Office of Education in Washington, because as you know, there are 25,000 school districts.

The House action was to reduce the amount from \$25 million to \$17 million. And the line of reasoning, sir, which I fully understand is that the program will not get going until September, and that this represents a reasonable reduction.

All our relations with the 50 chief State school officers, and we have had lots of them since the bill passed, persuade me that they can use the total of the funds requested. You see, it is not a question of slow implementation—they know they need this strengthening to carry out the program authorized by the Elementary and Secondary Education Act of 1965.

METHODS OF STRENGTHENING THE DEPARTMENTS

Senator PASTORE. How would you envision that they would strengthen it?

Mr. KEPPEL. The proposals to come from the State departments of education to Washington for grants will probably vary a bit, sir. Eighty-five percent of the funds are to be used within a State; 15 percent would cut across several States. This would involve the adding of personnel, the strengthening of their statistical operation which is of the first importance in carrying out their duties, the strengthening of their future planning capacity, as well as adding of staff in special subject matters.

Senator PASTORE. Would the House not be correct though in its reasons for the cut; the fact of the matter is that here we are well into fiscal year 1966.

Now, if this means added personnel, by the time they get around to hiring these people you will have elapsed some time. Now if you put in the full estimate which would be for a year's time, they are going to overplan and next year you are going to be in trouble, are you not?

Mr. KEPPEL. Mr. Chairman, I missed the point of your question. I am sorry.

Senator PASTORE. We have to go and vote. This is a point we have to develop. Will you be patient and wait for us to come back?

(Whereupon, a recess to vote was taken.)

RESTORATION OF REQUEST FOR GRANTS AUTHORIZATION

Senator PASTORE. Back on the record, gentlemen.

When was the \$25 million estimated with reference to time? I am talking about chronology now.

Mr. KEPPEL. The \$25 million represents the authorization of the act, and was the estimate when we came up, I think it was in April, sir, before the House.

Senator PASTORE. And you are asking for the restoration which would bring it right up to the top point of the authorization. Do you not think we are going to have a little trouble with this one in conference? This is a grant for personnel, is it not, more or less?

Mr. KEPPEL. I think, sir, there may be some misunderstanding on that point, and it may be my fault in testifying before the House where I put emphasis on personnel.

Senator PASTORE. This will be in the form of a grant?

Mr. KEPPEL. On the basis of an application to the Office of Education, a grant is made to the State. There is an allocation per State.

Senator PASTORE. Can you be more explicit? Tell me what they use this grant for, and how they use it.

PROPOSED USE OF GRANT FUNDS

Mr. KEPPEL. As we now understand from our conferences, the grants would be used for three types of purposes of which one, sir, would be equipment which, of course, would be an amount that would not have an implication for next year.

Senator PASTORE. Would they use all of that grant for equipment?

Mr. KEPPEL. No, sir; we would doubt they would use it all, but we feel they would—since it is the first year—use a fair part of it. Some of it, for example, would be data processing equipment, because this is a major need, we have discovered.

No. 2, sir, a good many of the States are planning to use the proposed funds for contract studies at the State universities or elsewhere which, of course, would be a fixed cost without implications for the next year.

We would expect them to use the funds in a variety of ways and would vary with the need of the State.

Third, we understand that several of the States, hoping that the funds would come, started discussions with the State university to take a man on leave of absence from the State university to carry out a particular study or job, and finally, of course, would be the increase of their permanent staff, which goes back to your first point.

Senator PASTORE. Do you not think it would be better off with this and it might be a little more prudent, inasmuch as the cut was only \$8 million out of the \$25 million, if we tested out what the reaction of the States would be, how they are going to use this money and you could always come back in a supplemental later on?

Mr. KEPPEL. The reason, sir, that we are asking for the full amount is that we have been in such constant communication with the States and we can see that they are going to ask us and want to ask for the full amount.

Senator PASTORE. How much does each State get?

Mr. KEPPEL. We have a table, sir, which I would be glad to enter into the record.

Senator PASTORE. Would this have to be matched in any way?

Mr. KEPPEL. No, sir; not in the first year.

Senator PASTORE. It is an outright grant?

Mr. KEPPEL. Yes, sir.

Senator PASTORE. We have the table right here. I do not think it necessary.

IMPROVING STATE DEPARTMENTS OF EDUCATION

Mr. KEPPEL. May I go one step further, sir, if I am not going a little beyond my proper bounds?

From our work with and consultations with the States, it is my professional estimate that in later years the amount of \$25 million should probably be increased. The act itself provides a maximum authorization in the first year of \$25 million, with the authorization to be set by the Congress in later years.

There is no question in my mind, Senator, that there is a great need for the strengthening of the State departments of education.

BASIS FOR RESTORATION OF AUTHORIZATION REQUEST

Senator PASTORE. I realize that, but all you are saying to me now is not anything new from what has already been said to the House. I have been trying to provoke you to give me some kind of a reason or an answer that the House would accept in restoring what they have already cut.

What you are telling me, you have already said, and in view of what you have said, they cut you by \$8 million. I have been trying hard to get some new evidence or new reasons from you which we could take back for discussion in conference that would carry some weight. I dare say, if you want me to be frank about it, I have not gotten it yet.

Mr. KEPPEL. May I first say thank you for that, sir.

Second, that I think the two points that I made earlier were not made clear to the House; namely, the extent to which equipment will be purchased; and, second, the extent to which the States are actually planning to engage in contract studies.

We had not in April been in touch with the States to the extent we have been since. We now see clear evidence that this is going to be required and that they can get these studies started in a hurry, and use the full amount.

I believe those are the two points, sir.

STATE ENGAGEMENT IN CONTRACTED STUDIES

Senator PASTORE. Is each State going to make its own study?

Mr. KEPPEL. They are actually engaged in it now, sir, have been for some months, yes. We have worked with them in developing a study form, of all the areas which need to be studied.

That has been going on for months.

RESPONSIBILITIES OF STATE FOR USE OF FUNDS

Mr. KELLY. Could I develop just a bit a point that the Commissioner made, Mr. Chairman?

Senator PASTORE. Yes.

Mr. KELLY. As I understand his point, the \$25 million authorization related only to fiscal year 1966. There has not yet been a congressional decision as to what the authorization for fiscal year 1967 would be. The Commissioner is saying that this \$25 million is so important to be expenditure of the \$1 billion that he would not like to see it reduced and that he would recommend that the annual level in subsequent years be greater than \$25 million, because it is a protection to the qualitative expenditure of \$1 billion.

Senator PASTORE. You tell me how the \$25 million is connected with the \$1 billion.

Mr. KELLY. You understand that the State will be responsible for obtaining from each of the school districts a plan for the use of these funds and the approval of the specific projects, and they will be the

guiding influence to the school districts in their State for the effective utilization of these funds to develop a qualitative program.

Senator PASTORE. A billion dollars is made available immediately and they are going to start spending that immediately, are they not, and we are talking about studies that maybe will not culminate in any recommendations until later on in fiscal year 1966. It will be pretty well toward the end of the year.

Mr. KELLY. But over the period of the year they are going to approve projects that make up this billion dollars and then they will—
Senator PASTORE. How, when you say "they"?

SURVEILLANCE AGENCY OF PROJECTS AND USE OF FUNDS

Mr. KELLY. The State departments of education. They will constitute the surveillance agency to see that the school districts carry out the projects which have been approved and utilize the Federal funds for the purpose for which they were made available.

Senator PASTORE. You mean the equipment they buy, to give them the statistical data will be in time to allow them to prudently spend the \$1 billion we are talking about?

Mr. KELLY. I think this is only one aspect of the problem.

Senator PASTORE. Well, I get your point, but your rationality disturbs me.

Mr. KEPPEL. Of course, sir, the relationship between the State and the local district includes the personnel.

BASIS FOR RESTORATION REQUEST

Senator PASTORE. I do not want to kick this around too often, Doctor, or too much. The point is that the boys on the other side of the Capitol are pretty much in sympathy with all education programs, particularly Mr. Fogarty, and when Mr. Fogarty cuts you \$8 million on a program like this, you have to have some pretty good reasons why you are going to tell him he has made a mistake and he ought to put it back. And this is what this amounts to, and that goes for the \$184 million, and I am trying to develop reasons here which would be cogent enough to make a point.

Mr. KEPPEL. I appreciate that, sir.

Senator PASTORE. Frankly, you are going to make too good a lawyer out of me. Mr. Hill?

Mr. HILL. I would say you are a brilliant lawyer, but what you are seeking is the evidence.

Senator PASTORE. That's right; and no lawyer can work very brilliantly without the evidence.

Mr. KEPPEL. The most evidence I can give, Senator, is on the basis of consultation with the States since testifying before the House.

MODESTY OF AUTHORIZATION REQUEST

Senator PASTORE. Would you say that the authorization of \$25 million was pretty modest to begin with?

Mr. KEPPEL. Yes, sir.

Senator PASTORE. That is really the point you are making and the further cut from the \$25 million adds to the modesty?

Mr. KEPPEL. Beautifully put, sir.

Senator PASTORE. That is the best I can do. Anything further?

Mr. HILL. No.

ADDITIONAL 1966 SUPPLEMENTAL BUDGET REQUESTS

Senator PASTORE. Mr. Cotton?

Senator COTTON. Has the Office of Education either pending or are you contemplating any further supplemental requests for the coming year?

Mr. KEPPEL. The Elementary and Secondary Education Act. The reason, sir, we came forward with our proposed change from the House was because our best estimate is that this would not mean a supplemental appropriation for this year.

Senator COTTON. I mean any other than this.

Mr. KEPPEL. I beg your pardon.

Mr. KELLY. In the event of the passage of the Higher Education Act, which is going to be taken up on the floor of the House tomorrow, we would plan to bring forth an estimate to carry out that legislation.

Senator COTTON. That is, for fiscal year 1966?

Mr. KELLY. Yes, sir.

Senator COTTON. So that probably there will be another supplemental?

Mr. KELLY. Yes, sir.

Mr. HILL. That is for the higher education.

Senator COTTON. Yes; I understand.

PERSONNEL INCREASES

And my stock question, Mr. Chairman, I assume that the budget officer will furnish us with the number of positions that will be added by reason of the appropriations in this bill?

Mr. KELLY. Yes, sir.

Senator COTTON. And can you at the same time indicate what proportion of those positions will be in the Washington area and what proportion will be in the field?

Mr. KELLY. Yes, sir; we can. As a result of the amendment which you put in our regular bill, this is now becoming a routine method of recording our data. We will show it in the table I will give you.

(The table referred to appears on p. 103.)

DELAY IN RECRUITMENT OF PERSONNEL

Senator COTTON. I am delighted to hear that.

Senator PASTORE. You are talking about the \$184 million?

Senator COTTON. In this bill, yes.

Senator PASTORE. How many more jobs than the House has allowed you will your \$184 million give you?

Mr. KEPPEL. No more, sir.

Senator PASTORE. This has to do with grants.

Mr. LOOMIS. The 330 are for the whole act, not just the appeal items.

Senator COTTON. I am talking about all of the education funds in this particular bill, and, of course, as far as grants are concerned, it only has to do with those who administer the grants, not those who execute them.

Mr. KELLY. All of the staff of the Office of Education is in one account, and it is 330 positions.

Senator PASTORE. And the House allowed you all of it?

Mr. KELLY. The House allowed all of it. They reduced the amount of money because of a delay in recruitment.

Senator PASTORE. And this \$184 million will be used exclusively for distribution to the States?

Mr. KEPPEL. That is right, sir.

Senator COTTON. But the total positions are how many?

Mr. KEPPEL. 330.

Senator PASTORE. Which the House allowed.

Mr. KEPPEL. Three-tenths of 1 percent of the total program.

NATIONAL TESTING PROGRAM

Senator PASTORE. Mr. Allott?

Senator ALLOTT. Mr. Chairman, my questions will take a little while, but I think it is an important item.

I have received, Doctor, several letters from educators in Colorado that were concerned about the possibility that the Office of Education is going to establish a national testing program.

Now, I know of no better way than to read a part of one of these letters. I cannot read the whole thing or put it in the record, because it also contains other matters. But I will read the pertinent part:

I am sure all of us are interested in raising the quality of education, but many of us believe this is done most effectively through policies initiated by citizens at the local and State level. Our policy in the department is to attempt to raise the sights of the local boards and the local administrators to the point where they want good schools and then to aid them in achieving their goals.

I do not believe you can impose quality from outside a school district any more than you can impose discipline from outside the classroom. The real goal of education should be to aid youngsters to achieve the necessary skills and then to encourage them to use these skills to collect and analyze data to form the basis for decisions which they will make. In other words, I believe education is more a matter of achieving, understanding, and developing the ability to think than it is amassing or memorizing a number of names, dates, and places which will enable them to score well on a test.

Too much dependence on tests inhibits education rather than facilitates it. Under such conditions students attempt to learn in order to do well on tests rather than to understand. Teachers tend to teach with this same objective in mind.

I believe the establishment of any national testing program, regardless of how limited, and even though participation is voluntary, is an infringement of local and State prerogatives and is a disservice to education.

I believe in good evaluation as an aid to learning and the basis for future planning, but it should not be done on the national level. We already have more tests than we can use and evaluate properly.

Furthermore, I cannot believe that the proposed testing program would provide good motivation to very many students. Calling the test voluntary has little significance in my mind. Educators and board members could not exercise the best judgment as to whether or not the tests should be given, since community pressures would force them to participate.

I believe the concept of compacts between States which would provide nationwide standards and policies as opposed to national standards and policies should be given a chance to work before the action of this kind should be contemplated by Congress.

CARNEGIE CORP. COMMITTEE ON ASSESSING THE PROGRESS OF EDUCATION

Now, it is my understanding that the Office of Education asked the Carnegie Corp. of New York to look into the possibilities of assessing educational performance in our public school system, and it is my further understanding that the Carnegie Corp. set up the "Exploratory Committee on Assessing the Progress of Education" with Dr. Ralph Tyler as chairman, and that this exploratory committee then held four conferences in 1964 all around the country.

I want to ask you a series of questions about this: Did the Carnegie Corp. use its own funds for this purpose?

Mr. KEPPEL. Yes, sir, the trustees voted, I believe, two grants in support of this program.

Senator ALLOTT. Did the Office of Education furnish a list to the Carnegie Corp. of those individuals who should be invited to the conferences?

Mr. KEPPEL. The Carnegie Corp. appointed its own committee. As to those invited to the conference, no, sir, the Office of Education did not—at least that I know of—provide a list of names. This was an exploration under private philanthropy.

Senator ALLOTT. Nor make nominations?

Mr. KEPPEL. Not that I can remember. If so, it is only a name or two out of a hundred. I explained earlier, sir, that my relations with the Carnegie Corp. had been of long standing and were informal before I came to Washington, and it is customary for good old friends to sometimes suggest a name.

Senator ALLOTT. I am not implying anything that is——

Mr. KEPPEL. No, I wanted to be completely responsive, sir.

MEMBERSHIP OF COMMITTEE

Senator ALLOTT. Do you have or could you furnish for the record the membership of this Exploratory Committee?

Mr. KEPPEL. Of course, sir.

Senator ALLOTT. Would you furnish that for the record for us?

Mr. KEPPEL. Yes, sir.

(The membership list requested follows:)

MEMBERS OF EXPLORATORY COMMITTEE ON ASSESSING THE PROGRESS OF EDUCATION

Ralph W. Tyler, chairman, director, Center for Advanced Study in the Behavioral Sciences, 202 Junipero Serra Boulevard, Stanford, Calif., 94305.

Melvin Barnes, superintendent of schools, 631 NE Clackamas Street, Portland, Oreg., 97206.

John J. Corson, Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, N.J., 08540.

Paul F. Johnston, superintendent of public instruction, Des Moines, Iowa, 90319.

