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# PUBLIC SERVICE EMPLOYMENT

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HEARINGS  
 BEFORE THE  
 SELECT SUBCOMMITTEE ON LABOR  
 OF THE  
 COMMITTEE ON EDUCATION AND LABOR  
 HOUSE OF REPRESENTATIVES  
 NINETIETH CONGRESS  
 SECOND SESSION  
 ON  
 H.R. 12280, H.R. 14493, H.R. 16623  
 and related bills

BILLS TO GUARANTEE PRODUCTIVE EMPLOYMENT OPPORTUNITIES FOR THOSE WHO ARE UNEMPLOYED OR UNDEREMPLOYED

HEARINGS HELD IN WASHINGTON, D.C.  
MAY 7, 8, 9, 20, AND JULY 1, 1968

Printed for the use of the Committee on Education and Labor  
CARL D. PERKINS, *Chairman*

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## PUBLIC SERVICE EMPLOYMENT

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TUESDAY, MAY 7, 1968

HOUSE OF REPRESENTATIVES,  
SELECT SUBCOMMITTEE ON LABOR OF THE COMMITTEE ON  
EDUCATION AND LABOR,  
*Washington, D.C.*

The subcommittee met at 10:05 a.m., pursuant to notice, in room 2175, Rayburn House Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara, Perkins, Dent, Pucinski, Scheuer, Ford, Hawkins, Albert, Steiger, Quie, Erlenborn, and Esch.

Staff members present: Jim Harrison, staff director; Marilyn Trezise, clerk; Nancy Tyler, assistant clerk; Michael J. Bernstein, minority counsel for labor; Phil Rockefeller, minority research specialist; and Dr. James Wason, Legislative Reference Service, Library of Congress.

Mr. O'HARA. The Select Subcommittee on Labor will be in order.

The purpose of today's hearings is to take testimony on H.R. 12280 and related bills, sponsored by nearly 80 members of the House of Representatives and related legislation. The purpose of H.R. 12280 is to guarantee productive public service employment opportunities for those who are unemployed or underemployed.

(The bills follow:)

(1)

90TH CONGRESS  
1ST SESSION

# H. R. 12280

---

## IN THE HOUSE OF REPRESENTATIVES

AUGUST 10, 1967

Mr. O'HARA of Michigan (for himself, Mr. WILLIAM D. FORD, Mr. NEDZI, Mr. CONYERS, Mr. PERKINS, Mr. HOLLAND, Mr. SCHEUER, Mr. GONZALEZ, Mr. HALPERN, Mr. REES, Mr. BYRNE of Pennsylvania, Mr. GRAY, Mr. BARRETT, Mr. PEPPER, Mr. O'HARA of Illinois, Mr. REUSS, Mr. HAWKINS, Mr. ROYBAL, Mr. MULTER, Mr. MOORHEAD, Mr. CHARLES H. WILSON, Mr. HELSTOSKI, Mr. HOLIFIELD, Mr. DIGGS, and Mr. KARTH) introduced the following bill; which was referred to the Committee on Education and Labor

---

## A BILL

To guarantee productive employment opportunities for those who are unemployed or underemployed.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as "The Guaranteed Employment  
4 Act of 1967".

5        DECLARATION OF FINDINGS, PURPOSE, AND POLICY

6        SEC. 2. (a) The Congress finds that, in the public  
7 interest, it is the responsibility of the Federal Government  
8 to find gainful employment for those of our citizens who are

1 able, willing, and seeking to work, but who, for reasons  
2 beyond their control as individuals, are unable to find such  
3 gainful employment; and that jobs assured by the Federal  
4 Government in the exercise of such responsibility will benefit  
5 not only those employed but will also benefit the Nation  
6 generally by assuring a more stable economy and a more  
7 stable society.

8 (b) The Congress further finds and declares that to  
9 further implement the goal of full employment it shall be the  
10 continuing policy of the Federal Government to develop a  
11 program consistent with overall economic and manpower  
12 policies, with the active assistance and cooperation of State  
13 and local government agencies, and with nonprofit private  
14 agencies primarily in the public service area, for the purpose  
15 of guaranteeing productive employment opportunities for  
16 those of the unemployed and underemployed who are able,  
17 willing, and seeking to work.

#### 18 DEFINITIONS

19 SEC. 3. For purposes of this Act—

20 (1) The term "eligible unemployed person" means any  
21 individual aged eighteen to sixty-five, both inclusive, who  
22 has demonstrated that he is able, willing, and seeking to  
23 work, and (A) has been unemployed for five or more weeks;  
24 or (B) has been forced by economic reasons to work on a  
25 part-time basis though seeking full-time employment.

26 (2) The term "part-time basis" means less than thirty-

1 five hours a week for a continuous period of ten weeks or  
2 more.

3 (3) The term "private nonprofit organization" means  
4 any nonprofit educational institution, or any private nonprofit  
5 hospital or other health-care institution, or any private non-  
6 profit organization certified by the Secretary as engaged in  
7 activities designed to improve the physical, social, economic,  
8 or cultural condition in the community or area to be served.

9 (4) The term "Secretary" means the Secretary of  
10 Labor.

11 OFFICE OF GUARANTEED EMPLOYMENT OPPORTUNITIES

12 SEC. 4. (a) There is hereby established in the De-  
13 partment of Labor an Office of Guaranteed Employment  
14 Opportunities, which shall be headed by a Director ap-  
15 pointed by the President, by and with the advice and  
16 consent of the Senate.

17 (b) That section 5316 of title 5, United States Code,  
18 is amended by adding at the end thereof the following:

19 "(117) Director, Office of Guaranteed Employ-  
20 ment Opportunities, Department of Labor."

21 GRANT AUTHORITY

22 SEC. 5. The Secretary may make grants to any Federal,  
23 State, or local governmental agency or with any private  
24 nonprofit organization, to provide employment for up to one  
25 million eligible unemployed persons at any one time.

## 1 APPLICATION

2 SEC. 6. Any agency or organization which wishes to  
3 receive a grant under section 5 shall submit an application  
4 to the Secretary which shall contain assurances satisfactory  
5 to him that—

6 (1) the requirements of section 7 (relating to  
7 avoidance of bad effects on others) will be met,

8 (2) the wages paid under the grant will meet the  
9 requirements of section 8,

10 (3) the hours of work will meet the requirements  
11 of section 9,

12 (4) the health and safety standards required by  
13 section 10 will be met,

14 (5) workmen's compensation (or its equivalent)  
15 will be provided as required by section 11,

16 (6) the information with respect to their rights and  
17 benefits will be provided each employee as required by  
18 section 12, and

19 (7) the applicant will make such reports in such  
20 form and containing such information as the Secretary  
21 may reasonably require to carry out his functions under  
22 this Act, and the applicant will keep such records and  
23 afford such access thereto as the Secretary may find

1        necessary to assure the correctness and verification of  
2        such reports.

3                                EFFECTS ON OTHER WORKERS

4        SEC. 7. A grant under section 5 shall be made only if  
5        it will result in an increase in the employment opportuni-  
6        ties which would otherwise be available. A grant shall not  
7        be made under section 5 which would result in a reduction  
8        in the employment and labor costs of the applicant, or the  
9        displacement of persons currently employed, including  
10       partial displacement resulting from a reduction in hours of  
11       work or wage rates or employment benefits. Where a labor  
12       organization represents employees who are engaged in work  
13       similar to that assisted under the grant, and in the same area,  
14       the applicant shall inform the Secretary whether such or-  
15       ganization has been consulted.

16                                WAGES

17        SEC. 8. Wages paid an employee under grants made  
18        under section 5 shall not be lower than, whichever is the  
19        highest: (1) the minimum wage applicable to the employ-  
20        ment under the Fair Labor Standards Act of 1938, as  
21        amended, if section 6 of such Act applied to the employee  
22        and he was not exempt under section 13 thereof, (2) the

1 State or local minimum wage for the most nearly comparable  
2 covered employment, or (3) the prevailing rate of wages  
3 in the area for similar work.

4 HOURS OF WORK

5 SEC. 9. The normal hours of work of an employee  
6 employed under a grant made under section 5 shall not  
7 exceed eight per day or forty per week. Overtime work  
8 shall be permitted only where unusual circumstances exist  
9 and only if other employees of the grantee are also required  
10 to perform such overtime work.

11 HEALTH AND SAFETY

12 SEC. 10. Each grantee under section 5 shall maintain  
13 suitable standards of health and safety, including (1) suit-  
14 able physical examinations for prospective employees and  
15 employees returning to work after an absence due to illness  
16 or injury, (2) first aid facilities and assistance, (3) a safe  
17 place to work and adequate sanitary facilities, (4) safety  
18 inspections and reports, (5) rules governing undue physical  
19 exertion, and (6) a system under which all supervisors are  
20 fully informed as to health and safety rules.

21 WORKMEN'S COMPENSATION

22 SEC. 11. A grantee under section 5 shall provide to each  
23 employee under the grant a program of compensation for  
24 work injuries under which the benefits are at least compa-  
25 rable to the benefits generally available to other employees  
26 employed in the same locality.





90TH CONGRESS  
1ST SESSION

# H. R. 14493

---

## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 14, 1967

Mr. CONYERS (for himself, Mr. BROWN of California, Mr. BURTON of California, Mr. EDWARDS of California, Mr. FARBERSTEIN, Mr. GILBERT, Mr. ROYBAL, Mr. RESNICK, and Mr. ROSENTHAL) introduced the following bill; which was referred to the Committee on Education and Labor

---

## A BILL

To assure every American a full opportunity to obtain adequate employment and employment training, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Full Em-  
5 ployment Opportunity Act".

6 FINDINGS AND PURPOSE

7 SEC. 2. (a) The Congress finds that—

8 (1) unemployment and underemployment among  
9 those who are able, willing, and seeking work are major  
10 problems for the Nation and are of even greater concern

1 among those who are unable to secure employment or  
2 who have ceased seeking employment because of lack of  
3 basic education, occupational skills, work experience, or  
4 transportation, because of excessively long distances  
5 between places of residence and employment, or because  
6 of artificial and discriminatory barriers to employment  
7 and occupational advancements;

8 (2) the lack of full employment opportunities for  
9 all Americans is especially serious in particular areas,  
10 communities, and parts of communities, and in those  
11 places it is reaching crisis proportions and often con-  
12 tributes, at least in part, to social unrest and civil dis-  
13 orders; and

14 (3) the lack of a full employment economy under-  
15 mines the Nation's productivity, prevents the Nation  
16 from achieving many of its long-sought goals, and is a  
17 great burden for Federal, State, and local governments  
18 in providing welfare and other special services.

19 (b) The Congress further finds that there is a great and  
20 urgent need for increased public service employment in such  
21 fields as health; education; recreation; housing and neighbor-  
22 hood improvement; maintenance of streets, parks, and other  
23 governmental facilities; rural development; beautification;  
24 conservation; and other fields of human betterment and pub-  
25 lic improvement. This need for increased public service em-

1 ployment far exceeds the total number of individuals who are  
2 unemployed or underemployed for whatever reasons.

3 (c) It is therefore the purpose of this Act and the policy  
4 of the United States to guarantee meaningful employment  
5 opportunities for all Americans to whatever extent the pri-  
6 vate economy is unable to do so and to contribute to the  
7 national interest by fulfilling unmet needs through the crea-  
8 tion of public service employment opportunities.

9 EMPLOYMENT OPPORTUNITY GRANTS

10 SEC. 3. (a) The Secretary of Labor (hereafter referred  
11 to in this Act as the "Secretary") shall make grants to Fed-  
12 eral, State, and local governmental agencies or to nonprofit  
13 organizations to provide employment for up to three million  
14 individuals. These grants shall provide funds for wages, em-  
15 ployment benefits, and other necessary related expenses,  
16 including equipment and supplies.

17 (b) To be eligible for employment provided by grants  
18 made under this Act an individual must—

19 (1) be at least sixteen years of age;

20 (2) be able to receive and benefit from training and  
21 be able to work;

22 (3) be unemployed for at least five weeks; and

23 (4) have an annual income of less than \$4,000.

24 (c) Employment created or made available under

1 this Act may include services and supporting facilities in ac-  
2 tivities which contribute to the improvement of the physical,  
3 social, economic, and cultural conditions of the Nation and  
4 shall, to the extent possible, be concentrated in those areas  
5 of public service employment listed in section 2 (b) of this  
6 Act.

7 EMPLOYMENT OPPORTUNITIES RESERVED FOR "THE  
8 UNEMPLOYABLE"

9 SEC. 4. (a) One-third of the employment opportunities  
10 to be created through grants made under section 3 shall be  
11 reserved for individuals whose basic education and employ-  
12 ment-related training are so inadequate that they are un-  
13 qualified for any currently available employment.

14 (b) Grants made to provide employment opportunities  
15 for individuals described in subsection (a) shall provide such  
16 individuals with income and prepare them for employment  
17 opportunities which it is reasonably expected will be avail-  
18 able for the indefinite future. Programs assisted by such  
19 grants shall include appropriate combinations of on-the-job  
20 training, basic education, and employment.

21 REQUIREMENTS FOR GRANTS

22 SEC. 5. A grant may not be made unless an application  
23 therefor has been submitted to the Secretary in accordance  
24 with such procedures as he shall by regulation prescribe. The  
25 following conditions shall be enforced by the Secretary as re-

1 requirements for applicants receiving and continuing to receive  
2 grants under section 3:

3 (1) The wage rates and other conditions of em-  
4 ployment shall be appropriate and reasonable in consid-  
5 eration of such factors as the type of work, the profi-  
6 ciency of the employee, and the prevailing practice in  
7 the area, except that in no case shall the wage rate be  
8 less than the minimum wage rate prescribed in section  
9 6 of the Fair Labor Standards Act of 1938.

10 (2) The applicant for the grant must demonstrate  
11 that the program will result in an increase in employ-  
12 ment opportunities without the displacement of existing  
13 employment opportunities, and shall not impair existing  
14 conditions of employment in the area.

15 (3) The normal hours of work for an employee  
16 shall not exceed eight per day or forty per week, except  
17 that the Secretary may authorize a longer work schedule  
18 if he determines that it is reasonable and necessary.

19 (4) The Secretary shall require programs to have  
20 adequate internal administrative controls, accounting  
21 procedures, personnel standards and policies, evaluation  
22 procedures, and other policies as may be necessary to  
23 promote and insure the effective expenditure of funds  
24 and the implementation of the purposes of this Act.

1 The Secretary may withhold any payment under a grant  
2 authorized by this Act when he determines that the condi-  
3 tions under which such grant was made are not being met.

4 **PRIORITY FOR LOW-INCOME AREAS**

5 **SEC. 6. (a)** In the approval of grant applications, the  
6 Secretary shall give preference to those which provide em-  
7 ployment for eligible individuals residing in areas which have  
8 a high proportion of low-income families and individuals who  
9 have severe problems of unemployment and underemploy-  
10 ment. The Secretary shall designate such areas without regard  
11 to political boundaries.

12 **(b)** In the approval of applications for grants for the  
13 improvement or construction of physical facilities, the Secre-  
14 tary shall give preference to applications related to facilities  
15 located in areas designated under subsection (a).

16 **OTHER PRIORITIES FOR GRANTS**

17 **SEC. 7.** In the approval of applications for grants under  
18 this Act, the Secretary shall give preference to those for  
19 grants which will be the most effective in fulfilling the pur-  
20 poses of this Act, especially those applications which empha-  
21 size the use of grants for—

- 22 (1) employment of individuals who have been un-  
23 employed for thirteen weeks or longer;
- 24 (2) employment of individuals who have an annual  
25 income of \$2,000 or less; and

1 (3) the payment of wages.

2 TRAINING FOR INCREASED EMPLOYMENT OPPORTUNITIES

3 SEC. 8. (a) The Secretary shall contract with Federal,  
4 State, or local governmental agencies or with nonprofit agen-  
5 cies to provide appropriate training programs for persons  
6 employed through grants provided under this Act to prepare  
7 them to obtain regular competitive employment in the future.

8 (b) Training and education provided under this section  
9 shall be—

10 (1) in addition to that provided under section 4  
11 of this Act; and

12 (2) coordinated with the education and training  
13 programs provided under the Manpower Development  
14 and Training Act of 1962, the Economic Opportunity  
15 Act of 1964 and with other relevant programs provided  
16 by Federal, State, and local governmental agencies and  
17 nonprofit private agencies.

18 AUTHORIZATION OF APPROPRIATIONS

19 SEC. 9. (a) For the purpose of carrying out the pro-  
20 visions of this Act, there is authorized to be appropriated  
21 \$16,000,000,000 for the fiscal year beginning July 1, 1968;  
22 \$14,000,000,000 for the fiscal year beginning July 1,  
23 1969; \$12,000,000,000 for the fiscal year beginning July 1,  
24 1970; \$10,000,000,000 for the fiscal year beginning  
25 July 1, 1971; \$8,000,000,000 for the fiscal year beginning

1 July 1, 1972; \$6,000,000,000 for the fiscal year beginning  
2 July 1, 1973; \$4,000,000,000 for the fiscal year begin-  
3 ning July 1, 1974; \$2,000,000,000 for the fiscal year be-  
4 ginning July 1, 1975; and \$100,000,000 for the fiscal  
5 year beginning July 1, 1976.

6 (b) Sums appropriated under subsection (a) are au-  
7 thorized to remain available until expended, or until June 30,  
8 1977, whichever first occurs. Any unappropriated portion  
9 of the amount authorized to be appropriated for any fiscal  
10 year may be appropriated in any subsequent fiscal year  
11 during the period beginning July 1, 1969, and ending  
12 June 30, 1977, in addition to the amount otherwise author-  
13 ized to be appropriated for such subsequent fiscal year.

90TH CONGRESS  
2D SESSION

# H. R. 16623

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 1968

Mr. GOODELL (for himself, Mr. KEITH, Mr. KUPFERMAN, Mr. MACGREGOR, Mr. MCCLORY, Mr. MCDADE, Mr. MATHIAS of Maryland, Mrs. MAY, Mr. MORTON, Mr. PETTIS, Mr. RAILSBACK, Mr. REID of New York, Mr. RIEGLE, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SMITH of New York, Mr. STAFFORD, Mr. STANTON, Mr. STEIGER of Wisconsin, Mr. TALCOTT, Mr. VANDER JAGT, Mr. WHALEN, and Mr. WIDNALL) introduced the following bill; which was referred to the Committee on Education and Labor

---

## A BILL

To amend the Manpower Development and Training Act of 1962 as amended, to provide a comprehensive national manpower policy, to authorize a community service employment program, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        That the Manpower Development and Training Act of 1962  
4        is amended as follows:

5            (1) Section 101 of the Manpower Development and  
6        Training Act of 1962 is amended to read as follows:

1 "FINDINGS AND DECLARATION OF NATIONAL MANPOWER  
2 POLICY

3 "SEC. 101. (a) The Congress hereby finds that the  
4 full promise of American life and prosperity is denied to  
5 many persons in many communities due to severe problems  
6 of unemployment and underemployment. Numerous indi-  
7 viduals, many of whom live in trapped-in, economically de-  
8 pressed rural and urban areas, are unable to obtain jobs in  
9 regular competitive employment because of (1) lack of edu-  
10 cation, occupational skill, or work experience, (2) the exist-  
11 ence of artificial barriers to employment and occupational  
12 advancement, and (3) a continuing process of automation  
13 and technological change which renders obsolete many tradi-  
14 tional skills. An even larger number are underemployed, earn-  
15 ing a marginal existence in low-skilled occupations character-  
16 ized by substandard wages, great uncertainty of tenure,  
17 little chance for advancement, and low social status. While  
18 these problems of unemployment and underemployment af-  
19 fect all racial groups, they afflict nonwhite Americans in dis-  
20 proportionately great numbers and in a manner which this  
21 Nation cannot permit to continue. This situation has been  
22 seriously aggravated by a process of urbanization in which  
23 unskilled rural residents have migrated to central city areas  
24 even while many businesses and places of employment are  
25 leaving those areas. This migration of people and jobs is

1 overwhelming current job training and job development pro-  
2 grams in the urban centers and is undermining the economic  
3 potential of many rural areas of the Nation.

4 “(b) The Congress further finds that there is a critical  
5 need for more and better trained personnel in many vital  
6 occupational categories, including professional, scientific,  
7 technical, and public service occupations. At the same time  
8 there is a huge need for additional public services and public  
9 facilities in such fields as those which (1) contribute to the  
10 development of human potential, (2) better the conditions  
11 under which people live, learn, and work, and (3) aid in  
12 the development and conservation of natural resources.

13 “(c) The Congress hereby declares that the welfare and  
14 security of the Nation require a commitment by it to a policy  
15 and program devoted to the elimination of poverty and blight  
16 in the United States. An essential element in that program  
17 must be a comprehensive national manpower policy designed  
18 to assure to all citizens an opportunity for useful work and  
19 training which will promote self-sufficiency and enhance  
20 personal dignity. The policy to be followed in attaining the  
21 national manpower objective hereby established shall be  
22 founded upon the following principles:

23 “(1) that private enterprise has the basic responsi-  
24 bility and maximum ability to provide job training and  
25 employment;

1           “(2) that Government assistance should, in the first  
2 instance, be used to encourage private enterprise to serve  
3 more of the total need and to otherwise complement  
4 private effort through education, training, job develop-  
5 ment, upgrading skills, and other supportive assistance;  
6 / and

7           “(3) that the residual responsibilities of Govern-  
8 ment shall include the development of meaningful em-  
9 ployment opportunities in public service activities in  
10 order to fulfill critical needs and further to relieve  
11 unemployment.

12 The Congress further recognizes that there are numerous  
13 individuals who, by reasons of age, health, or other involun-  
14 tary disability, cannot be helped through an employment or  
15 training program and for whom some form of income main-  
16 tenance is necessary.”

17           (2) Section 106 of the Manpower Development and  
18 Training Act of 1962 is amended to read as follows:

19           “JOB VACANCY AND LABOR SUPPLY INFORMATION

20           “SEC. 106. (a) The Secretary of Labor is directed,  
21 using every appropriate facility, to develop, compile, and  
22 make available information regarding skill requirements, oc-  
23 cupational outlook, job opportunities, labor supply in various  
24 skills, and employment trends on a National, State, area, or  
25 other appropriate basis which shall be used in the educa-

1 tional, training, counseling, and placement activities per-  
2 formed under this Act. In the administration of this Act, the  
3 Secretary shall give the highest priority to performing the  
4 duties prescribed by this section with particular emphasis on  
5 identifying and publishing those occupations, skills, indus-  
6 tries, and geographic areas in which the supply of qualified  
7 workers is insufficient to meet existing and foreseeable future  
8 needs.

9       “(b) The Secretary is further directed to develop and  
10 establish a program for matching the qualifications of un-  
11 employed, underemployed, and low-income persons with  
12 employer requirements and job vacancies on a local, inter-  
13 area, and nationwide basis. Such programs shall be designed  
14 to provide a quick and direct means of communication among  
15 local recruitment, job training and placement agencies and  
16 organizations, and between such agencies and organizations  
17 on an interarea and nationwide basis, with a view to the  
18 referral and placement of such persons in jobs. In the devel-  
19 opment of such a program, the Secretary shall establish a  
20 network utilizing electronic data processing and telecom-  
21 munication systems for the storage, retrieval, and communi-  
22 cation of job and worker information.”

23       (3) The Manpower Development and Training Act of  
24 1962 is further amended by adding at the end thereof the  
25 following new titles:

1 "TITLE IV—COMMUNITY SERVICE EMPLOYMENT  
2 PROGRAMS

3 "PURPOSE

4 "SEC. 401. The purpose of this title is to provide mean-  
5 ingful public and private employment opportunities in com-  
6 munity service occupations for unemployed and low-income  
7 residents of urban and rural poverty areas in order to meet  
8 severe problems of unemployment and underemployment, to  
9 prepare such persons for jobs in the private sector of the  
10 economy, to increase opportunities for local entrepreneurship  
11 through the creation of local service companies, and to meet  
12 critical national needs for community services.

13 "DEFINITIONS

14 "SEC. 402. As used in this title—

15 "(1) 'Community service employment program' means  
16 a program designed primarily to provide public or private  
17 work and training opportunities to unemployed and low-  
18 income persons in the fields of health, public safety, edu-  
19 cation, recreation, streets, parks, and municipal maintenance,  
20 housing and neighborhood improvement, conservation and  
21 rural development, beautification, and other fields of human  
22 betterment and community improvement.

23 "(2) 'Low-income' has the same meaning as provided  
24 by section 125 of the Economic Opportunity Act of 1964.

25 "(3) 'Local service company' means a corporation,

1 partnership, or other business entity organized to operate a  
2 community service employment program or component  
3 thereof and owned in substantial part by unemployed or low-  
4 income residents of one or more eligible areas.

5 “(4) ‘Secretary’ means the Secretary of Labor.

6 “(5) ‘State’ means each of the several States and the  
7 District of Columbia.

8 “(6) ‘State agency’ means the State agency designated  
9 by the Governor of the State or an officer chosen by him or  
10 by State law to develop and carry out the State plan for  
11 the purposes of this title.

12 “AUTHORIZATION OF APPROPRIATIONS AND DISTRIBUTION  
13 OF FUNDS

14 “SEC. 403. (a) For the purpose of carrying out the  
15 provisions of this title there is hereby authorized to be appro-  
16 priated the sum of \$400,000,000 for the fiscal year ending  
17 June 30, 1969, and the sum of \$500,000,000 for the fiscal  
18 year ending June 30, 1970.

19 “(b) From the sums appropriated for any fiscal year  
20 to carry out programs authorized under this title, the Secre-  
21 tary shall allot not less than 40 per centum among the  
22 States in accordance with criteria developed pursuant to  
23 section 130 of the Economic Opportunity Act of 1964,  
24 except that no State shall receive less than \$1,000,000.  
25 Effective after June 30, 1969, that part of each State’s

1 allotment received pursuant to this subsection shall be avail-  
2 able only for financial assistance to the State agency for  
3 use pursuant to a State plan approved under section 410,  
4 unless such State agency has not submitted a State plan  
5 prior to a date to be fixed by the Secretary, or the State  
6 plan is not approved by the Secretary.

7       “(c) The remainder of sums appropriated for any fiscal  
8 year to carry out programs authorized by this title shall be  
9 expended in accordance with such criteria as the Secretary  
10 may prescribe.

11       “(d) Funds allotted under this title for any fiscal year  
12 to a State for use by a State agency to carry out a State plan,  
13 which the Secretary determines are not required for the  
14 purposes for which such funds were allotted, shall be avail-  
15 able to prime sponsors within such State for such community  
16 service employment programs as the Secretary determines  
17 will contribute to carrying out the purposes of this title.

18               “ELIGIBLE AREAS AND PRIME SPONSORS

19       “SEC. 404. (a) The Secretary shall define and desig-  
20 nate all urban and rural areas containing high concentrations  
21 or proportions of unemployed or low-income persons as  
22 areas eligible for assistance under this title. He shall make  
23 such designations on a comprehensive basis and, wherever  
24 applicable, without regard to his intention or capacity to  
25 allocate funds to all such areas. A community program area

1 designated under section 121 of the Economic Opportunity  
2 Act of 1964 shall be deemed to be an eligible area for the  
3 purposes of this title. An eligible area may be a city, county,  
4 multicounty, or multicounty unit, an Indian reservation, or a  
5 neighborhood or other area (irrespective of boundaries or  
6 political subdivisions) which provides a suitable organiza-  
7 tional base and possesses the commonality of interest needed  
8 for a community service manpower program. The Secre-  
9 tary shall consult with the heads of other Federal agencies  
10 responsible for programs relating to community action, man-  
11 power services, physical and economic development, small  
12 business development, housing, education, health, and other  
13 community services to encourage the establishment of  
14 coterminous or complementary boundaries for planning pur-  
15 poses among those programs and community service employ-  
16 ment programs assisted under this title.

17       “(b) For each eligible area, the Secretary shall recog-  
18 nize a public or private nonprofit organization which shall  
19 serve as the prime sponsor to receive funds under section 405  
20 (except as otherwise provided in section 405 (c)). A prime  
21 sponsor recognized under the provisions of section 122 of the  
22 Economic Opportunity Act of 1964 shall be deemed to be  
23 the prime sponsor for its eligible area for the purposes of this  
24 title.

## 1 "FINANCIAL ASSISTANCE

2 "SEC. 405. (a) The Secretary is authorized to provide  
3 financial assistance to prime sponsors having a community  
4 employment plan approved by him pursuant to section 409  
5 and an application approved by him pursuant to section 406,  
6 and to State agencies having a State plan approved by him  
7 pursuant to section 410 for the planning, conduct, adminis-  
8 tration, and evaluation of community service employment  
9 programs.

10 "(b) Financial assistance under this section shall in-  
11 clude, but not be limited to, programs and activities  
12 designed—

13 "(1) to provide jobs immediately to unemployed or  
14 low-income persons who are otherwise unable to obtain  
15 satisfactory employment;

16 "(2) to provide placement services and resources  
17 for such persons completing manpower training and  
18 antipoverty programs assisted by Federal funds, particu-  
19 larly programs under title II of this Act and under the  
20 Economic Opportunity Act of 1964;

21 "(3) to assure that persons employed in a com-  
22 munity service employment program are provided oppor-  
23 tunity for further education, training, and necessary  
24 supportive services, including pretraining services, re-  
25 habilitative and preventive services for narcotic and

1 alcoholic addicts, basic maintenance, transportation,  
2 health, family, day care, counseling, placement, and  
3 other services, as may be necessary for them to partici-  
4 pate in such program and to be prepared to gain regular  
5 competitive employment in the future;

6 “(4) to promote the establishment of local service  
7 companies and the use of service development organiza-  
8 tions to encourage the establishment of such companies.

9 For purposes of providing education, training, and supportive  
10 services set forth in paragraph (3) of this subsection, funds  
11 appropriated under this title may be used to carry out such  
12 service programs under other titles of this Act and under  
13 other provisions of Federal law, by reimbursement to other  
14 Federal departments and agencies where appropriate, if the  
15 Secretary determines that such use of funds is the most  
16 effective method of providing such services. Financial assist-  
17 ance under this section may include loans for the purchase of  
18 supplies and equipment necessary to carry out community  
19 service employment programs.

20 “(c) The Secretary or the State agency may provide  
21 financial assistance to a public agency or private organization  
22 other than a prime sponsor to carry out one or more com-  
23 munity service employment programs or components thereof  
24 whenever the Secretary or such agency determines, after  
25 soliciting and considering comments of the prime sponsor,

1 if any, that such assistance would enhance program effec-  
2 tiveness or acceptance on the part of persons served and  
3 would serve the purposes of this part.

4 "APPLICATIONS

5 "SEC. 406. The Secretary may provide financial assist-  
6 ance under this title only upon application by a State agency,  
7 pursuant to an approved State plan, a prime sponsor, pur-  
8 suant to an approved community employment plan, or an-  
9 other eligible applicant which contains assurances satisfactory  
10 to the Secretary that the applicant will—

11 " (1) establish adequate administrative controls over  
12 programs to be assisted under this title;

13 " (2) establish effective and efficient personnel poli-  
14 cies designed to serve the purposes of this title;

15 " (3) establish procedures for proper accounting of  
16 Federal funds, necessary reporting, and evaluation of  
17 such programs;

18 " (4) carry out such other requirements and con-  
19 ditions as are set forth in this title.

20 "LOCAL SERVICE COMPANIES

21 "SEC. 407. (a) Whenever practicable, the Secretary  
22 and the State agencies shall encourage and give preference  
23 to applications under which community service employment  
24 programs are to be carried out on a contractual basis by  
25 local service companies. Such contracts may provide for

1 financial incentives to be paid to such local service companies  
2 for satisfactory and superior performance of such programs.

3 “(b) In order to promote the establishment and devel-  
4 opment of local service companies on a self-sustaining basis,  
5 the Secretary is authorized, under the authority contained  
6 in section 405, to provide financial assistance to public  
7 agencies or private organizations to act as service develop-  
8 ment organizations. Such financial assistance may be pro-  
9 vided for the costs of programs operated by service develop-  
10 ment organizations to assist in the establishment and  
11 maintenance of local service companies, including but not  
12 limited to the following:

13 “(1) planning and research, including feasibility  
14 studies and market research;

15 “(2) legal and technical assistance, business coun-  
16 seling, management and training assistance, assistance  
17 in obtaining contracts or subcontracts from public or pri-  
18 vate sources, and other related services, including the  
19 provision of business services on a centralized basis; and

20 “(3) financial assistance, including the provision of  
21 startup capital and assistance in securing performance  
22 or other bonds needed by the company or its employees.

23 A service development organization may, pursuant to regu-  
24 lations issued by the Secretary, be permitted to take a mi-

1 nority equity interest in a local service company and to deal  
2 with such a company on a franchise or other profitmaking  
3 basis.

4 “(c) In developing local service companies and service  
5 development organizations, the Secretary and the State agen-  
6 cies may make use of services available from other Federal  
7 agencies and from private organizations, including appro-  
8 priate private technical assistance organizations, in a con-  
9 tractual or other suitable basis.

10 “PUBLIC SAFETY PROGRAMS

11 “SEC. 408. (a) The Secretary shall encourage the  
12 development of, and is authorized to provide financial assist-  
13 ance under section 405 for community service employment  
14 programs in the field of public safety. Such programs may  
15 include the development of employment and training oppor-  
16 tunities for community service officers and other support  
17 personnel in or under the supervision of police departments.  
18 Such officers and personnel may be full- or part-time em-  
19 ployees who need not meet ordinary police standards for  
20 employment and who are or will be engaged in such activi-  
21 ties as (i) recruitment of police personnel from eligible  
22 areas, (ii) improvement of police-community relations and  
23 grievance resolution mechanisms in such areas, (iii) com-  
24 munity escort and patrol activities, (iv) encouragement of  
25 neighborhood participation in crime prevention and public

1 safety efforts, and (v) other similar activities designed to  
2 improve police capabilities and public safety in eligible areas.

3 “(b) The Secretary and the Attorney General shall  
4 jointly prescribe regulations governing community service  
5 employment programs in the field of public safety and crime  
6 prevention.

7 “CONSOLIDATION OF COMMUNITY SERVICE EMPLOYMENT  
8 PROGRAMS AND COMMUNITY EMPLOYMENT PLANS

9 “SEC. 409. (a) In order to promote consolidation and  
10 coordination of community service employment programs,  
11 the Secretary shall make arrangements, to the extent prac-  
12 ticable, to assure that the prime sponsor in any eligible area  
13 receives all Federal funds available for community service  
14 employment programs in such area, including all such pro-  
15 grams assisted under this title, section 432 of the Social  
16 Security Act, and sections 123 and 502 of the Economic Op-  
17 portunity Act of 1964 (except as otherwise provided in sec-  
18 tion 123 (c) of the Economic Opportunity Act of 1964).  
19 Where the area served by any program assisted under this  
20 Act is within an area covered by a comprehensive city  
21 demonstration plan under title I of the Demonstration Cities  
22 and Metropolitan Development Act of 1966, the prime spon-  
23 sor and the city demonstration agency shall consult and co-  
24 ordinate on all matters affecting work and training aspects  
25 of the comprehensive city demonstration program.

1       “(b) The prime sponsor shall develop and carry out a  
2 community employment plan, which shall be part of any com-  
3 prehensive work and training program for that area required  
4 under section 123 of the Economic Opportunity Act of 1964.  
5 A community employment plan shall establish priorities  
6 among community service needs, and funds received by the  
7 prime sponsor pursuant to this title for all community service  
8 employment programs shall be subject to and allocated  
9 according to such a plan approved by the Secretary.

10       “(c) Such plan shall be submitted to the Governor of  
11 the State or an officer designated by him or by State law for  
12 consideration in the development and implementation of the  
13 State plan, and no community employment plan shall be ap-  
14 proved by the Secretary until the Governor or such officer  
15 has had a reasonable opportunity to submit to the Secretary  
16 his evaluation of that plan, including comments on the rela-  
17 tionship of that plan to the State plan.

18       “(d) The prime sponsor shall provide for participation  
19 of employers, labor organizations, and residents of the eli-  
20 gible areas and members of the groups served in the planning  
21 and conduct of the community service employment programs.

22       “(e) Where a community service employment program  
23 is not to be operated by a local service company, the prime  
24 sponsor shall be encouraged to make use of public and  
25 private organizations as delegate agencies to operate such

1 programs, including without limitation, agencies governed  
2 with the participation of the poor and other residents of the  
3 neighborhoods or rural areas served, educational institutions,  
4 the public employment service, the public welfare agency,  
5 other health and welfare agencies, private training institu-  
6 tions, and other capable public and private organizations.

7 "STATE PLANS

8 "SEC. 410. (a) (1) Any State desiring to receive finan-  
9 cial assistance to carry out a State plan under this title shall  
10 (A) establish within its State agency a State manpower  
11 policy council (hereinafter referred to as the 'State coun-  
12 cil') which meets the requirements set forth in paragraph  
13 (2), (B) sets dates before which prime sponsors and other  
14 applicants must have submitted applications for financial  
15 assistance to the State agency, and (C) submit to the Sec-  
16 retary a State plan at such time, and in such detail as the  
17 Secretary may deem necessary.