Devereux C. Josephs, New York Life Insurance, 51 Madison Avenue, New York, N.Y., 10010.

Roy E. Larsen, Time, Inc., Time and Life Building, 1271 Sixth Avenue, New York, N.Y., 10020.

Katherine E. McBride, president, Bryn Mawr College, Bryn Mawr, Pa., 19810.

Paul C. Reinert, president, St. Louis University, St. Louis, Mo., 63103.

Mabel Smythe, principal, New Lincoln School, 31 West 110th Street, New York, N.Y., 10026.

Jack C. Merwin, staff director, Post Office Box 4008, University Station, Minneapolis, Minn., 55414.

RESULTS OF CONFERENCES

Senator ALLOTT. Would you tell me about the results of these conferences and where does the matter now stand?

Mr. KEPPEL. The conferences which were regional, as I recall, involved both college people, testers, and school principals, superintendents and the like.

I did not attend any of them. I have only heard reports from Mr. Tyler, the chairman, and some of the members of the committee. The first kind of report I got, sir, was something that I think you will forgive me for speaking to it for a length longer than necessary.

Senator ALLOTT. No, sir; I think it is an important point.

Mr. KEPPEL. The first thing was—and this, by the way, was brought out at the White House Conference on Education that the President called recently—that there was a substantial misunderstanding as to the purpose.

NATIONAL TEST AT 12TH GRADE

You may recall, sir, in reading the letter that you mentioned, reference to a voluntary national testing program, I believe that kind of language was used. The kind of idea, sir, if I may put it this way, that is included in the bill that Senator Pell and Senator Cooper now have a possible amendment to one of the education acts; namely, the idea of a national test at the 12th grade, an idea that Admiral Rickover has vigorously espoused, which could be taken voluntarily by any students that wanted to. I think perhaps the letter referred to that.

CARNEGIE EXPLORATION PROPOSAL

This kind of idea he vigorously proposed, and I disagree with it, Senator, but it is a good argument, has gotten mixed up with what, if I may refer to it as the Carnegie exploration, has in mind. They do not have in mind tests which would be available for all students to take. The Carnegie exploration—and that is all it is so far, sir—and I am reporting on these meetings because this confusion was really the basis of the discussions at the meeting, the Carnegie proposal, Senator, or exploration—whatever anyone wants to call it—was to find a way of reporting to the American public on how well the schools were doing, but do it in a way that does not involve the dangers of massive testing and of getting the teachers to aim the kids right at the test, which is the point of the letter you read.

I would say, sir, that I agree with practically everything in that letter. I would want to check again, but I think I do. I agree we are in a way an overtested nation, I agree that there is a danger of testing having a corset-like effect on the program of a teacher. This is a danger, it is a real danger.

Now the Carnegie exploration, Senator, was for the purpose of seeing whether we could sample, say, 1 out of every 50 children, so that we could report. We—I mean Carnegie or the educators, let me make it general—could report back to the public how well the new programs, including the one we have before you too, sir, today, Mr. Chairman, are carrying out the intent of the local school system or the

State or, in this case, the National Government by way, sir, of getting benchmarks.

I think in rather homely terms. At home we used to put a thing on the top of the kids' heads and put a mark on the wall and wait 6 months and see whether you could put the mark a little higher. That is the kind of thing you like to do with your kids.

In a way we do not have that marking system but you do not have to test every child to get it. The Carnegie exploration is based on the theory that most children would not be tested. I think that is a real change from national testing. This is for the purpose of assessing, and I think there is a real difference here, rather than "testing."

It is to report to the people.

REPORTS UNDER ELEMENTARY AND SECONDARY EDUCATION ACT

The title I we have before us here today, sir, in the Elementary and Secondary Education Act, requires that a commission appointed by the President report annually to the Congress on how successfully this program is in raising the quality of education for the disadvantaged children.

Every State has to send in information. I encouraged the Carnegie people to explore this area because, frankly, it seemed to me that the Congress and the people deserved more sophisticated reporting on the results of their investments in education than we are now able to give.

I hope, sir, that helps a bit in answering the question. I find myself in agreement with a lot of that letter.

FEDERAL CONTROL OVER CARNEGIE EXPLORATION

Senator ALLOTT. Aside from your personal friendship with the Carnegie people to which—

Mr. KEPPEL. There is a degree of filial piety in it. My father used to be president of it. I was used to seeing all the people there.

Senator ALLOTT. All right, so you have no control over the Carnegie exploration?

Mr. KEPPEL. None whatever, sir.

PALO ALTO, CALIF., SEMINAR

Senator ALLOTT. In February 1965, a seminar was held in Palo Alto, Calif., where representatives of testing agencies met to discuss the proposed nature of the tests to be developed and the areas of curriculum to be considered. Was this held under your auspices?

Mr. KEPPEL. I would want to check it. The committee under Mr. Tyler's chairmanship, who by the way has his base of operations at Palo Alto, included Roy Larsen and Devereux Josephs and other men not in education. After their preliminary exploration they concluded that it would be worth trying to create some tests, not a great many of them, for this kind of assessment purpose and, therefore, I presume decided to meet with some of the people who make the tests.

Senator ALLOTT. Do you know whether there were, after that meeting in February of 1965, proposals eventually submitted to the exploratory committee by the various test development agencies represented at that meeting?

Mr. KEPPEL. I do not know it of my own knowledge, sir. May I look it up and put it in the record, sir? I just do not know.

Senator ALLOTT. Yes

(The information referred to follows:)

At the seminar held in February 1965 in Palo Alto, Calif., the exploratory committee explained the distinctive nature of the tests and other assessment devices required, outlined a comprehensive set of areas in curriculum, and asked each agency to make a proposal for test development in one or more curriculum areas. These proposals were submitted to the committee by April 1, 1965, for review by a technical committee appointed by it. Then, at a meeting in New York on April 10, the exploratory committee began awarding contracts for phase 1 (the first 6 months) of test development.

Later in the year the exploratory committee is to consider the future of the project after the present phase is completed.

RELATIONSHIP BETWEEN EDUCATIONAL TESTING SERVICE AND CARNEGIE CORP.

Senator ALLOTT. As far as you are concerned, you would have no personal knowledge as to whether there were any contracts let since this was with the exploratory committee?

Mr. KEPPEL. I am sure we can find out without difficulty and put it in the record.

Senator ALLOTT. Now what is the relationship of the Educational Testing Service to the Carnegie Corp.? Is there any?

Mr. KEPPEL. The Educational Testing Service is a separate, non-profit corporation with its headquarters in Princeton, N.J. The Carnegie Corp. in years past had made grants to it, philanthropic grants.

The Educational Testing Service, however, does not depend upon its budget so far as I know on Carnegie Corp.

ENCOURAGEMENT BY OFFICE OF EDUCATION OF CARNEGIE EXPLORATION

Senator ALLOTT. Now I want to get this absolutely clear then. As far as this area that I am asking about, it is not under the Office of Education in any way, it is simply an activity carried on by the Carnegie Corp.

Mr. KEPPEL. That is correct, sir, but because I want to be absolutely sure the record is straight, let me make it clear, sir. I encouraged the Carnegie exploration. It seemed to be wiser to do it in the private sector to see whether they could do it, but I do not want for the moment to suggest that my Office is not interested.

Furthermore, sir, in testifying before Senator Hill earlier this year and a year before that, on each occasion, Senator, I have reported these relations with Carnegie to be sure there was no misunderstanding on the record.

And as my associate, Mr. Loomis, reminds me, Senator, if the Carnegie thing develops in a way that it seems in the public interest, I would like to come before the committee to request funds. Forgive me, Senator, I just wanted to be quite clear that I was not giving the wrong impression.

Senator ALLOTT. That is quite all right. I think this is an important area and I have been astounded by the number of educators who have contacted my office.

EXTERNAL SURVEY OF OFFICE OF EDUCATION

I just have a few more questions here.

Is the description of the new organizational structure of the Office of Education listed on pages 137 to 145 of the House hearings on this supplemental bill, an exact excerpt from the report of the task force headed by Dwight Ink, or is it merely a digest of this report as modified by the Office of Education?

Mr. KEPPEL. Actually, the report the Senator is referring to is an external survey made at the request of the Department. The White House appointed three individuals to study the Office and propose changes because of its enlargement of responsibility.

There was no formal report, sir, from Mr. Ink, Mr. Jasper, and Mr. Organovic. There was a series of memorandums but there was no published report. Probably some of the memorandums are here.

Mr. LOOMIS. This is a summary of the report as presented to the Commissioner and the Secretary. This is verbatim as it was presented to us by the committee.

Senator ALLOTT. Is it possible to provide—I expect it is pretty late and I do not want to ask to have it put in the hearing, but is it possible to get the complete report made available for the committee as a part of its files?

Mr. KEPPEL. Yes; what it consists of is a series of memorandums, not formalized in the form of a formal report. We completed it all on the 1st of July, but we would be delighted, sir, to make it available to the committee.

(The information requested was filed with the committee.)

PROPOSED CHANGES RECOMMENDED IN SURVEY

Senator ALLOTT. This would answer it, but would you answer specifically what it recommended with respect to organization, restructuring, personnel changes, and its criticism of existing structure, which led to the adoption of the proposed changes, both in organization and personnel?

Can you comment on that?

Mr. KEPPEL. There were, sir, three major points which could be described as criticism, but not I think in any negative sense, but rather saying the Office of Education has a new job, and how it should arrange itself compared to the past to do that job.

REORGANIZATION OF THE OFFICE

First, that the Office had grown in its responsibilities as a result of the action of the Congress in passing over the last several years a series of fairly discreet programs. Let us say, programs for handicapped children, programs for institutes for teachers and so forth, a whole series of separate actions, and these had come along, as Senator Hill will remember so well, one at a time and kind of built up in an almost geological way.

The organization had not responded in the sense of looking across the board as to how these new programs could be administered more effectively, let us say, in elementary and secondary education, or higher education.

Therefore, the first comment was that it would be wise to reorganize the Office, to get a management oversight on programs that affected elementary and secondary schools. Mr. Harris, the Associate Commissioner, is in charge of that area. Higher education—Mr. Muirhead is the Associate Commissioner there—and adult and vocational education was proposed to be put together under one bureau because of the changing nature of our society.

So my first point, sir, was that the reorganization should make this easy. Can I use the word "clientele"? We should make it easy for the school or college clientele to find where they should go in the Office of Education, whereas before it had been hard to do.

ADULT EDUCATION AND ITS RELATION TO VOCATIONS

No. 2, I touched on just at the end a moment ago. The changing nature of our society and the likelihood that every man and woman who was employed is likely in the course of his lifetime maybe to need further training. It argued for looking down the road and strengthening the thinking of the Office and the planning in the area of adult education and its relation to vocations. This meant, in the case of adult education, taking a function that had been at the third or fourth level of a branch and greatly expanding it to a division level.

PROGRAM PLANNING AND SUPPORT OF RESEARCH

The third general approach, I think, was the fact that the combination of program planning and support of research had not been sufficiently developed. They flatly said the program planning function of the Office was weak and I could not agree with them more, sir. It was.

At the same time they said, and these two obviously interrelate, that a strong, central bureau for research and development in relation to education should be established. Therefore, it ended, sir, with the Bureau of Elementary and Secondary, the Bureau of Adult and Vocational Education, a Bureau of Higher Education and a Bureau of Research. There are the usual boxes for information, administration, and great strengthening of the Office of Program Planning.

That is what the report said, sir.

FUNDS FOR PROGRAMS FOR SPECIAL NEEDS OF EDUCATIONALLY DEPRIVED CHILDREN

Senator ALLOTT. You are asking, as I understand it, \$500,000 under title I under the new Education Act in support of a project initiated by the Carnegie Corp. to evaluate the effectiveness of programs to meet the special educational needs of educationally deprived children. This is referred to in page 197 of the House hearings.

You state:

Currently the Office has budgeted \$50,000 in each of fiscal years 1965 and 1966 for partial support of this project.

Has any of this money gone to the Carnegie Foundation at this time?

Mr. KEPPEL. May I check my memory, sir. I think the answer is "No."

Mr. HUGHES. In fiscal year 1965 there was a contract let in cooperation with the Carnegie project for the assessment of educational improvement. This contract was for the purpose of furthering certain testing development ideas which were part of the project and was specified in our budget presentation as a planned activity of the Office of Education.

Senator ALLOTT. This is really in support of the Exploratory Committee.

Mr. KEPPEL. This is why I spoke, sir. This is why I spoke earlier of it. I want to emphasize there was not a contract with the Carnegie Corp.

Mr. HUGHES. The contract is with the University of Minnesota, which is doing the testing work which is generally part of the overall plan which has been developed by the Committee headed by Mr. Tyler.

Mr. KEPPEL. I wanted to make it clear that we did not contract with Carnegie because I did not think we did, sir.

Senator ALLOTT. I have no criticism of Carnegie. I am simply questioning some of the things which may be developing.

Is the contract with the University of Minnesota under any control of the Carnegie Corp.?

Mr. HUGHES. No, sir.

Senator ALLOTT. Well then, you have not contracted with the Carnegie Corp.?

Mr. HUGHES. No, sir.

Mr. KEPPEL. There is no contract with the Carnegie Foundation. I happen to know they would not accept an option.

Senator ALLOTT. It is not any part of your present intention to apportion any of this \$500,000 to the Carnegie Corp. for the furtherance, directly or indirectly, of the Exploratory Committee which was headed by Dr. Tyler?

FUNDS FOR CONTRACT WITH CARNEGIE CORP.

Mr. KEPPEL. May I take the question in two parts, sir? You said "use any part of these funds for the Carnegie Corp. in contract for the furtherance" of this enterprise. The answer is "No."

Senator ALLOTT. Let us eliminate the Carnegie Corp. first.

FUNDS FOR FURTHERANCE OF NATIONAL TESTING

Mr. KEPPEL. For the furtherance of exploration of this concept, the answer is, "Yes, sir, we do, but not with that particular instrumentality."

Senator ALLOTT. How far do you intend to go with the furtherance of this national testing concept? You heard the letter I read and you said you agreed with it mostly. This is what our educators are concerned about and, as I say, I have been astounded at the interest in this subject, and opposition to it, I might say.

Mr. KEPPEL. Very vigorous, certainly. May I remind the committee once again that I think there is a misunderstanding because many of the educators are objecting to the idea of testing of children, whereas what Carnegie is exploring and what interests me is not the testing

of every child, but the sampling to see whether we can get some measures of progress here.

You asked, sir, how much further are we thinking of going? I might have it on the record clearly that I think that it is the responsibility of the Office of Education to explore the possibility of sampling and reporting mostly, frankly, for the benefit of the Congress.

I do not know what the outcome will be of the Carnegie exploration as to whether this is a feasible thing to do. We would not want such an enterprise if it had the dangerous effects mentioned in the letter; namely, the restrictions placed on teachers and anything like a control of the curriculum.

If it turns out in their explorations that those results come out of such a sampling, then we will be opposed to it. If, as I think is the case, it can be demonstrated with Carnegie funds or maybe subcontracting with Minnesota or elsewhere, that this can be done without the limiting effects mentioned in the letter, then I would hope that we would come back to you at some later date after these results are in and ask for the funds.

FUNDS TO DETERMINE FEASIBILITY OF ESTABLISHING NATIONAL TESTING PROGRAM

Senator ALLOTT. All right.

Now then, except for the specific context in which you have answered my question, have any funds heretofore appropriated by the Congress been used by your Department in conjunction with a private or governmental agency to determine the feasibility of establishing a national testing program?

AVAILABILITY OF EQUAL EDUCATIONAL OPPORTUNITY

Mr. KEPPEL. No, sir. Our interrelations are the ones that you have brought out. However, Mr. Loomis reminds me that the Congress instructed us under title IV of the Civil Rights Act to report next July on the availability or lack of availability of equal educational opportunity.