18 "(2) The State council shall—

19 "(A) be appointed by the State agency, and be  
20 broadly representative of the job training and employ-  
21 ment resources of the State, including persons repre-  
22 sentative of (i) prime sponsors within the State, (ii)  
23 State and local public agencies operating or familiar  
24 with job training, vocational education, and employ-

1       ment programs, including the State employment service  
2       and the State department of education, (iii) private  
3       organizations operating or otherwise interested in such  
4       programs, including persons representative of business  
5       and labor, (iv) residents of the areas and persons served  
6       by programs assisted under this title, and (v) other  
7       appropriate groups and organizations;

8       “(B) develop and implement the State plan, in-  
9       cluding the development of criteria for approval of  
10       applications under the State plan;

11       “(C) upon timely request by an applicant, review  
12       and take final action upon the decision of the State  
13       agency to reject in whole or in part such applicant’s  
14       submission for funding under the State plan;

15       “(D) evaluate programs and projects assisted under  
16       this title; and

17       “(E) prepare and submit through the State agency  
18       a report of its activities, recommendations, and evalua-  
19       tions, together with such additional comments as the  
20       State agency deems appropriate, to the Secretary at such  
21       times and in such form as he may prescribe.

22       “(3) The Secretary shall not approve a State plan, or  
23       modification thereof, unless he determines that such plan—

24       “(A) sets forth criteria for achieving an equitable

1 distribution among eligible areas within the State of as-  
2 sistance under this title, which criteria shall be based on  
3 consideration of (1) the geographic distribution and  
4 density of the population in such areas, (ii) the con-  
5 centrations or proportions of unemployed and low-income  
6 persons, (iii) the number and trends in the movement  
7 of job opportunities in private enterprise, and (iv) the  
8 movement of unemployed and low-income persons to  
9 and from such areas;

10 “(B) assists prime sponsors within the State in  
11 their responsibility of coordinating and consolidating  
12 community service employment programs within the  
13 areas served by such sponsors, and appropriately sup-  
14 ports their community service employment plans, includ-  
15 ing through the provision of planning and technical  
16 assistance;

17 “(C) reflects satisfactory effort and achievement by  
18 the State in coordinating and consolidating community  
19 service employment programs assisted under this title  
20 with such programs assisted under other provisions of  
21 Federal law, including such programs under the Social  
22 Security Act;

23 “(D) provides for exchange of information and ex-  
24 perience among programs conducted pursuant to the plan

1 and for the adoption of effective procedures for evalua-  
2 tion of such programs and for the communication of the  
3 results of such evaluation to the Secretary;

4 “(E) provides that final action with respect to any  
5 application shall not be taken without first affording  
6 such applicant reasonable notice and opportunity for a  
7 hearing;

8 “(F) provides that not more than 25 per centum  
9 of the funds received by the State agency pursuant to  
10 this title shall be used to carry out community service  
11 employment programs operated by State agencies, and  
12 the remainder of such funds shall be distributed to prime  
13 sponsors, except as provided in section 405 (c); and

14 “(G) otherwise conforms to the requirements of  
15 this title, including the preference to be granted pursuant  
16 to section 407 and to special conditions prescribed by  
17 section 411.

18 “(b) The Secretary may, if he finds after reasonable  
19 notice and opportunity for hearings that only a part of a  
20 State plan meets the requirements set forth in subsection  
21 (a) (3), approve that part of the State plan and provide to  
22 the State agency only that part of its allotment under this  
23 section as he determines is necessary to carry out the part  
24 of the plan so approved. The remainder of the amount which  
25 such State agency would be eligible to receive under this title

1 shall be made available to prime sponsors and other appli-  
2 cants within the State by the Secretary.

3 “(c) The Secretary shall not finally disapprove any  
4 State plan submitted under this section, or any modification  
5 thereof, without first affording the State agency submitting  
6 the plan reasonable notice and opportunity for a hearing.

7 “SPECIAL CONDITIONS AND LIMITATIONS

8 “SEC. 411. (a) The Secretary shall not provide finan-  
9 cial assistance for any program under this title unless he  
10 determines, in accordance with such regulations as he may  
11 prescribe, that—

12 “(1) no participant will be employed on projects  
13 involving political parties, or the construction, opera-  
14 tion, or maintenance of so much of any facility as is  
15 used or to be used for sectarian instruction or as a  
16 place for religious worship;

17 “(2) the program will not result in displacement  
18 of employed workers or impair existing contracts for  
19 services, or result in the substitution of Federal or other  
20 funds in connection with work that would otherwise  
21 be performed;

22 “(3) wages paid a participant shall not be lower  
23 than, whichever is the highest (A) the minimum wage  
24 which would be applicable to the employment under the

1 Fair Labor Standards Act of 1938 if section 6 of such  
2 Act applied to the participant and he was not exempt  
3 under section 13 thereof, (B) the State or local mini-  
4 mum wage for the most nearly comparable covered  
5 employment, or (C) the prevailing rate of wages in  
6 the area for similar work; and

7 “(4) the program will, to the maximum extent  
8 feasible, contribute to the occupational development or  
9 upward job mobility of individual participants.

10 “(b) For programs assisted under this title related to  
11 physical improvements, preference shall be given to those  
12 improvements which will be substantially used by low-income  
13 persons and families in the areas served by the prime sponsor.

14 “(c) Programs approved under this title shall, to the  
15 maximum extent feasible, contribute to the elimination of  
16 artificial barriers to employment and occupational advance-  
17 ment, including civil service requirements which restrict  
18 employment opportunities for the disadvantaged.

19 “(d) Federal financial assistance to any program or  
20 activity authorized under this title and carried out by a public  
21 agency or private nonprofit organization shall not exceed 90  
22 per centum of the cost of such program or activity, including  
23 costs of administration: *Provided*, That Federal financial as-  
24 sistance with respect to any participant in a program under

1 this title who is an employee of a State or local public agency  
2 shall be progressively reduced from year to year with a view  
3 to increasing insofar as possible the financial contribution of  
4 such public agency. Non-Federal contributions may be in  
5 cash or in kind, fairly evaluated, including but not limited to  
6 plant, equipment, and services.

7 "INDUSTRIAL EMPLOYMENT POOL

8 "SEC. 412. The Secretary shall establish procedures,  
9 pursuant to regulations issued by him, to give preference to  
10 qualified participants in community service employment pro-  
11 grams assisted under this title for entry into programs oper-  
12 ated by him offering on-the-job training and employment  
13 opportunities in the private sector.

14 "ADMINISTRATION

15 "SEC. 413. (a) The Secretary shall provide for the  
16 administration of all community service employment pro-  
17 grams under his jurisdiction within a single office or agency  
18 within the Department of Labor.

19 "(b) In administering the provisions of this Act the  
20 Secretary is authorized to utilize the services and facilities  
21 of any agency of the Federal Government and of any other  
22 public or private nonprofit agency or institution, in accord-  
23 ance with agreements between the Secretary and the head  
24 thereof.

1       “(c) The Secretary may make payments to any prime  
2 sponsor which has an application approved by him pursuant  
3 to section 406 and to any State agency which has a State  
4 plan approved by him under section 407 and to any other  
5 applicant eligible for financial assistance under this Act in  
6 installments and in advance or by way of reimbursement,  
7 with necessary adjustments on account of overpayments or  
8 underpayments.

9

## “WITHHOLDING

10       “SEC. 414. Whenever the Secretary, after reasonable  
11 notice and opportunity for hearings, finds that there has been  
12 a failure by a prime sponsor to comply substantially with any  
13 requirement set forth in the approved application or com-  
14 munity employment plan of that sponsor entered into under  
15 this title, or by a State to comply substantially with any  
16 requirement set forth in the plan of that State approved under  
17 this title, or a failure by any applicant receiving assistance  
18 from a prime sponsor or State agency for the purpose of  
19 carrying out a program under this title to comply substan-  
20 tially with the requirements in its approved application, the  
21 Secretary shall notify the prime sponsor, State agency, or  
22 other applicant that further payments will not be made to the  
23 prime sponsor, State agency, or other applicant under this  
24 title (or, in his discretion, that the prime sponsor or State

1 agency shall not make further payments under this title to  
2 agencies and organizations receiving assistance from it and  
3 affected by the failure) until he is satisfied that there is no  
4 longer any such failure to comply. Until he is so satisfied,  
5 no further payments shall be made to the prime sponsor,  
6 State agency, or other applicant under this title, or payments  
7 by the prime sponsor or State agency under this title shall be  
8 limited to agencies and organizations not affected by the  
9 failure, as the case may be.

10 "EVALUATION AND REPORTS

11 "SEC. 415. (a) The Secretary shall provide for the con-  
12 tinuing evaluation of programs under this title. He shall re-  
13 quire recipients of financial assistance under this title to  
14 provide such data as may be necessary to evaluate the effec-  
15 tiveness of such programs, and he shall arrange for obtaining  
16 the opinions of participants about the strengths and weak-  
17 nesses of such programs. He may contract for independent  
18 evaluations of programs and of selected individual projects  
19 assisted under this title. The results of such evaluation shall  
20 be included in the report required by this section.

21 "(b) Not later than the first day of March of each year,  
22 the Secretary shall prepare and submit to the President for  
23 transmittal to the Congress a full and complete report on the  
24 programs and activities assisted under this title.



1 effective technical assistance, and a lack of seed money  
2 from private sources; and

3 “(4) the full and effective involvement of the pri-  
4 vate sector in the solution of these problems can be  
5 facilitated by the Federal Government, but the organiza-  
6 tion and control of this effort is best left with the private  
7 sector.

8 “(b) It is the purpose of this title to establish a private,  
9 nonprofit corporation to stimulate greater participation by the  
10 private sector—agencies, organizations, and individuals—in  
11 public and private manpower training and antipoverty pro-  
12 grams by—

13 “(1) providing a central source for information and  
14 research on opportunities for private sector participation  
15 in such programs;

16 “(2) furnishing technical and financial assistance  
17 to private organizations and individuals in planning and  
18 carrying out such programs;

19 “(3) participating, on a contractual or other basis,  
20 in the development and implementation of governmental  
21 antipoverty programs with a view to encouraging an  
22 important and effective role therein by the private  
23 sector;

24 “(4) encouraging and coordinating efforts with

1 private business firms to make available, on as expedited  
2 a basis as possible, training programs and employment  
3 opportunities designed to provide employment for un-  
4 employed and low-income persons and to assist such  
5 persons to develop their educational and employment  
6 potentialities to the maximum practicable extent;

7 “(5) encouraging the development of business ven-  
8 tures designed to provide needed products and services  
9 and to increase local business ownership in urban slum  
10 areas; and

11 “(6) developing, in conjunction with public and  
12 private organizations, methods of applying modern busi-  
13 ness management techniques to the solution of social  
14 problems, and otherwise encouraging increased partici-  
15 pation by private enterprise in such programs and in  
16 providing needed public services.

17 “CREATION OF CORPORATION

18 “SEC. 503. (a) There is hereby established a nonprofit  
19 Economic Opportunity Corporation (hereinafter referred  
20 to as the ‘Corporation’) which will not be an agency  
21 or establishment of the United States Government. The  
22 Corporation shall be subject to the provisions of this title and,  
23 to the extent consistent with this title, to the District of

1 Columbia Nonprofit Corporation Act. The right to repeal,  
2 alter, or amend this title is expressly reserved.

3 “(b) No part of the net earnings of the Corporation  
4 shall inure to the benefit of any private person, and it shall  
5 qualify as an organization described in section 501 (c) (3)  
6 of the Internal Revenue Code of 1954 which is exempt  
7 from taxation under section 501 (a) of such Code.

8 “PROCESS OF ORGANIZATION

9 “SEC. 504. There is hereby established a Commission for  
10 the appointment of incorporators. The Commission shall be  
11 composed of the Vice President of the United States, who  
12 shall act as Chairman, the Speaker of the House of Repre-  
13 sentatives, the Director of the Office of Economic Opportu-  
14 nity, the Secretary of Labor, the Secretary of Commerce, and  
15 the majority leader and minority leader of the Senate and of  
16 the House of Representatives. The Commission shall meet  
17 within thirty days after the enactment of this title and shall  
18 appoint incorporators, by and with the advice and consent of  
19 the Senate, who shall serve as the initial Board of Directors  
20 until the first annual meeting of members or until their  
21 successors are selected and qualified. The incorporators shall  
22 take whatever actions are necessary to organize the Corpo-

1 ration, including the filing of articles of incorporation under  
2 the District of Columbia Nonprofit Corporation Act.

3 "DIRECTORS AND OFFICERS

4 "SEC. 505. (a) The Corporation shall have a Board of  
5 Directors consisting of fifteen individuals who are citizens of  
6 the United States, one of whom shall be elected annually by  
7 the Board to serve as Chairman. Five members of the Board  
8 shall be appointed by the President of the United States, by  
9 and with the advice and consent of the Senate, for terms of  
10 three years except that (1) the terms of the directors first  
11 taking office shall be effective on the date on which other  
12 members of the Board are elected and shall expire as desig-  
13 nated by the President at the time of appointment, one at the  
14 end of one year, two at the end of two years, and two at the  
15 end of three years after such date; and (2) any director so  
16 appointed to fill a vacancy occurring before the expiration of  
17 the term for which his predecessor was appointed shall be  
18 appointed for the remainder of such term. Ten members of  
19 the Board shall be elected annually by the members of the  
20 Corporation.

21 "(b) The Corporation shall have a President, and such  
22 other officers as may be named and appointed by the Board  
23 of Directors, at rates of compensation fixed by the Board, and  
24 serving at the pleasure of the Board. No individual other than  
25 a citizen of the United States may be an officer of the Cor-

1 poration. No officer of the Corporation shall receive any  
2 salary from any source other than the Corporation during the  
3 period of his employment by the Corporation.

4 "MEMBERSHIP IN THE CORPORATION

5 "SEC. 506. (a) Any person or organization may be-  
6 come a member of the Corporation by—

7 " (1) purchasing from the Corporation one or more  
8 of the debentures of the Corporation referred to in sec-  
9 tion 507 (a) ; or

10 " (2) donating to the Corporation money or prop-  
11 erty (taken at fair market value) in an amount or  
12 amounts to be determined by the Board, but in no event  
13 less than \$100.

14 " (b) Each member shall be entitled to one vote regard-  
15 less of the amount of debentures held by him or the amount  
16 donated by him to the Corporation.

17 " (c) Any donations to the Corporation shall qualify as  
18 charitable contributions within the meaning of section 170  
19 of the Internal Revenue Code of 1954.

20 "FINANCING OF THE CORPORATION

21 "SEC. 507. (a) The Corporation may issue such bonds,  
22 debentures, or other certificates of indebtedness at such times  
23 and on such terms and conditions as the Board may determine  
24 to be required for the fulfillment of the purpose of the Cor-  
25 poration.

1       “(b) The Secretary of the Treasury is authorized to  
2 make grants to the Corporation to assist it in meeting its  
3 organizational expenses and in carrying on its activities.  
4 There is authorized to be appropriated not to exceed \$20,-  
5 000,000 for the purpose of providing financial assistance un-  
6 der this subsection, except that \$10,000,000 shall be made  
7 available to the Corporation at the time of its incorpora-  
8 tion and additional amounts, not to exceed in aggregate \$10,-  
9 000,000, shall be made available from time to time to match  
10 donations or purchases of debentures made pursuant to sec-  
11 tion 506 (a). Appropriations authorized under this subsec-  
12 tion shall remain available until expended.

13       “ACTIVITIES AND POWERS OF THE CORPORATION

14       “SEC. 508. (a) In order to carry out the purposes of  
15 this title, the Corporation is authorized to—

16       “(1) establish an information and research center  
17 on how private individuals and organizations can partici-  
18 pate in antislum and antipoverty projects, including  
19 information on existing Government programs and incen-  
20 tives and on promising privately sponsored projects, and  
21 including research on new governmental and private  
22 incentives or forms of organization which would be  
23 helpful;

24       “(2) organize educational programs, including the  
25 use of conferences and mailings, to disseminate informa-

1 tion in order to encourage private individuals, agencies,  
2 organizations, and business enterprises to participate in  
3 antislum and antipoverty activities;

4 “(3) provide technical assistance to public and  
5 private agencies and organizations in the planning and  
6 operation of programs and projects including advising  
7 representatives of the United States Government con-  
8 cerning effective means of encouraging the participation  
9 of the private sector in such programs and projects;

10 “(4) participate and coordinate on a contractual or  
11 other basis in Government programs in support of the  
12 purposes of this title, including programs providing reim-  
13 bursements, tax credits, or other incentives to private  
14 employers to encourage the training and employment of  
15 unemployed and low-income persons;

16 “(5) stimulate the establishment of, invest in, and  
17 operate new business enterprises which, by reason of  
18 their location, employment effect, or products or services  
19 produced, would ameliorate conditions of poverty and  
20 urban blight, including new business enterprises operated  
21 for profit by the Corporation as well as enterprises which  
22 would be owned by existing firms or by other organiza-  
23 tions or individuals;

24 “(6) establish one or more subsidiary corporations,  
25 including one or more corporations which qualify as

1 small business investment companies under title III of  
2 the Small Business Investment Act of 1958 (15 U.S.C.  
3 681 et seq.), to invest in or operate such new business  
4 enterprises;

5 “(7) provide technical and financial assistance to  
6 private lending institutions and other private organiza-  
7 tions in order to stimulate the provision of capital to new  
8 and existing enterprises located in urban areas of high  
9 concentration of low-income persons or owned by low-  
10 income persons;

11 “(8) develop in conjunction with public and private  
12 agencies and organizations methods for the application  
13 of modern business management techniques to the solu-  
14 tion of social problems, and otherwise encourage the  
15 participation of private agencies and organizations in  
16 providing needed public services;

17 “(9) promote the establishment of private organiza-  
18 tions at the State and local levels designed to carry out  
19 the purposes of this title and to mobilize their com-  
20 munities to support antislum and antipoverty programs;  
21 and

22 “(10) carry on such other activities as would fur-  
23 ther the purposes of this title.

24 “(b) In the performance of the functions set forth in  
25 subsection (a), the Corporation is authorized to—

1           “(1) enter into such contracts, leases, cooperative  
2       agreements, or other transactions as the Board of Direc-  
3       tors deems appropriate to conduct the activities of the  
4       Corporation;

5           “(2) charge such fees as the Board of Directors  
6       deems reasonable and appropriate;

7           “(3) carry out its activities, wherever desirable, on  
8       an areawide, State, or local basis through such entities  
9       as the Board of Directors deems appropriate;

10          “(4) accept and use, either with or without reim-  
11       bursement as the case may be, such services, equipment,  
12       and facilities of agencies of the Federal Government,  
13       State governments, or other local political subdivisions as  
14       are necessary to conduct the activities of the Corporation  
15       efficiently, and such Federal agencies are authorized to  
16       provide, with or without reimbursement, such services,  
17       equipment, and facilities to such Corporation;

18          “(5) receive grants and other financial assistance  
19       from the United States and from State and local gov-  
20       ernments, foundations, corporations, and other organiza-  
21       tions and individuals, to carry out activities consistent  
22       with the purposes of this title; and

23          “(6) exercise all powers conferred upon a non-  
24       profit corporation by the District of Columbia Nonprofit  
25       Corporation Act.

1                   “REPORTS TO THE CONGRESS

2           “SEC. 509. The Corporation shall transmit to the Presi-  
3 dent and Congress, annually and at such other times as it  
4 deems desirable, a comprehensive and detailed report of its  
5 operations, activities, and accomplishments under this title.

6           “TITLE VI—EVALUATION AND OVERSIGHT  
7           STUDY BY THE COMPTROLLER GENERAL

8                   “EVALUATION AND OVERSIGHT STUDY

9           “SEC. 601. (a) The Comptroller General of the United  
10 States (hereinafter referred to as the ‘Comptroller Gen-  
11 eral’) is authorized and directed to conduct a continuing  
12 evaluation of all job training, work experience and employ-  
13 ment programs conducted or financially assisted by the  
14 United States and to otherwise assist the Congress in its  
15 legislative oversight functions with respect to such programs.

16           “(b) The evaluation conducted pursuant to this title  
17 shall include—

18                   “(1) an analytical and statistical breakdown of  
19 unemployment and underemployment in the Nation,  
20 including information on the relative incidence of such  
21 problems in specific age, racial, and other relevant  
22 groups and in different geographical locations;

23                   “(2) a comparison of the relative costs and benefits  
24 of different types of training and employment programs,  
25 including such a comparison between—

1           “(A) institutional and on-the-job training,

2           “(B) different types of institutional and on-the-  
3           job training,

4           “(C) training for job entry and for job ad-  
5           vancement, and

6           “(D) job development programs in community  
7           service activities and in regular competitive employ-  
8           ment;

9           “(3) an evaluation of job upgrading programs and  
10          of the relative importance of such programs compared  
11          to other training and employment programs designed  
12          to obtain meaningful employment for hard-core unem-  
13          ployed persons;

14          “(4) an evaluation of the degree of coordination  
15          between different job training and employment programs  
16          at the Federal, State, and local levels, and between such  
17          programs and other governmental programs closely  
18          associated with them, including programs under the  
19          Demonstration Cities and Metropolitan Development  
20          Act of 1966;

21          “(5) an evaluation of the degree of effective support  
22          provided by the Federal-State Employment Service  
23          system to job training and employment programs for  
24          unemployed and low-income persons; and

25          “(6) an evaluation of the administration and man-

1       agement by Federal departments and agencies of job  
2       training and employment programs.

3       “(c) The Comptroller General shall assist the Congress  
4       in its legislative oversight function with respect to all job  
5       training, work experience, and employment programs con-  
6       ducted or financially assisted by the United States by—

7               “(1) reporting to the Congress at least annually on  
8       the efforts and progress made by Federal departments  
9       and agencies in complying with and implementing (A)  
10       legislation authorizing or extending such programs en-  
11       acted within the two-year period prior to the issuance  
12       of such report, and (B) instructions contained in the  
13       reports of relevant committees of the Congress with  
14       respect to such legislation; and

15               “(2) performing such other oversight functions as  
16       the Congress may require.

17                                       “REPORTS

18       “SEC. 602. The Comptroller General shall make such  
19       interim reports as he deems advisable, and, not later than  
20       sixty days after the beginning of each calendar year, he shall  
21       submit to the Congress a complete report on his activities  
22       under this title, including a detailed statement of his findings  
23       and conclusions, together with such recommendations, in-  
24       cluding recommendations for additional legislation as he  
25       deems advisable.

1           “POWERS OF THE COMPTROLLER GENERAL

2           “SEC. 603. (a) The Comptroller General or, on the  
3 authorization of the Comptroller General, any officer of the  
4 General Accounting Office may, for the purpose of carrying  
5 out the provisions of this title, hold such hearings, take such  
6 testimony, and sit and act at such times and places as he  
7 deems advisable. Any officer designated by the Comptroller  
8 General may administer oaths or affirmations to witnesses  
9 appearing before the Comptroller General or such designated  
10 officer.

11          “(b) Each department, agency, and instrumentality of  
12 the executive branch of the Government, including inde-  
13 pendent agencies, is authorized and directed to furnish to  
14 the Comptroller General, upon request made by him, such  
15 information as he deems necessary to carry out his functions  
16 under this title.

17          “(c) The Comptroller General is authorized—

18           “(1) to appoint and fix the compensation of such  
19 staff personnel as he deems necessary without regard to  
20 the provisions of title 5, United States Code, governing  
21 appointments in the competitive service, and without  
22 regard to the provisions of chapter 51 and subchapter  
23 III of chapter 53 of such title relating to classification  
24 and General Schedule pay rates, and

25           “(2) to procure temporary and intermittent serv-

1 ices to the same extent as is authorized by section 3109  
2 of title 5, United States Code, but at rates not to exceed  
3 \$100 a day for individuals.

4 “(d) The Comptroller General is authorized to enter  
5 into contracts with Federal or State agencies, private firms,  
6 institutions, and individuals for the conduct of research or  
7 surveys, the preparation of reports, and other activities  
8 necessary to the discharge of his duties under this title.

9 “AUTHORIZATION

10 “SEC. 604. There are hereby authorized to be ap-  
11 propriated such sums as may be necessary to carry out the  
12 provisions of this title.”

13 (4) (a) Section 302 of the Manpower Development  
14 and Training Act of 1962 is amended by inserting a comma  
15 and “other than titles IV, V, and VI,” immediately after  
16 “this Act”.

17 (b) Section 308 of such Act is amended by inserting  
18 “other than titles IV, V, and VI,” immediately after “this  
19 Act,”.

Mr. O'HARA. We are very pleased to be able to present as our first witness on this legislation the distinguished president of the American Federation of Labor and Congress of Industrial Organizations, Mr. George Meany.

Mr. Meany, welcome to the committee. We are looking forward to hearing your testimony, and I am sure that it will be as succinct and as meaningful as your testimony has been on other matters before this committee.

The chairman of the full Education and Labor Committee, Mr. Carl Perkins, is with us today, and I think he would like to welcome you, too.

Chairman PERKINS. Mr. Meany, it is always a pleasure to me to welcome you. Especially do I look forward to your views on this legislation before the Committee on Education and Labor, sponsored by our distinguished colleague, the gentleman from Michigan, Mr. O'Hara.

Over a period of years I have always appreciated the great support that you have given to all progressive legislation. No other individual in America has contributed more throughout the years, to elevate the standards of living of the working people of this country. You have always been in their corner, and you have accomplished so much by your dedication and tireless effort.

No one that has ever taken a good look could ever question those accomplishments because they speak for themselves. One of your outstanding talents, in my judgment, is the fact that you have always been able to correctly appraise a situation, when all the chips were down, and come up with the right solution and the right recommendation to your great organization. It is certainly a pleasure for me to join in with the chairman of this hearing, Mr. O'Hara in welcoming you here this morning.

I know that your prepared statement, which I have previously reviewed, will be a great help to all the members of this committee. We will certainly do—I know I will, as chairman—all in our power to assist you in getting such urgently needed legislation through the Congress.

I thank you very much for coming here this morning, and giving us the benefit of your views.

**STATEMENT OF GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS; ACCOMPANIED BY NAT GOLDFINGER, DIRECTOR OF RESEARCH, AFL-CIO, AND ANDREW BIEMILLER, DIRECTOR, LEGISLATIVE DEPARTMENT, AFL-CIO**

Mr. MEANY. Thank you very much, Mr. Chairman.

At the outset, let me say that I have come before the Congress on many occasions to testify on behalf of pending legislation. I can recall no single occasion when I felt so wholeheartedly in support of a piece of legislation. H.R. 12280 and its companion bills are of paramount importance.

Congratulations are due to you, Mr. O'Hara, and to all the Members of the House who joined in sponsoring this legislation, for having

introduced a sound, commonsense, realistic, achievable piece of legislation.

I intend to discuss it in detail in a moment, and describe why we think it is so badly needed. Before I do, however, I want to deal with what, I am sure, will be the main objections that will be raised by opponents of this legislation.

Some will say: "America can't afford it." Others will say: "It will cost too much."

Let me answer in this manner:

First, I am in basic disagreement with those attempts to sell America short.

I am convinced that this Nation can do every single thing that is necessary to solve the problems of America.

The defeatists in our midst, the cynics who only look at the price tag on an idea and never its worth, undervalue this Nation. They undervalue its material and its moral strength. I do not.

Any nation with a gross national product of over \$800 billion a year can afford the expenditures proposed in this bill and in all the other measures we support that will solve America's problems.

Let me make it quite clear that I don't consider these to be just the problems of the cities. I think the urban crisis of America is the problem of all America. No matter how great his personal wealth, no matter how elaborate his personal holdings, no matter how secure he considers his investments—if our cities fail—every American fails.

Let me deal for a moment with the reaction of those who talk only about the cost.

They are the ones who never discuss how costly it is to do nothing. They are the ones who fail to realize that a jobless man is a liability to this Nation while an employed man is an asset. There is an even greater cost—the decay of this Nation's moral fiber.

Most of the members of this subcommittee voted recently for the Civil Rights Act of 1968—a vote to right ancient and grievous wrongs, including discrimination in housing. We in the AFL-CIO applaud this action. We supported you all the way in that fight.

But now we must turn our attention to the next task—the task of translating civil rights legislation into economic reality. Let me read to you from a statement of the AFL-CIO Executive Council in August 1964, shortly after the first memorable Civil Rights Act was passed. This is a quotation from that statement:

It cannot be said too often that for equal rights and equal opportunity to be meaningful, there must be full opportunity as well; full employment, full educational opportunities and all the rest. The right to be hired is empty indeed when there are no jobs to be had; the right to be served in a restaurant or hotel has no meaning for those with no money to spend.

In that sense the fight to create jobs for all, and to abolish poverty in America, are themselves civil rights campaigns, indispensable to the success of the law which bears that title. The AFL-CIO will press for these goals as vigorously as we campaigned for the Civil Rights Act itself.

This is from the statement of the AFL-CIO executive council, 4 years ago.

That was the simple truth then; it is the simple truth now, nearly 4 years later.

Let me make it quite clear that I have complete and utter confidence in the ability of our democratic process to solve all our problems, in-

cluding the problem of unemployment. If I didn't have that confidence I wouldn't be here today.

The American trade union movement has complete confidence that this country can do the job that is necessary to solve our great domestic problems. It seems to me the time has long since passed when the Congress can afford just to study, debate, discuss, deplore, and do nothing.

Against that background, Mr. Chairman, I would like to turn my attention to this bill, which I consider an absolute must if we are to solve the American urban crisis.

In our work-oriented society, the major solution to unemployment, underemployment, and most poverty is the opportunity for a regular job at decent wages. For the unemployed and the underemployed, as well as for the children of all impoverished families, there is no more realistic route out of poverty than gainful employment.

H.R. 12280 gets directly to the heart of this issue. It authorizes \$4 billion of Federal grants to Federal, State, and local government agencies and private nonprofit organizations, in the first year of operation, for the creation of up to 1 million public service jobs for the unemployed and underemployed.

Moreover, the services that would be provided by this program are badly needed, socially useful work that would not otherwise be done.

The bill proposes—with utter simplicity—that America meet two of its pressing national problems, unemployment and a backlog of unmet public service needs. It does this through a program that would put 1 million unemployed and underemployed people to work, at not less than the Federal minimum wage, or the prevailing wage, whichever is the higher, in performing badly needed services in parks, schools, hospitals, playgrounds, libraries, public buildings, and similar institutions in the Government and private, nonprofit sectors of the economy.

In advocating the idea of a public service employment program, in February 1966, the tripartite National Commission on Technology, Automation, and Economic Progress declared that :

Employing the unemployed is, in an important sense, almost costless. The unemployed consume; they do not produce. To provide them meaningful jobs increases not only their income but that of society. Much of the work that needs doing calls only for limited skills and minor amounts of training \* \* \*

The public service employment program should be coupled with basic education, training and counseling to raise the productivity of the employees and assist them to move on to better jobs.

With this assistance, the opportunity for higher incomes would provide the necessary incentive to seek other jobs. Since the jobs would provide services for which society has growing needs, no element of make-work would be involved.

This is from the February 1966 report of the Tripartite National Commission on Technology, Automation, and Economic Progress.

Early enactment of H.R. 12280 would get such program under way. It would provide the keystone for the Government's numerous anti-poverty efforts among people of working age, as well as the various private programs to provide jobs for some of the hard-core unemployed. It would be a resounding act of Federal Government commitment to help the unemployed and underemployed lift themselves and their families out of poverty.

Unfortunately, large-scale pockets of unemployment and underemployment in our urban centers and depressed rural areas have become

a social cancer, despite the general economic improvements of the past 7 years.

The rise of sales and production of the 1960's has not provided enough job opportunities for the most disadvantaged, unskilled, inexperienced job seekers—particularly Negroes and teenagers—in a period of spreading automation and rapid growth of the labor force.

In 1967, according to the official reports of the Labor Department, there were 3 million unemployed or 3.8 percent of the civilian labor force. Among Negroes in the labor force, 7.4 percent were reported to be unemployed. Among teenagers, 12.9 percent were unemployed and Negro teenagers the percentage was 26.3 percent.

However, the Government's report of 3 million unemployed in 1967 is an economic statistic—an average for the year—as a whole. Such an economic statistic, however, does not adequately measure how great an impact unemployment has on people. The situation—in human terms—is much greater and more serious.

In 1966, when reported unemployment was about the same as last year, the Government's survey of the work experience of the population shows that 11.4 million people were unemployed some time during the course of the year; 3.4 million had two or more periods of joblessness; 2.4 million were unemployed 15 weeks or more during the year and 1.5 million of these long-term unemployed were men; 2.2 million Negroes were unemployed during the course of 1966 and one-third of them were jobless for 15 weeks and more. A similar situation existed in 1967, as the Government's report will indicate when it is published.

Revealing as these reported figures are on the extent of unemployment, it is now widely recognized that they are an understatement.

This understatement is due to the fact that the 1960 decennial census did not accurately count the population. This was particularly true in urban slums and depressed rural areas. It is also due to the fact that people who have given up seeking jobs are not counted as unemployed. The greatest social problems are among those who are not counted—those who are so cut off from the mainstream of American society that they are not included in the officially reported, regular statistics.

Estimates of the unemployment undercount vary, some go as high as 3 million or more. The estimate of the AFL-CIO Research Department is that the understatement is in the neighborhood of 1½ million, possibly more.

This would mean that there were approximately 4½ million unemployed, on the average, in 1967. It would mean that about 13 million people were unemployed during the course of the year and about 3½ to 4 million were unemployed 15 weeks and more.

In addition, we have the Labor Department's reports on underemployment. In 1967, there were 2.2 million people who were reported to have been compelled to work part time because full-time jobs were not available.

In recent years, therefore, there have been about 3 to 5 million people who have been unemployed for long periods of time or have been seriously underemployed.

This situation is even more serious than it looks on the surface, because it is not evenly distributed throughout the country and across

the entire population. It is concentrated—with dire social implications—in the slum districts of our urban centers and in depressed rural areas.

In a special survey of 10 urban slum areas in November 1966, the Labor Department found that approximately one-third of the population of working age had serious job and income problems—unemployment, underemployment and very low yearly incomes.

This would mean that about 10 percent to 15 percent of the adult men and about 40 percent to 50 percent of out-of-school teenagers—including those not usually counted—were unemployed in the slum districts of our major cities in November 1966. The situation in urban slum areas is not much better at present.

As for rural areas, the Commission on Rural Poverty estimated that approximately 18 percent of adults in such areas are underemployed. A measure of the problem in less-populated areas of the country can be seen in the Labor Department's report, for March 1968, that there was substantial or persistent unemployment in 487 small rural communities—about the same as 2 years before.

In terms of human beings, families and communities, therefore, the problem of unemployment and underemployment is far more serious than official reports usually indicate. And this problem is highly concentrated in urban slum districts and depressed rural areas; particularly among Negroes, Mexican-Americans, Puerto Ricans, and Indians.

Moreover, many of these unemployed and underemployed people have very little, if any, education, vocational training or regular work experience. Many of them, too, are rural migrants from the southern States into the cities of the North and West, or the children of such migrants. Ill-equipped to compete in the regular labor market, they are unemployed or part-time occasional workers—frequently people who have drifted outside the Government's usual statistical reports.

So a key answer to this problem and everything that it implies is jobs, now, not next year or the year after.

And public institutions, in both urban and rural areas, have an urgent need for the services that these people can perform.

Let us put these two needs together constructively—as H.R. 12280 does—and get this program on the road, now.

Such employment, at the wage floors provided in H.R. 12280, should include provisions for assistance to help these people move up the job and income ladder to better paying and more skilled jobs in public and private employment. The immediate need is regular employment, linked with literacy training, guidance, counseling and training in skills.

Moreover, the program envisioned in this bill does not preclude the importance of private business efforts to hire some of the hard-core unemployed. But the process of business hiring—depending on general economic expansion and the opening of unskilled, entry jobs in private business—can hardly be expected to meet the needs of the large numbers of disadvantaged unemployed and underemployed rapidly enough.

Let me, at this point, make a comment on the proposals, to “let private business take care of the problem.”

The fact is the private sector just cannot do the job alone. I think it is time the Congress faces up to this fact and stops trying to pass the buck to private employers.

We think the National Alliance of Businessmen is a good idea and we are doing our best to be helpful. But even if its program is a 100-percent success, it will only make a dent in the problem.

As a matter of fact, the Wall Street Journal carried an excellent article on this subject recently and I am so impressed with it I have brought along a copy which I ask be put in the record at the end of my statement.

So it follows, Mr. Chairman, that we do not support H.R. 16303. I have prepared a detailed comment on this measure, which I also ask be included in the record at the conclusion of my remarks.

Suffice it to say here, that we are pleased to see Republican proposals for meeting this problem but we are not impressed by this measure. It would benefit all too few workers and it places major reliance on tax gimmicks, which we oppose. We support, as I've said before, the concept and the approach of the O'Hara bill.

When we look ahead, Mr. Chairman, we find that America's labor force is growing rapidly—about 1½ million a year in the next 10 years. And the spread of automation is reducing labor requirements in some industries, increasing the educational and skill requirements of many jobs and moving industry location from cities to the suburbs and countryside.

The American economy must expand rapidly, merely to prevent the present level of unemployment from rising, to provide jobs for new entrants into the labor force and for those displaced by automation. Unless immediate action is taken to provide a million public service jobs now, large-scale pockets of unemployed and underemployed disadvantaged people will persist, as a spreading danger to the fabric of American society, even if the economy continues to expand normally.

A halt to general economic expansion or a recession, of course, would mean rising unemployment and underemployment—a potentially explosive situation. But even the present size of the problem has serious social consequences.

Federal action to create 1 million public service jobs must be the keystone of any realistic national effort to employ the long-term unemployed and seriously underemployed. The Government must be the employer of last resort and the time for such action is now.