Now, in the course of that some tests will be given, but we have to do this under the act of Congress—sorry, sir, I forgot that.

FEDERAL CONTROL OF SCHOOL CURRICULUMS

Senator ALLOTT. I think that we have here a very fundamental question of how far you can go into this concept without, in some way, getting into a national testing program in which event you ultimately control the curriculums or greatly influence the curriculums of a school and remove the local control of the school.

When I had the opportunity to serve with our distinguished Senator from Alabama here on the Labor Committee, we had occasion to go into this on several occasions and I must say that I am perturbed about the thing and I am not even sure that you can conduct a testing program on the basis which you suggest without getting into the area of where you influence or control the curriculums of a school or a county or State or whatever it be.

Senator PASTORE. Will the Senator yield on that point?

Senator ALLOTT. Yes.

Senator PASTORE. Is that all good or all not good, Senator?

Senator ALLOTT. They are both.

COLLEGE BOARDS

Senator PASTORE. I am not an educator and maybe I am a little bit far from my field and my area of competence, but could I ask you this question: Do you think college boards are a fair measurement of the school as particular ability of a high school graduate?

Mr. KEPPEL. I do not mean to make a fancy statement—

Senator PASTORE. I am glad you snickered a bit, because I have been for a long time.

Mr. KEPPEL. In the sense of it being precisely accurate, no, sir. But it is better than anything the college can get hold of.

Senator PASTORE. Does this not basically come down to your point? You have a high school that thinks they have a good curriculum and they train these students. And then they have to take this national examination to get into a university, and then they run into trouble. Something went wrong. They devoted 4 years, and I have met a lot of B-plus students that take a college board and they come out with a bad mark and cannot get into schools they would like to get into.

The remarkable thing is sometimes you find a C student in the same school gets a better college board result—and this is not the exception, this is quite usual—than an A student.

How do you figure this out, if this is a good measurement?

Mr. KEPPEL. I have always been a bit of a cynic, Senator. There is such a thing as the art of being tested and, to a degree, fellows get good at this. Second, of course, some C students are lazy, but just as bright as the others, and they put in extra effort to pass the tests.

Senator PASTORE. So you take the lazy one in, and you take the one that tries real hard and makes it, you leave him out.

Mr. KEPPEL. I am afraid some of the colleges do, sir. The world is not fair. I can only say about the college testing thing, not the entrance examination board. The colleges need something when they get a lot of applications.

LIMITED UNIVERSITY AND COLLEGE FACILITIES

Senator PASTORE. Do you think we have reached a point, Doctor, where we are becoming a little frustrated and overburdened with the fact that the facilities in the universities and colleges are limited, that the number of pupils are too many, and that we are disregarding the human being and we are just getting into a mass system of examining these kids and then say, "Well, all right, you didn't make it. Now you're out."

Off the record.

(Discussion off the record.)

Senator PASTORE. Back on the record.

Senator ALLOTT. I had a young intern in my office this summer, a Phi Beta Kappa from Stanford. Now, he was accepted at the law schools at the University of Colorado, Stanford and Harvard. And he did not make up his mind until the last 2 weeks which one he wanted to attend. He finally selected, I am sorry to say, Stanford, because I would rather he go to Colorado—

Mr. KEPPEL. There was a third possibility, sir. [Laughter.]

Senator ALLOTT. Well, I do not think he ever considered it. [Laughter.]

TESTING AND EVALUATION OF APPLICANTS

Senator ALLOTT. But just right down the line of what you are talking about, Mr. Chairman, here were three spaces which this boy had preempted. Now, why was he able to do that?

For exactly the same reason that you are talking about, that they are looking only at the grades and this is all they are looking at when they look at these people.

I was approached by a boy, who was a Phi Beta Kappa, for an internship and, frankly, he was so unbalanced socially and obviously ill fitted that I would not even consider him, but what the chairman has said is very true.

Now, we have this problem in all of the spaces and you should be interested in it, because it is part of your area. We all have appointments to the various academies. I happen to base the most part of my qualifications upon the civil service examination that is given. But by the same token, I would say that there are people who have just gone out without respect to the examinations and selected boys who have a better overall performance record in the academies than I have, and I know of specific instances where this is true.

So, the fact is that we depend too much on these tests and you made a very important observation a while ago, which is that there are certain people who are able to require a technique in being tested.

And the other thing that I thought was significant, in the letter from which I quoted earlier, is that we already have more tests than we can use and evaluate properly.

Senator PASTORE. Do you want to hear one better than that? I know a young girl that took the college boards. They asked her to go to the East Cranston High School to take the college boards. In the meantime they were running a moving picture in the auditorium. The girl was sick. She had to take the college boards. When she got there everybody was stamping their feet and clapping, and she had to take the test under those circumstances. How are you going to evaluate that girl?

COUNSELING OF APPLICANTS

Senator COTTON. You have not touched on the thing that concerns me most. Many young people do not find themselves until they are halfway through college, nearly through college or through college, and yet I have run into a couple of instances when a high school counselor goes to the parent of a child—not a child that has flunked out of high school, but a child who is only average or C-plus or B-minus student, and advises those parents that the child is not material for higher education and should go to a trade school and learn to be a plumber.

It infuriates me to think of some of these half-baked people who are trying to pigeonhole young people and run them into a mold on that kind of judgment.

I do not know what we are going to do about it, but I think that is a horrible thing.

Senator ALLOTT. When you get to this, if you will excuse me, Doctor, but when you get to this point, you see you are reaching directly at the system that prevails in Russia today—the educational system, are you not? I mean, you are just skirting around the edge of it with inept counseling.

SIGNIFICANCE OF TESTING

Mr. KEPPEL. A great many of the things you said I completely agree with. Perhaps in a way we are all saying something that I will put clumsily, Mr. Chairman, but it is good that there are variations in mankind and the fact that an individual changes over time, as the Senator has said. This is really a part of our belief in man anyway, and we are in a sense paying the penalty for the fact that it is good they do not stay put, that it is good in fact they do change. This means that any testing system is never going to be precisely predictive or accurate or anything else. And the danger has been that some of the tests have been regarded as far more significant than they are by colleges or businesses or anything else.

Senator PASTORE. We accept it because there is no better way found?

Mr. KEPPEL. Yes, sir; and this is the trouble.

Senator PASTORE. I realize that. I can understand the human damage that is being done.

Mr. KEPPEL. It just breaks your heart.

Senator PASTORE. I can imagine a young boy who applies to six schools. He is a pretty good student because he has worked hard. The best he has been able to do is a B-plus, which is not bad. He ends up applying to six colleges and is admitted to none.

Now, where does that boy end up?

INCREASE IN COLLEGE SPACES

Mr. KEPPEL. I will say this, sir. That the bills passed by the Congress are now going to start paying off in the increase of the number of college spaces. We are catching up on that problem.

ASSESSMENT OF EDUCATIONAL PROGRESS

May I say this second point in response to not only the Senator's questions, but the general comments. May I emphasize again there is a big difference between what is being explored by Carnegie with my personal encouragement, the sampling and assessing of a small percentage which is not designed to test the individual at all. The purpose is to be able to report to the people in Congress on the average as to whether we are getting better reading—in other words, I would like to be able to come to the Congress sometime, or my successor, in 1969 or 1970 on how well they are doing in teaching reading or mathematics or something else.

In other words, it is a fundamentally different business to test an individual to find out how much he knows and to get an estimate on the average of what a group knows, and it is the latter that we are concerned with.

I personally, sir, am opposed to the ideas involved in another test at the 12th grade.

TESTING OF MOTIVATION

Senator ALLOTT. Now, just one question. I was going to ask this despite what the Senator from New Hampshire said. There is no way or means of testing motivation, is there?

Mr. KEPPEL. Not that I trust, sir. There are lots of tests around that say they get at it. I know of no test that can guarantee it. I do not believe it, sir.

Senator ALLOTT. Or when motivation is going to occur in a boy?

Mr. KEPPEL. Lord, no, sir. At least not in daughters—that is all I have. [Laughter.]

Senator ALLOTT. Thank you, Mr. Chairman. Thank you, Mr. Keppel.

Senator PASTORE. Thank you very, very much.

RESEARCH AND TRAINING, OFFICE OF EDUCATION

Senator PASTORE. We have an estimate for \$45 million for "Research and training, Office of Education," which was allowed in its entirety by the House. The material submitted in support of the Department's request will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"RESEARCH AND TRAINING

"For research, surveys, training, dissemination of information, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U.S.C. 331-332), as amended by title IV of the Elementary and Secondary Education Act of 1965, \$45,000,000, of which not to exceed \$20,000,000 shall remain available until expended for construction of regional facilities for research and related purposes under section 4 of such Act: Provided, That funds appropriated in the Department of Health, Education, and Welfare Appropriation Act, 1966, under the heading 'Cooperative research', shall be transferred to and merged with this appropriation."

EXPLANATION OF LANGUAGE CHANGE

Substitute language is proposed to describe more clearly the activities involved in the appropriation and to provide a separate amount for construction which is authorized to remain available until expended.

Amounts available for obligation

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Appropriation.....	\$15,840,000	\$25,000,000	\$70,000,000	+\$45,000,000

Obligations by activity

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
1. Research, surveys, and demonstrations.....	\$15,840,000	\$25,000,000	\$50,000,000	+\$25,000,000
2. Construction and equipment grants for research facilities.....			20,000,000	+20,000,000
Total obligations.....	15,840,000	25,000,000	70,000,000	+45,000,000

Obligations by object

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
25 Other services.....	\$15,840,000	\$25,000,000	\$28,000,000	+\$3,000,000
41 Grants, subsidies, and contributions.....			42,000,000	+42,000,000
Total obligations.....	15,840,000	25,000,000	70,000,000	+45,000,000

Summary of changes

1966 original estimate.....	\$25,000,000
1966 revised estimate.....	70,000,000
Total change.....	+45,000,000
Increases:	
Program:	
1. Research, surveys, and demonstrations.....	25,000,000
2. Construction and equipment grants for research facilities.....	20,000,000

EXPLANATION OF CHANGES

1. An amount of \$25 million will provide a broadened program of research, surveys, demonstrations, and training programs in educational research and development under the Cooperative Research Act as amended by title IV of the Elementary and Secondary Education Act of 1965. Support will be extended to organizations not previously eligible under the act, to programs conducted in research facilities constructed under section 403 of the act, and to improved programs of dissemination and demonstration.

2. An amount of \$20 million is requested for planning, constructing, and equipping national and regional educational laboratories to carry out expanded programs of research, development, dissemination, and training. The act authorizes a total of \$100 million for fiscal years 1966 through 1970 for this activity.

Research and training, Office of Education

	1966 original estimate	1966 revised estimate	Increase
1. Research, surveys, and demonstrations.....	\$25,000,000	\$50,000,000	+\$25,000,000
2. Construction and equipment grants for research facilities.....		20,000,000	+20,000,000
Total.....	25,000,000	70,000,000	+45,000,000

JUSTIFICATION OF ESTIMATE

Despite the impressive gains made through educational research in recent years, there is still a gulf between research on the one hand and widespread practice on the other. What is needed now are new programs and expansion of existing programs to build on what we already know and to insure that every teacher and child in the country has a chance to benefit from innovation and improved practice. The amendments to the Cooperative Research Act under title IV of the Elementary and Secondary Education Act make it possible to support such programs.

Section 401 of this title authorizes new programs of improved dissemination of the results of research and programs to train research and research-related personnel. Amendments under this section also make it possible to draw upon the competence of research and development organizations such as private nonuniversity research organizations and professional associations not previously eli-

gible to contribute to the program. Section 403 makes funds available for the planning, construction, and equipment costs of national and regional research facilities.

While many of these programs can be carried out in existing institutions, the major impact of title IV will be in the new national and regional educational laboratories which will provide for the conduct of research, for development of the results of research into forms that can be used in classrooms, for continuous testing of these forms, for the training of teachers in their use, and for making them available to local school systems. Another important function of the laboratories will be to provide training opportunities in educational research to insure that sufficient well-trained personnel are available to conduct the expanded research and development activities.

Title IV makes it possible to construct and equip facilities for these laboratories (sec. 403) and to support programs of research and development, the training of researchers and teachers, and the demonstration and dissemination of research results both at the laboratories and through the expansion of existing research and development programs (sec. 401).

To support the construction and programs of the laboratories, to expand and improve existing research and development programs, to establish a program of research training in the field of education and to improve the dissemination of the results of research, a total of \$45 million is requested in fiscal year 1966.

	1966 original estimate	1966 revised estimate	Increase
1. Research, surveys, and demonstrations.....	\$25,000,000	\$50,000,000	+\$25,000,000

An amount of \$25 million is requested to support improvement and expansion of research, development, dissemination, and training in the field of education.

The new authorizations under this section now make it possible to concentrate the efforts and resources of all sectors of research in new operational attacks on the major problems of education. For the first time, the skills and resources of research in private, noncollegiate organizations become eligible for support under the Cooperative Research Act. In addition to the obvious advantage of bringing a large number of well-trained, skilled, and creative researchers into the field of educational research, this change in the act will also enlist the tremendous resources of the many private research organizations which have contributed so much in scientific and medical research.

To help meet the need for increasing the number of competent educational researchers the section authorizes programs to train research and research-related personnel in the field of education. These programs will be conducted at universities, State departments of education, and through other research organizations such as the research and development centers, and national and regional educational laboratories.

The new authorizations will also allow existing and newly started programs of research and development at those institutions already eligible under the program to expand and improve projects. For example, existing curriculum improvement programs such as those in English, history, reading, and music can now add experimental teacher training programs so that teachers can learn firsthand the new techniques and materials being developed; the research and development centers established in fiscal years 1964 and 1965 can now add research training facilities and develop programs to demonstrate and disseminate the results of research carried out in these institutions.

The greatest concentration of new programs, however, will be in the new national and regional laboratory programs conducted through the use of facilities constructed under section 403 of title IV. These laboratories will be associations of colleges, universities, State departments of education, local schools, and even industries joining together to make use of the national and regional facilities. Such groups will focus all the scientific and educational potential of a region on producing and providing quality education through the development of new and promising ways of meeting problems of research, development, dissemination, and training education. Involvement of different types of intellectual talent as well as different types of educational organizations will be crucial to a broad-based laboratory program. The scholar, the researcher, the local schoolteacher, and the

administrator will work together as a team to develop high quality programs for a wide segment of the student population. A major focus will be on the preparation, testing, and dissemination of new curriculums and new educational technology for the schools.

This type of broad interdisciplinary attack on educational problems is new but not without some precedent in educational research. In recent years the National Science Foundation and the Office of Education have supported projects in which competent scholars in several fields have worked side by side with local school personnel and educators. Together they have produced new instructional materials and systems, laboratory equipment, textbooks, teacher guides, and films, carefully tried them out and evaluated them in selected schoolrooms.

Research and development centers based on this approach were recently established under the Cooperative Research Act at the Universities of Pittsburgh, Oregon, Wisconsin, and at Harvard University. Young as they are, these centers have confirmed our belief that large-scale program centers of educational research are feasible on a regional basis and can lead to vastly improved educational programs. They have also shown the possibility of mobilizing all levels of education in a region to improve educational technology, and to do so more effectively and with greater economy of resources. But these programs with all their promise cannot serve the needs of 26,000 school districts and 2,600 institutions of higher education, or the vast needs for educational improvement in the States and regions of the country. The national and regional educational laboratories are designed to meet these needs. They will explore a wide range of educational programs—ranging from how children learn to read, to how to speed up application of new techniques. Important new techniques will be explored and tested.

The laboratories will have close ties with the educational system at all levels, working closely with State departments of education, colleges and universities, and local school systems.

Each laboratory would eventually be associated with one or more experimental schools or local public school systems where laboratory-tested techniques and programs can be tried out and evaluated on a large scale. Cooperation and continuous communication among laboratories is also essential. For example, an experimental school serving one laboratory might well serve in a similar capacity at several or all other laboratories. This close association with schools and school systems will offer an extensive means for demonstrating the effectiveness of tested techniques and programs. Preparation of films, publications, displays, lectures, and other forms of communication will also be initiated by the laboratories.

More and better-prepared teachers for the Nation's schools are another prime objective for the laboratories. In the next 10 years we will need nearly 2 million new teachers. Furthermore we cannot afford to allow those already in the classroom to lapse into obsolescence.

The problem is more than mere numbers. The crucial problem is to prepare teachers for the new educational programs now being developed. Recent progress in the psychology of thinking, learning, and motivation has contributed much to our awareness of how pupils move to higher levels of understanding. As the role of the pupil changes, so must that of the teachers. The teacher must become skilled in creating the conditions and providing the resources that stimulate and sustain student interest in the classroom and beyond.

This shift in the role of the teacher is a large one and requires extensive efforts in retraining. The inservice teacher, the teacher-in-training, as well as the teacher of teachers will need special help to grow with the new programs. The educational laboratories would provide this help.

The laboratories will offer opportunities through the experimental and model schools as well as through local school systems for student teachers to work with pupils under the supervision and guidance of experts. These "clinical" experiences are already part of present-day teacher education programs, but they fall short of the need in quantity and quality.

As educational programs become more complex, well-trained educational researchers are needed in increased numbers. At present, the production of educational researchers has lagged greatly behind the demand for their services in local school districts, in State and Federal Government, and in private organizations and foundations. Recently begun research and development programs, such as expansion of the cooperative research program, the new research program for vocational education and for handicapped children, and the educational aspects of the poverty programs, have also accelerated the need for educational researchers. In addition, programs envisaged under all titles of

the Elementary and Secondary Education Act of 1965 will increase the need for persons trained to conduct educational research according to rising scientific educational, and statistical standards.

Training programs at laboratories and other institutions under title IV would be designed to meet these new needs. Programs are contemplated at six levels, from undergraduate through senior postdoctoral, and with two special types of programs—internships and institutes.

1. *Undergraduate training*

As a means of attracting capable undergraduates to careers in educational research, a small-scale undergraduate research training program will be established. Students will receive special training and engage in research projects under the close personal direction of a professor. Institutions will be evaluated for their ability to provide broad interdisciplinary training and research experiences for undergraduates.

2. *Predoctoral training*

Because the field of educational research will benefit most immediately from greatly increased expansion in doctoral graduates, most training funds will be invested in predoctoral programs. Predoctoral training grants would be made to institutions after a careful review of course offerings, capabilities of staff, research activities of staff, and evaluations of the interdisciplinary nature of the proposed training program.

Departments or schools of education, other departments of an institution of higher education, or new university organizations based on these and related educational units or other appropriate organizations with a research training capability would be considered eligible to receive grants for training educational researchers.

3. *Postdoctoral and senior postdoctoral programs*

After students have completed their doctorate, one or several additional years of concentrated research experiences and postdoctorate training are often required to prepare them adequately to assume full professional responsibilities. Selection of institutions to receive postdoctoral grants would follow well-defined criteria similar to the guides included in the predoctoral section. Recent doctoral graduates eligible for postdoctoral fellowships would include graduates in disciplines related to research in education or those who plan to begin careers in educational research, education, or research administration.

Many persons who received their doctoral training 5 years ago or longer need to update their skills to become more familiar with new knowledge related to educational research. Grants under the senior postdoctoral program would be designed to achieve these ends. Large universities or other organizational settings with facilities for advanced work would be considered the proper setting for senior postdoctoral programs.

4. *Interns*

The intern program is expected to operate much like the senior postdoctoral program, although it would be intended to help develop individualized programs for persons in managerial positions who need to be knowledgeable about research, such as curriculum development specialists, State educational department personnel, or those who need specific training, as in ADP operation.

	1966 original estimate	1966 revised estimate	Increase
2. Construction and equipment grants for research facilities...	-----	\$20,000,000	+\$20,000,000

Section 403 of the Elementary and Secondary Education Act authorizes a sum of \$100 million over a 5-year period beginning fiscal year 1966 for the planning, construction, and equipment costs of facilities for the national and regional laboratories. During fiscal year 1966, \$20 million of the \$100 million authorization is requested for such planning, construction, and equipment costs. Funds will be provided for construction of new buildings and the expansion, remodeling, and alteration of existing buildings and existing facilities. The

laboratory programs to be centered about such facilities have been described above.

Facilities for the laboratory program will include both space and equipment for research and development activities, for information storage and retrieval, and for model experimental or demonstration schools.

Since the quantity and quality of educational research and development resources vary among regions, we do not expect all regions to be able to submit full-scale applications in the first year of operation. Our experience with present research and development programs in various regions suggests that we will be able to establish about 8 such facilities in the first year of operation. These facilities will be selected in such a way as to promote appropriate geographic dispersion of its activities. The types of activities which will be supported will probably vary from region to region just as the needs and resources of regions vary. In some cases, for example, the first year might well be spent in a planning and development program. In other cases the programs exist and are most in need of new and expanded facilities. Proposals for planning or for full-scale construction and equipping of facilities will be accepted the first year. Both types of proposals will be subject to rigorous evaluation by experts from outside the Office of Education. Before granting support for planning, we will be reasonably certain that the full-scale proposal which will result will be of a quality to be supported.

During the first year, we will probably review proposals continuously throughout the year. Present experience indicates that there will be several regions which will be able to submit proposals soon after the laboratory program is announced. Because of the urgent need for facilities for expanded research and development programs, good proposals for regional facilities should be funded as soon as possible while at the same time allowing additional proposals to be reviewed before a year elapses.

In most cases facilities and the laboratory programs conducted through the facilities will be operated by a board broadly representative of the interests of various groups within a region—universities, State departments, local schools, communities, etc. One of the major criteria for evaluation of proposals for planning or for full-scale operations will be the quality and representation of this board. Other important criteria will be the proposed working arrangements with existing groups in a region, operational and construction plans, and program plans.

TITLE IV—EDUCATIONAL RESEARCH AND TRAINING

“EDUCATIONAL RESEARCH AND RESEARCH TRAINING

“Sec. 2. (a) (1) The Commissioner of Education (hereinafter in this Act referred to as the ‘Commissioner’) is authorized to make grants to universities and colleges and other public or private agencies, institutions, and organizations and to individuals, for research, surveys, and demonstrations in the field of education (including programs described in section 503(a) (4) of the Elementary and Secondary Education Act of 1965), and for the dissemination of information derived from educational research (including but not limited to information concerning promising educational practices developed under programs carried out under the Elementary and Secondary Education Act of 1965) and, without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5), to provide by contracts or jointly financed cooperative arrangements with them for the conduct of such activities; except that no such grant may be made to a private agency, organization, or institution other than a nonprofit one.

“(2) No grant shall be made or contract or jointly financed cooperative arrangement entered into under this subsection until the Commissioner has obtained the advice and recommendations of a panel of specialists who are not employees of the Federal Government and who are competent to evaluate the proposals as to the soundness of their design, the possibilities of securing productive results, the adequacy of resources to conduct the proposed research, surveys, or demonstrations, and their relationship to other similar educational research or dissemination programs already completed or in the progress.

“(b) The Commissioner is authorized to make grants to public and other nonprofit universities and colleges and to other public or nonprofit agencies, institutions, and organizations to assist them in providing training in research in the field of education (including such research described in section 503(a) (4) of the Elementary and Secondary Education Act of 1965), including the develop-

ment and strengthening of training staff and curricula capability for such training. Grants under this subsection may, when so authorized by the Commissioner, also be used by such grantees (1) in establishing and maintaining research traineeships, internships, personnel exchange and pre- and post-doctoral fellowships, and for stipends and allowances (including traveling and subsistence expenses) for fellows and others undergoing training and their dependents not in excess of such maximum amounts as may be prescribed by the Commissioner, or (2), where the grantee is a State educational agency, in providing for such traineeships, internships, personnel exchanges, and fellowships either directly or through arrangements with public or other nonprofit institutions or organizations. No grant shall be made under this subsection for training in sectarian instruction or, for work to be done in an institution, or a department or branch of an institution, whose programs is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

"(c) In addition to the authority granted by section 603(b) of the Elementary and Secondary Education Act of 1965, funds available to the Commissioner for grants or contracts or jointly financed cooperative arrangements under this section shall, with the approval of the Secretary, be available for transfer to any other Federal agency for use (in accordance with an interagency agreement) by such agency (alone or in combination with funds of that agency) for purposes for which such transferred funds could be otherwise expended by the Commissioner under the foregoing provisions of this section, and the Commissioner is likewise authorized to accept and expend funds of any other Federal agency for use under this section.

"(d) The Commissioner shall transmit to the Congress annually a report concerning the research, surveys, and demonstrations, the information disseminating activities, and the training in research initiated under this Act, the recommendations made by research specialists pursuant to subsection (a) (2), and any action taken with respect to such recommendations.

"CONSTRUCTION OF REGIONAL FACILITIES FOR RESEARCH AND RELATED PURPOSES

"Sec. 4. (a) There is authorized to be appropriated over a period of five fiscal years beginning with the fiscal year ending June 30, 1966, \$100,000,000 in the aggregate, to enable the Commissioner to carry out the purposes of this section. Sums so appropriated shall remain available until expended for payments with respect to projects for which applications have been filed under this section before July 1, 1970, and approved by the Commissioner before July 1, 1971.

"(b) Whenever the Commissioner finds that the purposes of this Act can best be achieved through the construction of a facility for research, or for research and related purposes (as defined in this section), and that such facility would be of particular value to the Nation or a region thereof as a national or regional resource for research or related purposes, he may make a grant for part or all of the cost of constructing such facility to a university, college, or other appropriate public or nonprofit private agency or institution competent to engage in the types of activity for which the facility is to be constructed, or to a combination of such agencies or institutions, or may construct or make arrangements for constructing such facility through contracts for paying part or all of the cost of construction or otherwise. The Commissioner may, where he deems such action appropriate, make arrangements, by contract or otherwise, for the operation of such facilities or may make contributions toward the cost of such operation of facilities of this nature whether or not constructed pursuant to, or with the aid provided under, this section. Title to any facility constructed under this section, if vested in the United States, may be transferred by the Commissioner on behalf of the United States to any such college or university or other public or nonprofit private agency or institution, but such transfer shall be made subject to the condition that the facility will be operated for the purposes for which it was constructed and to such other conditions as the Commissioner deems necessary to carry out the objectives of this title and to protect the interests of the United States.

"(c) All laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of any project under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a 5). The Secretary of Labor

shall have, with respect to the labor standards specified in this clause, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

“(d) Payments under this section shall be made in advance or by way of reimbursement, in such installments consistent with construction progress, and on such conditions as the Commissioner may determine.

“(e) As used in this section, the term ‘research and related purposes’ means research, research training, surveys, or demonstrations in the field of education, or the dissemination of information derived therefrom, or all of such activities, including (but without limitation) experimental schools, except that such term does not include research, research training, surveys, or demonstrations in the field of sectarian instruction or the dissemination of information derived therefrom.

SALARIES AND EXPENSES, OFFICE OF EDUCATION

Senator PASTORE. We have an estimate for \$4,500,000 for an additional amount for “Salaries and expenses, Office of Education” based on the new responsibilities under the Elementary and Secondary Education Act of 1965. The House allowed \$4,050,000, a reduction of \$450,000 for which the Department does not request restoration. The material submitted in support of the Department’s request will be inserted in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

“SALARIES AND EXPENSES

“For an additional amount for ‘Salaries and expenses, Office of Education’, \$4,500,000.”

Amounts available for obligation

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Appropriation.....	\$20,127,500	\$22,562,000	\$27,062,000	+\$4,500,000

Obligations by activity

	1965 appropriation		1966 original estimate		1966 revised estimate		Increase or decrease, 1966 revised over 1966 original	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Educational research and development.....	412	\$6,519,920	419	\$6,691,790	419	\$6,691,790	-----	-----
Educational statistics.....	138	1,928,585	168	2,579,655	168	2,579,655	-----	-----
International education.....	47	592,905	47	592,905	47	592,905	-----	-----
Educational assistance programs.....	603	6,894,610	631	7,942,370	631	7,942,370	-----	-----
Higher education facilities.....	85	1,065,110	103	1,327,130	103	1,327,130	-----	-----
Program direction and services.....	220	3,126,370	237	3,428,150	237	3,428,150	-----	-----
Elementary and secondary educational assistance programs.....	-----	-----	-----	-----	330	4,500,000	+330	+\$4,500,000
Total obligations.....	1,505	20,127,500	1,605	22,562,000	1,935	27,062,000	+330	+\$4,500,000

Obligations by object

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Total number of permanent positions.....	1,505	1,605	1,935	+330
Full-time equivalent of all other positions.....	76	90	100	+10
Average number of all positions.....	1,386	1,565	1,740	+175
11 Personnel compensation:				
Permanent positions.....	\$12,692,855	\$14,129,700	\$15,551,155	+\$1,421,455
Positions other than permanent.....	682,720	846,095	1,037,120	+191,025
Total personnel compensation.....	13,375,575	14,975,795	16,588,275	+1,612,480
12 Personnel benefits.....	938,975	1,048,495	1,158,945	+110,450
21 Travel and transportation of persons.....	1,299,160	1,456,460	1,888,685	+432,225
22 Transportation of things.....	18,845	18,845	18,845	
23 Rent, communications, and utilities.....	577,335	786,675	1,035,825	+249,150
24 Printing and reproduction.....	672,545	699,545	812,145	+112,600
25 Other services.....	2,817,702	3,261,391	4,987,321	+1,725,930
26 Supplies and materials.....	154,915	181,665	223,415	+41,750
31 Equipment.....	272,015	131,985	347,400	+215,415
42 Insurance claims and indemnities.....	433	1,144	1,144	
Total obligations by object.....	20,127,500	22,562,000	27,062,000	+4,500,000

Summary of changes

	Positions	Amount
1966 estimate.....	1,605	\$22,562,000
1966 revised estimate.....	1,935	27,062,000
Total change.....	330	4,500,000
Increases: 1. Elementary and secondary educational assistance programs.....	330	4,500,000

EXPLANATION OF CHANGE

An increase of \$4,500,000 and 330 positions will provide for the administration of the Elementary and Secondary Education Act of 1965, in the areas of (1) Federal assistance programs (192 positions); (2) educational research and training (40 positions); (3) strengthening State departments of education (28 positions); (4) statistical services (10 positions); and (5) general administration, including staff services to advisory committees (60 positions).

7. Elementary and secondary educational assistance programs

	1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Personnel compensation and benefits.....			330	\$1,722,930	+330	+\$1,722,930
Other expenses.....				2,777,070		2,777,070
Total.....			330	4,500,000	+330	+4,500,000

JUSTIFICATION OF AMENDED ESTIMATE

The passage of the Elementary and Secondary Education Act of 1965 places tremendous additional responsibilities upon the Office of Education. Appropriations for Office programs will increase from \$1.8 billion to an estimated \$3.1 billion. The additional program funds include over \$1 billion for title I, financial assistance to local educational agencies for the education of children of low-income families; \$100 million for title II, school library resources, textbooks, and other instructional materials; \$100 million for title III, supplementary educa-

tional centers and services; \$45 million for title IV, educational research and training; and \$25 million for title V, grants to strengthen State departments of education. Thus, the overall increase in funds administered by the Office amounts to 75 percent over that previously budgeted and this is an indicator of the increase in administrative responsibilities. In addition, the broadening of national concern into the problems of educational deficiencies in our elementary and secondary schools brings the Office into new and different types of responsibility. The twofold impact of additional fiscal responsibility and new professional activities will have a decided impact on the administrative structure and requirements of the Office of Education. Every effort will be made in taking on new functions to take advantage of existing administrative structure. Nevertheless, the size and scope of the new programs necessitate an evaluation of organizational arrangement and a general upgrading of the structure of the Office.