At this point, someone may say: "Fine, but is it feasible?"

There is ample evidence to prove that such a program is as workable as it is necessary.

Two studies, in the past several years, report a public service employment potential of between some 4 million and over 5 million jobs; 4.3 million according to a study by Greenleigh Associates and 5.3 million reported by a study for the Automation Commission.

This need in urban and rural public services and private nonprofit institutions can rapidly be translated into 1 million jobs within a year, if the funds are made available.

Dr. John W. Gardner, Chairman of the Urban Coalition, recently reported:

To find out how many socially useful jobs could be made available immediately, the Urban Coalition asked Dr. Harold Sheppard of the Upjohn Institute to survey a sample of major cities.

Based upon a preliminary analysis of this survey, Dr. Sheppard has concluded that at least 141,000 persons could be employed almost overnight in the 130 cities with population over 100,000.

These would be jobs in regular city departments where supervisors are already available and work tasks are clearly defined. If this sample were expanded to small cities, to county and state governments, and to jobs with private, non-profit organizations, it is likely that enough jobs could be found to put 500,000 persons to work within six months. By further planning, the number might be expanded to a million or more within a year.

A public service employment program would not only enable unemployed to earn their own way, it would benefit the general public by the many necessary and useful tasks which would be performed.

I agree completely with Dr. Gardner. Let me now conclude with a few words.

Mr. Chairman, we in the AFL-CIO have been warning about unemployment and the social ills it breeds, for the last dozen years. Eight years ago, it was the major burden of our testimony to the platform committees of both political parties.

We've said it repeatedly in every conceivable forum and we've been greeted with indifference by the Congress.

Now the Congress can no longer delay. Now the Congress can no longer pretend unemployment will disappear if no one notices it. Now the Congress is hearing the voices of the people all over this land. In our opinion, now the Congress must act.

Thank you.

(Mr. Meany's prepared statement follows:)

STATEMENT OF GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

While we are pleased to see this effort on the part of many Republicans to deal with the job and training needs of the unemployed, the underemployed, the poor, and members of minority groups, we are of the view that the proposal does not come to grips effectively with the problems confronting us.

The total number of jobs in the first year is estimated at 300,000, including 220,000 in the private sector and 80,000 public service jobs through Community Service Employment programs. In the second year, the number of public service jobs authorized would increase to 100,000, but no estimate has been made with respect to the private sector beyond the first year, because of the inability to predict what effect the proposed tax credit could have.

In terms of actual job creation, this program leaves much to be desired. The tax credit would create few if any additional jobs, but rather would influence the filling of jobs already available. Thus, in the main, new jobs which would be created by the National Manpower Act of 1968 would be those connected with the Community Service Employment programs—80,000 in 1969 and 100,000 in 1970—and these are far too few in number to meet our urgent need for jobs or to assist in a meaningful way in providing manpower for the nation's needed public services.

There are, however, other weaknesses from which the proposed tax credit for private business enterprises suffers. It should be noted, first, that the summary which describes the content and purposes of the National Manpower Act of 1968 contains a proviso—"that no existing employees are dismissed in order to hire green-card people"—which is not included in the language of the proposed statute. But even if it were included, the fact is that a program of tax credits can lead to a game of musical chairs—with the unemployed workers, given the advantage of such subsidy to the business and thus made more attractive to the employer, displacing employed workers. This would merely reshuffle unemployment among unskilled workers.

Moreover, it would be impossible to assure that such tax credits were not being given to employers for doing what they would have done anyway—that is, to

hire workers to meet the employers' normal needs. Consequently, the proposed program of tax credits could represent a windfall to employers without necessarily accomplishing the purpose for which the credit is proposed.

So far as the proposed program of Community Service Employment is concerned, we see the need for a substantially greater number of jobs. We also have reservations about the extent to which priority is given in the National Manpower Act of 1968 to the creation of small service companies as the mechanism through which the jobs are to be created. There is a place for such service organizations, but we believe priority should be given to public service jobs in regular government and non-profit agencies, where there would be greater opportunity for the workers to move up the job ladder to greater skills and incomes.

Another major feature of the National Manpower Act of 1968 which we would question is the proposed Economic Opportunity Corporation.

We are not sure that we understand its purpose. It would appear to duplicate activities already being carried on by existing bodies, both public and private, especially with regard to providing information and technical assistance, and the conduct of research. And, so far as mobilizing the private sector is concerned, we are not convinced that such a formalized arrangement is necessarily more desirable than the present approach which is embodied in activities of groups such as the Urban Coalition and the National Alliance of Businessmen. It seems to us that the kind of representational activity which the proposal advocates as a means of expediting private-sector involvement could be accomplished through advisory bodies, assuming there is in existence the legislative authority for carrying out the programs for which such involvement is sought.

In summary, HR 16303 indicates concern for the problems of the unemployed and seriously underemployed. However, the total number of jobs involved in this proposal is altogether too small—even if fully achieved, 300,000 jobs would hardly make a dent in the problem.

Moreover, the major emphasis of this bill is on a tax subsidy to private business for hiring unemployed and seriously underemployed workers—which employers normally do, when entry-level jobs open up. There is little, if any, new job creation involved in this major part of the bill.

The clear-cut job-creation proposal in this bill is 80,000 public service jobs in the first year and 100,000 in the second year—a very long way from providing a keystone for meeting the urgent needs of about 3 million to 5 million people who are long-term unemployed or seriously underemployed.

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[From the Wall Street Journal, Friday, Apr. 26, 1968]

#### POLITICS AND PEOPLE

(By Alan L. Otten)

##### HOW MANY JOBS?

WASHINGTON.—One reason President Johnson isn't seeking big new urban-help programs in the wake of the recent rioting is his belief that Congress wouldn't approve them; he doesn't want to raise excessive hopes among the poor by asking for help he knows they won't get, the White House explains.

Richard Nixon says he won't join those who promise billions of Federal dollars to rebuild America's cities, because the budget bind makes such promises "dishonest and a cruel delusion."

This concern about raising excessive hopes has become a favorite bipartisan explanation (critics might call it a rationalization) among those opposing any dramatic new Government moves. Yet this same over-optimism may be the tragic flaw in the politicians' favorite alternative answer to the problems of the urban poor: Massive involvement of private enterprise.

Consider the Administration's three-year program, now being launched with great fanfare, for Federally subsidizing business to hire and train some 500,000 men and women chronically unable to find work or out of work for a long time; the goal is to hire 100,000 of these hard-core unemployed in the next year. A 65-member National Alliance of Businessmen will spearhead the 50-city campaign, acronymically entitled Job Opportunities in the Business Sector.

It's a laudable effort, by dedicated citizens giving unselfishly of time and energy, and they seem to be going about it in a highly professional way. There are local orientation meetings, quotas for each city, hiring-pledges from individual enterprises, magazine ads urging businessmen to join up.

Maybe this campaign can indeed accomplish what earlier ones have not. But the problems are enormous, and certainly the previous efforts have been a disappointment. Business response was sluggish. Administrators often reported far more success at putting hard-core unemployed in school or in public work than in private jobs. Dropout rates were high, both during training and afterward.

One knotty question facing JOBS recruiters: How far down into the pool will they dip? Their target is "poor persons . . . who are either school dropouts, under 22 years of age, 45 years of age or over, handicapped, or subject to special obstacles to employment." That core sounds hard enough, but chances are a lot of recruits will be people who lost their jobs not so long ago and probably would soon have found new ones anyhow. Business is still out to make money, after all, and it's still easier to recruit and train people with some motivation and job experience than those with little or none.

The Administration's three-year target of 500,000 jobs is the official estimate of hard-core unemployment in the 50 cities, averaging out to a little over 3,000 in each city each year. But many experts believe the real number is two to six times the 500,000, counting such groups as those who have simply given up the search for work. In the District of Columbia, for instance, where the first-year JOBS quota is 2,000, even the official estimate of hard-core joblessness is 8,000 to 12,000, and "for every hard-core unemployed person we go out to recruit, we find several more," says Fred Hetzel, the local U.S. Employment Service director. "How many are out there?"

As fast as some hard-core unemployed find jobs, other low-skilled workers are losing theirs to automation and other factors. The very success of the newly employed persons may draw into the labor market friends and relatives who haven't been looking for work, or attract to the big cities still more poor families from rural areas. Even if the 500,000 goal is fully achieved, says manpower specialist Garth Mangum of George Washington University, "we will never notice the difference."

That may be the basic drawback of the JOBS campaign. The openings it seeks to fill already exist; it is not creating additional jobs. Moreover, present Government economic policy may even be reducing industry's manpower need; Federal spending plans are being trimmed, to quiet some of the boom in the economy, and invariably the least-skilled workers are fired first as the economy cools.

So other routes may have to be explored, too. Some specialists urge a harder sell to persuade employers permanently to lower hiring standards and unions to lower membership requirements. Others think the Government must subsidize business not only to train less-skilled, less-productive workers but also to keep them employed. And still other experts believe that along with all this there must be an extensive program of Government employment for those willing to work but unable to find it in private industry.

A series of high-level commissions—most recently the President's "riot commission"—has proposed that the Government not only spur private hiring but also itself become an "employer of last resort." So has the prestigious Urban Coalition, with its considerable business membership. Most of these recommendations talk of a million or more "meaningful" public service jobs—working for the Federal Government and also, with Federal financial help, for state and local governments and non-profit institutions.

To dismiss such involvement as mere leaf-raking is to write off the roads and bridges, parks and playgrounds, paintings and plays created during the depression by the Civilian Conservation Corps, National Youth Administration and Works Progress Administration. Today's counterparts could be cleaning up slum neighborhoods, helping professional staffers in schools and hospitals and parks and libraries, baby-sitting for working mothers, providing extra mail deliveries for business. Most of the proposals envisage schooling and counseling along with the make-work, to help the men and women eventually move up to better positions.

The JOBS program aid other Federal efforts to induce business to hire more hard-core unemployed are eminently worthwhile, and by all means must go forward. But their accomplishments may at best make a small dent in the problem, and perhaps a more open-minded attitude toward expanded Government employment is also in order. No one here is sure how much it would ease the slum tensions that so deeply worry the politicians and everyone else. What people do say, however, is that there's no bigger or more expensive make-work program than rebuilding burned-down cities.

Mr. O'HARA. Thank you very much, Mr. Meany.

Mr. Dent, do you have any questions?

Mr. DENT. Yes; I wanted, as usual, to tell the witness here today that he does his usual very fine job of presenting testimony in such a manner that everybody can understand not only the problem, but can appreciate the arguments for the passage of legislation designed to solve the problem.

I think that the legislation is, as he says, a very important key to what we can do, and should do, within the very next few months. I believe there has been too much research, and restudy, and I think the time has come to act and quit talking.

You are never going to resolve a problem until you deal with the causes of the problem.

You know, I had a recent experience that makes me feel that this is a very important item to think about all the while. About 2 months ago, I got a very serious toothache, but I was too busy to take care of it. If I had gone to the dentist at once, I would have had a tooth extracted and probably a day of a little bit of discomfort. I let it go for 2 months. Now I have had three teeth out, and I have had 30 days of discomfort. We might as well get this tooth pulled out, and not fool around with it any longer.

I congratulate you, Mr. Meany, on your presentation, as usual, and I think all of us ought to take to heed the words that you have given us today.

Mr. MEANY. Thank you.

Mr. O'HARA. Thank you.

Mr. Steiger, do you have any questions?

Mr. STEIGER. Thank you, Mr. Chairman.

I want to join with the other members of the committee in welcoming President Meany, Mr. Biemiller, and Mr. Goldfinger. I was interested in the comments that you had to make, President Meany, about both the National Manpower Act of 1968, and the Guaranteed Employment Act. May I ask you what kind of estimate you would place on the cost per person under the Guaranteed Employment Act?

You have indicated that it would be possible to use \$4 billion to provide jobs for approximately one million people, so I am going to assume that is a cost of about \$4,000—

Mr. MEANY. \$4,000 to \$5,000.

Mr. STEIGER (continuing). Per person?

Mr. MEANY. Yes, sir.

Mr. STEIGER. Per year.

Mr. MEANY. That is for the first year.

Mr. STEIGER. Correct. The thing that concerns me, quite honestly, is where does this go? Where do you see the public service employment road taking a man that is put to work in this field, if that is the cost?

The National Presidential Commission on Civil Disorders estimated a minimum of \$5,600.

If that is the case, then somewhere along the line, something is being sacrificed.

My concern is, what is it?

Mr. MEANY. Well, I think maybe the \$5,600 is a more realistic figure, if you think in terms of need, but I imagine that the communities that are affected will take care of this question in due time. I think that as people become wage-earners, as people become purchasers in the market, those people who formerly were a drag on the local economy, I think the local economy will be in a better position to finance, to a greater extent, its share of this program, and augment what the Federal Government is spending.

Mr. STEIGER. But it would appear to me that if the cost to achieve the one million people involved ends up \$4,000 to \$5,000, what you are doing, then, is cutting out any hope of any real training that might go with it, or would you foresee that the purpose of the Guaranteed Employment Act is not to provide training, but rather, is to simply provide work?

Mr. MEANY. We think training is a tremendously important part of this job. We don't think that the training end of it should be sacrificed.

After all, you are not going to put a million people to work the day after this bill is signed. It is going to take some time, even though the jobs are available. I notice that the urban coalition study said that perhaps 150,000 jobs, in 130 major cities, would be available immediately, so I think that money can be appropriated for training these people while other jobs are being located.

In fact, I think training is the most important part of this program. If you take a person, take a young man who has never had any job experience never even had the experience of getting up in the morning to go to a job—which in itself is something—and if you don't train him, at the end of a year he won't know any more than when he started. I don't think that is progress.

I think that you must train these people, give them some kind of vocational training, some kind of skills, and then when that happens, they will take care of themselves, I don't believe—under this program—that all of the money would immediately go to salaries.

I think as you put people to work, your start spending money for training, too.

Mr. STEIGER. I will yield to the gentleman from Michigan for a moment.

Mr. O'HARA. As one of the sponsors of the legislation, I would like to respond to that question as well.

The bill authorizes grants to Federal, State, or local governmental agencies or private, nonprofit organizations, as defined in the bill, for the purpose of providing these jobs, but we would envision and hope that all of the costs of providing these jobs would not have to be borne through the grant mechanism.

That is to say, as Dr. Shepard's study suggests, a number of municipal governments, in large cities, today, have well-defined work which needs to be done.

They have the supervision available, and so forth and so on. We would hope and expect that some of the applicants, at least, would be able to provide from their own resources the cost of the supervision, perhaps some part of the wage cost.

We don't know. We haven't had any experience with this program. But in order to avoid frightening fiscal conservatives, we kept the authorization to the modest figure of \$4 billion. [Laughter.]

We aren't sure of the exact amount it would cost. It might be less.

Mr. STEIGER. I would bring to the attention of the distinguished chairman of the committee and the author of the bill that in the legislation, section 6 deals with the criteria which any agency or organization wishing to receive a grant shall provide, and in there it deals only with the condition of the work—the avoidance of bad effects, the wages, the hours, the health and safety standards, workman's compensation, the rates and benefits.

None of this deals with either the question of whether the work is of value, or whether training is to be a part of the grant to be provided under the bill as you have it written.

This is the concern that I have, as it stands in terms of what the legislation provides.

Mr. O'HARA. If the gentleman will yield further, section 14 is the education and training section. Perhaps it should be over here. I think that is a constructive suggestion, that we might, in section 6, provide such an assurance, but section 14 is the training section.

Mr. STEIGER. I would also urge you to consider the fact that it is not a condition of the grant, however. It simply provides in section 14 that this may be done by the Secretary.

Mr. DENT. Will the gentleman yield for a question?

Mr. O'HARA. If that will help you go along with the bill, we will make the amendment.

Mr. DENT. Will the gentleman yield for a question?

Mr. STEIGER. Yes, I will yield to the gentleman from Pennsylvania.

Mr. DENT. Do I get the purport of your remarks to be that \$4,000 would be below the \$5,600 recommended as necessary by the President's Commission.

Is that it? It is an insufficient amount, you mean?

Mr. STEIGER. Well, if the program is to have any meaning may I say to the gentleman from Pennsylvania, and it is not to be simply what some fear it may be, namely, a make-work project, then training, to me, is an essential ingredient in the success of any guaranteed employment program, whether it is run by the Federal Government, or by private industry.

Mr. DENT. Many of the jobs that we envision as needed at this moment, as preliminary work steps, and would not require too much training, any more than a great number of new entries into employment today start without experience, and without training in many of the municipal jobs.

The bulk of the municipal jobs in this country, excluding those in the courthouse and in city hall, but those in the field, are jobs where the men get on-the-job training as they go.

Now, I am sure that \$4,000 must be considered a very reasonable allowance, because most of the training jobs, or training school allowances in this country, are for less than \$800 a year.

Your minimum wage today provides a \$3,200 a year income for a person working 2,000 hours a year, which is more than the maximum hours now employed in the country, and if we take the \$5,600 figure, I would ask you, then, to support my new bill for \$2.80 an hour minimum wage, since at least we ought to give them what you think is necessary.

Mr. STEIGER. I didn't realize that bill had been coming in, yet.

Mr. DENT. It will be in.

Mr. STEIGER. Mr. Meany, Mr. Goldfinger has estimated, according to the figures that I have seen, that in 1954-56, it required \$12,000 of an increase in the gross national product to create a new job, and in 1963 it took \$30,000 of an increase in the gross national product to create a new job.

Mr. GOLDFINGER. No, those figures are based on the gross national product, as a whole. They included all the various industries; primarily the private industries. This bill is providing a very pinpointed specific kind of employment at much less cost than an aggregate gross national product kind of provision.

Mr. STEIGER. I appreciate your comment on that.

Mr. MEANY, let me ask you what your reaction is to a proposal that was made by Mr. Holman, the director of the poverty program's study for the Subcommittee on Employment and Manpower and Poverty of the Senate Committee on Labor and Public Welfare.

He suggested, among other things, that if we got into any kind of public employment program, and he lists three fields, one of them is the field in which many jobs could be created, housing rehabilitation, and he goes on to say, there are 8 million to 10 million dwelling units in the United States which need improvement greater than what is expected for annual maintenance.

Two-thirds of these units are in metropolitan areas, mostly the inner city and occupied by low-income families. It so happens that the unemployed are concentrated in the same locations, thus ways should be found to combine the need for housing rehabilitation and the need for funded opportunities.

Would you concur that this is a valid and valuable field in which employment opportunities might be available?

Mr. MEANY. Basically, I believe that this would have to be handled in legislation other than this. This would have to be handled as part of housing legislation, wouldn't it?

Mr. STEIGER. In other words, you wouldn't foresee that in the public employment sector, we could take advantage of the poor condition of inner city housing and tap a resource that is not now being tapped to put it to work to upgrade and modernize the houses of the people that live in the inner city?

Mr. MEANY. I think that is entirely possible. I think that could be part of any legislation, and part of this legislation.

Mr. BIEMILLER. I agree.

Mr. MEANY. I think that this is certainly something that we must pay attention to. Surely, if you can upgrade housing or take preventive measures to prevent a new housing development from becoming a slum in a few years, I think this is all to the good, if we can do that.

Mr. STEIGER. Let me get back again to that question that I asked at the very beginning, because it still bothers me, and I am frankly not satisfied with what I have thus far found about the approach of this bill.

That is, where do we go with it?

If we spend \$4 billion, put a million people to work, \$4,000 per enrollee per year, where do we take these people?

What do they do?

How do they get off of just being make-work jobs, in the public service sector?

How do we translate a program of this kind into meaningful employment?

I am not satisfied that this bill provides meaningful employment.

Mr. MEANY. Well, I am not sure that this bill is just directed to what you call make-work jobs. Make-work jobs are something that we learned a great deal about back in the days of the depression. The so-called walk-sweeping and leaf-raking. But I think that if you have a facility, say a library, that has just become a shambles, because of the lack of local finance to take care of it, then that becomes a real job. I think that with the cooperation of the Federal Government, you do create a real job. I don't count that as a make-work job.

Mr. STEIGER. What would these people do with the library? Would they rebuild the library? Is that it? Or would they staff the library?

Mr. MEANY. They would perhaps both staff it and keep it clean. Or perhaps workers could clean up a park, a local area of a park, and keep it clean, maintain it, so that people can use it. I don't look upon that as a make-work. I think that is permanent work.

Mr. STEIGER. So that you are talking about unskilled jobs. You are not trying to provide any skilled training.

Mr. MEANY. At the beginning, we are talking about unskilled jobs, but we are also talking about training these people, so that they do develop some skills, in the hope that they will move out, and into perhaps more useful and productive employment.

You see, the basic thing here is the human element. We are trying to get people off the streets. This teenage Negro unemployment figure is of real significance; it runs as high as 26 percent.

We have a national unemployment rate of 3.4 or 3.5, and then we have the teenage rate at 12 percent. When you take the urban areas where the Negroes are concentrated, you have a teenage Negro rate of 26 percent unemployed.

Now, we must try to find work for those boys and girls.

Mr. STEIGER. Mr. Meany, I concur completely that it is a tragedy in this country that you have that high an unemployment rate among teenagers of any kind, black or white.

This is one of the reasons, may I say, quite honestly, that I am disappointed in the testimony that you have given, in that you have rejected the approach proposed by the National Commission on Civil Disorders, as embodied in H.R. 16303.

As you know, that bill is based on the recommendations of the so-called Kerner Commission—

Mr. MEANY. Yes.

Mr. STEIGER (continuing). In that it talks about tax credits, tax incentives for private industry, an approach that you outright reject.

Mr. MEANY. Yes.

Mr. STEIGER. It talks about public service employment by the neighborhood, through the control by those in the area so that they have more meaning than there is in the make-work programs proposed by the Guaranteed Employment Act.

I think, if my reading of that Commission report is at all accurate, they are saying that today, the make-work job, the cleanup job, the job that is proposed by the Guaranteed Employment Act, is not sufficient

for 1968, and it isn't sufficient for the Negro teenager, who wants to have a meaningful job, who wants to get some image and stature back, and he isn't going to do it by leaf raking.

We think he can do it by an appropriate job, with a skill commensurate with the 1970's.

This is what is proposed in 16303, and I am sorry, really, that you have taken the approach that you have in rejecting what was proposed, because I think that the Riot Commission clearly pinpointed why this kind of approach, including the use of tax incentives, is an absolutely essential part of any really significant manpower program.

Mr. MEANY. Congressman, that is your opinion, but that does not happen to be my opinion. I am very sorry that I can't agree with you on this.

How many jobs would be created under H.R. 16303? How many jobs would it set up? Can you give us this number of jobs?

Mr. STEIGER. A total of 300,000, if my memory serves me correctly.

Mr. O'HARA. Will the gentleman yield for a moment at that point?

Mr. STEIGER. Yes, I have no further questions.

Mr. O'HARA. I would like to point out that the Riot Commission report does recommend efforts to expand hiring and training of hard-core unemployed by private industry, and it suggests several devices by which this can be done. And, indeed, the President's jobs programs, through the National Association of Businessmen, which Mr. Meany suggested his support of in his testimony, is attempting to place workers in private industry through some of the means suggested in the Riot Commission report.

Mr. Meany happens to believe that the tax incentive route would not accomplish what has been advertised, and I think there are excellent reasons for taking that position.

I would also like to quote from the Wall Street Journal article that Mr. Meany has asked be added to his testimony, the Wall Street Journal, Friday, April 26; quote, "A series of high-level commissions, most recently the President's Riot Commission, has proposed that the Government not only spur private employment, but also itself become an employer of last resort."

And then a little further down in the article: "To dismiss such involvement as mere leaf raking is to write off the roads and bridges, parks and playgrounds, paintings and plays created during the depression by the Civilian Conservation Corps, National Youth Administration, and Works Progress Administration. Today's counterparts could be cleaning up slum neighborhoods, helping professional staffers in schools and hospitals and in parks and libraries, baby-sitting for working mothers, extra mail deliveries for business. Most of the proposals envisage schooling and counseling along with the make-work to help the men and women eventually move up to better positions."

The sponsors of this legislation are not taking the position that this is the single and only answer to the problems of America.

Mr. MEANY. Of course not.

Mr. O'HARA. What we are saying is that this is one of the weapons that are essential to meeting the problems of America. And we are working on this single weapon at this moment, in this committee, and we think it is an important weapon.

Mr. Ford, do you have any questions you would like to direct to Mr. Meany?

Mr. Ford. Yes, thank you, Mr. Chairman.

The article to which you refer also makes the observation that one of the big drawbacks to the jobs program that we are now looking toward as an alternative is that the openings which that kind of program seeks to fill are already existing openings, and that is what happens all through private industry.

Now we had in Detroit the experience of the enthusiastic group of private enterprise representatives, perhaps the greatest collection of representation of big business and industry in the Midwest ever put together on a single committee, and they said immediately after our disturbances and troubles in Detroit in July of 1967, "We have got to put the people of the central city to work."

And they set out earnestly to do it, and proceeded to fall all over themselves, because they have no tradition of working with these people.

They have no trained people in their own organizations capable of understanding the problem, and the one thing they were going to do was make a lot of jobs. Well, we found at the end of the first 8 months of that operation that they had discovered thousands of jobs in Detroit that could be filled, and they had filled those thousands of jobs. However a check of the unemployment roles in Detroit showed that we had a thousand more unemployed persons registered at the end of this program than we had when it began.

One of the reasons is also mentioned in this Wall Street Journal article. As soon as the word goes out that they are hiring in the auto plants in Detroit, the unemployed from other parts of the country, who are underemployed in most instances—for example, people working sporadically in coal mines, and so on—head for the city. They get to the employment office, and they get the job, and the same people who were unemployed before the riots are unemployed after this program. To a large extent, the bulk of the jobs were taken by other people.

Now they discovered something else. They are having a devil of a time, and private enterprise has been working on this, convincing their lower echelon management that it is worthwhile to try to hire people out of poverty into the factory.

Because what we know as labor in the factory is a far more sophisticated kind of job, and has a far more tense atmosphere than most people who never go near a factory recognize.

You take a fellow who has no work experience, and no concept of the importance of being at work on time, or of taking his breaks at the regular time, of showing up 5 days out of the week instead of the first 2 days and dropping off after payday. And what happens is that the foreman gets kind of discouraged with him, and one person after another gets discouraged, and this frustration feeds off one person upon another, and what we are hearing now, as a result of this experiment, this massive experiment, is the complaint, over and over again, "Well, they won't work, after you put them to work."

We are actually cultivating a substructure of prejudice against poor people, as a result of these efforts, that is more intense, in some areas, than it was before.

And when the question is asked, "Why won't they work?" The plain fact is that the kind of people that we are trying to reach have never had an opportunity to work in any kind of a circumstance where they learned the basic rules about how to hold a job.

And things being as they are, you don't find the kindest, softest hearts in the world as job leaders or foremen in the average factory today. He has got a job to do. He hasn't the patience or the time. That is not what he is trained for.

I believe that our national business alliance is going to be successful, and that private enterprise is making a substantial contribution toward meeting the problem, but we also recognize that every study has this much in common—and this article points it up—that no matter how much private enterprise does, it is limited by the purposes which that corporation is designed to serve.

There is a whole area developing very rapidly in this country of deep need for public service that is not being met. There isn't a small city in the shadow of the large industrial areas that has adequate people even to pick up their rubbish.

We can't hire postmen in cities like Chicago, Detroit, and Philadelphia, even though we have all these unemployed people. We really don't have a way to make a transition from the person that is no longer a part of the public school system from unemployment and unskilled unemployment, functional illiteracy, in many instances, to this first step in the job. The other fellows are moving. Private enterprise offers jobs at the auto plant. And do you know who goes and gets them? Our low-paid postal workers, our rubbish collectors, the other low-paid public service people in the area are leaving their jobs, and creating more vacancies in that area, to go take the job, because this low-pay job has given them the kind of basic skills and experience that they need to hold it.

So we have to find a way to create jobs that don't now exist. That is really the purpose of this legislation, and why most of us who are cosponsors of it, think that your testimony, Mr. Meany, really grasps the essence of what this legislation is trying to do.

We are not saying that we should diminish our effort to encourage private enterprise in every possible way to recognize a responsibility not only for producing the product, but for contributing to society by making employment available; but we recognize as you do that that isn't going to be enough, and it never will be enough, and that we haven't got time to wait.

It seems to me there is a parallel here between the difficulties we have had over the last 4 years with the poverty program. Four years ago, on the other side of the aisle, they were saying that it won't work, because it will be wasted, and we spent all of our time around here on a per-head basis justifying how much it cost per head to save souls in the poverty program.

Last year, we didn't hear that any more. As a matter of fact, they wanted to spend more money than we did, and expanded it, and private enterprise, to get everybody into the act.

Maybe we will have to have this bill kicking around here for 4 years before we see that wall of resistance break down. But it is time for people on the other side of the aisle to quit suggesting that we shouldn't

try something because we have no way of guaranteeing that it will work better than anything that has ever been tried before; because we are facing another summer, and those of us who were close to what happened last summer don't ever want to see it again.

This is legislation that might fall on its face, in many parts of the country. I suspect that in our State of Michigan, it will work very well, that we have the kind of traditions that will grab this legislation and run with it. And I think if these folks who are now jumping on this legislation have any confidence at all in the imagination of our county and of State and local officials, and their willingness to provide services that are much needed now, they can quit carping about the possibility that it might fail, and just try it.

At the same time, Mr. Meany, I want to commend you for the fact that your testimony, much more than my comments, was very positive in pointing to the support that you lend to all of the multiple solutions suggested to the problem of unemployment for those special groups in our society that have problems that almost defy any kind of an answer.

The only thing I can say is that your testimony on behalf of your organization is consistent with the position you have taken ever since I have been on this committee, and I thank you very much for your support.

Mr. O'HARA. Mr. Quie? Do you have any questions?

Mr. QUIE. Yes, I would like to ask a few questions.

Mr. Meany, you specifically stated on page 3 of your testimony, that the work the underemployed and the unemployed would be doing was badly needed, socially useful work. And, in another place, you said performing badly, needed services in parks, hospitals, and so forth.

As I read through the bill, I don't see that this is a requirement of the bill. But, would you expect the Secretary to make a determination when an applicant made a request for funds that the work these people would do would be, shall we say, needed or necessary and useful, and that he would turn down a proposed project in which he felt the work that was to be performed was not necessary or useful?

Mr. MEANY. I think that the part of the bill which refers to the Secretary's powers gives him very broad discretion. I would assume that he would keep most of the jobs within the area of badly needed public service work.

This wouldn't mean that if something came up, outside of this area, that appealed to the Secretary, that he couldn't do it. I think this is one of the good features of the bill, giving the Secretary this discretion.

Mr. QUIE. Does the author anticipate this, that this would also be within the jurisdiction over which the Secretary would have authority? That is, would he determine whether the work was needed or necessary, or useful, before he would approve the project?

Mr. O'HARA. I would expect that the Secretary would invite proposals from governmental units and from private, nonprofit agencies, as defined in the bill.

Mr. MEANY. That is correct. I read that right in the bill, Mr. Chairman.

Mr. O'HARA. That he would evaluate those proposals in terms of their value both in terms of what they are going to do, and in terms

of the benefit for the worker, the training provided, and so forth and so on, and the value of the experience.

Mr. MEANY. I think this point, Congressman, is amply covered in the terms of the bill itself, in section 3.

Mr. QUIE. It doesn't say there, in section 3, that the work shall be useful work, or necessary work, or needed, as you say in your testimony.

Mr. MEANY. It says: "\* \* \* designed to improve the physical, social, economic, and cultural conditions of the community, or area to be served." I think the bill says it a little better than I say it, but I think it means the same thing.

Mr. QUIE. Well, if it means the same thing, it is the mutual understanding of both you and the author of the bill, that this will be within the jurisdiction of the Secretary and that he will make that determination before he approves a grant?

Mr. MEANY. I would say that, sir, is the intent of the bill.

Mr. QUIE. Now, in the case of the library which was used as an example, undoubtedly, if the library were run down, it probably would have cracked plaster, need paint, the plumbing probably would need some repair, and there might be need for carpenter work, and so forth.

Would you expect that these people would do more than clean it up, but actually could plaster, paint, work on plumbing, and do carpentry work?

Mr. MEANY. I think you are getting into real minute detail. I would assume that the communities have a little money; I am not assuming that these communities are all completely bankrupt. Now, perhaps the community, if it had some assistance in order to staff the library, to keep it clean, to make it more attractive to the public, then might be able to find the money to get a contractor to come in and fix the plaster and fix the plumbing.

This is a practical problem. I can't tell you how a community would work it out.

Mr. QUIE. But you aren't talking about these people only in reference to keeping them clean, doing the sweeping, the washing and so forth, but actually in terms of upgrading the facility, aren't you?

Mr. MEANY. Yes, if they can be trained to do that, and have the capability; yes.

Mr. QUIE. Well, section 7, the last sentence, says, "Where a labor organization represents employees who are engaged in work similar to that assisted under the grant in the same area, the applicant shall inform the Secretary whether such organization had been consulted."

What do you think is the meaning of this? Just that they ought to tell them that they are going to use some of these employees to do plastering, painting, and so forth? Or will they have to get their approval?

Mr. MEANY. No, it doesn't say they have to give their approval. It says they should be consulted. I think this provision is there to safeguard somebody using this authority to break down labor standards, and existing standards of existing employment.

Mr. QUIE. In other words, you would have to make a judgment, then, in this case, as to whether they could have contracted with someone who had, in the case of a community, naturally, where the contractors have union employees, whether the community could afford

to contract for the use of union employees to fix up the building, or whether they would use this training and employment opportunity?

Mr. MEANY. Well, I can't foresee each particular case, but I think the provision is necessary to safeguard existing conditions. It wouldn't make much sense to have the Federal Government finance work projects for jobless people, when you already have plenty of unemployed people capable of doing the same type of work.

Mr. QUIE. You mentioned the prevailing wage. Then, if this job were to be done, it would be expected that these people would be paid to do the painting at the prevailing wage for painters in the area.

Mr. MEANY. That is right.

Mr. QUIE. And the same with any of the other jobs they would do.

Mr. MEANY. Yes.

Mr. QUIE. What about the necessity of joining a union? Would that be waived in this case?

Mr. MEANY. That isn't even mentioned in here, as far as I know. The unions would have to work that out themselves. We are not looking for any guarantee on that. We are trying to help the unemployed, and if they stay nonunion, that is all right with me.

Mr. QUIE. So you wouldn't expect that there would be the necessity of joining?

Mr. MEANY. There would be no loss for us. We are not getting any dues from them now; if we help these people get work and still don't get any dues from them, we would be where we are now.

The question of unionization doesn't enter into our thinking at all. We are trying to help people who need help.

Mr. QUIE. What kind of work would there be in here for the underemployed and the unemployed Negro youth that you specify in your testimony as the group with the largest unemployment?

And I always have a feeling that if we should solve the problem for those who are in the worse States, you kind of solve the problems for the others on the backstroke.

Now, is there anything in here that would be of specific help to the unemployed Negro youth?

Mr. MEANY. I don't think there is anything in the bill that draws a line between the unemployed Negro youth and the unemployed white youth. Nevertheless, I would reemphasize the significance of the unemployment figures and the possibility that this sort of a project would do some good.

Now, if I was administering this legislation, I would certainly pay a great deal more attention to the critical areas of the cities than I would to any other. But, at the same time, I don't think you can write legislation and say that you must go into that area alone.

I point this out, because it is quite obvious to me from the experience in the past year or two that there is a connection between the arson and the looting and the rioting and the 26-percent unemployment for Negro teenagers.

That is what I am talking about.

Mr. QUIE. If undoubtedly there would be a limited amount of money compared to the demand for this program, and the Secretary would have to decide which projects he would approve, would you expect, because of the great need for such a program for unemployed Negro youth, that if one project was to assist them, and another was to assist

underemployed white adults, that there would be preference given to the one for the Negro youth?

Mr. MEANY. I think that would be a matter of judgment for the Secretary. I am not trying to prejudge what he would do. If I was the Secretary, I would give the preference; yes. I don't know what he would feel was his duty.

Mr. QUIE. Then the result would be that the Negro youth gained some skills. I have seen the figures on the percentage of the people in the minority grades in the various areas of blue-collar workers, and there is a higher percentage of laborers who are Negroes than there are Negroes in the population, but of the craftsmen, there is a lower percentage of Negroes who are craftsmen than there are Negroes in the population.

We have some criticism that some of the craft unions are not as open as might be expected.

Mr. MEANY. That criticism is very valid. But we are working very hard, and I think we are improving the situation; improving it quite rapidly. We are cooperating in this with the manpower training section of the Department of Labor.

I think the criticism is a valid one.

Mr. QUIE. Then if these Negro youth gain skills, which would enable them to join the craft unions, because undoubtedly, they wouldn't want to stay in this employment forever, they would like to get employment, what would the senior organization or parent organization do to encourage the locals to include them?

Mr. MEANY. As far as that is concerned, you say if they get the skill that makes them qualified will unions accept them? We are over that hump. Any Negro who has the skill, can get in the union any place in the country, and this applies to all of the building trades unions.

Our big problem now with the building trades unions is to get the qualified applicants for the apprenticeship training that will get them into the union. This is the only route, the only road they can follow to get into the building trades unions.

There may be an odd case here and there, where a man is past the apprenticeship age, and who hasn't acquired the skills, but the door is open for those people right now.