To assure that these responsibilities are performed and funds are expended in the most efficient, economical, and effective ways possible will require 330 additional positions and \$4,500,000.

Titles I, II, and III—Federal assistance programs

Purpose and scope of activity

The Elementary and Secondary Education Act of 1965 contains, in its first three titles, the authorization for Federal assistance programs having direct impact upon local public school districts and private schools.

Title I extends Federal financial assistance to provide special educational services for children of low-income families. Federal grants to States will be distributed to some 20,000 school districts and will benefit an estimated 5 million schoolchildren during the first program year at a cost of approximately \$1,060 million.

Title II is designed to overcome the inability of local school districts to keep pace with the increasing need for library resources, textbooks, and other instructional materials. An amount of \$100 million has been authorized for this purpose for the first fiscal year.

Title III authorizes the establishment of a program of supplementary educational centers and services which will lead to higher quality services in sufficiently expanded quantity to fulfill these supplemental needs in all regular school programs. The first year cost of this title is authorized to be \$100 million.

In all three titles the Federal grants are 100 percent grants without requirement for State or local matching. In the case of title I the statute provides maintenance of effort requirements. In titles I and II the grants are made to States on a formula basis with the States being charged with developing criteria and procedures for distribution to locals within a general framework to be established by the U.S. Commissioner of Education by means of rules and regulations. Applicants under title III will submit project proposals to the Office of Education through their State educational agencies.

FEDERAL ADMINISTRATION

As indicated above, the first three titles of this legislation have direct assistance implications for local elementary and secondary schools with Federal grants becoming available to them either through State agencies (titles I and II) or directly (title III). The Office also administers a variety of other Federal grant programs which have impact upon the same agencies. These would include titles III and V-A of NDEA, for example. The program development, operations, and evaluation and analysis functions of titles I, II, and III of the Elementary and Secondary Education Act will require many of the same competencies and professional skills as do other existing elementary and secondary assistance programs. Therefore, the effective administration of all such programs requiring the performance of the same or similar functions indicates a need for a staffing pattern drawn up on a functional rather than a program basis so that duplications of effort and inconsistencies of administration can be avoided.

Therefore, this request contemplates the identification of four general functions within the Office of Education to conduct titles I, II, and III and other State grant programs having similar functional requirements: (1) Program direction, (2) program administration, (3) program development, and (4) program evaluation and analysis.

I. Program direction

This function will require 10 positions. It will be responsible for the direction of coordinated efforts and work schedules within the three areas listed below. This function includes the development of final policy recommendations for the Commissioner's approval, the development of rules and regulations and all necessary manuals, guidelines, and standard forms, liaison with the Office of Economic Opportunity, and other agencies and organizations conducting or interested in the development of elementary and secondary assistance programs or activities, and the preparation of the required annual and other comprehensive reports including materials for the use of Congress, the Secretary, etc.

II. Program administration

This function will require 87 new positions. Its major parts with respect to the new legislation will involve:

- (a) Review, analysis, and approval of State applications and proposals for participation.
- (b) Administration of the Federal payment procedures.
- (c) Development of manuals and advisory services to States relative to the maintenance of adequate accounting records.
- (d) Development of procedures under title I for the identification and deduction of the number of children from poverty families for whom payment is made under Public Law 874.
- (e) Development of procedures under title I to carry out the statutory limit of grants to local districts not to exceed 30 percent of their budgeted current expenditures.
- (f) Maintenance of Federal fund control records and program accounting and the processing and adjustment of financial reports.
- (g) Convening application and project proposal advisory and review groups.
- (h) Conducting conferences at the regional and State levels to assist in the implementation of the fiscal and other administrative functions.
- (i) Working with States and localities on an assigned regional basis to provide current advice and assistance in the operation of programs and to compile information for use in program reporting and evaluation.

III. Program development

This function requires that 57 additional positions be provided for the advisory and consultative services indicated below. Many existing professional competencies located in various parts of the Office will be needed to develop titles I, II, and III. Full utilization will be made of the staffs of those Office of Education units which can be of assistance in the development of these new programs.

The duties of the program development staff will include:

- (a) State-by-State consultation in the development of procedures and operations (other than those in title II above) necessary to the execution of the various State assurances.
- (b) Provision or identification of specialized professional educational assistance in subjects, categories, or programs for the educationally disadvantaged.
- (c) Assistance in the preparation of State plans under title II by providing information and advice regarding existing good practices.
- (d) Development of model project proposals under title III and professional advice regarding criteria and standards which will be productive of the development of quality centers and services.
- (e) Interpretation and dissemination of the results of appropriate and pertinent research, the results of demonstration activities, and the results of our program evaluation and analysis.
- (f) Work with advisory groups and independently to develop recommendations to strengthen and improve activities under all titles of this act.

IV. Program evaluation and analysis

The broad and extensive nature of the programs under the first three titles and the entry into new concepts (such as the supplementary centers and services) will require continuous evaluation and analysis to provide information for program improvement and to keep Congress informed of accomplishments as well as future requirements. This staff of 38 will conduct the following activities:

(a) In cooperation with the Statistical Center develop a data collection system which will provide timely and complete information by student, school, district, and State regarding the impact of each program.

(b) Specifically study each supplementary center to evaluate its local and its comparative effectiveness utilizing such professional staff from within and without the Office as may be necessary.

(c) Relate program developments to evolving practices and new research.

(d) Develop forecasts and estimates of long range needs giving due consideration to changing socioeconomic conditions.

(e) Work closely with all internal and external research organizations dealing with pertinent areas of educational endeavor.

(f) Prepare substantive materials for annual and other reports.

In addition to the above staffing, it is contemplated that liberal use will be made of experts and consultants to advise both the Office of Education and the State agencies in all program areas. These consultants may be selected on a regional basis thus affording added mobility and flexibility as well as special competence in specific regional problems.

[Title]

	Grade	Titles			Annual rate
		I	II	III	
Title I—Assistance for Educationally Deprived Children; Title II—Grants to States for School Library Materials; Title III—Supplementary Educational Centers and Services.					
Program direction:					
Administrator for Elementary and Secondary Act of 1965.....	GS-15	1	(1)		\$16,460
Administrator, title III.....	GS-15			1	16,460
Program analyst (2).....	GS-13	1		1	24,150
Writer-editor (2).....	GS-12	1		1	20,500
Secretary.....	GS-6			1	5,505
Do.....	GS-5	1			5,000
Secretary (2).....	GS-4	1		1	8,960
Subtotal (10).....		5		5	97,035
Program administration:					
Director, program operations.....	GS-15	(1)	1		16,460
Program operations representative (9).....	GS-14	9			127,530
Grants management officer (2).....	GS-14	2			28,340
Grants management officer (2).....	GS-13	2			24,150
Program officer (4).....	GS-13			4	48,300
Assistant program officer (6).....	GS-13			6	72,450
Fiscal officer.....	GS-13		1		12,075
Program operations representative (9).....	GS-13	9			108,675
Fiscal officer.....	GS-12			1	10,250
System analyst.....	GS-12			1	10,250
Assistant program officer (4).....	GS-12			4	41,000
Program operations representative (10).....	GS-12	10			102,500
Program management officer.....	GS-11	1			8,650
Program analyst.....	GS-11	1			8,650
Accountant.....	GS-9		1		7,220
Fiscal aide.....	GS-7		1		6,050
Fiscal assistant.....	GS-6	1			5,505
Secretary (11).....	GS-5	4	1	6	55,000
Clerk-typist.....	GS-5		1		5,000
Clerk-stenographer.....	GS-4			1	4,480
Secretary (16).....	GS-4	11		5	71,680
Project records clerk (2).....	GS-4			2	8,960
Clerk-typist.....	GS-3	1			4,005
Subtotal (87).....		51	6	30	787,180
Program development:					
Director, professional resources.....	GS-15	1			16,460
Program advisers (4).....	GS-14	4			56,680
Program adviser specialist (5).....	GS-14		5		70,850
Program officer (3).....	GS-14			3	42,510
Program adviser (4).....	GS-13	4			48,300
Program management officer.....	GS-13		1		12,075
Assistant program officer (6).....	GS-13			6	72,450
Project negotiator (4).....	GS-12		4		41,000
Program adviser (3).....	GS-12	3			30,750
Program analyst.....	GS-11	1			8,650
Research assistant (5).....	GS-11			5	43,250
Research assistant (4).....	GS-9			4	28,880

[Title]

	Grade	Titles			Annual rate
		I	II	III	
Program development—Continued					
Secretary (4) -----	GS-5			4	\$20,000
Do -----	GS-4	2		2	17,920
Clerk-typist (3) -----	GS-4		3		13,440
Clerk-typist (5) -----	GS-3	3	2		20,025
Subtotal (57) -----		18	15	24	543,240
Program evaluation and analysis:					
Director, evaluation and analysis -----	GS-15	1			16,460
Program evaluation officer -----	GS-14			1	14,170
Education data systems specialist -----	GS-14	1			14,170
Program evaluation specialist -----	GS-14		1		14,170
Program adviser -----	GS-13			1	12,075
Education measurement specialist -----	GS-13	1			12,075
Statistician -----	GS-13		1		12,075
Education measurement specialist -----	GS-12	1			10,250
Reports officer -----	GS-12	1			10,250
Research assistant -----	GS-11		1		8,650
Reports officer -----	GS-9		1		7,220
Research assistant (5) -----	GS-7			5	30,250
Reports clerk -----	GS-6		1		5,505
Administrative clerk-typist -----	GS-6		1		5,505
Secretary (2) -----	GS-5			2	10,000
Statistical clerk -----	GS-5	1			5,000
Clerk-stenographer -----	GS-5		1		5,000
Project records clerk (9) -----	GS-4			9	40,320
Secretary (3) -----	GS-4	1		2	13,440
Clerk-typist (2) -----	GS-4		2		8,960
Do -----	GS-4			1	4,480
Do -----	GS-3	1			4,005
Subtotal (38) -----		8	9	21	264,030
Total, titles I, II, and III (192) -----		82	30	80	1,691,485

Title IV—Educational research and training

Purpose and scope of activity

Title IV of the Elementary and Secondary Act of 1965 amends the Cooperative Research Act of 1954 to greatly expand the kind of activities which can be supported. The amended act permits the Commissioner to make grants not only to universities and State educational agencies, but also to nonprofit public and private organizations engaged in research. Previously contracts and other jointly financial cooperative arrangements were authorized only with State educational agencies and colleges and universities.

The amended act also permits support of activities to disseminate the results of educational research and establishes a new program for training purposes in educational research.

In addition, title IV authorizes \$100 million over a 5-year period to be available until expended for the construction and operation of regional educational laboratories which would be broader in scope than the research and development centers currently being supported.

Program direction

The broadened scope of the new program will require additional staff to give the necessary program direction and coordination for development of the new dissemination and training programs, in dealing with new groups for the conduct of research and in the development of the regional educational laboratories involving construction, equipment, and operations. Six positions are requested for these activities.

Program operations and evaluation

Program development activities will involve the expansion of the existing research and development centers and the establishment of new national and regional laboratories. For example, new programs can be added to these existing centers—curriculum development programs, experimental teacher-training programs can be undertaken, research training capabilities can be added, or provision can be made for more widespread dissemination of research results. New national and regional educational centers, with programs going far beyond the present research and development centers, will be developed. These centers

will engage in basic and applied research, curriculum development, training and retraining programs for teachers, administrators, and curriculum development specialists. The primary functions of the national and regional educational facilities will be to develop new knowledge and practice and to accelerate widespread use of new practices and curriculum by school systems. To do this, the national and regional educational facilities will require carefully developed relationships among colleges and universities, local school districts, State departments of education, professional groups, and other nonprofit and profitmaking groups. Considerable staff time will be required in assisting with the development of such facilities in reviewing applications, and in monitoring their operations. In order to expedite cross-fertilization among programs at existing and new research and development centers, the national and regional educational facilities, and more limited projects supported under the cooperative research program, the monitoring and dissemination roles will be given high priority. The staff request for program operation and evaluation, therefore, includes 16 positions.

Reports and analysis

Two additional positions will be required in the development of reports on the status of the program.

Fiscal and administration

Four additional positions are necessary in maintaining the necessary fiscal records in connection with the expanded program.

Training in the field of educational research

The program proposed for fiscal year 1966 includes various types of educational research training programs, such as undergraduate fellowships, predoctoral fellowships, postdoctoral fellowships (immediately following graduation), postdoctoral fellowships (graduation plus 5 years), internships, and research training institutes.

Proposals will be submitted by colleges, universities, and other public and nonprofit institutions for review by panels of individuals expert in the field of training for research on education. The recommendations of these panels will be submitted to the Commissioner for approval.

In fiscal year 1966 we estimate that 500 applications will be received for training programs and that approximately 150 will be approved for support. These training programs might vary from a small program of a few predoctoral fellowships to a major program combining most or all of the elements listed above.

Twelve positions are requested to develop and administer the training program. Under the supervision of the director, three training specialists will consult with colleges, universities, and other groups interested in developing training programs. Because the program is new and because educational research programs exist in many forms, not only in schools or departments of education, but also in other departments as well, such as psychology and sociology, the consultation and development roles of staff will be critical to the development of quality programs for training educational researchers. The director and training specialists also will review applications received, serve as coordinators for advisory panels, and will monitor training programs when they are begun. One research assistant and two secretaries would complement the development and operations staff. In addition, three positions are requested for the fiscal and administrative activities associated with the training program.

Title IV—Educational research and training

	Grade	Number	Annual salary
Research program:			
Program direction:			
Director.....	GS-15.....	1	\$16,460
Construction adviser.....	GS-14.....	1	14,170
Program management officer.....	GS-12.....	1	10,250
Secretary.....	GS-6.....	1	5,505
Do.....	GS-5.....	1	5,000
Clerk-typist.....	GS-4.....	1	4,480
Subtotal.....		6	55,865
Program operations and evaluation:			
Program development adviser.....	GS-14.....	1	14,170
Program coordinator.....	GS-14.....	1	14,170
Program adviser.....	GS-13.....	3	36,225
Program coordinator.....	GS-13.....	1	12,075
Program adviser.....	GS-12.....	1	10,250
Program coordinator.....	GS-12.....	1	10,250
Program adviser.....	GS-11.....	1	8,650
Secretary.....	GS-5.....	7	35,000
Subtotal.....		16	140,790
Reports and analysis:			
Program reports officer.....	GS-12.....	1	10,250
Clerk-typist.....	GS-4.....	1	4,480
Subtotal.....		2	14,730
Fiscal and administration:			
Chief.....	GS-13.....	1	12,075
Fiscal officer.....	GS-12.....	1	10,250
Fiscal clerk.....	GS-5.....	1	5,000
Secretary.....	GS-5.....	1	5,000
Subtotal.....		4	32,325
Training program:			
Program direction:			
Director.....	GS-15.....	1	16,460
Secretary.....	GS-6.....	1	5,505
Clerk-typist.....	GS-4.....	1	4,480
Subtotal.....		3	26,445
Program development:			
Training specialist.....	GS-14.....	1	14,170
Do.....	GS-13.....	2	24,150
Program assistant.....	GS-9.....	1	7,220
Secretary.....	GS-5.....	1	5,000
Clerk-typist.....	GS-4.....	1	4,480
Subtotal.....		6	55,020
Fiscal and administration:			
Fiscal and records supervisor.....	GS-9.....	1	7,220
Project records clerk.....	GS-5.....	1	5,000
Secretary.....	GS-5.....	1	5,000
Subtotal.....		3	17,220
Total, title IV.....		40	342,395

*Title V—Strengthening State departments of education**Purpose and scope of activity*

Title V establishes a 5-year program of grants to States to strengthen State educational agencies and aid them in identifying and meeting educational needs. In 1966, an appropriation of \$25 million is authorized, without State matching funds required. Beginning in 1968, State matching funds will be required.

Of the total authorization, 85 percent (\$21,250,000 in 1966) would be apportioned to States by formula. Grants will be made to the States on the basis of approved applications to be used for the development, improvement, or expansion of a variety of educational programs and projects designed to improve the effectiveness and operations of State departments of education. Activities which would receive support could include educational planning on a statewide basis, identification of educational problems and needs, collection and analysis of educational data, publication and distribution of curricular materials, improvement of teacher preparation, training of specialized personnel, and provision of consultative and technical assistance in academic subjects and in special areas of educational need, such as the education of handicapped children.

The remaining 15 percent of the authorization (\$3,750,000 in 1966) may be used by the Commissioner of Education to make grants to State educational agencies based upon an approved application without regard to a State apportionment for part of the cost of experimental projects to develop State leadership or for special services which hold promise of making a substantial contribution to the solution of educational problems common to all or several States.

Title V also authorizes a program for the voluntary interchange of personnel in State departments of education with the Office of Education for work which will aid the Office and the State agencies to more effectively discharge their responsibilities.

1. Program direction

Four positions will be required for directing all elements of the program. Functions to be performed will include directing staff activities and informational services, assuming leadership responsibilities with staff and State educational agency personnel in the development of programs, evaluating total program, and providing information and interpreting the program to the Advisory Council on State Departments of Education, as provided in the act.

2. Program development and consultation

Nineteen positions will be required for the program operations which will have the function of expediting the program with the 55 jurisdictions eligible to participate. The functions will include development of guides and forms, evaluation of applications for project funds, and general advisory services to State educational agencies in the development of projects. Because of the wide range of possibilities in formulating projects a similar wide range of competencies is needed for personnel in such areas as educational research, data systems, educational information, and instruction.

3. Reports and analysis

Three positions are needed in the preparation of reports, and analysis and appraisal of an estimated 500 projects.

4. Statistical operations

Although no specific personnel will be required for this function, statistical reports will be developed and published to present data concerning State educational agencies. The National Center for Educational Statistics will receive, store, and provide analyses for the evaluation of all phases of the program for the Office of Federal-State Relations.

5. Fiscal and administrative

The administration of fiscal matters will be handled by two positions. This will involve the maintenance of a continuous accounting system to reflect allotments, commitments, and payments of funds to State educational agencies.

Title V—Strengthening State departments of education

	Grade	Annual salary
Program direction:		
Program director	GS-15	\$16,460
Assistant to director	GS-14	14,170
Secretary	GS-7	6,050
Clerk-typist	GS-5	5,000
Subtotal (4)		41,680
Program development and consultation:		
Assistant director	GS-15	16,460
Educational research specialist	GS-14	14,170
Educational data systems specialist	GS-14	14,170
Educational information specialist	GS-14	14,170
Teacher education specialist	GS-14	14,170
Educational measurements specialist	GS-14	14,170
Professional development specialist	GS-14	14,170
Instructional area specialist (3)	GS-14	42,510
Research assistant (3)	GS-11	25,950
Secretary (2)	GS-6	11,010
Secretary (2)	GS-5	10,000
Clerk-typist (2)	GS-4	8,960
Subtotal (19)		199,910
Reports and analysis:		
Information specialist	GS-13	12,075
Reports officer	GS-9	7,220
Clerk-typist	GS-5	5,000
Subtotal (3)		24,295
Fiscal and administrative:		
Accountant	GS-13	12,075
Clerk	GS-4	4,480
Subtotal (2)		16,555
Total, title V (28)		282,440

General administrative expenses

Activities involving public information, fiscal, budget, personnel, general services, data processing, grant and contract management, etc., will increase commensurate with the scope of H.R. 2362 involving \$1.3 billion in program funds. The universe with which the Office will be involved will be expanded to include about 26,000 school districts, 3,000 counties, and over 18,000 private schools as well as nonprofit organizations.

In general it is expected that overall workload will increase by at least 25 percent and 55 positions are included to meet this workload.

These positions are distributed as follows:

Four in personnel to recruit new staff, classify positions, hire consultants, arrange for interchanges of personnel and strengthen the employee development program.

Twenty-five in financial management activities including 2 positions for budget formulation and execution of program and administrative budgets; 2 travel clerks and 1 voucher examiner because of the extensive use to be made of consultants together with the travel of regular staff; 1 voucher examiner and 1 accounting technician because of the normal increases in other accounting documents; 1 financial adviser to assist in the implementation of sound fiscal records and controls for the Federal funds; 1 financial adviser, 4 contract and grant specialists, and 2 clerk-typists to handle the workload involved in approximately 1,800 separate contract and project grants expected to be awarded involving institutions and agencies which have had no previous experience with these types of Federal programs; and 7 compliance review officers plus supporting clerical staff of 3 to carry out all compliance functions including those required under

provisions of the Davis-Bacon and related wage-hour acts and the Executive orders relating to equal employment opportunity related to the increased grant and contract activity.

Information activities will require six positions because of the workload involved in award announcements, the preparation of publications with respect to the new programs, servicing the news media, and answering inquiries from school districts, Members of Congress, and the public.

Four positions are needed to handle the correspondence and other workload in the Commissioner's office.

Mail, messenger, reproduction services, forms management, space planning, etc., will all have to be increased and eight positions are included for these activities.

Data processing activities involved in developing information with respect to new programs will require a staff of eight additional positions.

Services to National Advisory Council on the Education of Disadvantaged Children and Advisory Council on State Departments of Education

The act requires the appointment of a National Advisory Council on the Education of Disadvantaged Children which will review the administration and operation of title I including its effectiveness in improving the educational attainment of educationally deprived children and make recommendations for the improvement of the program and its administration and operation.

Title V requires the appointment of an Advisory Council on State Departments of Education to review the administration of the program and make recommendations for improvement of this program and other programs which assist State agencies in administering Federal educational programs. Technical assistance to these councils is authorized. A staff of five, plus consultant services are budgeted for this activity.

Statistical services

Staff will be required in the development of the allotment formula, in obtaining necessary census data and in analyzing the allotment formula, the preparation of report forms, in programming for data processing and providing assistance in developing studies and analyses needed to improve various measures of deprivation and the development and conduct of surveys to collect statistical data concerning all five programs and the integration of such data with other statistical services. Ten positions are requested for these activities.

Measurements of educational achievement

Title I requires that appropriate objective measurements of educational achievement be adapted for evaluating annually the effectiveness of the programs in meeting the special educational needs of educationally deprived children. The Carnegie Corp. has been interested in this subject and has already initiated discussion and research with their own funds. The Office has participated with the corporation in tentative discussions with the National Science Foundation regarding their interest along with the Office in providing such support. Currently the Office has budgeted \$50,000 in each of fiscal years 1965 and 1966 for partial support of this project. It is now proposed to enlarge the Federal support of this project because of the requirements in title I and \$500,000 is included in the budget for this purpose.

Technical services

Construction is authorized under titles I, III, and IV of the Elementary and Secondary Education Act of 1965.

No provision is made for technical services under title I since any project for construction will be approved by the State educational agency subject to basic criteria established by the Commissioner of Education.

Construction projects authorized under titles III and IV, however, will be approved by the Commissioner and arrangements for technical services will be necessary.

A rough assumption is that 40 projects would involve some technical assistance during the year. An amount of \$180,000 is included under "other contractual services" which would represent approximately 20 man-years of employment.

LABOR-HEW SUPPLEMENTAL APPROPRIATIONS FOR 1966 189

	Grade	Annual salary
General administration:		
Personnel:		
Training and development officer.....	GS-13	\$12,075
Placement clerk.....	GS-5	5,000
Clerk-typist (2).....	GS-4	8,960
Subtotal (4).....		26,035
Budget:		
Budget analyst.....	GS-13	12,075
Budget clerk.....	GS-5	5,000
Subtotal (2).....		17,075
Fiscal:		
Accounting technician.....	GS-9	7,220
Travel clerk (2).....	GS-5	10,000
Voucher examiner (2).....	GS-5	10,000
Subtotal (5).....		27,220
Contract administration:		
Contract and grant specialist (2).....	GS-12	20,500
Contract and grant specialist (2).....	GS-11	17,300
Subtotal (4).....		37,800
Advisory services (grant administration):		
Financial adviser (2).....	GS-13	24,150
Clerk-typist (2).....	GS-5	10,000
Subtotal (4).....		34,150
Compliance activities:		
Compliance review officer (7).....	GS-12	71,750
Secretary (3).....	GS-5	15,000
Subtotal (10).....		86,750
Information services:		
Public information specialist.....	GS-13	12,075
Writer-editor.....	GS-11	8,650
Editorial assistant.....	GS-7	6,050
Stenographer (2).....	GS-5	10,000
Stenographer.....	GS-4	4,480
Subtotal (6).....		41,255
Correspondence unit:		
Writer.....	GS-11	8,650
Correspondence assistant.....	GS-7	6,050
Secretary.....	GS-5	5,000
Clerk-typist.....	GS-4	4,480
Subtotal (4).....		24,180
Administrative services:		
Forms analyst.....	GS-9	7,220
Publication distributions clerk (2).....	GS-5	10,000
Property management clerk.....	GS-5	5,000
Messenger (4).....	GS-3	16,020
Subtotal (8).....		38,240
Data processing activities:		
EAM project planner (2).....	GS-11	17,300
Electric accounting machine supervisor.....	GS-6	5,505
Card punch operator (2).....	GS-3	8,010
Clerk-typist (2).....	GS-3	8,010
Card punch operator.....	GS-2	3,680
Subtotal (8).....		42,505
Total, general administration (55).....		375,210
National Advisory Committee staff assistance:		
Staff director.....	GS-14	14,170
Program analyst (2).....	GS-11	17,300
Secretary (2).....	GS-5	10,000
Total, National Advisory Committee staff assistance (5).....		41,470
Statistical services:		
Statistician (2).....	GS-13	24,150
Digital computer programmer (2).....	GS-12	20,500
Program specialist (4).....	GS-11	34,600
Clerk-typist (2).....	GS-4	8,960
Total, statistical services (10).....		88,210

Explanation of requirements

Expenses related to new staff

An amount of \$1,421,455 is requested for personnel compensation for the 330 positions and \$110,450 for related benefits.

The amount \$187,200 is requested to provide for an average of 40 days of travel for each new professional staff member; \$20,475 for the compliance review officers at an average of 75 days each; and \$52,650 for 18 program operations representatives at an average of 75 days each.

Other items of expenses include \$271,280 for expenses such as health services, procurement, machine repair, alteration of space, payroll services, supplies and materials, and printing and reproduction. An amount of \$100,650 is included to cover the costs of telephone services and penalty mail. Also included is an amount of \$148,500 for the rental of office space for the new staff.

The equipment cost of \$215,415 will provide standard office equipment for the 330 positions, and includes \$70,380 for special equipment such as calculators, adding machines, bookkeeping machines, and automatic data processing equipment.

Expenses related to councils, committees, and consultants

The national advisory councils, advisory committees, consultant services and conferences will require \$362,925 distributed as follows:

	Personal services	Travel	Total
Title I—Assistance for educationally deprived children:			
National Advisory Council: 12 members for 3 meetings of 5 days each, at \$100 per day	\$18,000	\$7,020	\$25,020
Consultant services to aid States in developing their plans: 4 consultants for 5 days per State, at \$75 per day	75,000	39,000	114,000
Program development consultation and exchange of information: 4 consultants for 30 days each, at \$75 per day	9,000	4,680	13,680
Title II—Grants to States for school library materials: Consultant services to advise on regulations and guidelines: 75 days, at \$75 per day	5,625	2,925	8,550
Title III—Supplementary educational centers and services:			
Advisory committee: 8 members for 3 meetings of 5 days each, at \$75 per day	9,000	4,680	13,680
Consultant services to assist advisory committee in reviewing applications: 300 days, at \$75 per day	22,500	11,700	34,200
Conferences with State representatives and various experts involving approximately 350 individuals		65,000	65,000
Title IV—Educational research and training activities:			
Consultant services to evaluate research proposals: 300 days, at \$75 per day	22,500	11,700	34,200
Conference on reviewing plans for administering and designing the program		3,200	3,200
Title V—Strengthening State departments of education:			
Advisory council: 12 members, at 12 days each, at \$100 per day	14,400	5,615	20,015
Consultant services to advise on regulations and guidelines: 50 consultants for 4 days each, at \$75 per day	15,000	7,800	22,800
National conference of chief State school officers		8,580	8,580
Total	191,025	171,900	362,925

Special requirements

Other nonstaff requirements include \$350,000 for contracts to analyze the allotment formula and to develop and improve various measures of deprivation and other studies and analyses needed in the administration of title I; \$500,000 for data processing activities so that statistical information can be made readily available on all five programs; \$54,000 for the contracting of field readers to assist the advisory committees in reviewing applications for title IV; and \$25,000 for special studies needed by the advisory councils in discharging their responsibilities under the act.

ADMINISTRATION ON AGING

STATEMENT OF WILBUR J. COHEN, UNDER SECRETARY OF HEALTH, EDUCATION AND WELFARE

APPROPRIATION ESTIMATE

"ADMINISTRATION ON AGING"

"For grants for community planning, services, and training, and for grants and contracts for research and development projects and training projects, and for consultative services, technical assistance, training and other services, relating to programs for the aged and aging, and for salaries and expenses in connection therewith, \$6,931,000, as authorized by the Older Americans Act of 1965; Provided, That, upon establishment of the Administration on Aging, any funds appropriated in the Department of Health, Education, and Welfare Appropriation Act, 1966, under the head "Salaries and Expenses, Office of Aging" shall be transferred to and merged with this appropriation; Provided further, That this paragraph shall be effective only upon enactment into law, during the 1st Session of the 89th Congress, of H.R. 3708 or similar legislation."

Obligations by activity

Activity	1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Grants for community planning, services, and training				\$5,000,000		+\$5,000,000
Grants and contracts for research, demonstration, and training projects				1,500,000		1,500,000
Technical assistance services and administration	39	\$500,000	83	931,000	+44	+431,000
Total obligations	39	500,000	83	7,431,000	+44	+6,931,000

Obligation by object

	1966 original estimate	1966 revised estimate	Increase
Total number of permanent positions	39	83	44
Full-time equivalent of all other positions	1	2	1
Average number of all employees	36	63	27
11 Personnel compensation:			
Permanent positions	\$373,500	\$645,800	\$272,300
Positions other than permanent	12,500	25,000	12,500
Other personnel compensation	400	1,600	1,200
Total personnel compensation	386,400	672,400	286,000
12 Personnel benefits	29,300	48,900	19,600
21 Travel and transportation of persons	42,200	72,600	30,400
22 Transportation of things	800	3,140	2,340
23 Rent, communications, and utilities	5,800	32,340	26,540
24 Printing and reproduction	26,500	53,560	27,060
25 Other services	3,600	12,090	8,490
26 Supplies and materials	4,200	8,970	4,770
31 Equipment	1,200	27,000	25,800
41 Grants, subsidies, and contributions		6,500,000	6,500,000
Total obligations by object	500,000	7,431,000	6,931,000

JUSTIFICATION OF SUPPLEMENTAL ESTIMATES

General

The Older Americans Act of 1965 authorizes the establishment of a new operating agency within the Department of Health, Education, and Welfare. This new agency will be under the direction of a Commissioner of Aging and will be responsible for making grants, providing information, and giving technical assistance in the field of aging.

This justification requests the additional funds and positions necessary to perform these functions and to establish the new operating agency provided for in the authorizing legislation. The proposed appropriation language would also make available for the use of the new Administration any funds appropriated and positions authorized in the Department's 1966 appropriation for the existing Office of Aging in the Welfare Administration.