Our big job, now, is to recruit. Congressman Ford mentioned the changes in factory employment. There has been a tremendous difference in the employment of highly skilled people, not only in factories, but also in the construction industry.

When I started in the construction industry, if you had a grammar school education, you were pretty good. You could start without that, but if you had that, you were in pretty good shape.

You can't start at these highly skilled trades today without a high school education. It is completely impractical.

You couldn't train a boy to be a skilled electrician, and to meet the demands of the trade, or even a skilled pipefitter, without a high school education.

We have a thousand men, for instance, that carry the title "Pipefitter," who work down at Cape Canaveral, and they are just about as far removed from what I knew as a pipefitter 30 or 40 years ago as it is possible to be. They handle materials that almost require the background of a graduate engineer.

As I say, the door is open, but now the job for the unions is to encourage training of these people; not to sit back and say, "Well, if they have got the skills, we will let them in."

We think unions must do more than that, and then there is another problem. You talk about the Negro holding the unskilled jobs. This is true, too. This has been true in the past to a great degree because of employer practices in hiring Negroes, and proclaiming themselves a good open employer, but then, allowing the Negroes only to reach a certain job classification, and then promotion is blocked.

Well, we have collective bargaining contracts, and practically all of our contracts today are designed to stop that practice. Negroes can now progress beyond this roof that was placed over them, because of a color bar, not on hiring, but a color bar on advancement and progressing in the trade.

But, when you say there has been some criticism of the construction trades, I say again, that this criticism is valid. I think we are making tremendous progress, and we are doing a little better every day.

Mr. QUIE. I talked to some employers who have used the requirement of high school graduation as one that is necessary for employment. Some of them have now changed their policies so that they will even hire some people who can't even fill out a job application in order to get them started.

Are you working with your locals to encourage them, because of this huge problem in the ghetto of the city, that they do reduce some of their entry requirements for their apprenticeship program?

Mr. MEANY. No. You are talking about employers who are hiring people for unskilled and semiskilled work. We are not asking our craft unions to lower their requirements for a very, very practical reason: You lower the requirement of the skill, you turn out a journeyman mechanic with a journeyman's card, and a journeyman's title, but the man is not really a journeyman.

Now what happens? Within a year or two, he will find that there is only a certain percentage of jobs open to him, and that he is not able to compete with the people who hold the same title. Now, some of these jobs are quite seasonal. The fellow who does not have the skill, although he has the journeyman's card and pays the journeyman's dues, is going to get cheated.

He is not going to get work.

So, insofar, as the skilled unions lowering their standards, the answer is "No." They will not lower their standards. Instead, they will help those who want to be helped learn to meet those standards.

Mr. STEIGER. Will the gentleman yield?

Mr. QUIE. Are you talking about the standard after they have completed their apprenticeship program, or the standards that are set for entrance into the apprenticeship program?

Mr. MEANY. Oh, I see what you mean. You are talking about the standards for entry.

Mr. QUIE. For entry.

Mr. MEANY. Well, I think the unions are trying to meet that in this way: Where the boy doesn't have the standards, the unions have what you call the work program, and the apprenticeship program, and also an additional educational program.

Yes; the unions are helping in this area. In other words, if a boy had 2 years of high school, I think that the union can find some way to help him. If he does not have certain mathematical requirements that he has to have, we can help him learn what he failed to learn in grade school.

Mr. QUIE. I was referring to comments of Robert Mangrum, who is the chairman of the New York State Commission on Human Rights, who said that the building trades too often based their standards for entry to discriminate against the Negro and the youth, where some of the requirements for acceptance for apprenticeship programs appear to be based solely on the basis of whim or caprice or thoughtlessness, and such standards have little if any relationship to the actual needs of apprenticeship and journeyman skills.

So you are saying, as an employer, that now at least for a time, that we must give the youth a chance—the youth who dropped out of school or for other reasons didn't have what was traditionally called the identification of ability for success—and see if they can't move on to success in the apprenticeship programs as some employers now are letting them do, in an attempt to learn some skills, while they are in employment.

Mr. MEANY. What is the question?

Mr. QUIE. Really, the question is as follows: Is this change that lowers apprentice program entry requirements to be limited or is it getting to be widespread? Are you encouraging it to be done among the local unions?

Mr. MEANY. We are encouraging it in every way, and we have had to meet local resistance.

To begin with, all of our national unions are committed to this policy. Now, the commitment to the policy doesn't mean that just—by that fact—that you wipe out all the past discrimination or local resentment against these so-called minority groups.

As I say, we are making a great deal of progress. We now have the national unions committed. We have civil rights committees set up in all of the national unions. We have a civil rights department of the AFL-CIO that follows this up. I can say to you that while we have a long ways to go, we are making progress and we are breaking down opposition at the local level.

You know, after all, that the national unions include local unions in all the States of the Union. We do have membership in the South. You don't break these prejudices down overnight, but I still say we are making a great deal of progress.

Mr. QUIE. Well, the last question, if I have the time—I don't know if you have followed the 5-minute rule. I have broken that, but I guess the others have, too.

The last one is one which I don't know whether the witness wishes to answer, Mr. Chairman, or you want to, and that is in section 3, regarding the eligible unemployed person is one who is "able, willing, and seeking to work." The gentleman from Michigan, Mr. Ford, was talking about motivation here a minute ago, or a little while ago. What about the youths whom I encounter a number of times in the city and who, when I inquire "What are you planning to do for work?" or "What type of jobs are you seeking?" They reply, "Job? work? are you kidding?"

We are coming to the motivational part. We have got to reach a lot of them, too, of that 26 percent Negro, or a number of whites, too, or Puerto Ricans. We tend to always zero in on the Negro, but he isn't alone in this.

Mr. MEANY. You try to help him even if he isn't seeking to work.

Mr. QUIE. Yes; wouldn't it be good to get some of them into this who wouldn't exactly be seeking work?

Mr. STEIGER. Would the gentleman yield?

Mr. O'HARA. Well, if I could respond to that, we put into the definition of "eligible unemployed person" the words "able, willing, and seeking work," because we don't envision this program as being one that attempts a complete rehabilitation of the citizen who lacks motivation.

We feel that motivation to work is a necessary part of the qualifications of any person to be employed under this act.

We are not going to go out and draft people who don't want to work. But we think that a good deal of the alleged lack of motivation is due to the feeling of many young people, especially members of minority groups, that there isn't any future for them; that they couldn't find a job, or if they found one, it would be a very menial job, that wouldn't lead to anything.

We would like to see this program really work. This and the jobs program on which the administration has embarked, and the manpower development training programs, the programs under the Economic Opportunity Act, were designed so that we could change the outlook for these people, so that they would find an attraction in work that perhaps they haven't found.

Now, as I said, we don't pretend this bill is the entire answer to the problems of America.

We just think it is one of the answers, and an important one.

Mr. QUIE. I will yield.

Mr. STEIGER. I appreciate the gentleman's yielding. I don't want to let pass the discussion that the gentleman from Minnesota, Mr. Quie, and Mr. Meany have had.

May I say to President Meany that the problem he has pinpointed, both in terms of the entry skill level necessary, obtained from basic education, for the building trades professions particularly, which you represent and have represented so well for so many years, and the need for qualified applicants is one that I very much appreciate.

I think that you have an exceedingly difficult job. It is one to which you have given a great deal of attention. I personally congratulate you upon the leadership that you have given in this field.

May I say in a nonpartisan vein that the problem which we have in our society today, I fear, in far too many cases, is because we have become so college-oriented today, it has become not only a question of job opportunity that is supposed to result from a college education, but the social status, on the image status that results from college training.

I think it is wrong. I think it does a disservice to people throughout this country, who play an important role in our society.

I think we have to reverse the psychology, so that we give credit as it must be given to those in the skilled trades, and in the work force, for the fact is that we can't have everybody be a college graduate.

If we do, we are going to be in real trouble in this country. To paraphrase John Gardner, before he became Secretary of Health, Education, and Welfare, in his famous Carnegie Foundation report, when he said, "You know, we aren't training any skilled plumbers any more. We can't get people to repair cars, and we are about ready to break the society down; unless we get some people who can do these kinds of extremely important work." And I just don't want to let that pass, without making this kind of a comment, and paying tribute to Mr. Meany for what he has done in this field, and to let him know I appreciate the problem he has.

Thank you.

Mr. O'HARA. I want to join in the remarks of Mr. Steiger. I think that, indeed, an outstanding effort has been made with a difficult problem, and sometimes, you know, it is hard to find the answers. Now, I recall one building trades local in the city of Detroit that was in good faith making a real effort to attract young Negroes into their apprenticeship programs, and in doing so, they found that they were in some cases having to wink at the out-and-out requirements of the program.

They were taking some people that couldn't really pass the entrance exams for the apprenticeship program, and then in an effort to stop discrimination, a hard-and-fast rule was imposed on them, "You can accept people only on the basis of the scores they make on the examinations."

And so this local, for instance, had to change its method of giving a little leeway to the minority group youngsters, and now they are getting fewer minority group youngsters in their program than they were getting a couple of years ago, and so it is a difficult problem. Maybe that helped in some places, that tightened-up requirement, but in other places, it hurt a little bit.

Mr. MEANY. I would like to make one more point on this subject. I spoke before about our civil rights department. We have one man working out of our Washington office, in that department, whose sole job is to develop what we call outreach programs for the various building trades councils.

Under these programs the building trades councils go out looking for people in the minority groups to bring them in and to train them. We now have building trades councils in 30 cities—30 of our major cities—engaged in this activity. These councils have a going program, to go out and reach these people, and we are getting more cities every month into this effort.

This is the point I think that Congressman Steiger was making.

Mr. O'HARA. Well, if Mr. Pucinski would bear with me for just one moment more, I would like to refer back to a question Mr. Quie asked, whether or not a preference would be given in hiring under this program, based upon race, and I would like to suggest as one of the sponsors in the bill that this certainly was not my intention.

I don't think that we ought to distinguish between unemployed individuals who meet the qualifications set forth in section 3, subsection 1.

Mr. QUIE. Would the gentleman yield?

Mr. O'HARA. Yes.

Mr. QUIE. My question was not in reference to if there would be preference in hiring on a specific project, but rather, if a project would have as its effect the hiring of unemployed Negro youth versus one in another area, where there weren't many Negroes, but would result in the hiring of underemployed white adults, who would have preference. And, as I understood Mr. Meany, if he were the Secretary, he would give preference to the hiring of unemployed Negro youth, and he gave the inference that that is undoubtedly the way it would be administered.

Mr. O'HARA. Well, I don't know if I agree with that. I would like to see this program colorblind. I don't even want to know on the applications what the race is, if I were the Secretary of Labor, which I am glad I am not.

Mr. QUIE. Would the gentleman yield further?

How do you enforce the Civil Rights Act of 1964 if you are colorblind?

Mr. O'HARA. Well, I think that you can enforce it by having the employers be colorblind. The only reason you need to recognize a color factor is in determining if you are complying with title 7 of the Civil Rights Act of 1964. You have to maintain some sort of check, to see that they are colorblind, if that is the way you want them to perform.

You remember, you worked hard on title 7, and so did I, and we specifically wrote in there that there would be no quotas, none of this business of so many white and so many Negro.

We didn't want that. We wanted the employers to hire on the basis of the qualifications and time of application and other objective factors. And I think that employment under this program ought to work the same way.

Mr. QUIE. But if there is equality and justice all around, in effect, you would have to give preference or what may appear to be preference? If there is 26 percent unemployed with one group, and 4 percent unemployed with another group, certainly the problem is greater where there is 26 percent unemployed, and you have to agree with that.

Mr. O'HARA. I don't look at them as two groups.

Mr. QUIE. And sometimes, when you are colorblind, you can have, as you know, the front office Negro in a business. That isn't exactly solving too many problems.

Mr. O'HARA. I don't look at them as two groups. I look at them all as employed workers, and because I think a high percentage of unemployed workers are Negroes, then you would get a high percentage of Negroes in the program.

Mr. SCHEUER. Will my colleague yield on that point?

Mr. O'HARA. I yield to the gentleman from New York.

Mr. SCHEUER. Mr. Chairman, I just wish to say that experience with the new careers program, which is in many senses an interesting forerunner of your program, proves exactly the point you are making.

We have new careers programs operative in 50 cities across the country now, designed especially for the hard-core, long-term hard-core structurally unemployed.

In New York City, most of the several thousand kids in the new careers programs are Negroes and Puerto Ricans. There are some white

people in the program who are poor and who are needful. On the west coast, most of them in the Los Angeles area are Mexican-Americans, but there are some white Anglo-Saxon youth, too, so I think the selection process pretty well takes care of itself.

The young people who need the training, the literacy skills, the accounting training, the orientation and the like, are drawn into the program by the natural process of selection, by the counseling available, by their churches, their schools, the other community institutions, and it works out to meet the need without any highly refined selection process at all.

MR. O'HARA. I thank the gentleman, and now I would like to recognize the monumental restraint that has been exhibited by our colleague from Illinois, Mr. Pucinski, who has been patiently waiting his turn.

Mr. Pucinski?

MR. PUCINSKI. Mr. Chairman, it has been no problem for me to wait, because you were very kind to invite those of us who are not members of this subcommittee to hear the testimony of our distinguished witness here this morning, and so it was a pleasure to listen to the discussion.

I thank you for inviting us, and I would like to congratulate Mr. Meany for his contribution this morning. Certainly, Mr. Meany brings to us facts and figures and statistics that again illustrate how serious the problem is.

When you have three and a half million hard-core unemployed in this country, you have social dynamite, and I think that Mr. Meany quite properly was urging Congress to take some action in view of this problem.

Mr. Meany, referring to your statement on page 3, the main thrust of this legislation is to provide some Federal assistance to create 1 million employment positions in parks, schools, hospitals, playgrounds, libraries, public buildings, in jobs, as the bill provides, in the public service area.

I wonder what would be your reaction to an amendment that would give the highest priority in this legislation to jobs that the cities need the most today?

That is, in the housekeeping needs of every major city. In my district, street repairs, sidewalk repairs, curbs, alleys, repairs to public buildings, tree trimming and cutting.

If we were to survey your membership in my district, which includes some of the highest taxpayers in the country in terms of real estate taxes, they are crying out for some help in these areas, and as long as the Federal Government wants to spend \$4 million in assistance to create jobs—as you say here, when no one else will do it, the Federal Government ought to do it.

You say, "The Government must be the employer of last resort. The time for such action is now."

I agree with you, of course, but what would be your reaction if we gave the highest priority to those communities that want to use this assistance for this kind of program?

Now, I have no great quarrel with public works programs. In my city, one of the finest schools in America, a showplace today for the State department of vocational education, was built with Federal

funds. And as I look across this country, thank God that 30 years ago, we had a Federal public works program, because it has certainly made this country, has provided services that local communities never could have provided, from their own resources. So I was wondering, what would be your reaction to this sort of an amendment?

Mr. MEANY. Well, I think that you are getting away from our major problem here, which is the unemployed and the underemployed. I wouldn't approve of that sort of an approach. I think that there shouldn't be any question of a priority for a city or an area.

I think we ought to look at this from the point of view of the workers, the possible people who could be employed, and not at a particular need of a particular city.

Mr. PUCINSKI. All right, then let's forget for a moment the priority. Would you be agreeable to amend this legislation to permit those municipalities which want to use this help for those programs to be able to do that?

Now, as I read this law, and if I can anticipate the guidelines—and you know, we have become a nation of guidelines, now—if I can anticipate the guidelines, my judgment is that there will be either a very low priority or no permission granted to use this help for the kind of programs that I have been enumerating here.

My judgment is that most of this money is going to find its way into, as you say, parks, schools, hospitals, playgrounds, libraries, and public buildings.

My suggestion to you is that if you were to come into my district, and talk to my constituents, you will find that if there is going to be a Federal program of assistance, my constituents would like to see that program fixing curbs, paving streets, paving alleys, trimming trees, this is the kind of services that my people would like.

Now, I am asking you whether you would have any objection if we broadened this bill to permit a municipality to use this help in that manner, if that is the way it wants to use it.

Mr. MEANY. I think you are talking about a different subject, and a different approach. I think you are talking about something that we advocated very strongly a few years ago. The program that we supported, but which was dropped, came under the Public Works Committee of the House. It was our so-called accelerated public works program.

I think this is a different problem. We are talking about people, and the needs of people; not the needs of one community as opposed to the other.

Mr. PUCINSKI. Well, Mr. Meany, what is wrong with letting the municipality decide how they are going to use these funds?

Mr. MEANY. Nothing is wrong. Get another piece of legislation. I don't want to see it in this legislation.

Mr. PUCINSKI. Well, one of the most effective programs in Chicago right now is under the poverty program, we have a rodent control program, and we hire 200 people, and I believe we are going to be the first city in this country that has put together an effective team of highly skilled workers who are today able to deal with a problem that has plagued mankind from its very beginning, rodent control.

Now, what is wrong with putting into this legislation a greater degree of latitude, so that if a community wants to use the help that

way, there will be no limitations or restrictions here? Are you suggesting that this legislation has to be limited to creating jobs in the so-called public service area of parks, schools, hospitals, playgrounds, libraries, and public buildings? Is that what we are saying here today?

Mr. MEANY. That is what the bill says.

Mr. PUCINSKI. Well, I am asking you whether you would have any strong objection if we broadened that bill.

Mr. MEANY. Yes, I would.

Mr. PUCINSKI. And I wonder why.

Mr. MEANY. Because I think you are getting away from the real purpose of this program.

Mr. O'HARA. Would the gentleman from Chicago yield for a moment?

Mr. PUCINSKI. Yes.

Mr. MEANY. The real purpose of this program is to help unemployed people, not to help the communities.

Mr. PUCINSKI. Well, Mr. Meany, are you suggesting that a man who is trained to be a tree trimmer is not going to get employment? If we want to, under this legislation, take a fellow and teach him how to wreck buildings, for example, we would fill a great shortage.

As a matter of fact, the wrecking units are trying to get manpower training jobs, in order to get people, the hardcore unemployed, to become wreckers, because the big business—

Mr. MEANY. I am sorry, I am in complete disagreement. This is a different problem, and a different approach.

Mr. O'HARA. Will the gentleman yield?

Mr. MEANY. If you want to do something on that end of it, introduce a bill. We would most likely be supporting it. I don't think you should clutter up this bill with it.

Mr. O'HARA. If the Chair could comment on this, I think the confusion here arises from the fact that the gentleman from Illinois has described several types of projects, some of which would come under the field of public works, and, of course, as the witness has pointed out, we do not envisage undertaking any public works projects under this legislation, but he has also mentioned a couple of areas of activity that I think would be eligible for assistance under this act.

Now, when you talk about repaving roads, or building curbs, or other types of typical public works activity, I would say "No."

But if you are talking about clean up, alley clean up, tree trimming, whether it is in the parks or along the streets, I think that would be eligible.

Mr. PUCINSKI. Well, now, Mr. Chairman, would you yield on that point? As I see this bill if it does not provide any means for spending Federal funds for buying cement and bricks and all the other things, I think you are right.

This is a program designed to provide funds for manpower. And I agree with you on that point, and I would agree with the witness.

But if a municipality wants to provide all of the material and then train unemployed people to lay curb or to trim trees, if they want to use this money for paying the cost of manpower, without using any Federal funds for material, can this be done, in your bill?

Mr. O'HARA. Well, the answer, the short answer to that question is that I hadn't, that I just had dismissed from my mind the idea of public works employment as part of this act.

The way you put it, if the municipality or some other governmental unit is willing to pay all of the capital costs of a public works endeavor, and simply use funds under this act to put additional people to work under a public works endeavor, I will have to say to the gentleman in all candor, that I hadn't thought about it, and I would be happy to give it some thought, and be willing to clarify that point when we get around to reporting this bill.

Mr. PUCINSKI. I wonder if Mr. Meany would have any comments on that?

Mr. MEANY. My comment is what I have said before. I don't think you should clutter up this bill with that sort of approach. You have the Public Works Committee and you have got accelerated public works programs. Go right back to it, Mr. Pucinski, and we will be with you, but this is a different problem.

You are talking about the needs of municipalities. We are talking about the needs of people.

Mr. PUCINSKI. Well, we need 1 million workers, and in this bill, we are trying to stimulate 1 million people and put them in the main stream of the national economy.

And to that extent, I think this bill is good, but I don't believe that this bill should be limited to the narrow areas I see defined in this bill.

If a municipality wants to train people to be tree trimmers under this bill, and if a municipality needs tree trimmers, I believe that municipality should have that right.

Now, what is wrong with that logic?

Mr. SCHEUER. Mr. Chairman, they could do it under this bill.

Mr. PUCINSKI. That is what I want to find out.

Mr. MEANY. You are talking about tree trimming. Tree trimming is one thing, but you talked before about house wrecking.

Mr. PUCINSKI. Yes; sure.

Mr. MEANY. House wrecking. The most highly skilled trade in construction is house wrecking.

Mr. PUCINSKI. I agree with you.

Mr. MEANY. House wrecking demands greater skill than anything we have talked about before.

Mr. PUCINSKI. I agree with you.

Mr. MEANY. I don't believe that you can throw house wrecking into this bill.

Mr. PUCINSKI. But if you had an urban renewal program, and a union in the city of Chicago that wanted to work under this program, to bring some people in, are you saying that this couldn't be done in this bill?

Mr. MEANY. I am saying that I am opposed to it being done under this program. I am saying that it is just as simple as that. I repeat again, Mr. Pucinski, you are talking about the needs of municipalities, I am talking about the needs of people for jobs.

If you want to do these things, get back to your accelerated public works—

Mr. PUCINSKI. Mr. Meany, the public works program—

Mr. MEANY (continuing). Which brought Federal aid to municipalities that had programs in blueprint form and were ready to move forward, creating jobs.

Mr. PUCINSKI. Now, the public works program, of course, as you well know, provided Federal funds for the whole works, including material, including land acquisition that was necessary, including everything.

We are talking here now about taking 1 million people and putting them to work. And all I am asking you is whether or not you would have any strong objections if we provided enough latitude in this bill to do that.

Mr. MEANY. How many times do I have to say, "no"? I have strong objections.

Mr. PUCINSKI. All right.

Mr. MEANY. I have said that. So please, if you want to ask it again, I will say "no" again.

Mr. PUCINSKI. You object, as I understand it, to putting the latitude in this bill?

Mr. MEANY. Yes.

Mr. PUCINSKI. That would give to municipalities—

Mr. MEANY. That is what I object to.

Mr. PUCINSKI (continuing). The choice to see how best they can use these people.

Mr. MEANY. That is right; that is what I object to.

Mr. PUCINSKI. That is what we have witnesses for.

Mr. MEANY. All right, that is what makes horseracing.

Mr. PUCINSKI. This bill provides for \$4 million and anticipates hiring a million workers. My figures would indicate that this means approximately \$4,000 a year per worker, for salary, if all the money went to salaries.

Now, I am just wondering whether or not you feel that we can really attain this kind of a goal, and whether we can get people, whether they are hard-core unemployed, or whatever they are.

Now, you are going to need some of this money for administrative costs, obviously.

Mr. MEANY. You are going to need some for administrative costs and you are going to need some for training, but as I said before, you are not going to pass this bill and have it signed by the President and hire a million people the next morning.

Mr. PUCINSKI. That is correct.

Mr. MEANY. You are going to gradually build up to it, and during the first year, the bill authorizes \$4 million.

Mr. PUCINSKI. You anticipated that will go up substantially higher?

Mr. MEANY. I suppose so; yes, sir.

Mr. PUCINSKI. Thank you very much, Mr. Meany.

Mr. O'HARA. Mr. Scheuer, do you have any questions?

Mr. SCHEUER. Well, I want to thank the gentleman, Mr. Meany, for his very interesting testimony. Mr. Meany has testified that he supports a bill to permit municipalities to employ disadvantaged

people to work in health services, education services, welfare services, park and playground services, law enforcement services, where the estimate of professionals has been that the need is up to 4½ million people. I think that that is not really limiting very much the flexibility of cities.

It seems to me they have a great many operations in the public services. I don't think they feel very limited. The urban communities that I am familiar with have the deepest kind of problems in just exactly these fields of public services, and I am willing to warrant that if I went out to Congressman Pucinski's district, and asked them what kind of public service they needed most, topmost on the list would not be filling potholes.

It would be more law enforcement, more—

Mr. PUCINSKI. Would you yield?

Mr. SCHEUER. I think police-community relations today, police auxiliaries—

Mr. PUCINSKI. Our friend, let me tell you, you speak for your district, Roman Pucinski speaks for his district. I don't know about your district, Jim, but I do know about my district well, and I know what my big problem is.

My big problem right now, tree trimming, curbs, and I am just telling you what my constituency wants.

Mr. SCHEUER. Well, I think I know something about urban communities across this country, and I think that if you did a poll of all of the services that these communities need, tree trimming would come down way at the bottom of the priority list.

Mr. PUCINSKI. In Brooklyn, maybe.

Mr. SCHEUER. I am not talking about Brooklyn.

Mr. STEIGER. They have a tree in Brooklyn.

Mr. SCHEUER. That is right, a tree grew in Brooklyn once.

I would like to acknowledge the role that the AFL-CIO has played in getting a modest prototype program of new careers started. In the summer of 1965, I recall having a lunch with Nat Goldfinger and Leon Keyserling and one or two other distinguished economists about the needs for just exactly this kind of a public service careers program, and I remember getting wise counsel and generous advice from Mr. Goldfinger, and from that, just a year later, we did pass the new careers amendment to the Economic Opportunity Act, and it is now in full operation, in 50 cities.

And just to calm the possible fears of my colleagues, it is working, the natural selective forces seem to produce the cadre of workers who need the help.

The needs of Negroes and Puerto Ricans, where they are at the low end of the totem pole, and Mexican Americans on the west coast, and of French Canadians in Maine and Vermont, have been met and without a lot of advanced planning.

It just worked out that way, and it isn't providing dead end jobs, with the depressing lack of advancement, doing only the most menial work.

People in these public services are being assured on-the-job training, built in opportunities for promotion advancement. And the best sense that we have been able to get of this kind of public service really, research and demonstration programs, is that it works.

It fills a desperate need on the part of the people looking for work, looking for new hope, new opportunities, the fulfillment of their aspirations, and it fills just as desperate a need in the municipalities, with the health aides, the education aides, the welfare aides, the department playground recreation aides, that they need to round out their preferred professional personnel, so I do wish to congratulate you on your fine testimony, and thank Mr. Goldfinger for the great help that he gave us 3 years ago, in getting a prototype program of this kind passed and going.

Mr. O'HARA. Mr. Erlenborn?

Mr. ERLBORN. Thank you, Mr. Chairman. I have just one or two questions of Mr. Meany.

First of all, I noticed in reading this bill the great emphasis seems to be on jobs, jobs now, and the employment of those without any great skill.

Nothing in section 2, which is the declaration of congressional intent mentions anything at all about training to upgrade skills.

About the only reference to that seems to be an afterthought, in section 14, but it is not even referred to in the expression of congressional intent. Would you interpret this to mean, and do you think this bill is, a make work sort of thing?

Mr. MEANY. No.

Mr. ERLBORN. That it is not intended to upgrade the skills and the training of people, so that they can have the higher grade employment?

Mr. MEANY. I think that is the intent in section 14. I hope it is.

Mr. ERLBORN. Wouldn't you think that if it were the intent of the bill, it would be expressed in section 2, which is the expression of congressional intent?

Mr. MEANY. I don't know. I am not a bill drafter, so I can't tell you where it belongs, but I think this is the intent. I hope it is.

Mr. O'HARA. Will the gentleman yield?

Mr. ERLBORN. I will be happy to yield.

Mr. O'HARA. I think it would be hard to contend that the section just ahead of the \$4 billion authorization is an afterthought.

Mr. ERLBORN. I would think, if it were the intent of this bill, that section 2 expressing the intent would have some reference to training, education, and upgrading of skills, and getting better employment than make work public works employment, as contemplated by this bill.

The other thing that impresses me about this bill is the type of employment that is contemplated.

Public employment in hospitals, nonprofit organizations, governmental institutions, and so forth, seems to be merely directed toward the cities. My impression is that the programs that would be improved by this bill would be predominantly in the cities, and that there is not much of an emphasis here on rural America, on the type of employment that might be available, the kind of programs that might be designed for Appalachia and other rural parts of America, where there is a great deal of unemployment and underemployment.

What is your impression in this area, as to whether these jobs would be created?

Mr. MEANY. Well, I think the jobs would be created where there was the greatest need, and it would seem to me that that would be, at the present moment, in the cities. I don't think that the bill omits the suburbs or the rural areas, but I think that our major problem today is in the cities.

Mr. ERLBORN. Well, apparently you agree with me that the thrust of the bill is public employment in the cities, where this sort of employment will be readily available.

Mr. MEANY. Yes.

Mr. ERLBORN. If this is true, or whether it is true or not, I think the criteria for those to be employed, as set forth in this bill, is markedly different than that now employed by the Department of Labor, in their administration order No. 2-68, which defines the term "disadvantaged individual" for the purpose of manpower programs in the Department of Labor as a person "who does not have suitable employment, who is either a school dropout, a member of a minority, under 22 years of age, 45 years of age or over, or handicapped."

Now, this bill, by deviating from that sort of a definition, is obviously intended to reach a different group; and it is pointed out by Congressman Quie, one of the very outstanding obvious differences in the definition is "one who is seeking employment."

So it would appear that this bill is—

Mr. MEANY. I think the group you mention is in this bill.

Mr. ERLBORN. Oh, I think that they may be.

Mr. MEANY. But this bill broadens it.

Mr. ERLBORN. They may be under this definition; but it would seem to me that, when you and the sponsor of this bill say they must be people who are motivated and seeking employment, this is colorblind; the U.S. Department of Labor today is not colorblind. They give special preference to a minority member, and they define them as Negro, Filipino, Chinese, and Asian. This bill very carefully avoids that sort of preference. And it would seem to me that the thrust of this bill will be urban American, and will be, primarily, the unemployed or underemployed white who is motivated and seeking employment.

Mr. BIEMILLER. Oh, no.

Mr. MEANY. Oh, I don't agree with that. I think you must leave something to the commonsense of the people who are going to implement this legislation.

Now, surely, if you have an area where your unemployment rate is high, where more of these people live, you are going to direct your attention to that area. I think you would, at least, give it some priority and I think this would tend to reach the major area of need.

Now, if that area happened to have a larger percentage of non-whites, so be it, but I don't think this would be the controlling question. I think if I was administering the program, and I had an area of a city where the unemployment rate was 26 percent—as opposed to 3 percent in the other area—that is the area I would look into, searching for people who met the qualifications.

Mr. O'HARA. Will the gentleman yield for a moment?

Mr. ERLBORN. I will be happy to yield.

Mr. O'HARA. The gentleman's thesis is that this bill is directed largely toward urban America. I would agree that a large part of its

impact would be in urban America, although it is not directed at urban America.

But then he goes on to say that a large percentage of the unemployed in urban America are Negroes, and that is certainly correct, and then he says that because this bill defines unemployed as someone who is seeking work, that that would disqualify Negroes, and build in a bias toward whites.

Now, the implication of that statement is that Negroes aren't willing to work. Well, not only do I think that that implication is incorrect, I think that it is one that ought to be corrected.

I don't think that we can ascribe to Negroes or to any other group any tendency of unwillingness to work, and I would very sharply disagree with that implication.

Mr. ERLNBORN. Well, all I can say is that anyone reading this transcript will see that the gentleman has not repeated my statement, but has paraphrased it in such a way as to make an assumption that was not in my statement.

I will say that the thrust of most of our programs to date has been to give motivation to those who are unemployed and underemployed, because they lack the kind of motivation necessary. The gentleman's bill is—the implication is—that only those who are already motivated will gain any benefit under this bill.

If Mr. Meany's assumption is correct that we can rely on the discretion of the administrator, then I just wonder why the Manpower Administration specified preference to be given to the school dropout, the minority member, people under 22 or over 45?

There must have been some rationale for that, with which the gentleman from Michigan doesn't agree. He obviously must be intending this bill to have a thrust toward a different group.

Mr. O'HARA. The manpower program under which those criteria are drawn up is now requiring the majority of the manpower MDTA trainees be from disadvantaged groups, and they define disadvantaged groups as the gentleman has described.

That is the definition they are using. We are talking about unemployed, including those who would meet the definition of disadvantaged, and those who might not meet the definition of disadvantaged, but unemployed. We are talking about a jobs program and we are talking about people willing to work, because it is rather futile, it seems to me, to talk about providing jobs for people that don't want to work.

That is a problem, although not as great a problem as some people seem to think it is, but when you are talking about a jobs program, obviously, you can provide a job only for someone who wants a job.

It would be the height of futility to create a job program, and then confine it to those that don't want to work.

Mr. ERLNBORN. I think it is very interesting to note that the bill leaves out two goals. First of all, motivating those who are not presently motivated, and second, upgrading the skill of people. These goals are not even found in the declaration of intention.

I think it is very interesting to note that these have apparently been purposely left out of this bill.

My last observation would be that it is also interesting that the exact sum called for in this bill—\$4 billion for the coming fiscal

year—is the same amount that the Ways and Means Committee just yesterday decided it ought to cut from the budget.

I thank you, Mr. Chairman.

Mr. PUCINSKI. Mr. Chairman, can I—

Mr. O'HARA. Well, just a moment. The bill was introduced August 10, 1967, and I didn't know yesterday morning what the Ways and Means Committee was going to arrive at. I didn't know until yesterday afternoon what they were going to arrive at.

But I would just want to point out that section 14 clearly envisages training of people employed under this act. Now, what we are trying to do here is supply what has been in the past a missing element of an overall national manpower policy. We have training programs. They aren't all that we want them to be, and they aren't as big as they ought to be, but their primary orientation is training. Yet, we find that there is a gap in our manpower policy, at least there is in my opinion. That gap is that there ought to be some manpower programs aimed primarily at employment that would include training, instead of the other way, primarily training that might or might not include employment, while the training is taking place.

In my view, this bill is an effort to fill that gap, and to arrive at a very necessary and important element of a successful national manpower policy, and that is really why I put it in this way, with the primary focus on the employment, and with an inclusion of training, rather than the other way about, you see.

Mr. PUCINSKI. Mr. Chairman.

Mr. O'HARA. Yes.

Mr. PUCINSKI. I wonder if I could just make one point clear here. I think it is perfectly clear that Mr. Meany and I have no difference on principle. I think both of us are endeavoring to pass legislation that will create job opportunities for people who want to work. I think whatever differences we may have is on methods. Mr. Meany feels that this legislation ought to be limited to human services of the kind that he has described in his testimony.

My own feeling is that the bill would have a better chance if it were broadened to include a greater degree of discretion on the part of local authorities.

Is that a reasonably fair statement, Mr. Meany?

Mr. MEANY. I would say so; yes, sir.

Mr. PUCINSKI. Thank you very much.

Mr. O'HARA. Mr. Esch, do you have any questions?

Mr. ESCH. Thank you very much, Mr. Chairman. Mr. Meany, on page 7 of the testimony, you indicated that H.R. 12280 does not preclude the importance of private business efforts to hire some of the hard-core unemployed.

You went on to indicate that the hiring of the unemployed or the underemployed by private business can hardly be expected to meet the needs of the large numbers of disadvantaged unemployed and underemployed rapidly enough.

In other words, you believe that the present economy now or in the future, is not capable of hiring all individuals who want employment; is that correct?

Mr. MEANY. No. I don't think so. I think you have a situation today where despite the high unemployment rate, we have shortages in vari-

ous occupations. People who are unemployable from private industry's standpoint, at the moment, through lack of training, so on and so forth, are employable in public service jobs.

I support the efforts of the National Business Alliance. I think that we are cooperating with them, in a very, very effective way. We are helping in every way we can, but I think there is a limit to what the alliance is doing, and there is a limit to the number of businessmen who participate.

These are the big corporations of America, and of course, the local chambers of commerce and so on and so forth, but there are any number of business establishments that will not be reached by this thing at all.

Mr. ESCH. Fine. Thank you very much, Mr. Meany.

I would just like to make an observation, Mr. Chairman, that this is the reason why the National Manpower Act of 1968 was developed from suggestions of the Kerner report—to reach out and involve all of the private sector, rather than just the large employers, as Mr. Meany indicated.

One other observation, Mr. Chairman, that the statement which our witness gave today suggests that what we really need to do is to get back to Federal public works, and I think perhaps this is the issue at point.

Are we going to return to the 1930 public work era which apparently has not been completely successful, or are we going to be more imaginative, creative, and innovative, involving the private sector?

Mr. MEANY. I don't think the public works effort, if you are speaking of PWA, was unsuccessful. I am quite sure the accelerated public works that we had a few years ago was certainly successful.

And if you want to talk about public works, I think there are thousands of things, thousands of projects that are ready to go, for the counties, the cities, the municipalities, all throughout this country. All they need is some assistance from the Federal Government.

And I certainly would like to meet Mr. Pucinski's problem by seeing a large accelerated public works program.

Mr. ESCH. Mr. Meany, you don't believe that public works is the answer, however; do you?

Mr. MEANY. Oh, no. Oh, no.

Mr. ESCH. Very well, that is the point I wanted to make clear.

Thank you very much.

Mr. MEANY. I don't think this jobs program is the whole answer. I think it is part of the answer. I think public works is part of the answer.

Mr. ESCH. If you had \$4 billion to spend, would you spend it on a program like this, or would you try to get all of the private sector involved in the program?

Mr. MEANY. No, at the present time, I would spend it on a program like this.