Although existing funds and positions would be made available to the Administration on Aging, the agency would be completely new and would organize itself and recruit its staff on an independent basis. The existing Office of Aging would be abolished upon establishment of the new Administration on Aging.

Provisions for making available 1966 Office of Aging funds and positions is necessary since, in addition to administering the new grant programs, the new Administration is required to perform all of the functions now performed by the Office of Aging. Thus, staff and funds will be necessary to continue these functions.

Under the new legislation, the Administration on Aging will be required to devote its full attention to the development of solutions to problems of the aged and aging by:

1. Serving as a clearinghouse for information related to problems of the aged and aging;
2. Assisting the Secretary in all matters pertaining to problems of the aged and aging;
3. Administering a program of grants;
4. Developing, conducting, and arranging for research and demonstration programs in the field of aging;
5. Providing technical assistance and consultation to States, local governments, and private organizations;
6. Preparing and publishing educational materials dealing with the problems and potentials of older persons;
7. Gathering statistics in the field of aging;
8. And stimulating more effective use of existing resources and available services for the aged and aging.

In carrying out these functions, the Commissioner on Aging will utilize the services of specialists both at the headquarters office in Washington and in each of the regions, as well as the assistance of an Advisory Committee on Older Americans.

	1966 original estimate	1966 revised estimate	Increase
1. Community planning, services, and training.....		\$5,000,000	\$5,000,000

Title III of the Older Americans Act of 1965 authorizes \$5 million in grants to States for fiscal year 1966 for community planning and coordination, demonstration programs, and the training of special personnel. The funds would also be available for the establishment of new programs or the expansion of existing programs for older persons, including the establishment of new or the expansion of existing centers which provide—

- (1) recreational and other leisure time activities,
- (2) information on health, welfare, counseling, and referral services for older persons, or
- (3) assistance to older persons through volunteer community or civic services.

According to the act, funds for such establishment or expansion could not be used to cover the cost of construction, other than minor alterations and repairs. The administration requests \$5 million—the full amount authorized for grants to States for community planning and services. This \$5 million compares to \$8

million authorized by the Older Americans Act of 1965 for fiscal year 1967, and to \$12 million estimated by the Department last year as needed for a similar grant program. This formula grant program will be administered in partnership with the 50 States who, through thousands of local communities, will seek to improve the resources available to over 18 million people. The large numbers of people involved—these aged will, by 1975, number one out of eight Americans—and the lack of previous financing, except through private or local resources, demonstrate the potential for effective utilization of funds. The remaining factor, the readiness of the States to participate, can best be evaluated by testimony taken in field hearings by the Senate Special Committee on Aging in 1962, which “provided ample evidence of the desire of the States and communities to carry out their vital roles in this partnership.”

	1966 original estimate	1966 revised estimate	Increase
2. Grants and contracts for research, demonstration, and training projects.....		\$1,500,000	\$1,500,000

The Older Americans Act of 1965 authorizes an appropriation of \$1,500,000 for fiscal year 1966 for the purpose of making grants or contracts with any public or nonprofit private agency, organization, or institution for the support of research, development, or training projects in the field of aging. Contracts with individuals for research and development activities may be made as well.

With the overall objective of contributing to improving the resources and services available to the aged, research and development grants may be used to—

- (1) study current patterns and conditions of living of older persons;
- (2) develop or demonstrate new techniques or methods (including multi-purpose activity centers) which contribute to more meaningful living for older persons;
- (3) develop or demonstrate new approaches or techniques with regard to coordination of community services for older persons;
- (4) evaluate the usefulness of these new approaches, techniques, and methods.

Training grants would provide for the specialized training of persons employed or preparing for employment in carrying out programs related to purposes of the Older Americans Act of 1965.

The initial year of demonstration grant activity will necessarily be limited to smaller projects. Even so, the administration will need to exercise considerable selectivity to assure funding of the most worthwhile projects. Since one of the most serious impediments to improving services to the aged is the lack of trained workers, a request for \$1,500,000, which must finance both training and research and demonstration projects, represents a minimal start in these areas.

	1966 original estimate		1966 revised estimate		Increase	
	Position	Amount	Position	Amount	Position	Amount
3. Technical assistance services and administration.....	39	\$500,000	83	\$931,000	44	\$431,000

(1) *Community planning, services, and training.*—Twelve new positions are required, in addition to the existing staff of nine, to administer a program of State grants and to provide consultation and technical assistance to States and communities. Two of the new positions will provide an assistant commissioner, and a secretary, to give overall direction and supervision to this important aspect of the program. Five of the new positions will be needed to establish an organization to administer the State grants. A division director will be assisted by two professionals whose activities will include (1) assisting the States to prepare plans; (2) reviewing plans; (3) monitoring the progress of grant projects; and (4) evaluating State activities and needs. In view of the anticipated heavy correspondence workload related to administration of this program through the States, it is proposed to provide a secretarial and stenographic staff of three of whom two would represent new positions. A total of 13 positions are required to provide technical services and consultation to States. Eight of these are available from the current staff and five new positions are requested. In view of the added responsibilities and increased workload, it is necessary to strengthen this staff by the addition of a division director, one professional staff member, and three stenographic positions.

(2) *Research, demonstration, and training (project grants).*—Nine additional positions are requested to strengthen the research, demonstration, and short-term training activities in the field of aging and to develop and administer a program of project grants for research, development, and training purposes. This staff will be responsible for developing and maintaining research and training grant procedures, reviewing individual project requests, evaluating project results, and utilizing these results in the strengthening of the total aging program.

Two of the new positions are required for an assistant commissioner, and a secretary, to provide overall direction to the program. A total staff of seven is required to carry out the program responsibilities in research and development. Four of these positions are available from the current staff and it is planned to strengthen the research program by the addition of a division director, one professional and one clerical position.

A total of nine positions is required to develop and administer a program of training through the use of training grants. Five positions can be made available from the current staff but it is necessary to add a division director, two professional positions, and one clerical position to provide the minimum staff to administer the program.

(3) Much of the responsibility of stimulating State and community activity in the field of aging would rest with the regional staff. Staffing requirements in this area include an assistant to each regional representative position currently authorized for the Office of Aging. These nine additional regional positions will have responsibility for both the community planning and services and the research and development functions involved in both of the administration's major grant programs.

Administrative activities to secure funding of the program are to be carried out by one of the most serious handicaps to program activities is the need for a large staff of trained workers, a number of whom must have advanced degrees in research and development in project proposals a minimal staff in these areas.

Income	1965	1966	1967	1968	1969	1970
Expenses	1965	1966	1967	1968	1969	1970
Balance	1965	1966	1967	1968	1969	1970

(4) *Information and publications.*—An additional professional position is requested to handle the increased workload in the area of public information resulting from an expansion of activities in aging, particularly the new grants program.

(5) *Administrative support.*—The new administration would need to provide for the budget, personnel, accounting, and general services work for which an independent agency within the Department is responsible. The Department would furnish, as it does to other constituent agencies, such services as payroll, auditing, reproduction, data processing and mail and messenger service. The executive officer would be responsible for both internal administrative management and for the management of the nonprogram phases of the grant and contract operations. To provide these administrative services, nine additional administrative and clerical positions are requested.

(6) *Program direction and coordination.*—With the development of a grant program, it will be necessary for the Commissioner's Office to increase field liaison activity. The Deputy Commissioner would serve in this capacity. In addition, a position for overall program evaluation is necessary to supply to the Commissioner and the Secretary an assessment of program effectiveness and a medium for coordinated planning of the aging program. The planning officer would also be responsible for the administration on aging's legislative activities. Two supporting clerical positions are also requested.

194B LABOR-HEW SUPPLEMENTAL APPROPRIATIONS FOR 1966

Estimated allotments to the States under Older Americans Act of 1965

State	Persons 65-plus Jan. 1, 1965 ¹		Allotment formula under title III ²	Allotments for 1st fiscal year	
	Number (thousands)	Percent distribution		Total	Maximum for administra- tive costs
Total, 55 "States"-----	18, 177. 5	100. 0000	100. 0000	\$5, 000, 000	\$859, 831
Alabama.....	282. 0	1. 5513	1. 7214	86, 070	15, 000
Alaska.....	7. 0	. 0386	1. 0179	50, 895	15, 000
Arizona.....	114. 0	1. 6271	1. 2916	64, 580	15, 000
Arkansas.....	207. 0	1. 1388	1. 5295	76, 475	15, 000
California.....	1, 652. 0	8. 5380	4. 9702	248, 510	24, 851
Colorado.....	169. 0	1. 9297	1. 4323	71, 615	15, 000
Connecticut.....	263. 0	1. 4468	1. 6728	83, 640	15, 000
Delaware.....	38. 0	1. 2090	1. 0972	54, 860	15, 000
District of Columbia.....	75. 0	1. 4126	1. 1918	59, 590	15, 000
Florida.....	700. 0	3. 8509	2. 7907	139, 535	15, 000
Georgia.....	317. 0	1. 7439	1. 8109	90, 545	15, 000
Hawaii.....	35. 0	. 1925	1. 0895	54, 475	15, 000
Idaho.....	63. 0	1. 3466	1. 1612	58, 060	15, 000
Illinois.....	1, 044. 0	5. 7434	3. 6707	183, 535	18, 354
Indiana.....	466. 0	2. 5636	2. 1921	109, 605	15, 000
Iowa.....	343. 0	1. 8869	1. 8774	93, 870	15, 000
Kansas.....	255. 0	1. 4028	1. 6523	82, 615	15, 000
Kentucky.....	308. 0	1. 6944	1. 7879	89, 395	15, 000
Louisiana.....	262. 0	1. 4413	1. 6702	83, 510	15, 000
Maine.....	111. 0	1. 6106	1. 2839	64, 195	15, 000
Maryland.....	250. 0	1. 3753	1. 6395	81, 975	15, 000
Massachusetts.....	602. 0	3. 3118	2. 5400	127, 000	15, 000
Michigan.....	696. 0	3. 8289	2. 7804	139, 020	15, 000
Minnesota.....	386. 0	2. 1235	1. 9874	99, 370	15, 000
Mississippi.....	201. 0	1. 1058	1. 5142	75, 710	15, 000
Missouri.....	523. 0	2. 8772	2. 3379	116, 895	15, 000
Montana.....	67. 0	1. 3686	1. 1714	58, 570	15, 000
Nebraska.....	173. 0	1. 9517	1. 4425	72, 125	15, 000
Nevada.....	21. 0	. 1156	1. 0538	52, 690	15, 000
New Hampshire.....	72. 0	1. 3961	1. 1842	59, 210	15, 000
New Jersey.....	625. 0	3. 4383	2. 5988	129, 940	15, 000
New Mexico.....	60. 0	1. 3301	1. 1535	57, 675	15, 000
New York.....	1, 846. 0	10. 1554	5. 7223	286, 115	28, 612
North Carolina.....	350. 0	1. 9254	1. 8963	94, 765	15, 000
North Dakota.....	61. 0	1. 3356	1. 1560	57, 800	15, 000
Ohio.....	945. 0	5. 1987	3. 4174	170, 870	17, 087
Oklahoma.....	266. 0	1. 4633	1. 6804	84, 020	15, 000
Oregon.....	201. 0	1. 1058	1. 5142	75, 710	15, 000
Pennsylvania.....	1, 190. 0	6. 5466	4. 0442	202, 210	20, 221
Rhode Island.....	96. 0	1. 5281	1. 2456	62, 280	15, 000
South Carolina.....	167. 0	1. 9187	1. 4272	71, 360	15, 000
South Dakota.....	77. 0	1. 4236	1. 1970	59, 850	15, 000
Tennessee.....	332. 0	1. 8264	1. 8493	92, 465	15, 000
Texas.....	837. 0	4. 6046	3. 1411	157, 055	15, 706
Utah.....	68. 0	1. 3741	1. 1740	58, 700	15, 000
Vermont.....	45. 0	1. 2476	1. 1151	55, 755	15, 000
Virginia.....	316. 0	1. 7384	1. 8084	90, 420	15, 000
Washington.....	296. 0	1. 6284	1. 7572	87, 860	15, 000
West Virginia.....	183. 0	1. 0067	1. 4681	73, 405	15, 000
Wisconsin.....	435. 0	2. 3931	2. 1128	105, 640	15, 000
Wyoming.....	29. 0	1. 1595	1. 0742	53, 710	15, 000
Puerto Rico.....	146. 0	1. 8032	1. 3735	68, 675	15, 000
American Samoa.....	. 5	. 0029	. 5013	25, 065	15, 000
Guam.....	1. 4	1. 0078	. 6036	25, 180	15, 000
Virgin Islands.....	2. 6	1. 0144	. 6067	25, 335	15, 000

¹ Unpublished preliminary and provisional estimates by the Bureau of the Census; subject to correction and revision.

² Formula provides for allotment of 1/4 of 1 percent of total amount appropriated to American Samoa, Guam, and the Virgin Islands, 1 percent each to the remaining 52 "States", plus an additional amount to each "State" equal to its proportion of the total 65 plus population in the 55 "States," applied to the remaining 46.5 percent of the appropriation.

New positions requested, fiscal year 1966

	Grade	Number	Annual salary
Community planning, services, and training (State grants):			
Assistant commissioner	GS-15		\$16,460
Aging specialist	GS-15	2	32,920
Do	GS-14		14,170
Do	GS-13		12,075
Do	GS-12		10,250
Secretary	GS-7		6,050
Administrative assistant	GS-5	2	10,000
Secretary	GS-5	2	10,000
Clerk	GS-4		4,480
Subtotal		12	
Research, development, and training (project grants):			
Assistant commissioner	GS-15		16,460
Aging specialist	GS-15	2	32,920
Do	GS-14		14,170
Do	GS-13		12,075
Do	GS-12		10,250
Secretary	GS-7		6,050
Administrative assistant	GS-5		5,000
Clerk	GS-4		4,480
Subtotal		9	
Regional staff: Assistant regional representative	GS-13	9	108,675
Information and publications: Editor-writer	GS-12		10,250
Administrative support:			
Executive officer	GS-15		16,460
Administrative assistant (budget)	GS-14		14,170
Personnel assistant	GS-12		10,250
Fiscal analyst	GS-9		7,220
Administrative assistant	GS-6		5,505
Secretary	GS-6		5,505
Fiscal clerk	GS-5		5,000
Clerk-typist	GS-4	2	8,960
Subtotal		9	
Program direction and coordination:			
Commissioner	GS-15		16,460
Program planning and evaluation officer	GS-15		16,460
Secretary	GS-9		7,220
Clerk	GS-4		4,480
Subtotal		4	
Total new positions		44	454,425

Senator PASTORE. The next item is the final item for consideration of the new act, Administration on Aging, for which the budget submitted was \$6,931,000 and which the House allowed \$7 million, an increase of \$69,000.

The estimate provides that the appropriation in the regular bill for the Office of Aging, \$500,000, be merged with this account.

Mr. COHEN. Mr. Chairman, I am Wilbur Cohen, the Under Secretary, and we are asking for the House allowance.

This is the so-called Fogarty-McNamara bill, which was originally introduced by Senator Hill in 1956. We are agreeable to the House allowance, which was an increase of \$69,000 over the submittal and that would make us very happy.

Senator PASTORE. I could not possibly imagine how you would be disagreeable to it.

Mr. COHEN. No. That is a fair statement.

Senator PASTORE. Any questions? The Chair hears none.

Thank you very much.

Senator COTTON. Can I have my usual data on this item, too?

Mr. KELLY. Yes, sir.

(The information requested appears on p. 103.)

OFFICE OF AUDIT, SALARIES AND EXPENSES

Senator PASTORE. We have for consideration a supplemental estimate for the Office of Audit for an additional amount of 200,000. The House allowed \$180,000, a reduction of \$20,000, because of the lapse of time, for which the Department does not ask restoration. The material submitted in justification of the supplemental request will be included in the record.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"For an additional amount for 'Salaries and expenses, Office of Audit', \$200,000."