Mr. QUIE. Mr. Chairman.

Mr. O'HARA. Mr. Quie.

Mr. QUIE. I don't believe that the bill is clear on the amount of money which could be used in the costs of administration or services, or even purchase of materials in the work on a local level.

It is my understanding that the \$4 billion is to be used for the salaries or the wages of the employees.

Would you believe it would be wise if we limited this expenditure to the recipient, aid to the recipients themselves, that is, in payment of wages, and that locally, they should find materials, services, et cetera?

Mr. MEANY. I think this aid should be the thrust of the bill, rather than anything else, but I certainly wouldn't add a strict limitation. That just wouldn't make sense.

Mr. QUIE. Well, we saw what happened in the poverty program, the huge percentages that went for professionals to do planning.

The costs were extremely high.

Mr. MEANY. I hope we don't have excessive administrative costs in this bill.

Mr. QUIE. You hope you don't have the same things happen in this one?

Mr. MEANY. I say, I hope it doesn't happen under this bill.

Mr. O'HARA. Well, I would like to respond to the gentleman as well by saying that we set this up as a jobs program, with a training component, but without a social rehabilitation component, really, and without direct Federal operation. The way I think of it as working is that we would invite proposals from public and private nonprofit agencies, with respect to ways in which they would put people to work, and the costs of doing so, and we would try to select among those proposals in such a way as to get what a former Secretary of Defense once described so succinctly, as "more bang for the buck."

We would try to get the most people in the most meaningful jobs for the least amount of money, and I think that by encouraging proposals, in light of the number of jobs I feel that could be made available, that we could make a selection based upon quality, and cost, and that is how we would hope to keep the cost down somewhat.

Mr. QUIE. Well, if the chairman would yield on that, if there were no limitation on administration, and purchase of services and purchase of materials and all, it would be a conservative figure to say that you are talking about only half as many employees with the \$4 billion as you have been throughout this testimony.

It would be easy for the figure to go over \$8,000 per employee, and substantially over, if any of our experiences in the past have been the case.

However, if you are talking about the fact that the programs are ready to go, and that there is badly needed work, and all that stands in the way is the money to employ people, then if we limited it to just the costs of employment, it would get more "bang for the buck" as the chairman indicates.

Mr. O'HARA. Well, the fact is, I agree with the gentleman, and I hope that it would be limited to that, and perhaps not even all that cost, but I am not trying to hamstring anyone. I think the direction we want to give the Secretary is to approve those projects that promise the greatest results with the lowest cost, and I think that necessarily, that will get him into approving the projects that have the least or no administrative cost associated with them, or with that cost being borne by others, and I just want to let him have some flexibility.

When we have gotten into those limitations before, we always end up writing exceptions, like we did under some of the other acts. We say, "no administrative costs," but in the case of communities that are just flat on their backs, why then you can help pay administrative costs.

I would be happy to consider an amendment of the kind the gentleman described, because that is clearly the intention of this legislation: That we get the most people in jobs at the lowest possible cost. But I just didn't feel up to wrestling with the formulation of that, and I would be happy to work with the gentleman on it.

Mr. Meany, thank you very much for your testimony. We have not only learned something, but we have enjoyed chatting with you.

Mr. MEANY. Thank you.

Mr. O'HARA. The distinguished president of the Communications Workers of America (AFL-CIO) has requested that the following statement be made a part of the hearing. I know we all regret that it is impossible for Mr. Beirne to deliver this statement in person. I ask unanimous consent that it be inserted at this point in the record.

(Mr. Beirne's prepared statement follows:)

STATEMENT BY JOSEPH A. BEIRNE, PRESIDENT, COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO

On behalf of the more than 440,000 men and women represented by the Communications Workers of America, AFL-CIO, I welcome the opportunity to submit this statement of our views in support of H.R. 12280, The Guaranteed Employment Act of 1968.

Let me say that at the outset that it is time we finally did some national soul searching on the subject of our human resources. Of all our national assets—and our country is blessed with an abundance of them—the most valuable by all counts is our human element. Yet traditionally we have treated our human resources much as in the past we have dealt with the problem of our national defense. As we all now admit, our armed forces for many years suffered general neglect in time of peace, and only when the national purpose had sudden and desperate need of them did the country rally to their support. It took the Second World War to make us realize that an adequate armed force was necessary as a vital link in our total diplomatic process. So it is with our nation's human resources.

Our work force is too valuable a commodity to be treated as cavalierly as we have done in years past. It is axiomatic that a fully employed people makes for a prosperous, progressive, viable society. To ignore our human resources, or to treat them with concern only when an emergency strikes, is the height of folly and shortsightedness.

No one can convince me that in this hyper-technical, highly organized society we cannot develop a fully employed work force. It is said that, with all the sophisticated controls at our disposal, a depression such as our country underwent during the thirties cannot reoccur. If this is correct, and I believe it to be so, the same talent, tools and technical prowess that can prevent a great economic depression can surely be deployed to prevent long-term, hard core unemployment.

We must divest ourselves of what I can only describe as our national penchant for placing machines above men.

In our nation's brief history, we won our independence during the Age of Enlightenment, and our founding fathers were guided by the spirit of humanitarianism. Then we built our land into the most powerful on earth through the medium of the industrial revolution. In the doing, however, we have frequently been so absorbed in the mechanics of acquisition and growth that our national purpose often stood endangered by the many who regarded this as the end in itself, rather than the means toward the better, the more humanistic life whose spirit and dimensions find expression in such noble documents as the Declaration of Independence.

Therefore, it is high time that we bring all our vast store of knowledge and skills to bear on this most basic of all domestic problems facing us—that of assuring that jobs will be available to all who want to work and are able to work. We should attack this problem with the same determination that we bring to the eradication of disease or the maintenance of our national defense. No one can deny that full employment shares the highest of priorities in our list of national goals, and indeed the problems of disease and defense are as inexorable linked with full employment as the more obvious problems of our national economic health.

Therefore, it is time we took a fresh new look at this question of jobs. It is time we recognized the fact that the continued unplanned, ad hoc treatment of the problems of the unemployed is not only a national disgrace but a potential national disaster.

For this reason, I welcome the philosophy and intent of H.R. 12280.

The purpose of H.R. 12280, as spelled out at the very beginning of the bill, is “to guarantee productive employment opportunities for those who are unemployed or underemployed.” Certainly this lofty purpose is one to which no American can take exception.

It is Section 2(a) of the bill, however, which spells out a responsibility and an obligation that I believe should henceforth be intertwined in the fabric of our national manpower philosophy, to wit:

“The Congress finds that, in the public interest, it is the responsibility of the Federal Government to find gainful employment for those of our citizens who are able, willing, and seeking to work, but who, for reasons beyond their control as individuals, are unable to find such gainful employment; and that jobs assured by the Federal Government in the exercise of such responsibility will benefit not only those employed but will also benefit the nation generally by assuring a more stable economy and a more stable society.”

When I first read this Section of H.R. 12280, I immediately found a copy of the Full Employment Act of 1946 to check the wording in that 22-year old piece of legislation. I would like to quote the single paragraph, Section 1021, which is the Declaration of Policy of that Act:

“The Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor and state and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.”

It is my contention that the difference between the rather tortured prose of the 1946 Act and the brief, clear statement of H.R. 12280 is symbolic of the complex problems, unstructured ad hoc programs and disjointed attempts that have been made over the past two decades to find a solution to the most pressing domestic problem facing our country: the problem of full employment for all Americans.

This is not to say that the Employment Act of 1946 was not a landmark in our national legislative history—it was, and a notable one, at that.

Up to World War II the traditional concern of whatever national manpower policy we say we had was simply the assurance of an adequate supply of labor, both skilled and unskilled. The national concern in this area was exemplified by the encouragement of immigration up to about 1920, the land-grant college system that was established after the Civil War during that period of agricultural expansion and early industrialization, and finally that program of matching grants for vocational education as industrialization grew more sophisticated.

Even the federally-financed state employment services have been primarily concerned with filling job orders. It was only during the depression of the 1930's that our federal manpower policy began to deal realistically with the crucial problems of unemployment by financing public works programs and various types of work-relief jobs.

It was the Second World War that forced us to adopt gigantic new manpower programs, compelled us to view anew the entire problem of utilizing our human resources to the best national advantage. With millions being drafted into the armed services, we were faced with the task of training and retraining vast

numbers of people for war production. And of course this was done, and done successfully under the impetus of the national emergency.

After the War, primarily during the fifties, our federal manpower policies concentrated on expanding the supply of highly skilled and professional labor. Illustrative of these new interests, I believe, was the establishment of the National Science Foundation and the passage of the National Defense Education Act.

And so, as we all know, our country entered the period of the sixties with one of the highest rates of unemployment since the great depression. Under the impetus of first the Kennedy and then the Johnson Administrations, crash programs were instituted, great sums of money were appropriated, and the nation rapidly became conscious of the need for national programs for manpower development and training. The words automation and technological change soon became a part of our daily vocabulary.

Today, the federal government is fully committed to manpower programs to enhance the basic task of job-finding and to increase the employability of individuals. Manpower is now an integral component of our federal economic policy along with fiscal and monetary policies.

At the present time our federally-supported manpower programs, which are mostly devoted to assisting the unemployed and the undereducated, are costing us on an annual basis \$2.1 billion. And this figure has increased eight times since 1961.

The difficulty, however, has been in the diffusion and confusion of the many federal programs. Our national sensitivity to problems of human distress has been sharpened acutely in the past five or six years, and this is a good thing. But our method of coping with this human distress has left much to be desired.

The underlying factors contributing to unemployment, poverty and other social ills are closely interwoven. However, the Administration and the Congress seem to react separately to each problem, and the antidotes which have been forthcoming have been parceled out on a piecemeal basis. We have witnessed many new programs, most of them good and constructive. But there has been little consideration given to their interaction with one another. As our national manpower needs have become apparent, legislation was quickly forthcoming to satisfy those needs, yet there was no overall plan or philosophy of action. What has resulted has been a period of administrative confusion, duplication, gaps and overlaps. This is not to say that many desirable results were not accomplished during what I would describe as a period of innovation in this area, and the mere fact that the Congress and the Administration recognized the problems and moved to act on them was heartening in itself.

The point is, the time has come, as H.R. 12280 clearly states, "to guarantee productive employment opportunities for those who are unemployed or underemployed."

The time has come to spell out clearly and definitively a strong, forthright national manpower policy in which the federal government accepts the responsibility for assuring that people who are able, willing and seeking work will be granted whatever training, guidance, counseling and relocation assistance as may be needed to guarantee them a productive role in our economy.

In short, the time has come for us to think of the work force as human resources to be developed rather than merely as human capital to be managed.

A great step forward could be taken if we squarely face the fact that the problem of full employment can find economic and social solutions only if there is a political decision to do so.

People must work. If the system is not able to provide the jobs, then I believe we should change the system.

I confess, I find it difficult to understand the reasoning of those people who, during the depression years of the thirties, scoffed at the attempts of the New Deal to put people to work. The name "leaf rakers" became a term of approbrium in those days, and somehow certain people tried to make it appear as though President Roosevelt was doing something terrible by trying to put people to work—even if the work was raking leaves.

I repeat: people must work. It is crucial to every aspect of our lives. Since time began man has recognized that work is vital to the human spirit, to say nothing of economic necessity. So if all we can find for a man to do is rake leaves, then I say let him take rake in hand and go to it.

But which of us would admit that a country as rich and as blessed as ours can do no better for some of our less educated, less skilled citizens than to

settle for leaf raking as their ultimate contribution to the work force and society? We are supposed to live in a humanistic society, gentlemen, a society that has taught the blind to see, the deaf to hear and the mute to speak. We have created vast organizations to teach the physically and mentally handicapped to work, and indeed there are even Presidential commissions dedicated to these ends. Surely we can do less for those whose handicap is less dramatic, less overtly noticeable yet, due to their numbers, infinitely more serious—those who are impoverished because of their lack of skills, training, education . . . who suffer because of their race.

It is time we lifted our moral values into the mid-twentieth century to keep pace with our scientific prowess. And I believe this is what H.R. 12280 does with its intent to guarantee employment opportunities to all Americans who are able, willing and seeking to work.

Of course we are all aware that to achieve full employment we must have something more tangible than good intentions. We must mount a massive, unified, intelligent campaign. H.R. 12280 is a solid step in that direction.

I am well aware that certain casual observers of our economy have taken one long look at the rapid extension of automation and decided that the only future in store for millions of American workers is a permanent government dole—a dole adapted by the age of affluence into a guarantee of income without work. Of course, it's rather nice to find this sudden concern by certain individuals for "surplus" people in our society, but I believe they greatly underestimate what might be achieved by the mounting of a concerted effort by the private and public sectors in the interest of minimizing the adverse effects of the new technology.

I would say that few industries have been as greatly affected by technological change as the communications industry. Nevertheless, we conceive of technology not as a vessel into which people are poured and molded, but as a vehicle that can and should be adapted to the needs of man, and to the furtherance of human ends.

Understandably, our constant concern is for people, for humans whom technology should serve, not enslave. I have no doubt that the failure to preserve this concern for our fellowman will inevitably lead us to the harsh and sterile dominance of technology, and to that group of men who may gain its control.

In our view, therefore, a maximum effort must be made on the federal, state and local levels to match men with the jobs. Workers seeking jobs and employers seeking workers must be brought together more efficiently than has been the case heretofore.

We all recognize that the labor market is a complex market, or group of markets, including all classes of workers from the unskilled to professional and executives. Often labor markets widen as the mobility of the workers increases. There are many cases in which job-changing involved long-distance moves, even coast-to-coast, and this requires a communication system that is nationwide.

Therefore, the first requirement for an orderly labor market and satisfactory adjustment to change is adequate information. The various opportunities that may be available to the individual seeking work is real to him only if he is aware of the job's existence. As it was pointed out in the study on *Technology and the American Economy*, "Displaced workers, those vulnerable to displacement, and those who want to improve their standing in the labor market, can make reasonable appropriate decisions only if they have information, not only about present opportunities, but about the future outlook for alternative occupations."

Accordingly, it seems to me that the time is right for the establishment of an altogether new concept in employing the displaced—a concept based on the idea of utilizing technology to work for us rather than against us. What we would like to see is a nonprofit public service employment corporation, with joint public and private ownership, providing a computerized nationwide service for matching men and jobs. Such an idea envisions local centers feeding regional centers jobs and personnel availability information relevant at that level, and these regional centers in turn feeding into a nationwide job and manpower bank.

Such a corporation, as we see it, would be responsible for bridging the information gap between the displaced workers and the job availability. It would provide the precise type of information that is the first essential in a stable labor market.

Of this we are certain: the technological knowledge is available for the development of the necessary equipment for such a computerized nationwide service, and the costs are within reason. The technical feasibility of such a system has

been established in studies sponsored by the National Commission on Technology, Automation and Economic Progress.

These are but a few thoughts, a few ideas I wanted to put in the record in order to make the point that H.R. 12280, welcome as it is, is not a cure-all for our human resources problems.

I welcome the authority H.R. 12280 invests in the Secretary of Labor to make grants to government and nonprofit organizations for the purpose of providing employment. I welcome the standards of work and pay incorporated within H.R. 12280. I hope this bill passes the Congress and is signed into law by the President. But I also hope we will not stop there.

We are in a strange and interesting period in the history of our country. At the moment we are making the supreme sacrifice in Southeast Asia—the lives of our finest youth—for something no more tangible than the right and the necessity of our fellow citizens here at home to full employment, and to the dignity and security that accompanies it.

The cost in men and money for this tangible cause at home is infinitely less than in Southeast Asia. Our union supports the effort abroad. It also expects support for the effort at home.

We believe the United States of America can do no less.

The Select Subcommittee on Labor will now stand in adjournment until 10 tomorrow morning, in room 2261, at which time we will hear from Mr. Bayard Rustin, of the A. Phillip Randolph Foundation, and representatives of the major religious groups.

(Whereupon, at 12:17 p.m., the subcommittee recessed, to reconvene at 10 a.m., Wednesday, May 8, 1968.)

## PUBLIC SERVICE EMPLOYMENT

WEDNESDAY, MAY 8, 1968

HOUSE OF REPRESENTATIVES,  
SELECT SUBCOMMITTEE ON LABOR  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D.C.*

The subcommittee met at 9:45 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. James H. Scheuer presiding.

Present: Representatives Scheuer, Burton of California, and Steiger.

Staff members present: Jim Harrison, staff director; Marilyn Trezise, clerk; Dr. James Wason, LRS, Library of Congress; and W. Phillip Rockefeller, minority research specialist.

Mr. SCHEUER. The Select Subcommittee on Labor of the Education and Labor Committee is now ready for business.

We are honored indeed that our kickoff witness this morning, following the first witness on this monumental piece of legislation yesterday, Mr. George Meany of the AFL, is Bayard Rustin, executive director of the A. Phillip Randolph Institute, and one of the most eloquent, articulate, knowledgeable, impressive American speakers today on the problems of poverty, alienation, and the inadequacies of our society as it is presently constituted.

Mr. Rustin, we are very pleased to have you with us here today and the floor is now yours.

### STATEMENT OF BAYARD RUSTIN, EXECUTIVE DIRECTOR, A. PHILLIP RANDOLPH INSTITUTE

Mr. RUSTIN. I do not intend to read my prepared testimony. I wrote it precisely to avoid reading it.

Mr. Chairman and members of the subcommittee, I am Bayard Rustin, executive director of the A. Phillip Randolph Institute. I am here to testify in support of the Guaranteed Employment Act. With me is Mr. Norman Hill, associate director of the Randolph Institute.

What I really want to talk about this morning, Mr. Chairman, is the pressing need for this legislation. It is the first piece of legislation proposed which is likely to have a visible effect upon the lives of the people in the ghetto. By visible effect I mean one which they, as a community, will be able to see.

Now, while I have supported the so-called war on poverty, it has not in fact been visible, and I think that if it continues at the present rate, to say nothing of its being cut back, it will not have any serious effect on the ghetto.

I want to make it clear also that I believe the revolt through which the Negro people are going at the present time is, in fact, not merely a revolt around housing, schools, jobs, health, and so forth. It has deeper roots. It has to do with whether people are going to have some say over their lives, but more importantly, it springs from the absence of hope. In addition to inadequate housing, schools, and jobs, people rioted because there was not the feeling that next Thursday, or a week from next Friday, or a year from now, things would in fact improve.

What is needed, therefore, in the present situation is some dramatic effort, which will restore hope.

Now I support this bill, not because I believe that it does all that needs to be done. No single bill can; but it is a bill which, because of its visibility, can restore hope; a bill which shows that in the future things can be cleared up.

My second point is that we have a Congress which has an almost perverse genius for coming through only with bills aimed, they say, at maintaining law and order. I have in mind such legislation as the one being proposed in Washington in regard to the poor people's march, the Stop-Stokeley bill, and others. I think what Congress really ought to be doing is something more creative; because it is a simple fact that law and order is not going to be maintained merely by billy-clubs or by stopping people from marching.

It is going to come, as Isaiah pointed out, from justice; for what Isaiah said was, "Where there is justice, order can prevail."

Mr. SCHEUER. We have a rabbi coming up and I am afraid you are giving him unfair professional competition.

Mr. RUSTIN. I have been studying the Old Testament myself for some time. Isaiah further said, "Where there is injustice, disorder is inevitable."

Now, therefore, it seems to me that instead of Congress spending its time debating what they are going to do with billyclubs and stopping people from exercising the rights of the first amendment, what they ought to be doing is something as creative as passing this bill.

Negro leaders and police can no longer be made patsies for the failures and inactivity of this society. I will not permit police or Negroes to be made fall guys for a 90th Congress which is not only inept, but also seriously crippled in its social conscience.

Therefore, if there is any rioting in the future, it must be put squarely at the door of an inactive Congress, and not at the door of the police or the Negroes.

Mr. SCHEUER. You are saying the buck stops here?

Mr. RUSTIN. Yes, sir. I am saying furthermore, that the blame for further disorder will rest on this Hill, not in the ghetto.

Mr. SCHEUER. I quite agree with you.

Mr. RUSTIN. I want to say, also, that the reason for disorder at a place like Columbia as well as in the streets of Harlem springs from the same problem; the established procedure by which the grievance of people should be heard and acted upon is frustrated and people are thereby driven into tactics of desperation. Whether it is at Columbia or in the streets of Harlem, people are driven not only to the tactics of desperation, but ultimately to violence.

This society is daily teaching youngsters, whether they be at Columbia, whether they be white, or whether they be black and walking

the streets of Harlem, that the ultimate method by which social change will take place is by disruption—precisely because their grievances are not met when expressed through normal democratic procedures.

Now I want to go on record as being very much opposed to violence. But I want also to go on record as believing that when a society, through its normal democratic methods does not relieve the plight in which people find themselves, then that society ought not to be surprised when people turn to other methods. What they ought to do is recognize that they are responsible for planning and nourishing the seed of the disorder.

Next, I want to make it clear that the National Manpower Act is extremely useless and will not meet the problem. It talks, for example, about finding some 80,000 jobs. Well, that won't do. That would not even deal with the problem in New York alone, where we have hundreds of thousands of jobless Negroes and Puerto Ricans.

Mr. SCHEUER. It might make an impact on the South Bronx, the district I represent.

Mr. RUSTIN. I am all for it if it is for the South Bronx and if we are going to do comparably elsewhere. But it presently is inadequate when applied all across the country.

I think the bill also is deficient in that it tends to duplicate something we already have and it is this: The total number of jobs in the first year is estimated at 80,000 public service jobs. In the second year it is estimated at 100,000, but no estimate has been made with respect to the private sector beyond the first year.

Now if the private sector of this economy, for all these 12 years in which we have had tremendous economic growth, has not been able to provide for these people, then what makes anybody think they are going to provide for them in the future?

The Henry Ford example is an important one here. Mr. Ford is supposed to have gotten thousands and thousands of jobs for youngsters from among the hard-core poor, but the reason Mr. Ford was able to do that was he had just come out of a protracted strike, and many of his men had found jobs elsewhere. Therefore, he could afford to do this. But unless something is done—

Mr. SCHEUER. In other words, he replaced men who had been on strike and who had left his employment and taken jobs elsewhere with the manpower that had been unexploited, unused from the ghettos?

Mr. RUSTIN. Right. But that also makes a problem, because unless we are going to deal simultaneously with the unemployed and the underemployed, all we end up doing is playing musical chairs; and to the degree that we concentrate on the hard core alone, we are in fact going to see them replacing youngsters who have been more ambitious and who have been to school longer.

I would like to point out an article from the Wall Street Journal of Friday, the 26th of April, in which the writer, a Mr. Otten, admits that the private sector of this economy simply is not going to put these people back to work, and that the public sector must take on that responsibility. Therefore the notion that many people are coming forward with, that the Government must be the employer for these people as a last resort, does not go far enough. The Government must

become, for these people, the employer of first and last resort, because they are not going to get jobs in any other way.

Now my colleague Mr. Hill may have some remarks he would like to make.

Mr. HILL. I think the essential point is that we really are in a situation where we need a job-creation program and this is essentially the basic direction in which the Guaranteed Employment Act tries to move. Because not only do we have a problem, perhaps of playing musical chairs with the unemployed, but we are also doing something that the National Commission on Civil Disorders has pointed out; namely, furthering a tendency toward creating two societies instead of one by not providing full opportunity for everyone, black and white. What we would like to see, although we are concerned about the problem in the ghettos, is the use of resources to create jobs for everyone and thereby reduce tension throughout our society.

I think that the bill that we are supporting does begin to make a meaningful step in that direction. This is why we are supporting it.

We are not opposed in principle to efforts in the private sector. But we also recognize that their efforts are, in fact, dependent on whether or not we have an overall growing economy, and one of the reasons why there has been some motion in Detroit toward hiring hard core unemployed is there was a big catchup process in motion.

After the strike they needed to catch up on producing automobiles again and there was some employee turnover, as Mr. Rustin pointed out.

We also know that if there was a slack, for example, in the tendency to buy more automobiles, then those same hardcore unemployed who were hired would be the first laid off. We suggest, therefore, that the Nation ought to think in terms, particularly in the public service sector, of the fact that our economy is going to be growing; and we should think in such a way as to provide not just entry jobs for people, but also a real prospect of promotability in those jobs.

So, this is another reason why we support the Guaranteed Employment Act, because it points in the direction of some kind of combined work-study program which enables people not only to get on the job, but also to progress, once they are there, at decent wages.

This is, in essence, why we are supporting that bill.

Mr. SCHEUER. Thank you very much for your stimulating testimony.

Congressman Steiger, one of our ablest junior colleagues, has another commitment so I am going to call upon him now to make whatever remarks he has.

Mr. STEIGER. Mr. Rustin, I was very interested in what you had to say, both in your informal remarks and in your formal testimony. First of all, I want to ask what your own feelings are in relation to the President's Commission on Civil Disorders Report and recommendations?

Mr. RUSTIN. I think the majority of them which they took out of the freedom budget, proposed by Mr. Randolph and me a year and a half earlier, were creative. I support them. But I do not think they go far enough. I think the report was derelict in that it did not tell the American people how much the recommendations were going to cost—

billions of dollars. And they did not talk about reordering our priorities in order to find the money.

They did not talk about transportation which is a very serious problem. Our highway system is designed to get middle-class white people in and out of the suburbs, and we are spending billions doing it; whereas what we really need is massive rapid transit that is designed for much larger areas than individual cities, because the job market is moving into the suburbs.

Now Watts is a good example. Many women in Watts who have to cross a wide area and where there is not transportation whatever are working for \$50 and \$60 a week cleaning house for people across town; and with no transportation system they have to pay up to \$26 a week in taxi fares getting to and from work. Yet billions of dollars have been spent for getting middle-class whites in and around Los Angeles in their cars.

So I think I support the report. I think that the press has completely distorted what was said in that report about racism, because the report was not discussing individual white people as being racist. I don't care whether they are racist. And the only answer, if most white people are racist, is to put 180 million of them on a couch with a psychiatrist and perhaps in 10 years they will know how they came to be that way.

What the report said was that many white people who are in fact not racist must exist in institutions that are based in racism. Therefore, the report was not talking about attitude, but about the behavior of people in institutions.

So that many people have gone off on a psychological jag of, "Oh, I don't want to be racist, so let me send \$5 to Martin Luther King's fund," or "I do not want to be racist, let me hire a Negro."

Well, the fact of the matter is, we need to see that the racism that is institutionalized is to be done away with. One of the most important ways to do that is through this bill, and later a public works bill and other kinds of bills which are going to give people the right to make a decent living.

Now I realize that there is a relationship between attitude and change and behavior, but what it is possible for Congress to get at is the behavior and not the individual attitudes.

Finally, let me say on this matter of racism, that among all groups of people, in all societies, racism is either an inevitability or a potentiality. Only if you construct a social and economic order in the direction of justice, can you reduce racism to an irreducible minimum so that it cannot be socially and politically organized.

If you have a society with much injustice in it, then you are encouraging racism to come to the surface and to be expressed.

Dr. King was stoned the summer before last in Cicero. Well, anybody could have told he would have been stoned, because those poor, somewhat uneducated, people were people who only yesterday were themselves deep in poverty, and who don't own their homes, who don't own their cars or their televisions, and who are up to here in debt. Where there is inadequate employment and inadequate housing, then naturally racism can come to the surface and result in King's being stoned on the streets.

It would have been a very different attitude in Cicero if there had been adequate housing, employment, education, and medical care for all. Now that is the distinction I want to make concerning that report and what it says about racism.

It is a matter of institutionalizing justice so that whatever racism there exists cannot break through; but it will inevitably break through where the social and economic circumstances are unjust.

Mr. STEIGER. I admit to being confused then by the beauty of your rhetoric and the failure of that rhetoric to address itself to the reality of this country today. You come here in support of a bill and at the end of your testimony you state with honesty and candor—

There are four conditions under which Americans will work; year-round employment, jobs at decent wages, jobs at which the unemployed and unskilled can learn and progress, and jobs with dignity.

One criticism of the Guaranteed Employment Act is, as Mr. Meany said, it would probably only provide 150,000 jobs in the first year, and at a maximum it can provide 1 million jobs and it proposes to do so at the ridiculously low price of \$4,000 per worker per year. It is neither going to give you year-round employment, jobs at decent wages, jobs on which there can be learning and progress, nor jobs with dignity.

It proposes a continuation of a make-work, leaf-raking type system.

The manpower bill (H.R. 16303) you claim is useless solely because it does not do enough. The manpower bill, as you know, is based on the Riot Commission report and picks up the recommendations of that report and attempts to implement them in terms of legislation. It is done on the basis of, if I may suggest, to you, recognizing the financial problems and the manpower problems and mobilization problems and the reality problems that exist in our society today.

I do not believe, Mr. Rustin, that you can create under the guaranteed employment bill, under a public works bill or under any other bill an instant tomorrow. I don't think it can happen. And I don't think we would want to hold out the cruel hoax to people, black or white, in the ghetto or in rural America, that there is a rainbow with a pot of gold at the end of it, when in fact under the bill that you support you are doing nothing to meet the four criteria that you have put in here in your testimony as being terribly relevant, and I think very important.

We do need to reorder our priorities. I concur completely. I hope by that that you will be willing to support the Republican Human Renewal Fund which proposes to reorder priorities, proposes to do what Congress ought to do; namely, to reduce those low priority expenditures and put in what we know is perhaps inadequate but which we think is possible at this point, \$2½ billion into the cities and into our most pressing human problems.

I wish the President would help us in this effort to reorder priorities. He has failed to do so thus far. He has failed thus far to do anything except be "simpatico" with the recommendations of the Riot Commission. I don't think that is sufficient for 1968 or 1969 or 1970.

So I end up by being bewildered by what you say, by the depth of your feeling and your knowledge and your expertise and then by the end result of what you do, because I fear it does not do what you think needs to be done, if we are to give meaning and if we are, as you

said so eloquently, to restore hope. Hopelessness does exist. The question is how do you go about ordering the priorities to make for a restoration of hope.

I did not mean to give a speech and I asked that in the form of several questions. I apologize for doing that.

Mr. RUSTIN. First of all, sir, I will send you another copy of the "Freedom Budget" for you to read. That document makes it quite clear that for us to get out of the mess we are in, we are going to have a spend, in addition to what we are now spending, \$18.5 billion a year over the next 10 years. And if we do not do that, we are going to end up not only with two societies, but with several. The conflict between blacks and whites will be one, and the conflict between the haves and the have-nots will be another.

What I am saying about this particular bill is that I felt that what was needed was a dramatic act which would begin to restore hope. Because I believe that if the unemployed were to get, within the year, 1 million jobs, this would create a visible difference, and would restore hope.

I made it clear at another point in my testimony that I do not believe that a single bill is going to get us out of this problem. I am also for public works, which are not in this bill. I am also for free medical care, which is not in this bill. I am also for paying people to go to school, which is not in this bill.

What I am asking for is a passage of this particular bill because as Mr. Hill said, it moves in the right direction.

Now, I would like Mr. Hill to comment more precisely on your questions about the bill itself.

Mr. HILL. I think, Congressman Steiger, that our interpretation of the combination of bills called National Manpower Act of 1968, is precisely opposite of what your question implies, if I understand it correctly. What we are saying is that the way in which we democratize our institutions is to bring people, who previously have been left out and cut out of those institutions, into them in some permanent way so that they may have a meaningful role to play, and decent jobs with real responsibility attached to those jobs.

Therefore, we think that developing the public service sector, where you have both Government and non-Government permanent agencies in which people have permanent jobs with a real prospect of moving up that occupational ladder is a more meaningful way to democratize and to deracize our institutions.

Secondly, if you talk about health, education, recreation and welfare, these are areas which are the so-called helping professions in which there is going to be real service from human beings to other human beings. We want people previously excluded to be brought into service in those areas. For example, the bill mentions creation of service companies. We are not opposed to that in principle, but we interpret that to be the creation of more of the sort of Pride, Inc., which was a makework effort, as we saw it, right here in Washington, D.C., which gave people some temporary work but was not really connected with performing a real service that would be of an ongoing, permanent nature.

In that sense we have a basic criticism of the approach of the National Manpower Act.

Mr. SCHEUER. Congressman, can I clarify the record at this point? I would not want the record to show there was any intent by this subcommittee, by the sponsors of the O'Hara legislation, that expenditures per person would be limited to \$4,000.

It is true if you divide 1 million people into \$4 billion you get \$4,000, but that is not the way it is going to work. The \$4 billion is an appropriation for the first year. We are going to start out at zero. That is obvious. It is inconceivable we could have 1 million persons on the payroll at the end of the first year.

In effect, what we are going to have is a \$4-billion kitty to select, to train and employ perhaps several hundred thousand men in the first year. If we can create the mechanism for the selection and training of the employment, it may well be that the expenditures per individual will be \$5,000, \$6,000 or \$7,000 a year.

Let me say that as to those last four suggestions of Mr. Rustin, as to item No. 2, jobs at a decent wage, it specifically provides in the bill, in section 8, that these people be paid the minimum or prevailing wage in the locality. Section 14 specifically defines the training program that must be available to them, to make a reality of Mr. Rustin's item No. 3, and, section 6 specifically provides that the jobs do have the dignity that is represented by normal working hours, and conditions, health insurance, workmen's compensation and the like, and they are further elaborated in sections 10 and 11.

In addition to that we do have our own experience with the new careers program in public service, which I hope to develop and sponsor and in which you cooperated fully. We have about \$50 million which has funded that program. We have tens of thousands of hard-core employed now on the payroll. We know they are making more than \$80 a week.

They are getting paid about \$2.25 or \$2.50 an hour, somewhat varying according to locality, and there is an important training program in addition to that that is being funded out of the existing legislation which all of us are familiar with. So I want the record to show clearly that these jobs will, under the specific terms of the legislative proposal, meet the four criterion that Mr. Rustin has enumerated and that are existing.

The new careers program, on a very much smaller scale, also meets them, meets these criteria. So I do not think any of us should have any doubts that this on-going program will—and it is the intent of this subcommittee—does meet the criteria that Mr. Rustin laid out for us.

Mr. RUSTIN. Mr. Scheuer, could I propose to Mr. Steiger that if he really agrees with these four suggestions, as he says he does, but feels that the bill is not yet strong enough, that he would go to work and help to strengthen it to meet those needs.

Mr. SCHEUER. And I may say Congressman Steiger is well equipped in every way to do a very constructive job. He is one of the most constructive and intelligent and effective promoters and supporters of the basic concept of new careers for the poor and he has made a highly intelligent constructive role in developing the program we have produced up to date.

Mr. STEIGER. The distinguished chairman, Mr. Rustin, is extremely thoughtful and very nice and I appreciate his kind words.

Let me be very honest and say that in section 6, which is the basic underlying section of the guaranteed employment bill, there are there outlined seven criteria that have to be met for the submission of an application. In there I find totally lacking any definition of training, upward mobility, career opportunity, year-round employability, or any of the other things that I would have hoped and expected might be included in this bill. This is one of the reasons that I raised the question, because it totally neglects to mention anywhere any of those points and I think it is important that they be mentioned.

Mr. SCHEUER. Congressman, let me say that the matter of wages is covered in section 8, but I think you are correct; this bill is not perfect and I think you and I have a noble role to play in improving and perfecting the bill in many of the details which you have just pointed out.

I hope we will do that and I am sure we will have your support in the markup section that will come after the testimony. I think you made some very thoughtful and professional suggestions.

Mr. STEIGER. May I ask Mr. Rustin to touch on another of the problems that I foresee as being raised by the legislation?

In the definition section, in section 3, the term "eligible unemployed person" is defined as one who has "demonstrated that he is able, willing, and seeking to work."

Now, if I would contrast this with the present Manpower Administration definition and the Department of Labor, you will find that in there they put no barrier on the question of the motivation of the person. To me under this bill, as it stands today, we are only to work with those who are motivated to work. That is, they have to be able, willing, and seeking employment. And they as well have to have demonstrated that they are seeking employment.

Does this pose a problem for you? Do you see that this would create a dichotomy between motivation, which makes it more difficult perhaps to get at the very hard-core unemployed that pose for all of us a problem?

Mr. RUSTIN. I want to say a word about the matter of motivation. Here again it is not an individual matter. People are motivated to work because they are going to get what is the going wage, which is what this bill calls for. They do not want to work if they are just going to be sweeping floors somewhere and take home \$40 a week.

Now at the point that we are, there are millions, easily, who are looking for work who can't find it. But 10,000 who are looking find it, and the word gets around. Many of those who have not formerly been motivated will then become motivated.

So here again I do not look upon this bill as the end-all, but as a means of restoring hope and motivation.

Now, we at the Randolph Educational Fund have had an experience where the Department of Labor has given us almost three-quarters of a million dollars for upgrading young men in the building trades, and we are presently working in seven cities. What we discover is that when John Doe has gotten to the apprenticeship of, let us say, the bricklayers, or the electricians, we are inundated with all of his friends because they are motivated by his success. And many of them, who have never worked in their lives, come from families where they have never

seen a father go to work, where they have never seen anybody pack a lunch to go to work.

But the minute a youngster on 127th Street gets into the Sheet Metal Workers, we can get seven or eight of his friends who have been living by their wits in the streets coming in. So the question of motivation is as much a social process as it is what the individual at a given moment may wish to do, and as the social process changes, he changes.

Mr. SCHEUER. Let me add one word to what Mr. Rustin said to show the other side of the picture. I agree exactly with the point you are making. Last summer in my congressional district we had several hundred Neighborhood Youth Corps jobs, temporary summer jobs, involved in part in playground cleanup. It was obvious to the ghetto youth in my district that these jobs were temporary, that they fulfilled none of the qualifications here, and although these youth were unemployed, none of them opted to take those Neighborhood Youth Corps jobs.

They were filled with Negro and Puerto Rican youth, almost all of them college kids who were making it on their own and for whom a temporary summer job, where they could put away a couple of hundred bucks made sense. But the temporary character of these jobs, the lack of on-the-job training, lack of mobility, lack of long-term hope and promise, made it transparently clear to the unemployed hard-core youth, hard-core unemployed youth, that this was really not for them and offered them nothing permanent. So I think the point you make is valid.

Mr. STEIGER. This still gets back to the question on the role of definition as it is employed in this bill.

It was made clear yesterday in the testimony and in the questions and responses of the author of the bill—for example, it was pointed out that libraries may be in need of public service assistants. This was not to provide employment in the construction field. That was to be contracted out. It was not to come under this bill.

This was to go to a contractor to provide repairs to the library; plumbing, heating, air conditioning, sheet metal, plaster, lathing.

Under the bill what would be proposed was a library aide, perhaps, or a cleanup for the library in areas outside of construction. So I hope we are clear that the intent of the bill is not to get into the various kinds of things in which you, I know, are doing a good job with your institute, and with the other programs in the building construction trade.

Mr. RUSTIN. There is no doubt in my mind that this is not a public works bill. I would hope Congress will come forward with one sooner or later, and I hope that you will present it. I understand the nature of this bill and our reading of it is that there are many opportunities in it which do not now exist.

Now I have to be satisfied in this world with small things. I would propose a freedom budget. I hope that we do the job in November that will make it possible; I hope we shall have a 91st Congress which will behave more creatively, and we are all dedicated to working for that. But I am for this bill because it is a step in the right direction, and to the degree, Congressman, that it has defects in it, I am going to depend upon you to see that those loopholes are filled.

I can't do that. I can outline in my paper what the four conditions are. You say you agreed with them.

Now it is your responsibility to get to work on this bill and strengthen it.

Mr. STEIGER. Your testimony has been most interesting. May I say that my intent would be to work on the National Manpower Act. I think it holds more hope. I think it is more realistic. I think it is more meaningful.

Mr. RUSTIN. If it holds more hope, I submit to you it holds more hope for many, and at this point I should like to see something which, even if not perfect, is going to affect many more.

Mr. STEIGER. I wish that I could concur, Mr. Rustin. I am afraid I would tend to agree with the witness yesterday that in the first year of this operation you would probably get no more than 150,000 public employment jobs.

Mr. RUSTIN. That is 70,000 more than the other bill proposes.

Mr. STEIGER. That is not really true, as you know. Ours is a two-pronged approach and not a single approach. There would be 70,000 public employment jobs, 220,000 approximately private industry jobs, so it may well be it is twice the number that can be realistically employed in the first year of the program.

Mr. RUSTIN. The second prong you know. I simply do not believe it is going to happen. Why should private industry be interested in the proletariat? They do not need them for musclepower and that is all the proletariat have to offer. Through this bill they can at least get some training while they are being paid.

I just don't believe the private sector or the economy is going to do this. It has not done it through all these years of economic growth. I cannot put my faith there.

Mr. STEIGER. Isn't part of the problem recognizing the role of the private sector and its limitations, that there does have to be some tax incentives, some human incentive, which is now lacking in the law and which we have proposed to be filled through the tax credit feature as recommended by the Riot Commission?

I think they quite eloquently pointed out the role of the private sector, the possibilities that exist for meaningful job opportunities in the private sector, not limited just to the public sector.

Mr. HILL. I think the basic problem we have with the tax incentive approach is that our experience has been that it influences not an additional creation of jobs, but who in fact will get the jobs. I think there is a basic distinction that must be made: the problem in the ghettos is that there are not enough jobs, not enough jobs being created. The problem is not who gets the jobs.

Mr. STEIGER. But we are faced here with a critical problem, aren't we? If it is correct to assume that part of our problem today is technological and structural and to recognize that there are jobs that are open which are not now being filled and for which the hard-core unemployed cannot be trained at this point to fill them, you have to talk about the total upward mobility of the working population.

You have to be able to train adequate manpower to fill the skill-level jobs that exist in order to open up the entry level jobs for those who are not now being trained.

Mr. RUSTIN. Look, Mr. Steiger, week after week college-trained people come in to my office looking for work. I say to them, "What can you do?" They say, "I have a bachelor's degree in so and so." I say to them,

"I did not ask you what you had a bachelor's degree in. I asked you what you can do."

The fact is, most of them cannot do anything. What happens is, because they have that piece of paper which says "college graduate," they are given an opportunity to get a job. Once they get on the job, the learning process as to how to do that job begins; so they are no different from the hard-core poor in that respect.

Secondly, during World War II we said to people, "There is a factory, there is a hammer, there is a saw, there is a drill. Go in and work."

They were not too old, or too black, or too Puerto Rican, or too young. They went in. And within a few months they created the miracle by making planes which, in fact, would fly.

Now, I am saying that many of these people need only the opportunity to have a job, to have some hope restored and the learning process for many of these people will then begin.

Now automation and cybernation do not affect areas that provide socially constructive work, and that is in the area of human service to humans. Machines cannot do those things. And I think that this bill begins to open up opportunities where the people can go into service, public service jobs, in which they will be inspired, want to learn. The very experience of a year of this experience will encourage them and perhaps many of them will then go out and find out things and can be upgraded.

Now to the degree that you think this bill does not require that kind of upgrading, I trust you will strengthen it. And it seems to me that the final word that Mr. Hill and I can give is that you ought now to strengthen this bill where you feel it does not meet the four requirements which we are calling for.

We cannot do it.

Mr. STEIGER. Thank you, Mr. Chairman.

Mr. SCHEUER. Mr. Rustin and Mr. Hill, we thank you for your very provocative testimony. I hope that we not only pass this bill, but that we get on with the business of passing the kinds of programs that you contemplate in your freedom budget. I hope you will help us educate not only the public, but the Congress on the transparent reality that we can do that job. We do not even have to wait until we get out of the war in Vietnam.

We cannot start doing that job now. In the last 4 years we spent \$4.5 billion on the poverty program and \$77.5 billion on space, public works, much of the boondoggle variety, on agricultural subsidies, including tobacco subsidies, to encourage smoking that another department of our Government tells us is very bad for our health.

I think we could take a good percentage of that \$80 billion and either cut it down or stretch it out and make that available to your freedom budget. At the present moment the income of the Federal Government is increasing annually with the growth in the Gross National Product by about \$9 billion a year, cumulative.

Over a period of the decade that you are talking about, that amounts to about \$100 billion a year, so if we took not much more than a third of the net increase in the flow of cash funds to the Federal Government, through our present tax rate over the current level of expenditures, we could more than absorb your freedom budget, entire freedom budget

out of the annual growth in wealth, without subtracting an iota, without subtracting a farthing from the present income of the American public.

I hope that Members of Congress and thoughtful members of the public like you will get on with what I consider the most important education job in the country; that is, to convince the public and the Congress that we can eliminate poverty. We can eliminate poverty, hopeless alienation, and despair. We have the muscle.

The question is, do we have the determination and the will.

Thank you very much for your wonderful testimony.

Mr. SCHEUER. We now have a panel consisting of Father John McCarthy, Rabbi Richard Hirsch, Dr. Grover Bagby, and Rev. Larold Schulz.

**STATEMENT OF FATHER JOHN McCARTHY, U.S. CATHOLIC CONFERENCE; RABBI RICHARD HIRSCH, UNION OF AMERICAN HEBREW CONGREGATIONS; DR. GROVER BAGBY, NATIONAL COUNCIL OF CHURCHES; AND REV. LAROLD SCHULZ, NATIONAL COUNCIL OF CHURCHES**

Mr. SCHEUER. We are pleased to have you here today. Your statement will be printed in its entirety at this point in the record, and perhaps if it is agreeable to you, each of you can make an informal presentation of your views. Then I am sure we will have some questions for you.

Rabbi HIRSCH. I have been delegated, Mr. Chairman, to begin.

My name is Rabbi Hirsch. I think we had better identify the members of the clergy because nowadays, since all members of the cloth do not wear distinctive garb, it is sometimes difficult to differentiate.

On my far left is Father McCarthy who is the assistant director of the U.S. Catholic Conference and who is speaking here on behalf of the Social Action Department of the U.S. Catholic Conference.

On my right is Dr. Grover Bagby who is speaking of behalf of the Department of Social Justice of the National Council of Churches.

On my immediate left is Rev. Larold Schulz who is the director of anti-poverty programs for the National Council of Churches. I am appearing here today on behalf of the Department of Social Action of the Synagogue Council of America, which is the overall group representing the Orthodox and Conservative and Reform branches of Judaism.

With your permission, I think it would be better at this point to excerpt parts of the presentation rather than presuming to extemporize. I know that one definition of a clergyman is that for 6 days a week he is invisible and on the seventh he is incomprehensible.

Even though we are supposed to have a capacity to extemporize, I think, since this presentation is the considered judgment of the three groups, that I will just read part of it and then we can extemporize, each one in his own words, and representing his own position.

I saw a typographical error not too long ago, in fact during brotherhood week where the word brotherhood was spelled b-o-t-h-e-r-h-o-o-d, and I thought how true that was of what was one time considered to

be the nature of the relationships between the faith groups. But our presence here today is a manifestation of what I consider to be true brotherhood; not where we are sitting around a table patting each other on the back and saying, "We really ought to love each other because there are no differences between us;" not where we sit around the table patting each other on the back, staring each other in the eye and saying, "Because we have some fundamental differences we have to love each other." That is called the dialog. But we sit around the table and work together to solve the social problems of the society in which we live. It is that which brings us here today.

Because we recognize that the problem of unemployment is a moral problem and we have here enumerated various positions of the past as well as an interpretation of our respective faiths illustrating the moral character of the problems.

Mr. SCHEUER. May I just say one of the reasons we particularly value having the representatives of the church here is that in the last decade perhaps or even more recently than that, the churches as a group have come the long mile from occasionally sermonizing, from their high moralistic plateaus of their pulpits to getting right down into the nitty-gritty.

I don't know of a group in society more deeply involved, not only on the problems of getting on, but in the ghetto where the action is, than church leaders of the kind you represent. So you really come to us today with hardened credentials, with your hands dirty and your trouser cuffs frayed from actually working in the ghetto.

That is one of the reasons why we are so happy to have you and why we give your testimony such very high value.

Rabbi HIRSCH. Thank you. If I may read now from part of the testimony. The cultural values of this country—many directly rooted in the religious traditions we represent—are such that work becomes the basis by which a person's worth is judged. A job not only tends to determine an individual's acceptance by society but it also affects one's attitude about oneself. Studies have shown that unemployed persons have a very low level of self-esteem and that this attitude tends to provide a self-fulfilling prophecy since it then becomes more difficult to find or hold a job.

The value placed on work by middle class society has not been lost on the poor. They have a deep and driving desire to participate in a full way in society. They understand that a job is one means to that end. Among the poor and unemployed the overriding personal ambition is to hold a meaningful and creative job with the possibility of adequate and increasing wages. Only in this way will the poor achieve security, dignity, and a sense of freedom and self-determination.

In a successful program the unemployed person must believe that he is not being offered a dead-end job and that his efforts will lead to permanent, full-time employment. The individual must believe that he can under his own initiative advance up a job ladder without constantly being pushed off. This means providing new opportunities for increased responsibilities and higher wages.

We have some comments to make concerning the specifics of the legislation.

## OFFICE OF GUARANTEED EMPLOYMENT OPPORTUNITY

We support the creation of an Office of Guaranteed Employment Opportunity. We view this as a continued development of public policy, set forth in the Full Employment Act of 1946, which provides for "useful employment opportunities for all those able, willing and seeking to work."

## EDUCATION AND TRAINING

We are pleased to note the emphasis given to education and training. Training should be open-ended so that the possibility of permanent full-time employment beyond the present situation is a reality. Training programs of this type should include basic education, counseling, and opportunities to learn about appearance, management of income, health and other factors affecting personal well-being and development.

## INVOLVEMENT OF PRIVATE NONPROFIT ORGANIZATIONS

We strongly support this provision and believe that nonprofit organizations related to our institutions will cooperate with the development of community-based social services to meet human and community needs. Recipients of funds should not conduct sectarian programs.

We recognize that the bill presently before this committee, even if enacted as proposed, will not resolve all problems of unemployment or underemployment. Even as we endorse this legislation, so we call on Congress to take initiative in development of other legislation leading toward development of vastly increased job opportunities in the private sector, higher minimum wage guarantees with complete coverage, enforcement powers for the Equal Employment Opportunity Commission—

MR. SCHEUER. Perhaps I might interject here that the Republican bill which does seek to provide incentives to private industry is something we welcome. However, we do not believe that that provision for the private sector takes the place of or precludes the kind of legislation which is herein proposed under the Guaranteed Employment Act.

RABBI HIRSCH. We also would like to see special incentives for the involvement of the private sector; and linkages with existing programs such as Job Corps and New Careers which have real potential. The complex nature of the problem requires innovative approaches and vastly increased expenditures.

There are undoubtedly those who would oppose this legislation on grounds that, even if it were desirable, the present state of our economy requires the cutting of the budget rather than its expansion. In other words, they would ask the question, "Can we afford this legislation?" We would respond by asking another question, "Can we afford not to pass this legislation?"

Our society has already paid the high price of unemployment in the toll of riots, racial tension, frustration, and despair. These are social costs, which should not be measured only in dollars spent,

but in spent human lives. The wasteful expenditure of human resources is thus demonstrably more costly than any expenditure of money. If permitted to persist unabated, unemployment will lead to even more devastating human stultification and to the ultimate destruction of the American dream.

Since Mr. Rustin quoted from Isaiah, we shall quote from the Book of Proverbs (28:27), which says: "He that giveth unto the poor shall not lack, but he that hideth his eyes shall have many a curse." Our society has closed its eyes, hands, and hearts to the needs of the poor for too long. Until we satisfy their search for self-respect and dignity by providing them with jobs, we will suffer the curse of our blindness.

I thank you.

Mr. SCHEUER. Mr. Steiger.

Mr. STEIGER. May I ask all of you to comment, if you care to, on H.R. 16603. I was pleased by the statement included in your joint statement that it is important that we provide special incentives for the involvement of the private sector. I was interested in your testimony as it relates to the overall problem of unemployment and employability.

Dr. Bagby, would you have any further comments that you might wish to make either about the specific bill under consideration, H.R. 12280 and/or the National Manpower Act?

Dr. BAGBY. Congressman Steiger, Mr. Chairman, I do have a couple of comments that I would like to preface with a disclaimer as to any kind of expertise on manpower legislation or the labor economy. I come here in my guise as a clergyman and I am primarily concerned with the overall situation of an affluent economy which has the highest unemployment rate over a period of years, post-World War II years, of any of the Western industrial nations.

I think it is unconscionable. I think it is a sign of social immaturity and social irresponsibility on the part of the nation as a whole, the people as a whole. I certainly do not regard just Congress or the administration responsible for this irresponsibility. This is a total social irresponsibility, and I am interested in these bills, and the one immediately before us, the one you mentioned and some others that could be mentioned, for the reason they indicate a desire on the part of national policymakers to move off of dead center on this grievous situation of unemployment and failure to provide what needs to be provided, so that all those who are able and willing to work have an opportunity.

Now, first of all, Congressman, about the bill H.R. 12280. I personally do feel that the opportunities for tax incentives or direct grants to enable the private sector in industry to enter in a much more significant way into job training and job provision is something that needs to be faced and should be done.

The idea of community corporations might be an approach to fund this. I really do not have any kind of firm opinion about the precise methodology. I just feel the private and public sectors both are going to be required to provide their best efforts to solve this problem.

I certainly have no expertise or desire to get into the partisan emphasis here, the Republican bill, the Democratic bill and so on. I

would not know how to go about it. But I do have some questions about some of the provisions of the present bill.

For example, the definition of those who would be eligible, those of our citizens who should be able, willing and seeking to work. Now, I struggled with this last phrase particularly, "Seeking to work," to try to figure out what it adds to the definition, to the requirements. I have the feeling it is primarily redundant. If a person is willing to work, if there is any meaning to being willing to work, I would think you could expect they would be seeking work.

The thing that—aside from the historical situation of the lack of jobs—Mr. Rustin was getting into, you have people by the thousands in this country who have sought work for many months and have not been able to find the jobs and have given up.

Now, I would think these people have got to be addressed by this kind of legislative program, any job perhaps that is going to be effective. And if they have any kind of hope, they will become work seekers. But the thing that makes me fearful about this thing is the arbitrary quality of the Labor Department's definition of an unemployed person which just leaves out of consideration I don't know how many hundreds of thousands of people who are unemployed in fact and who are able, and who could be considered willing to work, but they are not within the terms of that definition, precisely "seeking work."

They have not gone back to the employment office this week, or whatever the requirements.

Mr. STEIGER. May I interrupt to clarify the record. When you talk about the Labor Department definition you are talking about what the bill proposes to define and not the Manpower Administration definition which is silent on the definition of seeking work.

Mr. BAGBY. I will have to plead ignorance on that precise definition, Mr. Steiger. I was thinking of the current unemployment statistics which is about what, 3.8 percent now?

Mr. STEIGER. The Manpower Administration definition says, "A disadvantaged individual for Manpower program purposes is a poor person who does not have suitable employment \* \* \*"

Dr. BAGBY. And that is the kind of definition I would certainly hope we are operating under.

Mr. STEIGER. I raised the question with Mr. Rustin, and I appreciate your commenting on it because frankly I think the intent of the Congress would be quite clear that there would be a motivational question imposed under the legislation in its present form if that were not changed because it would require the seeking of work. Not just unemployment or underemployment.

Dr. BAGBY. I am registering my own opinion that this can be somewhat arbitrary and really avoiding the nature of the employment crisis in its history and its effect on people who are otherwise able and willing to work.

The last thing, Mr. Chairman, I would like to mention at this point, is to raise a question about the language of section 3 with the definition of those who are employed 5 weeks or more. I am just not quite clear how that definition would be applied and what would be the standards of its operation and whether it really offers a meaningful standard for the operation of some such program as is here envisioned. Is it necessary? I really raise this as a question.

Thank you.

Mr. SCHEUER. Thank you, Dr. Bagby.

Father McCarthy, do you have any comment?

Father McCARTHY. One or two brief ones. I am here not only to round out the threesome but to report that 10 days ago the bishops from their high plateau, the Roman Catholic bishops, issued a statement concerning the present urban crisis in America and divided it into education, jobs, housing, health and welfare, which is unusual for a group of bishops.

I think this bill, as was evidenced by the statement, comes closest to doing the things that our particular religious leaders would like to see done in the job field. As far as specifics are concerned and the discussion of the specifics, I am going to defer to Mr. Schulz with whom I work very closely.

I would like, if Mr. Steiger were back here, to say I think it is a delightful problem we have before us. In the limited work I have done in this field in the last 2 years, I ordinarily look for an alternative to a Republican proposal. But this is pleasant, a proposal which seems to me to be rather imaginative coming from the Republicans.

I would accept Mr. Rustin's position, though, that it seems to offer much more to fewer people and since there was obvious disagreement among the Congressmen on the committee, I certainly am not in a position to give authoritative answers to that dispute, except I would lean in the direction of the majority on the subcommittee.

Mr. SCHEUER. Just again, to clarify the record, I do not want the impression left that the Republican bill offers more to anybody. There is nothing in the Republican bill in terms of service, in terms of on-the-job education, in terms of upward mobility that is not contemplated in our bill. And I agree with Congressman Steiger that the Democratic bill can be improved but I do not want the impression to be left that the choice is between doing less for more or more for less because I think that the Democratic bill that we are considering now has within the four corners of that bill, every availability of resources of on-the-job training and upward mobility, adequate wages, that meet all the criteria of minimum wage, wage paid in the locality, and I hope Congressman Steiger will focus his fine intelligence on perfecting the bill we have in front of us so it clarifies any doubts in his mind or yours or mine.

Father McCARTHY. I realize the O'Hara bill is what is before us. As one speaking from a plateau, we do not understand the world of politics, but the possibility that Congress is going to move much further, hopefully, to enact the National Manpower Act of 1968 makes it a very pleasant thing to sit here with an alternative proposal. I appreciate that.

Mr. STEIGER. I cannot believe in this world of ecumenicalism that you do not understand the world of politics.

Mr. SCHEUER. I may say that I do not understand the world of politics either and perhaps it is a good thing. Congressman Steiger may be of a different political faith but he has left his legislative impact in very important ways on our manpower legislation and on the New Careers program, to be specific. He has been a very positive germinating force here, and as far as I am concerned, we on this committee are non-partisan. We have forgotten party labels and whoever has a contribu-

tion to make, makes it and Congressman Steiger's record is very clear on this point. He has made very significant contributions.

Mr. STEIGER. I appreciate the chairman's contribution since he has led the way in this, and I am glad to follow him.

Rabbi HIRSCH, do you wish to make any comment?

Rabbi HIRSCH. Since I have already spoken and since Rev. Schulz has not had a chance, may he speak first?

Reverend SCHULZ. I would like to speak to the discussion regarding the nature of the bill before us—the O'Hara bill. I do not think that it adequately takes into account the stigma attached to the nature of public sector employment.

I support this bill. I support it primarily because something has to be done immediately and I believe that the public sector is the only place that is going to move fast enough to do it. I do not believe that the private sector today is equipped to take care of the type of crisis that we are facing and have faced.

But, there is nothing in this bill that moves it into what I believe could be an ultimate solution. That would be movement toward an intensive private sector involvement in this program.

My own reaction on studying the O'Hara bill is that it is a good start. In terms of money, \$4 billion is minimum. It is going to take much more than that. It is a good start in terms of getting an emergency program operational. But at this point I believe that the Republican concept, as they have brought it forth in 1963, begins to cover some of the concerns which I have about the nature of employment. These were delineated in our testimony by the statement of the attitudinal situation in which people are imprisoned in our society.

You know, Bob Theobald could talk a couple of years ago about the concept of guaranteed income and that a few people would do all the work and the rest of us could go off by our lakes and rivers and contemplate and that sort of thing. Well, maybe we middle-class people could adjust to that. I personally would enjoy that, I think, for a week at least. But, the problem is that the poor people could not accept that because they are locked into a cultural situation at this point, in which, in fact, work is "salvation," to use a theological term, which I hope is all right.

Reverend SCHULZ. But although the religious community may be responsible for that definition, it is maintained by the attitudes of society.

The point is that, because work is salvation the kind of work a person does, the nature of the employment, is often very important. My wife was in the hospital recently and she was in a room with four persons. It was a hospital which served low-income people. When I visited her the first night my first question to each of the women in the other beds was, "What does your husband do?"

That, in a way, was the way I worked out identity. "What do you do." That is important in our society. But the week she was there with those people, nobody ever asked her what her husband did. It was not important to people of lower income in terms of their cultural values and so on, just what she was and what we were. But this culture value on work permeates all of society in relationship to jobs.

I wish our society could forget this value system, but it has not. Now the point is that because we attach such significance to what people

do, the types of jobs that are offered to them and the possibility for improvement of jobs is very important.

There is no doubt in my mind that an entry level job in the public sector is very important and would provide an incentive, but we certainly need the type of thoughtful and creative movement toward involvement in jobs which are important in our society which the new careers program has put forth. (The Republican bill talks about this more than the O'Hara bill does.) Maybe it is just an omission in the O'Hara bill. Maybe you consider this. But I think this is very important.

One other point I make is that I share Dr. Bagby's concern about the language under section 3, the term "eligible unemployed person; any individual \* \* \*" and so on " \* \* \* who has demonstrated that he is able, willing, and seeking to work."

This is, in fact, the whole middle-class hangup. My brother comes out with a newspaper and shows me the want ads and says, "All those lazy people you are working with. They could get jobs. Look at them."

But the jobs they could get on that page—which may be only 2 percent of the jobs offered in any daily newspaper—are jobs which I would not hold. I would refuse to spend the rest of my life washing dishes or doing something similar.

When we talk about what people are willing to do we should be very careful. I think the criteria under section 101(b) of H.R. 12280 is much better put than under the O'Hara bill.

Thank you for listening.

Mr. SCHEUER. You used in your testimony, a phrase "The stigma of public service employment." You are familiar with the new careers program which Congressman Steiger had a real hand in forming and which I helped to form, in which tens of thousands of young people are now employed with on-the-job training, with upward mobility in positions as teacher aides, doctor aides, nurses aides, recreational aides. Do you consider this type of employment bears a stigma?

Reverend SCHULZ. No; I don't, but I am concerned about the differences between what I consider this bill to offer and new careers, if you see in our testimony we support the new careers concept.

Mr. SCHEUER. Where is the qualitative difference? I don't see it.

Reverend SCHULZ. Our experience with title 5 programs under the Economic Opportunity Act, which I consider to be very similar, has been that these public sector jobs are the deadend type which lead nowhere.

Mr. SCHEUER. Well, then, you are talking about the kinds of public sector jobs.

Reverend SCHULZ. That is right.

Mr. SCHEUER. You are not saying there is a stigma attached per se to the whole generality of jobs in the public service?

Reverend SCHULZ. Oh, no. There is no stigma attached to your job in the public service. There is no stigma attached—

Mr. SCHEUER. You raised a very controversial point there. You perhaps picked the worst example in the world.

Reverend SCHULZ. There is not, you know. There is no stigma attached to schoolteachers, not much of a stigma attached to postal service workers for instance. That is growing, incidently. It is becoming harder and harder to get employees from the poverty community to

take a postal service job. There is a stigma to garbage collectors. There is a stigma—

Mr. SCHEUER. I noticed in the recent garbage strike in New York they complained that garbage collectors were called garbage collectors instead of sanitation engineers and they did not have prestige.

Reverend SCHULZ. That is right and we should be willing to pay people to take jobs of low prestige. That would give the job prestige. In the mixed up system of values today it seems that people that earn more money get more prestige.

Mr. SCHEUER. And also the law enforcement agencies across the country are in need of people because of the conditions of work. The attitude of the public toward law enforcement personnel is so negative that young people do not want to be police officers on the beat.

Reverend SCHULZ. To a certain extent the private sector avoids this in jobs that have upward mobility. I admit that in the private sector, there are certain jobs, where the pay is not good or worse, even then most public jobs—you know what these service type jobs are—

Mr. SCHEUER. They are usually dishwashers and laundry workers.

Reverend SCHULZ. A man who goes through the process of training and so on, wants to feel that he has a chance to move on. One of the big problems about school dropouts with whom I have a lot of contact, has been—his brother might have finished school but his brother has not been able to find a job or it is a lousy job with no future and the guy says "What is the use of going on."

Mr. SCHEUER. In other words, what your message is no this question of stigma is to design this program so that these jobs will be attractive, so that they will be good solid conditions of work with good solid opportunities for on-the-job training and upward mobility. And if we do our job professionally there won't be any stigma.

If we are lazy and indifferent and come up with obvious dead end jobs they will probably have a stigma and they won't attract the very group we are trying to attract.

Reverend SCHULZ. That is right.

Mr. STEIGER. I think Reverend Schulz touched on and brought forth very clearly something that we must keep in mind. I concur completely in it. There is a stigma and it is a bad stigma. It would work against the very people that we are trying to serve by whatever route might be taken by any one of us or all of us as a group.

Rabbi HIRSCH. Let me follow up on that.

I agree with the colloquy which just took place but I would not want the conclusion to be derived therefrom from that, I would want the approach used in the Republican bill to be initiated at this time. I think we have many problems. One is the problem which is our ultimate problem of trying to find fulfillment for every individual in society.

In order to do that one has to have what he would consider to be a meaningful job. But the problem which really confronts us is the problem of how to find bread. If one sees the report just issued by the Board of Inquiry on Hunger and Malnutrition, a private committee sponsored by the Citizens Crusade Against Poverty, we see there are people in our country suffering from malnutrition because they do not have bread.

That is the key problem now. I think it would be highly desirable to find a job that would be meaningful and fulfilling and gratifying,

but that is not our immediate task. Our immediate task is to find a job that will give a man money so he can buy enough for his kids to eat and enough for them not to suffer the pangs of hunger.

The reason why I do not favor the Republican bill, in this context, is that the bill places its major reliance on tax incentives, which in turn are to stimulate private business. Now, all of us in our separate capacities have been involved with the stimulation of private business. We are familiar with the National Alliance of Businessmen that the President has just created. All of us sit around another table, that of the urban coalition, the primary purpose of which is to try to bring together those disparate elements in society. The new dimension in the coalition, now sitting around the table is the business community.

We have spent many long hours within the framework of the urban coalition trying to stimulate and encourage cooperation with and by the business community in terms of jobs.

But, I would be less than frank if I did not say that I do not see too much progress at the present time within the business community. And therefore I ask the question, if private business has had the capacity and the motivation to provide for the creation of new jobs, then why haven't they done it until now? And, if one takes a look at the methods which are engaged in by private industry, one cannot expect private industry to hire people when it is not to the economic advantage of private industry to do so.

Therefore, at best, most of the jobs which would be opened up would be jobs added through the normal development of a particular industry. It would not necessarily make for the creation of new jobs over and above those which the industry would have otherwise opened up, because it would not be economically feasible to do so.

That is one problem I have with the tax incentive, if that were the primary emphasis.

Another problem I have with the tax incentive process is that it opens up another potential tax loophole. We have so many tax regulations as it is, there are so many ways for both business and individuals to get out of paying money, that I am afraid, unless this were very carefully policed, this bill, in effect, would work to the advantage of more income for businesses and would not necessarily create any new jobs.

Mr. STEIGER. Perhaps we should remove the tax loophole that exists for churches if that is the case.

Rabbi HIRSCH. Perhaps, but I do not want to encumber our discussions now with that problem.

The key point in response to your basic question, Mr. Steiger, is that the Republican bill itself recognizes the necessity for public sector jobs, and you have allocated \$500 million in the first year to provide what you project to be 80,000 jobs.

In other words, even you have recognized that, at best, the route of private business is not going to do the job the way it should be done. It will not satisfy the need.

I note that in your statement of purpose you suggest a complete rewriting of the statement of purpose of the MDTA. I personally would be in favor of that. If the introduction which you suggest in

this bill were before us in terms of the redrafting of the MDTA—I don't know when the MDTA comes up again, is it next year?

Mr. STEIGER. Next week. It is up for hearing.

Rabbi HIRSCH. And it is to be revised this session of Congress?

Mr. STEIGER. Yes.

Rabbi HIRSCH. Then it seems to me that your statement of purpose would more appropriately fall within the framework of discussion of revision of the MDTA. That is another problem. But it is a deflection of the specific purpose of this legislation to project a comprehensive redrafting onto this bill, which I view as basically a very simple bill, namely, that there are 3 to 5 million people who are unemployed, according to various statistics, and we have got to put them to work as soon as possible.

That is what the O'Hara bill deals with, and we have to expend a vast amount of money to do it. Not as much as some of us would like. But at least it makes a start.

So my response to you would be that I support this kind of reworking of the total picture in another framework.

You also emphasized the necessity for coordination in your legislation. I think this is also very significant. It is a shame that we have this multiplicity of job securing and training programs with little coordination. All the Republican proposals are excellent ideas, but to say that you are not going to pass the O'Hara bill now, which is a question of first priority, because you want to have some kind of grandiose reworking of the whole work legislation, is in a way a subterfuge.

That is strong language, but it is the way I feel about this particular legislation.

Mr. STEIGER. I appreciate your comments. I will be very honest with you and say that you raised and then completely bypassed the very point that needs, I think, to be made about the problem of the private sector.

You are working now in an area in which we are, by virtue of a program—the jobs program that has been created by the President—in which there is, as you know, no legislative authority for it and in which what we have done is transfer moneys out of Headstart, NYC, Job Corps, MDTA, in order to finance this new proposal, as a result really downgrading some of the very things you support in your testimony that have made sense and are working today.

To create a totally new program, you still are going to have difficulty, as you have indicated in what you do with the Urban Coalition in involving the private sector, because there aren't incentives. And let us face reality. A part of the way that you are going to get at involvement of the private sector is to provide an incentive for him to hire somebody who needs extra help, extra training, extra education, extra assistance, which is not now available to the private sector. You are also going to have that problem.

As the Riot Commission pointed out, I think crystal clearly, you do have to provide a vehicle for the private sector to become involved, so I will take issue with you when you say you do not think you should look at the private sector to provide the kind of meaningful jobs that must be provided.

You are not going to get them to become deeply involved in it unless you do find a vehicle, which is what we did in the bill H.R. 16303 in picking up almost entirely the Commission recommendations and attempting to implement them into a manpower bill.

Rabbi HIRSCH. Let me be crystal clear about what I wanted to say. I think the key issue is a question of timing. Our society is confronted with increasing polarization, and increasing frustration and despair of individuals who do not have work. The Talmud says, "If a man does not work, he is not blessed," which is, I suppose, the Jewish equivalent of the Christian concept of salvation.

Now, if the Congress wants to work on this tax incentive, I say all to the good. And my comment about loopholes was that Congress should be careful to write a bill in such a way that it really does create new jobs and not merely new tax loopholes. I am not so sure that at the present writing, it would necessarily create new jobs. But the key problem is the people who need jobs next month, and I think you, yourself, have recognized that, because you have provided for 80,000 jobs next month, within the public sector.

Mr. STEIGER. Not next month; no, sir.

Rabbi HIRSCH. In the immediate future. As soon as possible.

All I am saying, therefore, is that if it is a question of alternatives, recognizing that there is after all a limited amount of money available, I would prefer to see the money go now into the provision of jobs, as meaningful as possible, to be sure, but in the final analysis, jobs, period. And then in the meantime, let Congress work on all of these other problems.

Mr. STEIGER. May I pin you down, because this is a critical point. What do you really mean that when you say jobs, "jobs, period," and then you put in as an afterthought "meaningful as possible"? You know, this is a question here which I think becomes extremely important. We don't just want to go ahead and create a WPA again.

Rabbi HIRSCH. I have a difference of opinion with my colleague Reverend Schulz, in regard to his example about his wife in the hospital and the response that was given in terms of the people whom he questioned. He asked them, with his middle-class values, what they did, but they with their lowerclass values did not ask him what he did.

I drew another conclusion than Reverend Schulz from that. I drew the conclusion that as far as the lower economic classes were concerned, of greatest importance was not what a man did, but his interpersonal relationships. Perhaps Reverend Schulz was implying that our sense of values—always looking at a man by virtue of what he did rather than what he was—that our sense of values was distorted, and not theirs.

That is what I thought he was saying. Therefore, if we take the example which Reverend Schulz used when he said he would not want to wash dishes for the rest of his life, not even for 1 week—why? That is because he is he; but if he were the other man, and the choice was washing dishes or not working at all, then I think the alternative would be clear.

I do not think that the kind of jobs which are considered in the legislation are necessarily make-work jobs. They deal with parks and

playgrounds and hospitals and postal service, and a host of other important community services.

The Urban Coalition, with which all of us are associated, sponsored a study. It was conducted in behalf of the Urban Coalition by the Upjohn Institute and I think it was Dr. Sheppard who was responsible for that study. On the basis of just a preliminary cursory sounding of a number of communities, he listed something like 130,000 or 140,000 jobs right then and there, in which people could be put to work in meaningful public service; in some cases the improvement of public service for the benefit of all society.

He also concluded therefrom that within a short time they could get up to half a million such jobs and within a year or two, a million jobs. That was a private, independent survey sponsored by the Urban Coalition. So the reality is that these jobs are available, if we will go out and seek them.

Mr. STEIGER. Mr. Chairman, I have no further questions. I appreciate very much the testimony of the panel, its comments and its thoughts on the whole range of the manpower problems. You have done a good job. I appreciate it.

Mr. BURTON (acting chairman). We have a few minutes remaining. Let me pursue a related area, something that is not directly relevant to the legislation before us. I would like the response of the three of you to the notion that (1) we should try to expand the existing number of jobs. The public institutions as an employer of last resort is a mechanism to do this, but there is another mechanism that has occurred to me, and that is to have a high enough retirement income policy so that it is economically feasible for those at the older end of the age scale to opt out of the work force and just live a life of leisure.

I would like your responses to the notion that a lot of people continue to work simply because they cannot afford to stop working. They cannot afford to be at leisure. Because our income maintenance policies, retirement policies are such that they simply cannot live on the retirement income, either social security or privately negotiated pension plans or a combination of them or assets that have been set aside.

Father McCARTHY. My first reaction would be very favorable to our moving in that direction as fast as it is politically and economically feasible. I believe it is economically feasible now, but it is not politically feasible. I feel within a short period of time, several years, we will be forced to do this.

People are kept in the system, within a job structure, who just from the point of view of efficiency, the companies, or whoever the employer is, would be better off replacing them with people with newer skills. The individual is unable to leave the employment for the reason you just indicated. He cannot make it financially, and until there is some kind of additional or upgrading of income of retired people, we are going to be faced with this.

Mr. BURTON. I wonder if the Government is going to be an employer of last resort, is going to expend moneys, let us say, at the rate to provide this new employee a minimum level of decency, what is the advantage of doing it that way rather than opening up jobs in

the work force by giving the man or woman who has worked most of his life the opportunity to retire at a minimum level of decency. They have been through the work part of their life, and they would like to enjoy a little of life, but they simply cannot do it.

What is your feeling?