Amounts available for obligation

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Appropriation.....		\$3,313,000	\$3,513,000	+\$200,000
Transfer from "Old-age and survivors insurance trust fund".....		510,000	510,000	
Total.....		3,823,000	4,023,000	+200,000

Obligations by activity

	1965 appropriation		1966 original estimate		1966 revised estimate		Increase or decrease, 1966 revised over 1966 original	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Audit.....			346	\$3,823,000	375	\$4,023,000	+29	+\$200,000

Obligations by object

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Total number of permanent positions.....		346	375	+29
Full time equivalent of all other positions.....				
Average number of all employees.....		322	337	+15
11 Personnel compensation.....		\$3,093,000	\$3,230,100	+\$137,100
12 Personnel benefits.....		230,850	240,450	+9,600
21 Travel and transportation of persons.....		433,100	458,100	+25,000
22 Transportation of things.....		7,000	8,500	+1,500
23 Rent, communications, and utilities.....		24,250	39,450	+15,200
24 Printing and reproduction.....		4,000	5,000	+1,000
25 Other services.....		8,900	9,600	+700
26 Supplies and materials.....		7,900	8,800	+900
31 Equipment.....		14,000	23,000	+9,000
99 Total obligations by object.....		3,823,000	4,023,000	+200,000

Summary of changes

1966 original estimate.....	\$3, 823, 000
1966 revised estimate.....	4, 023, 000
Net change in appropriation request.....	+200, 000
Program: Increase in audit workload (29 positions).....	200, 000

EXPLANATION OF CHANGES

The Elementary and Secondary Education Act of 1965 authorizes \$1,340 million during fiscal year 1966 for grants to State education departments, local school districts, universities, and other nonprofit institutions for financial aid to provide full opportunity for a high-quality education program for children of low-income families. The act provides financial assistance for all appropriate costs incident to the conduct of an adequate school program, including construction, equipment and staffing. The act also authorizes grants to universities and other nonprofit educational institutions for research and demonstration projects aimed at developing and expanding educational programs. It is anticipated that such grants will be made to 55 State educational agencies, 20,000 local school districts, and 1,500 universities and other nonprofit educational institutions during fiscal year 1966.

Because this is a new program, initial contacts will be made with grantees in the early stages for the purpose of reviewing grant management activities. This procedure will precipitate identification of grantee problems or questions and will enable the Office of Education to respond to such problems in a timely manner. Upon conclusion of the grant period, a final audit will be made to certify to accountability of grant funds.

It is estimated that at such time when this program is fully operational, it will require an annual audit workload of 39 man-years or an average of 0.7 man-years per State. For fiscal year 1966—the initial year of the program—29 positions will be required to handle the audit workload.

New positions requested, fiscal year 1966 (revised)

Positions	Grade	Annual salary
Auditors (25).....	GS-12	\$256, 250
Clerk-stenographers (4).....	GS-4	17, 920
Total new positions (29).....		274, 170

OFFICE OF THE GENERAL COUNSEL, SALARIES AND EXPENSES

Senator PASTORE. We have an estimate for \$95,000 for the "Office of General Counsel, salaries and expenses" for which the House allowed \$85,500, a reduction of \$9,500 for which the Department does not ask restoration. The material submitted in justification of the request will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"For an additional amount for 'Salaries and expenses, Office of the General Counsel', \$95,000."

198 LABOR-HEW SUPPLEMENTAL APPROPRIATIONS FOR 1966

Amounts available for obligation

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Appropriation-----	\$1,267,500	\$1,435,000	\$1,530,000	+\$95,000
Transfer from--				
"Old-age and survivors insurance trust fund"-----	878,000	850,000	850,000	-----
"Food and Drug Administration, revolving fund for certification and other services"-----	29,000	29,000	29,000	-----
Reimbursement from Office of Education-----	25,000			-----
Total-----	2,199,500	2,314,000	2,409,000	+95,000

Obligations by activity

	1965 appropriation		1966 original estimate		1966 revised estimate		Increase or decrease, 1966 revised over 1966 original	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
I. Supervisory and general legal services-----	33	\$423,124	37	\$470,752	37	\$480,672	-----	+\$9,920
II. Departmental program service:								
(A) Public Health-----	24	255,480	24	249,155	24	249,155	-----	-----
(B) Food and Drug-----	31	295,212	33	318,943	33	318,943	-----	-----
(C) OASL-----	29	310,489	31	329,568	31	329,568	-----	-----
(D) Welfare and Education-----	25	279,721	25	285,571	30	331,001	+5	+45,430
III. Regional and field-----	65	635,474	67	660,011	72	699,661	+5	+39,650
Total obligations-----	207	2,199,500	217	2,314,000	227	2,409,000	+10	+95,000

Obligations by object

	1965 appropriation	1966 original estimate	1966 revised estimate	Increase or decrease, 1966 revised over 1966 original
Total number of permanent positions-----	207	217	227	+10
Average number of all employees-----	197	208	218	+10
11 Total personnel compensation:				
Permanent positions-----	\$1,924,916	\$2,017,395	\$2,091,260	+\$73,865
Positions other than permanent-----	2,957			-----
Total personnel compensation-----	1,927,873	2,017,395	2,091,260	+73,865
12 Personnel benefits-----	142,663	149,287	154,746	+5,459
21 Travel and transportation of persons-----	42,238	44,513	47,888	+3,375
22 Transportation of things-----	610	610	610	-----
23 Rents, communications, and utilities-----	14,647	21,992	29,432	+7,440
24 Printing and reproduction-----	4,105	4,105	4,105	-----
25 Other services-----	15,556	15,556	15,827	+281
26 Supplies and materials-----	15,365	18,449	19,129	+680
31 Equipment-----	36,443	42,093	45,993	+3,900
Total obligations by object-----	2,199,500	2,314,000	2,409,000	+95,000

LABOR-HEW SUPPLEMENTAL APPROPRIATIONS FOR 1966 199

Summary of changes

1966 original estimate.....	\$2,314,000
1966 revised estimate.....	2,409,000
Net change in appropriation request.....	<u>+95,000</u>

Program increase: 10 new positions (including 5 positions in regional and field) to provide additional legal services required in connection with the administration of the Elementary and Secondary Education Act of 1965 (Public Law 89-10)..... 95,000

EXPLANATION OF CHANGES

Welfare and Education Division (Education Branch)

The new education legislation will require three attorney positions (GS-15, GS-14 and GS-12) and two secretarial positions (GS-7 and GS-5) in the Education Branch of this Division.

The new legislation will require extensive and difficult legal work on the part of the Washington staff in connection with the development of the many "criteria" which the Commissioner must establish under the act, and the interpretation of the act and of these criteria as applied to the many and varied factual situations which will arise in the Commissioner's review and approval of applications from all the States under titles I, II, and V, and, under title III of the act, of applications from thousands of school districts for project grants. The negotiation of contracts and the processing of grant applications for educational research and training, particularly for the construction and operation of educational research facilities under title IV, will also present many new and difficult legal problems. The probability of litigation under the judicial review provisions of the act or other litigation (e.g., on church-state issues) must also be considered in staffing for this program.

Regional and field

Four attorney positions (each at GS-12) and one secretarial position at GS-5 are requested to augment legal staffing in the field.

The regional staff will be utilized by the Office of Education in the administration of titles I, II, III, and V of the act, particularly in the processing of school district applications under title III, and this in turn will entail new workload for our regional attorney offices which are already overburdened with OASDI, public assistance, and other noneducational demands upon their time.

I. Supervisory and general legal services

	Original estimate, 1966		Revised estimate, 1966		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Personnel compensation and benefits.....	37	\$374,977	37	\$374,977		
Other expenses.....		95,775		105,695		+9,920
Total.....	37	470,752	37	480,672		+9,920

The addition of 10 new positions will require an increase of \$9,920, which is requested for these objects.

II. Departmental program services: (D) Welfare and Education

	Original estimate		Revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Personnel compensation and benefits.....	25	\$272,191	30	\$313,890	+5	+41,699
Other expenses.....		13,380		17,111		+3,731
Total.....	25	285,571	30	331,001	+5	+45,430

It is estimated that the enactment of the Elementary and Secondary Education Act of 1965 (Public Law 89-10) will require the addition of three attorneys and two secretaries to provide legal services needed in connection with the development of "criteria" and the administration of the act. The increase of \$45,430 is for personal services and related expenses for the five positions requested.

III. Regional and field

	Original estimate, 1966		Revised estimate, 1966		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Personnel compensation and benefits.....	67	\$641,500	72	\$679,125	+5	+\$37,625
Other expenses.....		18,511		20,536		+2,025
Total.....	67	660,011	72	699,661	+5	+39,650

It is estimated that four attorneys and one secretary will be required in the field offices to process school district applications under title III and in the administration of titles I, II, and V of the Elementary and Secondary Education Act of 1965. The increase of \$39,650 is needed for personal services and related expenses, for the five new positions requested.

New positions requested

	Grade	Annual salary
Welfare and Education Division:		
Attorney.....	GS-15.....	\$16,460
Do.....	GS-14.....	14,170
Do.....	GS-12.....	10,250
Secretary.....	GS-7.....	6,050
Do.....	GS-5.....	5,000
Total (5).....		51,930
Regional and field:		
Attorney (4).....	GS-12.....	41,000
Secretary.....	GS-5.....	5,000
Total (5).....		46,000
Total new positions, all activities (10).....		97,930

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

Senator PASTORE. We have an estimate for \$420,000 for the National Technical Institute for the Deaf, allowed in full by the House. The material in support of the Department's request will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

APPROPRIATION ESTIMATE

"NATIONAL TECHNICAL INSTITUTE FOR THE DEAF"

"For carrying out the National Technical Institute for the Deaf Act (Public Law 89-36), \$420,000, to remain available until expended."

National Technical Institute for the Deaf

Obligations by activity

Activity	1966 original estimate		1966 revised estimate		Increase	
	Positions	Amount	Positions	Amount	Positions	Amount
Grants.....				\$323,000		+\$323,000
Operations and technical services.....			5	97,000	+5	+97,000
Total, obligations by activity.....			5	420,000	+5	+420,000

Obligations by object

	1966 original estimate	1966 revised estimate	Increase
Total number of permanent positions.....		5	+5
Full-time equivalent of all other positions.....		1	+1
Average number of all employees.....		4	+4
11 Personnel compensation:			
Permanent positions.....		\$37,000	+\$37,000
Positions other than permanent.....		18,000	+18,000
Other personnel compensation.....			
Total, personnel compensation.....		55,000	+55,000
12 Personnel benefits.....		4,000	+4,000
21 Travel and transportation of persons.....		18,000	+18,000
23 Rent, communications, and utilities.....		4,000	+4,000
24 Printing and reproduction.....		2,000	+2,000
25 Other services.....		10,000	+10,000
26 Supplies and materials.....		1,000	+1,000
31 Equipment.....		3,000	+3,000
41 Grants, subsidies, and contributions.....		323,000	+323,000
Total, obligations by object.....		420,000	+420,000

JUSTIFICATION

An amount of \$420,000 is requested for fiscal year 1966 to plan for the establishment and operation of the National Technical Institute for the Deaf.

Public Law 89-36 authorizes the Secretary of HEW to enter into an agreement with an institution of higher education for the establishment, construction, equipping, and operation of a National Technical Institute for the Deaf. Its purpose is to provide a residential facility for post secondary technical training and education for persons who are deaf in order to prepare them for successful employment.

A 12-member National Advisory Board on the Establishment of a National Technical Institute for the Deaf will be appointed by the Secretary. Its responsibilities will be to:

1. Review proposals from institutions of higher education which may desire such an institute;
2. Make recommendations to the Secretary concerning these proposals; and
3. Make such other recommendations concerning the establishment and operation of the Institute as may be appropriate. The Commissioners of education and of Vocational Rehabilitation would be ex-officio members of the board.

The need for this Institute has been clearly identified in the reports of both the House and Senate committees which conducted hearings on the bill. They have indicated that more deaf individuals need the opportunity for this type of training in order to "become a full participant socially and economically in a hearing world."

The Institute would provide a broad, flexible curriculum which would meet "the many and varied special needs of able young deaf adults who seek the opportunity for further education and training." It is estimated that at least 400 students each year could qualify for enrollment. However, provision would be made initially to enroll at least 200 students each year with adequate planning for necessary future expansion. The special needs of each student would be determined after comprehensive evaluation—physical, psychological, audiological, social, and vocational. The amount of time spent at the Institute would vary from 1 to 4 years depending upon need.

The Institute is to be located in a large metropolitan industrial area, affiliated with a major university for program administration, in a community receptive to the program and providing a variety of opportunities for training and experience in a wide range of modern industrial settings. Its curriculum should be flexible to meet the varying needs of its student body. The program offered would be broad enough to include basic remedial instruction (English, reading, science, mathematics), supplementary instruction (humanities, government, history, economics), supporting subjects (physics, chemistry, biology) as well as technical areas.

Stress would be placed on supporting services so needed by the deaf, including mental health, counseling and guidance, and placement, and followup.

The fiscal year 1966 will be devoted to the planning phases of the Institute. To accomplish this, necessary administrative procedures must be established and the 12-member National Advisory Board appointed. With consultation from this Board guidelines for interested institutions of higher learning will be developed and the availability of funds for the Institute announced. Upon receipt of the applications for this Institute, the Board will review the proposals and recommend to the Secretary the site to be selected. The Secretary will then enter into an agreement with the designated institution for the establishment and operation, including construction and equipment, of the National Technical Institute for the Deaf. It is expected that the Institute would select its advisory committee and select a Director and appropriate supporting staff. The Institute would also acquire the land for the site of the Institute and make necessary architectural arrangements.

During fiscal year 1966, an amount of \$323,000 would be needed by the designated Institute. These funds would be broken down as follows:

Salaries, including overhead.....	\$15, 650
Consultants, including Advisory Committee, and their travel.....	27, 000
Planning and architectural fees.....	20, 000
Office equipment, telephone, printing, and Directors travel.....	10, 350
Land acquisition.....	250, 000
Total.....	323, 000

Salaries and expenses

To administer this program, it will be necessary to appoint special staff members for this first year to handle the applications, develop the guidelines, make necessary site visits, prepare for meetings of the Advisory Board and make arrangements for the agreement between HEW and the designated institution. To accomplish this, the amount of \$97,000 will be needed. These funds would be used as follows:

Consultant fees, including the 12-member Advisory Board.....	\$18, 000
Architectural consultation.....	10, 000
Staff—5 members.....	40, 000
Travel, both staff and consultant.....	19, 000
Other objects.....	10, 000

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It is planned to establish five positions in the planning year 1966, as follows:

<i>Title</i>	<i>Grade</i>
1 specialist in education of the deaf.....	GS-15
1 specialist on rehabilitation of the deaf.....	GS-14
1 higher education facilities specialist.....	GS-12
1 secretary (stenographer).....	GS-6
1 clerk-typist.....	GS-5

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

New positions requested, fiscal year 1966

	Grade	Annual salary
1 specialist in education of the deaf.....	GS-15.....	\$16,460
1 specialist on rehabilitation of the deaf.....	GS-14.....	14,170
1 higher education facilities specialist.....	GS-12.....	10,250
1 secretary (stenographer).....	GS-6.....	5,505
1 clerk-typist.....	GS-5.....	5,000
Total new positions, 5.....		51,385

CONCLUSION OF HEARINGS

Senator PASTORE. The subcommittee stands adjourned.
 (Whereupon, at 4:45 p.m., Wednesday, August 25, 1965, the hearings were concluded, and the subcommittee was adjourned.)

The branch to be established in the following places:
1. _____
2. _____
3. _____
4. _____
5. _____

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