Reverend SCHULZ. I think it is very closely related to what I said before about stigma, the nature of work in our society and the attitude a person has about work.

I think that there are a number of people who could accept this and, therefore, could move into this sort of existence very easily. There are a lot of others for whom work is something which they do not know how to do without.

I, for instance, had three or four cases when I was in the parish, of persons who died within weeks or months after they retired. As far as they were concerned, they were useless. Their life was finished. This happens over and over again; perfect health, and then they are through. They give up.

I think this type of question would have to be gone through. I personally think it is a great idea. I would love to retire at 50 and go out and do all the things I like to do.

Dr. BAGBY. Mr. Chairman, I think, first of all, I would express great interest and support for the idea of adequate retirement income possibilities and whatever feasible kind of guarantees the society could devise. The economics of it would have to be worked out, but I would raise a strong warning flag at any kind of regimentation approach at a given age level.

There is a great complexity of problems here that would not necessarily solve the job problem at the other end, just by retiring people forcibly at the age of 60 or whatever it was. It would depend on the kind of job they are doing, how much physical energy it required, what kind of physical shape they are in, and so on.

But if we could leave our realm of flexibility at the retirement level, that would be functional and adequate. Some people would be ready to retire at 50 and could do it very creatively and make a real contribution afterward. Other people would be lost.

You know I cannot begin to think about the economics of it, but I would think we would need to avoid regimentation because some people are ready to make a great contribution in the work force, in their jobs, or in allied jobs, at an older age, and should and could.

I myself feel that the society needs to devise an opportunity for more elderly people to work half-days or half-weeks or 2 days a week or something like that, where the society does not lose the values of their skills, because this is wealth producing, too.

I feel this kind of question would have to be integrated in the whole job picture. Where do jobs come from and what does create wealth?

There is a conventional wisdom in this country to the effect that only, hard goods produce wealth, production of hard goods produces wealth, and everything else is a leech on the economy. Without being an economist, I think there is enough evidence around to indicate that is faulty wisdom.

It is limited. It is not entirely true. Services also are wealth producing. They do not produce any hard goods, but they make people more productive. They make the society more productive.

I think also this matter of elderly people, maybe, who are not able to carry on full-scale productively in jobs that require physical energy, I think maybe they need to be moved into the job-training sector. This matter of job training is a great problem we are discussing under the current bill.

And many of the people, after a career in a particular industry or line of endeavor, may not be quite as productive, you know, on the line at the moment, but would be first-rate teachers, instructors. And we could tie them in with the very thing we are talking about this morning, with people who do not have the training and the skills, and you could make a match there, between the untrained person who has not had an opportunity and the highly trained person who has now reached the stage where he must get out of the line of direct production, and you could match those up.

I see real creative possibilities there.

Rabbi HIRSCH. I agree with my colleagues about the admonition that we go slow on making these kinds of programs compulsory.

My only concern is that I do not see this problem as being necessarily related to the problem which is the subject of the bill we are talking about, because the fact is that those who are in a position to retire early are usually people of high skills and long tenure in their position, and who are covered by all the various programs, pension and retirement and medical care programs, of private industry.

Mr. BURTON. Those that are in a position to retire given the current ground rules.

Rabbi HIRSCH. Whereas the people we talked about this morning are the people least likely to have social security, minimum wage protection, and all the other benefits which our society bestows upon permanent fulltime workers with status. So that, to retire early at the skilled end of the scale will not necessarily open up jobs at the lower end of the scale, and it is therefore not necessarily related to a host of other problems we are talking about, though it is related to a host of other problems such as the problems my colleagues referred to—finding fulfillment and gratification and at the same time improving society.

Mr. BURTON. I don't think there is necessarily any correlation, but I suspect it is the unskilled working man or woman who reaches the age of 55 who is not in a position to retire—at our current level of income maintenance programs.

I think you are right when you say currently it is only those that have some high degree of competence or skill that are likely to have accumulated the assets or been in the economic settings where they can indulge in the contemplation of early retirement. But I suspect that a change in our national policy on a voluntary opting out of the work-force basis with some knowledge that you will be given some reasonable level of income during your retirement years, this I suspect, would permit those that would be working at the lower-level skills to at least weigh the matter.

I just am not sure that our entire emphasis should be on spending \$4,000 a year hiring someone who is without work when the expenditure of a like amount might take a man out of the workforce at the other end and create a job opening, assuming that you have the skills there. That does not mean it is a slot for slot kind of thing. You might have a movement upward where the new entry will come in at the lower level of skill.

As I say, this is not completely relevant to the issue before us, but this particular matter has intrigued me for some time and I thought while you were here, I would get the benefit of your opinion. I thank you very much for that.

We will adjourn the subcommittee now. We will meet tomorrow at 10 o'clock in this same room, to hear the Urban Coalition and we would like to thank all of you for your useful contributions.

(Whereupon, at 12 o'clock noon the subcommittee adjourned, to reconvene at 10 a.m., the following day, May 9, 1968.)

## PUBLIC SERVICE EMPLOYMENT

THURSDAY, MAY 9, 1968

HOUSE OF REPRESENTATIVES,  
SELECT SUBCOMMITTEE ON LABOR OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D.C.*

The subcommittee met at 10:10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. James G. O'Hara presiding.

Present: Representatives O'Hara, Steiger, and Hathaway.

Staff: Jim Harrison, staff director; Michael J. Bernstein, minority counsel for labor; W. Phillip Rockefeller, research specialist for minority, and Nancy Tyler, professional staff member.

Mr. O'HARA. The Select Subcommittee on Labor of the House Committee on Education and Labor will come to order.

The purpose of today's hearing is to continue our consideration on the bill, H.R. 12280 and related bill to guarantee public service employment opportunities for those who are unemployed or underemployed.

Our first witness today will be an old friend of mine, Hon. M. Linton, legislative coordinator of the Urban Coalition who is here before us today representing John W. Gardner, chairman of the Urban Coalition.

Mr. Linton, will you please give us the benefit of your thoughts on the subject of the bill before us?

### STATEMENT OF JOHN W. GARDNER, CHAIRMAN OF THE URBAN COALITION ACTION COUNCIL, PRESENTED BY RON M. LINTON, LEGISLATIVE COORDINATOR, URBAN COALITION ACTION COUNCIL

Mr. LINTON. Thank you, Mr. Chairman.

May I first say it is a pleasure to be here particularly because of our long time friendship but also because it is unique to be testifying before you. I carry to you the apologies of John Gardner whose schedule was such he himself could not be present, but I assure the committee that his inability to present the testimony himself does not in any way reflect a lessening of his interest in this area or the coalition's interest.

I introduce Mr. E. George Pazianos, of the Urban Coalition Action Council. The Urban Coalition does not do any lobbying, the Urban Coalition Action Council does.

I am here to testify before the subcommittee on behalf of John W. Gardner, chairman of the Urban Coalition Action Council, an orga-

nization representing business and the professions, organized labor, religion, civil rights groups, and local government.

The Urban Coalition came into existence on July 31, 1967, as the Nation was experiencing its third straight summer of widespread civil disorder.

Immediately upon formation, the coalition called an emergency convocation, and on August 24, 1967, 1,200 leaders of American life assembled in Washington. Those who attended felt a deep sense of national urgency and a great need for a positive response to the urban crisis. Setting aside the differences which sometimes divide the Nation, the convocation called for immediate and significant national action.

The coalition represents a remarkable coming together of leadership from the various sectors of American life. On the steering committee are such businessmen as Henry Ford II and David Rockefeller, labor leaders such as George Meany and Walter Reuther, minority group group leaders such as Whitney Young, Roy Wilkins, and Bayard Rustin, and mayors such as Richard Daley of Chicago and John Lindsay of New York.

It is the purpose of the Urban Coalition to awaken the American people to their responsibilities in dealing with the urban crisis, to assist them in organizing to cope with that crisis, and to help them in the search for solutions.

It is not an operating organization, it is not an organization that will build an empire of its own; it is and will always remain small and it will supplement rather than supplant other organizations concerned with the cities, our stance is one of total cooperation.

The convocation held last August urged the Federal Government to develop an emergency work program to provide jobs and new opportunities for the unemployed and underemployed.

Representatives of the private sector in the Urban Coalition committed themselves to assist the deprived to achieve full participation in the economy as self-supporting citizens. To that end, they pledged full-scale private endeavors through creative job training and employment, managerial assistance, and basic investment in all phases of urban development.

The convocation called upon the Nation to take bold and immediate action to provide a decent home and a suitable living environment for every American family with guarantees of equal access to all housing, new and existing.

The convocation appealed for educational programs that will equip all young Americans for full and productive participation in our society to the full potential of their abilities.

Leaders of the Urban Coalition realized that these actions were not the responsibility of the National Government alone but also required the participation of State and local governments and of local leaders representing all phases of community life.

Therefore, since last August a nationwide effort has been made to organize local coalitions. Today there are 33 in existence and others are organizing.

The formation of local coalitions is only part of a very large-scale effect which we will undertake with the aim of informing and educating the American people with respect to the urban crisis. The time has passed when American citizens can hide their heads in the sand.

Our cities are in trouble. We intend to do everything possible to alert the people to the nature of the problem and the possibilities of constructive action.

As there must be local responses to go along with national action, so also there must be private enterprise participation to complement governmental action.

In the vitally important matter of employment opportunity, private enterprise must play a crucially important role, for about seven out of eight jobs in the United States are in the private profitmaking sector.

This commitment to a partnership approach by government and private enterprise is at the heart of the Urban Coalition's program.

The coalition was pleased, therefore, when the President established the National Alliance of Businessmen. As you know the alliance will work closely with the Departments of Commerce and Labor and with local businessmen in promoting the program called JOBS, which stands for "job opportunities in the business sector."

It is essentially an on-the-job training program, which develops the job skills the hard-core unemployed need so badly.

The unemployed person will have a good chance of moving into regular employment, and the employer will be paid for training expenses and other costs during the transitional periods when the trainee is not fully productive.

The national and local coalitions will support the National Alliance of Businessmen. It was particularly gratifying to the Urban Coalition that one of the key members of our steering committee, Henry Ford II, was appointed by the President to lead the alliance.

To complement this effort the Urban Coalition will work with local coalitions to open other job opportunities for the disadvantaged. We know that there are hundreds of thousands of job vacancies today. While some of them require professional training and others are in very low paying jobs, large numbers of these vacancies pay a living wage and could be filled by unemployed and underemployed persons who live in congested urban ghettos.

Many of them seem to be blocked by artificial barriers such as the requirement of a high school diploma or nearly absolute prohibition of hiring persons with a police record, regardless of the nature of the offense.

Thus many ghetto residents are rejected without regard to individual potential. This is the type of problem on which local coalitions might be very helpful.

The private sector can make significant contributions to the reduction of unemployment. Indeed the role of private enterprise is indispensable. Nevertheless, unemployment in cities and in rural areas from which many of the urban jobless come cannot be solved fast enough by private employment alone.

Only with a major program of public service employment can jobs in sufficient volume be produced with the speed which the urban crisis demands.

The emergency convocation of last August called for the creation of 1 million public jobs at the earliest possible moment. On March 11, 1968, the executive committee of the Urban Coalition reaffirmed this

objective. The statement of the executive committee and a list of its members is appended to my statement.

What are the principles that should govern an emergency public service employment program?

First, the Federal Government must enlist the cooperation of government at all levels and of private industry to assure that meaningful, productive work is available to everyone willing and able to work. I have already outlined how the National Alliance of Businessmen and the Urban Coalition are working toward this objective. The various Federal manpower programs are carried out by structures which have heavy involvement of State and local government.

In a similar manner emergency jobs should utilize the strengths of our Federal system so that much of the responsibility for solving the national employment program will actually be given to local communities, where the unemployed reside and will work.

To create socially useful jobs, an emergency public service program should concentrate on the huge backlog of employment needs in parks, streets, slums, countryside, schools, colleges, libraries, and hospitals.

Two years ago the National Commission on Technology, Automation and Economic Progress indicated that there is need for at least 5.3 million such jobs, and this finding has never been contradicted.

Mr. Gardner knows personally from his experience with the Department of Health, Education, and Welfare, that one of the grave problems in these fields is the shortage of personnel, not merely professional workers but also personnel in the subprofessional ranks which could be filled by many who are now unemployed or underemployed.

To find out how many socially useful jobs could be made available immediately, the Urban Coalition asked Dr. Harold Sheppard of the Upjohn Institute to survey a sample of major cities.

Based upon a preliminary analysis of this survey, Dr. Sheppard has concluded that at least 141,000 persons could be employed almost overnight in the 130 cities with population over 100,000.

These would be jobs in regular city departments where supervisors are already available and work tasks are clearly defined. If this sample were expanded to small cities, to county and State governments, and to jobs with private, nonprofit organizations, it is likely that enough jobs could be found to put 500,000 persons to work within 6 months.

By further planning, the number might be expanded to a million or more within a year.

Mr. Chairman, we will make the survey available to the committee for the record.

(The document to be supplied follows:)

HAROLD L. SHEPPARD,\* STAFF SOCIAL SCIENTIST, W. E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH, WASHINGTON, D.C.

PRELIMINARY REPORT ON PUBLIC SERVICE EMPLOYMENT NEEDS IN CITIES WITH 100,000 POPULATION OR MORE

The concept of "public service employment" is not a completely new one, although the popularity, perhaps even the urgency, of the idea has been growing as events and trends in the urban employment field have continued to have their dramatic effects.

One point must be made clear. For many persons the various proposals for expanding job opportunities through the public sector have referred to "govern-

\*The views expressed by the author do not necessarily reflect the positions of the W. E. Upjohn Institute for Employment Research.

ment as the employer of last resort." This expression unfortunately conveys the negative impression that (1) only *after* private enterprise has tried everything to absorb all the unemployed should government be turned to as an employer—and presumably an employer merely of those that private enterprise has rejected; and (2) the government's function is merely to act as an employer and not to act as a provider of such services as education, health, defense, parks and recreation, water services, highway maintenance, police and fire protection, etc.

With rare exception, the jobs to be had in government are vital to the functioning of the society and the community, and the services provided by government employees are deemed desirable by the citizenry. The critical point is that the need for the services to be provided is the underlying justification for public service employment—not merely the fact that such a need naturally calls for persons to be hired for such a purpose.

In just those cities with 50,000 or more population, about 1.3 million persons were employed by municipal governments in 1966. Another 7.3 were employed in State and other local governments (including counties and towns of less than 50,000 population). While nearly one-half were employed in education, the others were involved in carrying such functions as found in agencies dealing with highways, hospitals, public welfare, police and fire protection, sewerage and sanitation, etc.

But these figures do not mean that the cities, for example, are providing all the services needed for their citizens to the degree deemed necessary to cope with changing population size and composition, and to cope with rapidly changing conditions. As we all know, one of the major reasons for this failure in the public service sector has to do with the inadequacy of local sources or mechanisms for tax revenues. It is at this point that any Federally-financed program for public service employment comes to have great value for the cities.

At the same time, the very cities unable to provide to an adequate extent those services necessary for the functioning of an urban system are also trying to cope with the massive problem of employment for many of their residents. On the one hand, there are city governments with unmet public service needs for poor and nonpoor, employed and unemployed, white and nonwhite alike—and on the other hand, thousands of persons seeking employment or better employment.

In an effort to determine as quickly as possible, and within the bounds of realistic estimates, the U.S. Conference of Mayors requested the mayors of 50 cities with population of 100,000 or larger to answer a brief inquiry—the preface to which reads as follows:

The purpose of this inquiry is to estimate the degree to which local governments in the United States could be expanding their delivery of services to their community and citizens, if the usually cited obstacles to such expansion did not exist (such as budgets).

We would appreciate your answer to the following questions after consulting with the heads and personnel chiefs in the types of agencies listed below, if such a survey has not already been conducted.

The mayors were then asked to indicate which public service functions among the following 13 had a need for at least a 10 percent increase in services and/or personnel:

Anti-Pollution Enforcement.  
Education.  
General Administration.  
Health and Hospitals.  
Highway and/or Traffic Department.  
Housing Codes and Inspection.  
Library.

Police.  
Fire.  
Recreation and Parks.  
Urban Renewal (or Rehabilitation)—  
Including Model Cities.  
Sanitation.  
Welfare.

Following that question, they were requested to answer the following:

... could you provide *estimates* of how many additional personnel would be needed to implement these increased services? Plausible, reasonable estimates are perfectly satisfactory here. We are not insisting on precise to-the-last-man figures.

On the basis of the answers to this question supplied by the 34 cities returning the forms, it is possible to estimate that among the 130 or so cities of over 100,000 population there are approximately 280,000 job possibilities just among the 13 municipal public service functions cited in the questionnaire (including some functions which may be under county or state jurisdiction, such as education and welfare). These possibilities, of course, are at the present time only

theoretical in that funds are not currently available to make them into real job openings.

It should be emphasized also that these 280,000 potential positions include occupations and professions which require some degree of technical proficiency, and which could not be filled by the typical hard-core unemployed or under-employed resident of the central city. But a major purpose of this inquiry is to arrive at some intelligent estimate of the proportion of the total number of such positions deemed needed to provide the increased services in the 13 functions cited. Accordingly, the mayors were presented with the following statement and request for the information:

In many of these potentially expanded departments and functions, there is always the strong probability that new professional personnel may not be available in the numbers desired. Partly as a means of solving this type of personnel shortage, some agencies around the country have recently begun to recruit and train (A) men and women without the regularly required advanced preparation to perform those aspects of "professional" jobs which actually could be performed by such men and women. In other departments and functions needing more personnel, the only major reason for not hiring them is simply the problem of inadequate funds, and (B) men and women could be employed in a variety of jobs that are not rigidly professional in nature (for example, playground aides, urban beautification personnel, certain kinds of hospital employees, etc.).

In column 3, would you indicate what percent of the numbers cited in column 2 might consist of these two types, A and B, of new employees? In answering this question, please do not feel constrained by any *existing* budgetary or entrance-requirement limitations. Again, no iron-clad precise percentage is requested here—only your best estimate as to what proportion of these jobs could conceivably be filled by nonprofessional personnel.

The results of analysis of this information reveal that one-half of all the job possibilities cited previously could be filled, according to the mayors and their agency heads, by persons without technical or professional training. In other words, *at least* 140,000 possibilities for inner city residents may be said to be present in the 13 public service functions in cities of over 100,000 population.

This figure of 140,000 is a *minimum* estimate of the potentials of public service employment, for a number of reasons. *First*, the data on which the number is based exclude many other municipal functions not asked about in the survey; *second*, the estimates apply only to urban places of over 100,000 population—which encompass about one-third of the total U.S. population; *third*, they do not include any estimates from nonprofit private organizations in equal, if not greater, need of expansion of their services in urban and rural areas; *fourth*, the 140,000 figure does not include the estimates by the mayors of some cities volunteering responses to the "Other" category in the questionnaire (a copy of which is attached to this report). If the "Other" category is used in the estimate, it is safe to add an additional 10,000 job possibilities in public service employment for inner city residents, raising the minimum estimate to 150,000 for cities of over 100,000.

There is another significant reason for considering the estimate of 140,000 to 150,000 to be a conservative figure. It has to do with the possibility that too little thought has been given by city administrators to the actual extent of need for expanded and new public services. "Anti-pollution enforcement" is one example. This is a new and growing area of public concern, and in the next few years the manpower and personnel aspects of the enforcement and implementation of anti-pollution measures can be expected to become a major administrative challenge to urban areas. It is extremely doubtful that among the 130 cities with over 100,000 population, only 1,700 additional positions—as determined by the estimates of the 34 cities providing information—will be required to carry out such measures.

The point is that not only do we have a *backlog* of unmet public service needs: there is also a vast reservoir of *unanticipated and unplanned* needs for which little preparation has been made. In strong contrast to those students of manpower projections who foresee fewer and fewer jobs, there are other persons (including this writer) who fear that we have not begun to prepare for the wide and expanding range of human and public service functions that will be necessary to make life viable in our urban areas, that we will have a need for more and more employees.

In this connection, it may also be pertinent to mention that the need for such *public* services is also accelerated by growth in the *private* sector of our economy

and society. This need, in other words, is not *sui generis*, i.e., something that develops by itself in isolation from other conditions and trends. In order to facilitate the processes of the private economy, for example, the use of automobiles and trucks in the urban economy, certain public function needs must be met—driver education, inspection, traffic and parking control, highway construction and maintenance, auto emission pollution control, etc.

The emergence of new needs in the public service sector of urban America will in turn generate certain manpower needs that will require first of all, the design of new occupations for residents of the inner city; second, the effective recruitment and training of these residents; third, their placement in appropriate agencies in the city once trained (or perhaps after being trained on the job in those agencies); and finally, the development of techniques of what might be called "job maintenance" in order to keep such inner city residents attracted to these new positions.

This preliminary report has concentrated on a limited approach to the need to estimate on an intelligent basis essentially just those manpower needs for the expansion of *existing* local urban government programs, and limited further to a small number of such functions in only those cities with a population of 100,000 or more. The fact that the estimates pertain primarily to existing programs, furthermore, suggests that the additional jobs could be filled without too much delay—if funds could be made available.

TABLE 1.—PROJECTION OF ADDITIONAL PUBLIC SERVICE MANPOWER NEEDS FOR 130 CITIES WITH POPULATIONS 100,000 OR MORE, BY POPULATION CATEGORY BASED ON REPLIES OF 34 CITIES<sup>1</sup>

| Function or program  | Population size                      |                                      |                                   | Total<br>(130 cities) |
|--|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------|
|  | 100,000 to<br>250,000<br>(80 cities) | 250,000 to<br>750,000<br>(40 cities) | 750,000<br>or more<br>(10 cities) |                       |
| Antipollution enforcement.....                                 | 1,072                                | 368                                  | 308                               | 1,748                 |
| Education.....   | 33,944                               | 27,896                               | 22,758                            | 84,602                |
| General administration.....                                    | 5,952                                | 3,064                                | 4,924                             | 13,940                |
| Health and hospitals.....                                      | 12,368                               | 11,920                               | 10,246                            | 34,534                |
| Highway and/or traffic.....                                    | 4,512                                | 3,456                                | 1,818                             | 9,786                 |
| Housing codes and inspection.....                              | 968                                  | 1,544                                | 2,687                             | 5,199                 |
| Library.....   | 2,232                                | 1,804                                | 1,583                             | 5,619                 |
| Police.....  | 10,016                               | 8,992                                | 18,400                            | 37,408                |
| Fire.....  | 7,664                                | 3,348                                | 3,982                             | 14,994                |
| Recreation and parks.....                                      | 7,296                                | 3,800                                | 7,800                             | 18,896                |
| Urban renewal (or rehabilitation), including model cities..... | 7,440                                | 1,944                                | 2,814                             | 12,198                |
| Sanitation.....  | 4,160                                | 2,416                                | 7,101                             | 13,586                |
| Welfare.....   | 2,520                                | 3,764                                | 20,625                            | 26,909                |
| Total.....   | 100,144                              | 74,316                               | 104,955                           | 279,415               |

<sup>1</sup> Excludes answers to "other" categories.

TABLE 2.—PROJECTION OF PUBLIC SERVICE JOB POSSIBILITIES FOR INNER CITY RESIDENTS, BASED ON REPLIES OF 34 CITIES<sup>1</sup>

| Function or program  | 100,000 to<br>250,000<br>(80 cities) | 250,000 to<br>750,000<br>(40 cities) | 750,000 or<br>more<br>(10 cities) | Total<br>(130 cities) |
|--|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------|
|  | Antipollution enforcement.....       | 568                                  | 232                               | 100                   |
| Education.....   | 10,704                               | 15,000                               | 13,430                            | 39,134                |
| General administration.....                                    | 2,864                                | 1,236                                | 1,213                             | 5,313                 |
| Health and hospitals.....                                      | 6,120                                | 6,596                                | 6,074                             | 18,790                |
| Highways and/or traffic.....                                   | 3,608                                | 2,168                                | 1,403                             | 7,179                 |
| Housing codes and inspection.....                              | 440                                  | 576                                  | 457                               | 1,473                 |
| Library.....   | 1,176                                | 908                                  | 1,075                             | 3,159                 |
| Police.....  | 2,360                                | 3,916                                | 5,340                             | 11,616                |
| Fire.....  | 2,720                                | 1,648                                | 1,022                             | 5,390                 |
| Recreation and parks.....                                      | 5,696                                | 2,900                                | 5,763                             | 14,359                |
| Urban renewal (or rehabilitation), including model cities..... | 5,304                                | 1,104                                | 1,392                             | 7,800                 |
| Sanitation.....  | 2,816                                | 1,868                                | 2,850                             | 7,534                 |
| Welfare.....   | 544                                  | 2,428                                | 15,525                            | 18,497                |
| Total.....   | 44,920                               | 40,580                               | 55,644                            | 141,144               |

<sup>1</sup> Excludes answers to "other" categories.

TABLE 3.—PROJECTED JOB POSSIBILITIES IN PUBLIC SERVICE FUNCTIONS, BY TYPE OF FUNCTION

[In percent]

| Functions  | All new positions | Nonprofessional positions only |
|--|-------------------|--------------------------------|
| Total.....   | 100.0             | 100.0                          |
| Antipollution enforcement.....                                 | .6                | .6                             |
| Education.....   | 30.3              | 27.7                           |
| General administration.....                                    | 5.0               | 3.8                            |
| Health and hospitals.....                                      | 12.4              | 13.3                           |
| Highway and/or traffic.....                                    | 3.5               | 5.1                            |
| Housing codes and inspection.....                              | 1.9               | 1.0                            |
| Library.....   | 2.0               | 2.2                            |
| Police.....  | 13.4              | 8.2                            |
| Fire.....  | 5.4               | 3.8                            |
| Recreation and parks.....                                      | 6.8               | 10.2                           |
| Urban renewal (or rehabilitation), including model cities..... | 4.4               | 5.5                            |
| Sanitation.....  | 4.9               | 5.3                            |
| Welfare.....   | 9.6               | 13.1                           |
| Percentages based on.....                                      | 279,415           | 141,144                        |

Note: Columns may not add to 100 because of rounding.

TABLE 4.—PROJECTED JOB POSSIBILITIES IN PUBLIC SERVICE FUNCTIONS, BY SIZE OF CITIES

[In percent]

| City size                | All new positions | Nonprofessional positions only |
|--------------------------|-------------------|--------------------------------|
| Total.....               | 100.0             | 100.0                          |
| 100,000 to 250,000.....  | 35.8              | 31.8                           |
| 250,000 to 750,000.....  | 26.6              | 28.8                           |
| 750,000 or more.....     | 37.6              | 39.4                           |
| Percentage based on..... | (279,415)         | (141,144)                      |

Mr. LINTON. A public service employment program would not only enable unemployed to earn their own way, it would benefit the general public by the many necessary and useful tasks which would be performed.

It goes without saying that a public service employment program must provide meaningful jobs—not dead end, make work projects.

The employment experience should add to the capabilities and broaden the opportunities of the employees to become productive members of the permanent work force. To place hard-core unemployed in meaningless activities with no future would merely reaffirm their hopelessness and despair.

What is more, there is little excuse for a resort to meaningless activities. There is a great deal of meaningful work to be done.

In Dr. Sheppard's survey the greatest number of jobs which could be filled immediately by unskilled and semiskilled persons were in education, followed by police and fire protection, health and hospitals, social welfare, and parks and recreation.

All of these fields of public service will have a continued demand for personnel, and all of them have the type of jobs which provide opportunity for advancement from entry level to higher skill and higher paying jobs.

Basic education, training, and counseling must, of course, be an integral part of any public service employment program.

Building training into a public service employment program is essential if persons so employed are to be given the opportunity to advance either to higher skilled and better paying jobs with public agencies or to jobs in the private sector.

Therefore, it is not enough to authorize only enough funds to pay wages. Instead, the cost of training and counseling should be included in the public service program, especially since other training funds are already fully committed.

In many instances, it might be desirable to contract with private, profitmaking firms to carry out the training and education. The program should be so designed that this option is available.

A public service employment program should seek to qualify new employees to become part of the regular work force and to meet normal performance standards. This program could have the effect of creating a sizable manpower pool of persons who by actual performance are demonstrating their willingness to work and their capability to perform various work tasks.

A man who is working as an auto mechanic for a public works department could move to a job in a private garage. The demand for landscapers is expanding, particularly in suburban areas, so that a person working for a beautification project could put his new skills to work for a private employer.

Dozens of occupations are interchangeable between the public and the private sector, such as typists, welders, truckdrivers, cooks, draftsmen, painters, and many more.

The so-called new careers—teachers' aides, nurses' aides, laboratory assistants, and others—offer the potential for entry at an elementary skill level with opportunity for advancement.

Given proper training, participants in public service employment programs could gain access to a wide variety of other job opportunities.

Funds for public service employment should be made available to local and State governments, nonprofit institutions, and Federal agencies able to demonstrate their ability to use labor productively.

This must be done without reducing existing levels of employment or undercutting existing labor standards or wages which prevail for comparable work or services in the area.

Consistent with this principle, a State or local government should be able to contract with a private firm hiring the hard-core unemployed to perform public services. This, after all, is a common pattern for public works activities.

We often hear recommendations that the Federal Government should be the employer of last resort. With our existent tax structure, Federal funds should be the major source of financial support for public service employment, but the actual employer should be State and local governments, nonprofit organizations, and private firms under contracts.

The establishment of a minimum wage is important so that persons working in public service will be able to support their families.

The operation of the program should be keyed to specific, localized unemployment problems and focused initially on those areas where the need is more apparent.

This means that the program should have considerable flexibility encouraging local initiative and easy adaptability to varied communities.

In a city with a tight labor market and many unfilled industrial jobs a public service employment program might concentrate upon those occupations where workers could gain the experience which would rapidly qualify them for those existing jobs.

In a locale with higher rates of unemployment, public service employment might have to be longer term. Another city might want to give particular attention to improving the bad housing and wretched environmental conditions which plague the poor. There should be no single made-in-Washington pattern.

As our name implies, we are concerned especially with the needs of urban areas. It is plain to all thinking Americans that the urban crisis comes to focus particularly in the ghettos. This has been made all the more clear to us by the recent, excellent report of the President's Advisory Commission on Civil Disorders. The Executive Committee of the Urban Coalition has strongly endorsed this report and has commended it to the Nation's citizens and leaders for study and action.

Since you are all familiar with the report, I will quote only one passage:

What white Americans have never fully understood—but what the Negro can never forget—is that white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condones it.

It is now urgent that the Government of all the people of the United States do something about it. As the Advisory Commission recommended, employment should be at the top of the agenda.

That is not to say that a public service employment program would be for Negroes alone. Many persons with Spanish surnames suffer unemployment. And in all national statistics the majority of the unemployed are white.

Nor should a public service employment program be only for urban areas. Although the greatest concentration of unemployment and the most explosive situations are found in urban ghettos the highest proportion of unemployment among residents of a community are found in rural areas.

If persons cannot find work in South Carolina they move to Washington, Philadelphia, or New York.

Those unemployed in eastern Kentucky head for Pittsburgh and Cleveland and Detroit. Those without jobs in the Mississippi Delta migrate to Chicago.

The jobless in the Rio Grande Valley move to Texas or California cities. Indeed the cities and the rural areas alike will benefit if a public service employment program is both urban and rural.

As I have studied H.R. 12280—the Guaranteed Employment Act, I find that in most respects it is in basic accord with the principles I have described. There are however three aspects that might be strengthened.

First, the authorization of up to 1 million jobs at any one time is to be applauded, for this volume more nearly meets the need than most of the other employment bills pending before Congress.

The authorization in section 14 for education and training as part of the program is also commendable for this will enable working in public service employment to gain the skills they need to advance to better paying and more permanent jobs.

However, proper education and training programs will require additional resources. Therefore it may be necessary to increase authorization of funds to \$5 billion in order to pay an adequate wage for work as well as the cost of supplementary training and education.

Second, as much use as possible should be made of job opportunities with private employers. As you know major efforts are underway to increase the participation of the private sector in employment programs for the unemployed poor.

It seems clear that some type of an incentive is necessary and that additional Federal funds are needed for this purpose. This might be done by adding another section and a higher authorization to H.R. 12280 by putting more funds into MDTA, or by augmenting the program authorized by Economic Opportunity Amendments of 1967 which provide for reimbursement to employers for a limited period when an employee might not be fully productive.

Third, there is a need to assure that a public service employment program is adequately tied to other manpower programs sponsored by the Federal Government.

Coordination in Washington is essential but even more important is coordination at the local level where the unemployed live and work.

An unemployed poor person may need a sequence of services ranging from recruitment through training to job placement. Public service employment could be a way station on the road to private sector employment for most.

This means that a public service employment program should be linked to other manpower and employment programs.

One way to accomplish this goal is to channel Federal funds through a local prime sponsor, which in delegating operating responsibility to other agencies can assure that adequate linkages exist between the various program components.

While the Secretary of Labor needs some flexibility in funding independent contractors it would be desirable to direct most of the public service employment funds through the same prime sponsor that is handling manpower programs under the Economic Opportunity Act.

In conclusion I reiterate the plea of the emergency convocation held last August which called upon—

All Americans to apply to the same determination to these programs that they have to past emergencies. We are confident that given this commitment our society has the ingenuity to allocate its resources and devise techniques necessary to rebuild cities and still meet our other national obligations without impairing our financial integrity.

Out of past emergencies we have drawn strength and progress. Out of the present urban crisis we can build cities that are places not of disorder and despair but of hope and opportunity.

The task we set for ourselves will not be easy but the needs are massive and urgent, and the hour is late. We pledge ourselves to this goal for as long as it takes to accomplish it. We ask the help of the Congress and the Nation.

Mr. O'HARA. Thank you very much.

Mr. Hathaway, do you have any questions?

Mr. HATHAWAY. Mr. Linton, I want to compliment you on your excellent statement and ask you one question with regard to the 1 million people who will be employed. What incentive do you think we should build into the bill to make sure we don't keep the same 1 million people

there so we will have a necessary turnover to provide for the others coming along?

Mr. LINTON. The important thing is to relate the public service employment to the type of opportunities and the type of jobs that will open in the private sector as the economy expands.

The task will be to not only allow these unemployed to make a job entry at the level of their capability when they take the first job but also to provide them an opportunity to continue to expand their capabilities; to train for and fill jobs at higher levels of the economy.

As I am sure you know our industrial economy requires that there be a constant upward mobility within the work force, which means an expansion at the top level.

As the top expands with new entrepreneurs being created, then there is an upward lift. Those now unemployed are not participating in that upward lift and are creating a drag in our economy. This program will create an opportunity for them to enter the work force and rise. This means their training will have to continue, their ability be tapped and an opportunity given them to move into other jobs.

The view we have of the public service jobs we are talking about is that these jobs will not evaporate but are jobs society truly needs. Somebody will always be performing these jobs because their vacancy will create a less desirable society.

Mr. HATHAWAY. I understand that, but I want to make sure the individuals don't find a hole there and move in. Maybe we should build in an incentive of a time limit. Some may get the training and decide they would rather work here than keep moving.

Do you think a time limit would be a good suggestion? It depends on the amount of training, I suppose.

Mr. LINTON. I think it depends entirely on the training aspects of the job position.

A type of public service employment job would be an inspector for a city health department on housing codes—this is a vitally needed type of employment in almost every major city. I'm not certain whether there is a time limit that could be put on this job in terms of where this person moves next.

It certainly is worth studying, but I am not sure a time limit is the answer.

Mr. HATHAWAY. Where a vacancy occurs in the private sector the individual more or less has to take the vacancy if he is trained for it. I don't want to make this stagnant.

Thank you.

Mr. O'HARA. Mr. Steiger?

Mr. STEIGER. Mr. Linton, I appreciate your testimony.

On page 12 you say, "The Executive Committee of the Urban Coalition has strongly endorsed the President's Advisory Commission on Civil Disorder Reports and has commended it to the Nation's citizens and leaders for study and action." In line with that I would assume that the urban coalition has as well urged the adoption of the recommendations of the Kerner Commission; is that correct?

Mr. LINTON. Within the concept of recommending the entire report, that is correct.

Mr. STEIGER. That being the case, there are included in the report of the Advisory Commission on Civil Disorders a number of recom-

mendations which are not found in the bill presently before us. I wonder if you might be willing to comment in terms of the urban coalition's view of the proposal made in H.R. 14603 to institute a system of tax incentives and tax credits for the private sector to become involved in this field in training and providing meaningful jobs for the unemployed?

Mr. LINTON. The coalition has not considered or discussed specific aspects of tax incentives and tax credits, therefore I could not comment on behalf of the coalition as to whether it would favor or not favor this specific approach as an incentive to the private sector to participate in a job program.

Mr. STEIGER. On page 13 you indicate in your testimony on behalf of the Commission, "It seems clear some type of incentive is necessary."

Mr. LINTON. That is correct, but you are asking specifically whether the coalition would endorse a tax incentive. I could not comment on this due to the fact a discussion and arrival at a position by the coalition has not occurred on tax incentives or tax policies.

At this point the coalition action council's only position on taxes has been to support the tax increase.

The testimony is clear that there is incentive necessary to the private sector. We are unclear as to the precise nature of that incentive.

Mr. STEIGER. May I say—

Mr. LINTON. There may be other possible incentives and I am not saying we are opposed or in favor; I am only handicapped in that I cannot speak for a board of 40 people who have not discussed it.

Mr. STEIGER. I appreciate that, but you said you endorsed the Commission's Report on Civil Disorders. In that report is a recommendation to provide tax incentives and tax credits to the private sector. I trust in the good judgment of the coalition on this but, if in fact they endorse the Commission's recommendations, among what they will include in their endorsement is tax incentives.

Mr. LINTON. It may well be.

Mr. STEIGER. I hope it is, I would be distressed if it turned out to be something different than that.

Mr. O'HARA. Will the gentleman yield?

Mr. STEIGER. Certainly I will yield.

Mr. O'HARA. I am not thoroughly familiar with the bill you are discussing. I think the Republican bill that includes tax incentives has been referred to the Ways and Means Committee, but tax incentives to do what?

Mr. STEIGER. To encourage the private sector to take on those who are presently unemployed, give them the necessary training, skilled training, so they can be employed within an industry.

Mr. O'HARA. In other words, not getting them to take one job applicant rather than another, but getting them to take people—it is essentially a training program; is that it?

Mr. LINTON. I am not familiar with the terms of that bill.

Mr. O'HARA. I am not either and am wondering what it is.

Mr. STEIGER. You will find, Mr. Chairman, basically what the Commission recommend in terms of a tax credit proposal stressed simplicity and automaticity. Among other things there is a discussion of providing each hard-core unemployed person a so-called green card. For each

new such added employee to the payroll, the employer would receive a substantial credit providing that no existing employees are dismissed in order to hire green-card people. The employer would get a credit equal to 75 percent of the employee's wages and fringe benefits for the first 6 months, 50 percent for this first year, 25 percent for the second year and nothing thereafter.

Mr. O'HARA. Thank you.

Mr. STEIGER. On page 14 you have indicated two things which I think are of value to the committee and you pinpoint some of the weaknesses of the bill in its present form in terms of public service employment. One points out the need for coordination at the local level; secondly, the need, as you suggested, to accomplish the goals by channeling funds through a local prime sponsor.

May I again point to the proposal which is offered by some of us, at least, as a suggested alternative to the proposal in the Public Service Employment Act, namely, the creation of the Economic Opportunity organization as a means of attempting to find a way to coordinate these programs both at Washington and at the local level and, secondly, the community service employment program, that is, the concept of attempting to find a local prime sponsor through which funds can be channeled for public service employment.

Have you reviewed these and, if so, what kind of reaction and comments would you have on both these suggestions? Both are part of what is recommended by the Kerner Commission.

Mr. LINTON. I have not reviewed them in depth enough to say that I would be for or against either one of them.

Let me say there is in the nonprofit corporation concept a great deal to commend it. So far as its operation on a national level, I think care has to be taken that we don't substitute some non-Government, made-in-Washington stereo type for government. I would reemphasize my earlier comment that I think it is very important that communities be able to devise programs that are most meaningful to the needs of those communities.

A national organization, if one is to be adopted, would have to be particularly cognizant of providing help which allows the local communities to design their own program and not design something they expect everyone to adopt or even to design a variety of programs they would then have local communities adopt.

As far as who the prime sponsor ought to be, again I think this may have a wide variation in communities. We suggest here at one point considering the same prime sponsor that is under OEO. It might be that local coalitions could become prime sponsors or it might be a separate organization such as you suggest. All of these could conceivably play a role in the development of such a program.

Mr. STEIGER. I appreciate your comments on that. I think you did a good job, if I may interject a comment on the fact that you have, I think, realistically assessed the weakness of the bill, the Guaranteed Employment Act, by suggesting it may be necessary to increase the appropriation to pay for both adequate wages and supplementary training.

This is a criticism I have leveled at it since the beginning. Quite frankly I think the bill is woefully inadequate in tying the concept of

training and education into the requirements of any application. The section relating to applications, all it does is relate to the job conditions. It does not relate in any way to training or education.

Section 6 relates to the applications and what is required; section 14 is tacked on at the end and says they will also find some way to provide education. I think your suggestion is valuable to the committee.

Kenneth Clark made a statement that struck me as being one deserving consideration when he said, "Business and industry are our last hope because they are the most realistic elements of our society."

I wonder if the coalition has given thought to—I know you can't speak unless the Board has spoken—the growing interest on the part of the Congress of racial equality, other groups, Thomas Matthews and his Negro organizations, Jimmy Brown and his group NNIEU, to the concept of "green power."

Let me be very honest and say one of the things that disturbs and concerns me about the Guaranteed Employment Act and things of that kind is something Mr. Hathaway touched on, that is, this is a continuation of the dole system which we have operated in this country.

It has not achieved the results, it has not provided the training nor given the kind of adequate and meaningful hope Bayard Rustin said yesterday was so important.

Has the coalition done any work on this green power, or have you done any work on the economics of the ghetto and the economics of the black community in an effort to strengthen the whole fabric?

Mr. LINTON. May I comment first by saying if the public service employment program were adopted, as I think we conceive it, it would not be a dole; it would be providing an opportunity for citizens of the community to work at jobs that that community is now going without for two reasons:

One, local government and government-related agencies do not have sufficient revenues to carry on the work that they need to be doing and, two, the communities cannot recruit or train the workers to fill the jobs even when they have the funds.

We do not conceive any job in public service employment, regardless of who is filling it, as not having a meaningful place in our society.

The coalition has not taken a position on comprehensive economic development. We are looking at the problem of economic development relating to housing, community facilities and the entire nature of the ghetto as a functioning and integral part of the whole city, so the ghetto wall will crumble.

In my own experience from working in programs in the ghetto, economic development is, of course, extremely important. Referring to my earlier statement about the necessity for upward mobility in the work force, this upward mobility is stopped when we no longer have entrepreneur development.

In order for the economy to expand, we have to have economic development. This means that minority groups, particularly Negroes in the ghetto, are going to have to enter the private enterprise system as owners.

I would say in Washington, for example, there is opportunity to open drycleaning establishments, and it would not be difficult to find a capable Negro and to finance him and to put him into that business.

But when his neighborhood is composed essentially of people who are struggling with their dollars just to provide shelter and food, there are no customers for these kinds of services; therefore, any economic development program that is not coupled with a program that provides a living income to the people living in the neighborhood where economic development will occur cannot succeed because there must be customers to supply the revenues to people running the business.

Mr. STEIGER. There is no question that you have to have a constituency whether it is in politics or in business and the point is well taken.

No further questions, Mr. Chairman. I appreciate the coalition's coming here this morning to give us its thinking.

Mr. O'HARA. Mr. Linton, thank you for your testimony.

I would like to say that I am in complete agreement with the testimony you have given and I appreciate the efforts of the Urban Coalition to focus attention on the problems toward which this bill is directed.

Your suggestions with respect to a prime sponsor which could be the same prime sponsor that is handling the programs under title I-B of the Economic Opportunity Act and possibly also handling programs under MDTA is, I think, a very worthwhile suggestion and something I think we ought to take care of either in the legislation or in the administration of the legislation.

I might point out in connection with that, that we allow complete flexibility in the bill, H.R. 12280. We simply say the Secretary shall arrange and we leave the arrangements to him.

I would certainly envision that we, being among the prime supporters of title I-B of the Economic Opportunity Act could work this program in concert with that.

Your remarks with respect to private employment, I think, are pertinent. Clearly we need more training. We need to move people into private employment vacancies, but very honestly I envision that as a very different sort of thing than this.

Hal Sheppard of the Upjohn Institute has done a sampling type of survey of jobs in the United States. I hear a lot of stuff about job vacancies, but the fact is, the job vacancies are basically of two kinds:

One, highly skilled occupations, or at least skilled occupations that require extensive training and generally, as well require a rather solid educational foundation. That is one type of job vacancy we have a considerable number of.

A second type of job vacancy is in the low skilled, low pay type of employment such as hospital orderlies, nurses aids, and so forth.

Now we have a great number of those two types of vacancies and not so many in the kinds of jobs—although some—that an unemployed person without a strong educational background could be trained for and placed in a relatively short period of time, although we have some and should be working on it. That is what we have MDTA for and a number of the other manpower programs for.

I look at all of this as part of an overall comprehensive manpower policy. If anyone understands anything at all about the labor market, they must recognize you cannot simply concentrate on any single aspect of it and hope to have results.

I think you need several things in the labor market. You need a mobility program; you need a program that is upgrading skills; you need your basic skill training programs; you need your recruitment, counseling, placement; and you need—you can only expand those programs so fast.

In order to open up entry-level jobs, you have to be upgrading the work force to higher level jobs.

In order to provide mobility, you have to have a meaningful program to assist people in moving to different jobs. But if you are going to have something left over there, in all probability, then I envision the public service employment program as being one that would provide meaningful jobs at a level of compensation that would permit a person to support his family in decency for those who are not engaged in one of these other operations that we are talking about.

The reason I go to public service employment is because that is the area in which I see we can employ people at meaningful tasks under conditions that are appropriate and employ people that would not otherwise be employed in jobs that would not otherwise be filled.

The difficulty with many of the proposals with respect to private employment has been that what we are saying to them is, "Go out and hire. Well, get all Negroes instead of those you would have hired," because a large number of these jobs are jobs that would have been filled any way. Presumably private industry is not going out and hiring people they don't need. I think it is worthwhile to say to them, "You need a certain number of people and we think there is some social utility to your making some efforts to hire from the most disadvantaged type of group rather than the creaming type of operation you have been doing; this is, taking the best applicant you have.

"Take some of those less qualified."

But that is not the best tool for unemployment; it is simply shifting it around a little. Here I see an opportunity to reduce the pool of unemployment by 1 million workers. I think that is a worthwhile thing to do.

We could do it by private employment; we could say to private employers, "It is true your work force is a thousand people, and you will fill your work force, if you can, up to that now. We have a program we hope you are going to utilize that will permit you to train people if you can't find people to fill those jobs."

I am for that, but if we want to create new jobs, we say, "Look, your work force is at an optimum now. We want you to hire 1,500 more."

The guy says, "I can't use 1,500 more. What am I going to do with them, what will I manufacture, what will I produce? You want me to produce one and a half times what I have been doing? I can't sell it."

Then we say, "We will pay 75 percent of the wages and maybe you can sell more. You can produce a product that otherwise you might not produce and maybe sell it, if the market can absorb it. You might produce propellor-top beanies. You can't sell them at a dollar and a half, but if we pay 75 percent of the wage cost, you can produce them and maybe sell them for less."

I would suggest that if we are going to, in effect, pay the wages of people to be employed at tasks that employers would not otherwise undertake, production they would not otherwise turn out, we might as well use that money in terms of turning out public services. It would be a little better spent that way.

The long and short of it is, I gather, you completely agree in order to have an overall manpower policy, you are going to have to have some elements of each of these things, all the private on-the-job training you can get, all the public institution training you can get, all the basic education you can get and when you have done all these things, you are going to need a public service employment program, is that correct?

Mr. LINTON. That's right. The coalition has never asked the private sector to create new jobs except where those jobs are called for by an expanding economy. Our effort in that area is to ask the private sector to use people who would not otherwise be hired because of unrealistic standards or qualifications.

For example, we have raised to the private sector the question of whether some jobs really require a high school education or whether a standard of high school education was set not because of any relevancy to the job, but because of the attitude of management.

This automatically bars a number of ghetto people. The same is true when we deal with the problem of a police record. When you set an automatic company policy that no one will be hired who has a police record, you eliminate a substantial number of unemployed people from the ghetto. The people that need job help. We say just use common-sense in evaluating the requirement for a job. Every company has a certain amount of attrition in a year. The question is who will fill those jobs.

In the public service area I might note that in a number of city agencies we have professional people with college degrees carrying out work which they don't like to do because it is beneath their educational level. The end result is that they do not perform as well as the job calls for; they are unhappy people because they feel they are being downgraded and these are jobs which high school graduates coming out of the ghetto could be trained in a short period of time to fill. They would be delighted to have a living wage which the jobs pay and they would be working in their own neighborhoods and carrying on a public service, thus releasing the college graduate to do the supervisory and planning work that can't be done because they have to be doing the other work.

Mr. O'HARA. That is true. I think the whole problem is job structure. We have to be working at this question of breaking down existing job categories, reexamining existing job categories in a way that might permit structuring them somewhat differently so persons of lesser qualifications can perform in jobs that previously required higher qualifications, or in parts of jobs.

I think we both recognize when we go out to private industry and say, "We want you to hire the disadvantaged, but we don't want you to hire any more people than you were planning on hiring anyway," that what we have done is we may have employed a few people from the disadvantaged group and we have closed employment opportunities to some other people.

We have just shifted the unemployment from one sector to another. What I am talking about here is creating new jobs to employ people that would not have otherwise been employed in jobs that need to be done. That is the objective of this bill and the way in which it differs from the bills that have been discussed here and bills we have on the books now.

Thank you, Mr. Linton.

Mr. LINTON. Thank you, Mr. Chairman.

Mr. O'HARA. We had hoped to have Mayor Lindsay testify today as well, but Mayor Lindsay was unable to be present today because of events in New York City.

Next week this committee will meet on the 15th and 16th and take testimony on 15045, a bill to extend a Manpower Development and Training Act, which is expiring next year. Some of its provisions are expiring this year and others next year. The bill is directed at keeping the MDTA program going.

This hearing will stand adjourned subject to call of the Chair.

(Whereupon, at 11:10 a.m. the subcommittee adjourned.)

(The following letters were received subsequent to Mr. Linton's testimony:)

THE URBAN COALITION ACTION COUNCIL,  
Washington, D.C., June 27, 1968.

HON. ELMER J. HOLLAND,  
U.S. House of Representatives,  
Washington, D.C.

DEAR MR. HOLLAND: I am writing to you out of personal conviction and a deep concern for the future of our country. But also I write on the express instruction of 38 prominent Americans who form the Urban Coalition Action Council. A list of their names is attached.

We are united in the certainty that this nation is going through an unprecedented crisis—a crisis that could tear it apart.

No one has a perfect understanding of the crisis. No one knows all the answers. But there are some positive measures that we can take and it is of supreme importance that we take them promptly. We cannot allow this great nation to falter while things that can reasonably be done go undone. We must not bicker and equivocate when the nation's fate hangs in the balance.

We must act. And we must act in a constructive spirit. It is unthinkable that we would turn our backs on this nation's great tradition of positive problem-solving and retreat into fearful inaction.

We must face forward. We must do the things we can do now to solve real problems, correct real injustices, alleviate real suffering.

At this writing no group more surely holds the key to the nation's future than the Congress of the United States. Uniquely, Congress has the power to take immediate and effective action. It must not leave undone the significant things it can do.

The nation watches.

This is not just any year. This is a year of sorrow, of confusion, of explosive anger. Congress must lead, and the only path compatible with our future greatness as a nation is the path of constructive action to combat known evils—crippling poverty, inadequate housing, educational disparities, discrimination and all the conditions that blight individual lives.

There are some measures that seem to be especially critical. The proposed \$75 million supplemental appropriation for summer jobs is one. Another is the \$25 million supplemental for Head Start.

The Congress should create at this session a public service employment program with the funding to make it effective. It should pass the Administration's housing bill. Budget cuts should not be made in programs aimed at helping the nation's deprived with jobs, housing and education.

The men who make up the Urban Coalition Action Council represent many different segments of America life. They are realists who know the costs of the programs they are asking you to support. But they know the far greater costs to the nation of unproductive human beings and decaying cities. They appreciate as you do the vast range of requirements which you must consider as you

set the priorities and allocate the resources of this country. But they believe that this is a time for extraordinary measures in behalf of the nation.

Sincerely,

JOHN W. GARDNER, *Chairman.*

THE URBAN COALITION ACTION COUNCIL

I. W. Abel, *President, United Steelworkers of America.*  
 Honorable Ivan Allen, Jr., *Mayor of Atlanta.*  
 Joseph H. Allen, *President, McGraw-Hill Publications.*  
 Arnold Aronson, *Leadership Conference on Civil Rights, National Community Relations, Advisory Council.*  
 Roy Ash, *President, Litton Industries.*  
 Jordan Band, *Chairman, National Community Relations Advisory Council.*  
 Honorable Joseph M. Barr, *Mayor of Pittsburgh.*  
 Honorable Jerome P. Cavanagh, *Mayor of Detroit.*  
 Frederick J. Close, *Chairman of the Board, ALCOA.*  
 Honorable John F. Collins, *Massachusetts Institute of Technology.*  
 Honorable Richard J. Daley, *Mayor of Chicago.*  
 Archbishop J. F. Dearden, *Archbishop of Detroit.*  
 Dr. Arthur Flemming, *President, National Council of Churches, President, University of Oregon.*  
 Henry Ford, II, *Chairman, Ford Motor Company.*  
 Honorable Milton Graham, *Mayor of Phoenix.*  
 Bishop George Guilfoyle, *Diocese of Camden.*  
 Dr. Elder G. Hawkins, *St. Augustine Presbyterian Church.*  
 Andrew Heiskell, *Chairman of the Board, Time, Inc.*  
 John H. Johnson, *President, Johnson Publishing Company.*  
 Joseph D. Keenan, *Secretary, International Brotherhood of Electrical Workers.*  
 Honorable John V. Lindsay, *Mayor of New York.*  
 George Meany, *President, AFL-CIO.*  
 J. Irwin Miller, *President, Cummins Engine Company.*  
 Honorable Arthur Naftalin, *Mayor of Minneapolis.*  
 James F. Oates, *Chairman of the Board, Equitable Life Assurance Society.*  
 Gerald L. Phillippe, *Chairman of the Board, General Electric Company.*  
 A. Philip Randolph, *International Brotherhood of Sleeping Car Porters.*  
 Walter Reuther, *United Auto Workers.*  
 David Rockefeller, *President, Chase Manhattan Bank.*  
 James Rouse, *President, The Rouse Company.*  
 Rabbi Jacob P. Rudin, *President, Synagogue Council of America.*  
 Theodore Schlesinger, *President, Allied Stores Corporation.*  
 Asa T. Spaulding, *President, North Carolina Mutual Insurance Company.*  
 David Sullivan, *President, Building Service Employees International Union.*  
 Honorable James H. J. Tate, *Mayor of Philadelphia.*  
 John Wheeler, *President, Mechanics and Farmers Bank, President, Southern Regional Council.*  
 Roy Wilkins, *Executive Director, National Association for the Advancement of Colored People.*  
 Whitney M. Young, Jr., *Executive Director, National Urban League.*

THE VICE PRESIDENT,  
 Washington, June 18, 1968.

HON. JOHN W. GARDNER,  
 Chairman, The Urban Coalition Action Council,  
 Washington, D.C.

DEAR JOHN: I have your letter asking for a statement of my position on the pending legislation proposing a federally assisted program of public service employment. The objectives set forth in the Clark-O'Hara Bill are ones which I wholeheartedly support.

We are making significant inroads into finding meaningful employment opportunities for those with fewer skills and education. Most of the opportunities are properly within the private sector of our economy. The various programs now underway—JOBS, the manpower training programs and the fine work of the National Alliance of Businessmen—are testimony to the fact that the disadvantaged can be brought into and trained for meaningful employment.

Every year we know there are expanding demands for employment in public service, particularly at the state and local levels. Many of these employment opportunities today go unfilled because of lack of local revenues and difficulty in recruitment and training of the less skilled.

It is for this reason that the public service employment program outlined in the Clark-O'Hara Bill makes good sense. We can meet the dual needs of additional opportunities for employing hard-core unemployed beyond the employment opportunities in private business, and the demonstrated need to expand necessary public services. With adequate training, counseling and basic education, disadvantaged persons can find meaningful employment in such community service areas as hospitals, schools, conservation, parks, libraries and sanitation. We know through many demonstration programs that this makes good sense and can be done.

Our public policy should be one of assuring the willing worker that there is for him meaningful employment through training, first in private employment opportunities, and additionally through meaningful public service employment.

I want to help the Urban Coalition Action Council achieve a successful enactment of this type of program. This is an effective example of how the Urban Coalition is carrying out its statement of principles and goals. I want you and your associates to know that I am in basic agreement with these objectives. I welcome the opportunity to work with you in achieving them.

With every best wish.

Sincerely,

HUBERT H. HUMPHREY.

UNITED STATES SENATE,  
Washington, D.C., June 4, 1968.

Mr. JOHN W. GARDNER,  
Chairman, The Urban Coalition Action Council,  
Washington, D.C.

DEAR MR. GARDNER: I appreciate your letter regarding the public service employment program.

I strongly supported Title II—the Emergency Employment Act—of the Senate Labor Committee bill last October and voted against the motion to recommit the bill and strike that title. During the course of my campaign this year I have stated that we must advance a new concept of civil rights for citizens, including the right to a job, and have called for a program of public service jobs for the urban poor.

I appreciate the efforts of the Urban Coalition to secure support for a public service employment program and hope that at your next meeting you will convey to the other representatives of the Urban Coalition Action Council my strong support for a program of this kind.

With best wishes.

Sincerely yours,

EUGENE J. MCCARTHY.

STATE OF NEW YORK,  
EXECUTIVE CHAMBER,  
Albany, July 2, 1968.

Mr. JOHN W. GARDNER,  
Chairman, The Urban Coalition Action Council,  
Washington, D.C.

DEAR JOHN: Thank you for your letter of June fourth and the Urban Coalition's proposal for a Public Service Employment program.

I share your concern that the public sector must make a major contribution toward the provision of jobs for those who are presently unemployed or underemployed. Government cannot expect the private sector alone to bear the responsibility of providing jobs for the unskilled and the disadvantaged. The public sector must also make its contribution in the form of productive meaningful jobs. Make work approaches will not do.

We must also recognize that employment alone is not enough and that employment programs must be coupled with meaningful pre-employment training in work habits and skills. Similarly, there must be a major effort to provide in-service training for the disadvantaged so that job skills can be upgraded and so that advancement can be made.

I believe that we have thus far failed to make full use of the public payroll as an effective tool in providing jobs for the poor, the unskilled, and the minorities. We have tended to create and fill public jobs outside of the urban core and rural poverty areas. Moreover, once government has hired an individual, it often failed to train and upgrade him so that he can eventually qualify for promotion and for employment outside government. Through this oversight, a substantial manpower resource is underused.

In my view, we must move immediately in government to:

Redefine entrance level jobs into simpler tasks so as to provide greater opportunities for the unskilled.

Develop a program of paid, pre-employment training for the disadvantaged to provide orientation in work habits and skills.

Develop career ladders and major in-service training programs to insure that skills training and advancement are available to all who seek upward mobility.

Increase certain critical public sector service jobs such as welfare aids, homemakers and police community service officers financed in part through more flexible use of existing governmental funds for social service programs.

Basic to my position is a growing recognition at all levels of government that the problems of the poor and of the cities require an expansion of direct government services in housing, health, education, and welfare. This recognition must be coupled with the further recognition that government has a particular responsibility to provide more employment and training opportunities for the poor and the unskilled. We must make the fullest possible use of our nation's manpower. Anything less denies our country's full potential. Anything less would be a gross misuse of a major public resource.

Public sector jobs should be provided particularly in state and local governments so as to provide flexibility in meeting the particular employment and service needs of individual localities. A program without such flexibility would operate under a most serious handicap.

It is clear that there are few more effective uses of public funds than in the creation of a trained, employed, productive worker. We must, therefore, use public jobs imaginatively so that we can both provide needed services and meet the current employment crisis within a fiscally responsible policy.

The Urban Coalition's concept is a most worthy one and deserves a serious and responsible attempt to translate it into a workable program. I am willing to cooperate fully in any such effort.

Sincerely,

NELSON A. ROCKEFELLER.

## PUBLIC SERVICE EMPLOYMENT

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MONDAY, MAY 20, 1968

HOUSE OF REPRESENTATIVES,  
SELECT COMMITTEE ON LABOR OF THE  
COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D.C.*

The subcommittee met at 10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. William D. Hathaway presiding.

Present: Representatives O'Hara, Hathaway, Ayres, Quie, Esch, and Steiger.

Also present: Representatives Reid and Erlenborn.

Staff members present: Jim Harrison, staff director; Marilyn Trezise, clerk; Dr. James Wason, Legislative Reference Service, Library of Congress; Michael Bernstein, minority counsel for labor, and W. Phillips Rockefeller, minority research specialist.

Mr. HATHAWAY. The Select Labor Subcommittee will now come to order.

This morning we are pleased to have with us the mayor of New York City, John Lindsay, our former colleague.

Mayor Lindsay, if you would like to come to the desk we would be happy to hear your statement in regard to this bill.

### STATEMENT OF HON. JOHN V. LINDSAY, MAYOR, CITY OF NEW YORK; ACCOMPANIED BY PETER F. TUFO, ASSISTANT TO THE MAYOR

Mayor LINDSAY. Mr. Chairman, members of the committee, I should like to thank you, Mr. Chairman, first for accommodating me 2 weeks ago when I was scheduled to testify before this subcommittee and then had to cancel because of the death of one of my key commissioners in New York. His sudden death required me to stay in New York for the funeral. I know it inconvenienced the committee and I am grateful for the accommodation.

Mr. HATHAWAY. No inconvenience at all. We regret that you were not able to be here because of what happened.

Mayor LINDSAY. I have been asked to testify this morning on behalf of the U.S. Conference of Mayors and on behalf of the Urban Coalition as well as the mayor of New York City.

As a member of the executive committee of both the former organizations that I mentioned, the Urban Coalition and the U.S. Conference of Mayors, I do want to express the disappointment that those two organizations have felt because of the Federal Government's

failure to respond effectively to the recommendations of the Presidential Commission on Civil Disorders.

The principal proposal in the Commission's report, as you know, was a call for millions of new jobs—both private and public.

The President appointed the Commission to probe beneath the fire and anger of Detroit, Newark, and some 50 other cities that erupted in violence last summer. The Commission found no easy answers. We found no immediate resolution of the urban and human decay that finally resulted in civil disorder. But we defined the problem, and, like others before us, we called for action—"compassionate, massive, and sustained."

We called for action without delay to meet a problem of the gravest national urgency.

Many agreed with our assessment of the problem and with our recommendations, but there were others who said that the time was wrong, that money was needed elsewhere and that the problem was too large.

We had hoped that our report would end this debate.

We had hoped that the choice we defined for the Nation had left only one acceptable alternative and we had hoped that the response would be decisive and significant.

Ten weeks have passed since the Commission reported to the Nation. In the interim, a great civil rights leader has been killed. One hundred and ten cities have been convulsed by new disorders and an army of poor people is marching on Washington.

Yet the administration and the Congress have shown small enthusiasm for the positive, strong programs the Commission proposed.

Now, another summer is upon us and we have not yet convinced the people in the slums that our Government truly wants to help them. We have not yet adopted an effective national policy of interest, concern, and, most important, action.

The \$75 million summer jobs supplemental appropriation is blocked in conference, and administration support for the program has not been visibly energetic. Let me add that last summer a \$75 million special appropriation was finally provided in June. That made possible across the country a number of youth corps jobs that took teenagers between the ages of 16 and 21 and put them to work productively in these cities.

In New York City 43,000 young men and women between the ages of 16 and 21 were put to work in important areas. We could not have done this without the extra supplemental that Congress provided. And who knows? This kind of extra effort might just make the difference.

I would think it would be a national tragedy if there was not sufficient leadership exercised to force this \$75-million appropriation currently stuck in conference between the House and Senate out on to the floor for action within the next few days.

The urban coalition and the conference of mayors have endorsed the Commission's recommendations across the board, in employment, education, welfare, and housing. But this morning I want to concentrate on the need that my experience—on the Commission and on the streets of New York City—has convinced me comes first—more and better jobs.

Unemployment and underemployment led the list of the Commission's priorities. We agreed that nothing else affected other social needs

as much and that no other need was as important to the future of the cities. Skeptics occasionally talk to me about this and wonder whether it is true that jobs are the No. 1 issue. When I visit Harlem or Bedford Stuyvesant or the South Bronx, or one of the other hard-pressed areas in my city and the young men come up to me with a complaint or with some kind of confrontation or a joke, or smile, or hand-shake, and after the preliminaries are over, usually the next comment will be "Mr. Mayor, I need a job. Can you help me get a job."

And the person who has been the skeptic comes away immediately convinced that this is the No. 1 subject for attention in these hard-pressed areas.

Approximately 2 million Americans are unemployed in our country today. Another  $3\frac{1}{2}$  million people are working part time who ought to be working full time. Nationally, much of our poverty can be accounted for by the substandard wages received by  $6\frac{1}{2}$  million people who work full time and yet do not earn enough to climb out of poverty.

These problems are most intense among Negroes. Unemployment rates for Negroes generally are  $2\frac{1}{2}$  to 3 times that for whites. The sub-employment rate—covering both unemployment and underemployment—in central city ghettos in 1966 was 32.7.

We have begun to realize recently that about 100 of our major urban areas have been going through what amounts to a "secret depression" for the past 15 years. Prosperity in most of the Nation's 4,500 urban communities has obscured the hidden and growing pockets of despair and neglect that have been collecting in most of our central cities.

The critical significance of employment especially for those in the ghetto, is clear. The ability to have and hold a "good job" is, the Commission found, "the fundamental test of participation in American society."

Yet the ghetto resident is confronted with fewer possibilities to obtain meaningful work and possesses eroded or underdeveloped skills with which to handle any job he does obtain. The result is that those who do find and hold job are concentrated in the lowest skilled and lowest paying positions.

The system is unconscionable to an individual, and it is manifestly wasteful in our society. Millions of Americans, more whites than Negroes, live frustrated, useless, unproductive lives at a time when the demand for skilled labor is ever increasing. At the same time, as a result of the ghetto resident's low or nonexistent earning—and buying—power, our central cities deteriorate while the surrounding areas flourish.

It should not be surprising, then, that there is increasing frustration, alienation, and hostility against society in the black communities of our cities. In the Commission's words: "The pervasive effective of these conditions on the racial ghetto is inextricably linked to the problems of civil disorder."

According to Commission data, most of the rioters last summer were Negro males between the ages of 15 and 25. Almost all the rioters who had jobs were underemployed—in short-term, low paying, menial positions which they regarded as beneath their education, their capacity, and their dignity. Twenty percent of those arrested had no jobs.

In the cities where violence broke out, Negroes were twice as likely as whites to hold unskilled jobs—part time, seasonal, and "dead end."

Negroes earned less than whites in all the surveyed cities, averaging barely 70 percent of the average white income. They were more than twice as likely to be living in poverty.

The Commission reviewed our current efforts—Federal, State, and local—to meet these problems. We particularly studied programs in cities that have a reputation for receiving substantial Federal funding, but which experienced serious disorders last summer.

In Detroit, to use but one illustration, Federal contributions to employment and manpower training programs totaled \$19.6 million in the first three quarters of 1967. Although the dollar figure is impressive, the money, it seems clear, did not accomplish enough. Detroit sponsored 22 federally financed manpower programs, such as the Neighborhood Youth Corps. Almost 14,000 trainees were enrolled.

Yet the unemployment rate at the time of the riot in Detroit was 2.7 percent for whites and 9.6 percent for Negroes. The 14,000 job training slots barely matched the number of jobless whites, but more than 60 percent of all the unemployed were nonwhite.

The figures exemplify the limited reach of our existing manpower programs. They don't include enough people, and they don't lead to enough good jobs.

In New York City, the resources available are inadequate, dwarfed by the magnitude of the need. We devote \$1.4 billion a year to welfare, merely keeping people alive, but only \$64 million to manpower training. Every month, 14,000 new people go on the welfare rolls, yet only a fraction of that number can be drawn into job training.

Clearly, we are losing the struggle against dependency.

During the first 2 months of this year our neighborhood manpower centers recruited 18,000 people who were ready to enter a job training program or begin work on a job. There were only sufficient job openings or openings in training programs for 4,000 of these individuals—that's 18,000 into the pipeline, but only 4,000 out of the pipeline into jobs—which means that 14,000 employables had to be returned to the streets with no jobs and no optimistic prospect of finding one.

In response to the panoply of problems faced, the Commission called on Congress for action governed by three principles:

That problems be mounted on a scale equal to the dimension of the problem;

That programs aim for high impact in the immediate future; and

That programs be undertaken with the initiative and that imagination that can change the failure and frustration that now dominate the racial ghetto and weaken our entire society.

Specifically applying these principles to the critical area of manpower programs, the Commission recommended a massive, unified manpower program to pull together the fragmented efforts now underway; to concentrate on the programs with a demonstrated capacity to create meaningful employment opportunities; and to add new programs where they show real promise of success. The Commission proposed the creation of 2 million jobs in 3 years, 1 million in the public sector and 1 million in the private sector.

The Commission recommended massive action in this area only after noting that the financial resources of the cities are virtually exhausted.

For example, the cities' share of the tax dollar in the United States has declined from 50 cents in 1930 to 15 cents today, while the Federal share has doubled—from 33 cents in 1930 to 67 cents today.

The State and local government payroll has jumped from 4 million workers in 1940 to over 8 million today to provide public services, while the number of Federal employees has gone from a million in 1940 to only 2½ million today. Half of our local increase has been in the field of public education alone. And we are still unable to meet the need.

Residents of my city in New York by common knowledge and data are the most heavily taxed persons in any city in the Nation and we are still adding more taxes in order to do what we have to do in the absence of action from other areas.

Municipal government has reached its limit. If we are going to undertake a large-scale job creation program, it will have to be a national effort.

The bills pending before this subcommittee advance in the directions recommended by the Commission. I would like to analyze some of these recommendations in greater detail for you.

Representative O'Hara's bill, H.R. 12280, provides for 1 million new public service jobs. In H.R. 16623, Congressmen Goodell, Quie, and others have a more modest first-year proposal for 80,000 public service jobs, in addition, however, to the 220,000 jobs they provide in the private sector under the bill presently before the Ways and Means Committee.

I cannot stress strongly enough the need to move forward. The 70,000 new jobs requested by the administration's JOBS program are plainly inadequate. On the basis of the Commission's findings, 300,000 new jobs this year is the minimum acceptable response.

Public service employment must provide meaningful jobs—not dead-end, make-work projects. The employment experience should add to the capabilities and broaden the opportunities of the employees to become productive members of the permanent work force. Our experience in New York City has shown us the futility of providing jobs that have neither future nor meaning to an employee.

To create socially useful jobs, a public service jobs program should concentrate on the huge backlog of employment needs in parks, streets, slums, libraries, and hospitals.

The job program should utilize the strengths of our Federal system so that much of the responsibility for solving the national employment problem will actually be given to local communities, where the unemployed reside and will work.

With our existing tax structure, Federal funds should be the major source of financial support for public service employment, but the actual employer should be State and local governments, nonprofit organizations, and private firms under contract.

The operation of the program should be keyed to specific, local unemployment problems and focused initially on those areas where the need is most apparent. This means that the program should have considerable flexibility, encouraging local initiative and easy adaptability to varied communities.

In a city with a tight labor market and many unfilled industrial jobs, a public service employment program might concentrate upon those occupations where workers could gain the experience which would rapidly qualify them for those existing jobs.

Basic education, training, and counseling must, of course, be an integral part of any job training program.

Can we effectively train and employ the numbers of people we are asking be hired?

I would suggest that the answer lies in a close examination of our recent experience.

First, public service employment has been expanding dramatically in the past two decades. State and local government alone have employed 4 million additional workers. Half of the public increase was in education. A large share of any future revenue growth from local taxes will be committed to these services on a permanent basis.

Second, we have been creating a network of manpower processing and developing agencies at the local level under five federally funded, locally operated programs: OEO, MDTA, vocational education, work experience, and new careers.

As a result, vast experience has been gained and a cadre of professional manpower personnel has been trained. The trained staff would be a readymade resource for immediate national action when the funding becomes available.

Third, to find out how many socially useful jobs could be made available immediately, the urban coalition asked Dr. Harold Sheppard of the Upjohn Institute to survey a sample of major cities.

Based upon a preliminary analysis of this survey, Dr. Sheppard has concluded that at least 141,000 persons could be employed almost overnight in the 130 cities with population over 100,000.

These would be jobs in regular city departments where supervisors are already available and work tasks are clearly defined. The coalition estimates that if this sample were expanded to small cities, to county and State governments, and to jobs with private nonprofit organizations, it is likely that enough jobs could be found to put 500,000 persons to work within 6 months.

In Dr. Sheppard's survey, the greatest number of jobs which could be filled immediately by unskilled and semiskilled persons were in education, followed by police and fire protection, health and hospitals, social welfare, and parks and recreation.

A viable long-term solution to the problem of unemployment is not possible without the participation of private employers. As the Commission's Advisory Panel on Private Enterprise stated:

We conclude that maximum utilization of the tremendous capability of the American free enterprise system is a crucial element in any program for improving conditions, in both our urban centers and our rural poverty areas, which have brought us to the present crisis.

We stressed in the Commission report the need to increase the amounts available to an employer under the OJT program to cover the expenses of participating in the program, including expenses for critically needed supportive services. We also recommended the use of tax incentives—with specific guidelines to insure compliance—to

increase the number of companies directly providing employment opportunities and training.

Direct grants for on-the-job training programs would be provided by increased appropriations under the MDTA, and tax incentives are being considered by the Ways and Means Committee. Senator Javits and Congressmen Goodell and Quie have introduced legislation in those areas that parallels in most respects the Commission's recommendations. I commend their bills to you.

The Presidents' Commission called for a National Corporation to be chartered to serve as the Federal Government's primary instrument for job development in the private sector. This has been provided by H.R. 16623. The business community would play a major role in the Corporation. The Corporation would give employers a form of clearinghouse for personnel recruitment.

With job development under the guidance of men from the private sector familiar with its needs, jobseekers would stand a better chance of securing meaningful employment.

Both the O'Hara bill and the Goodell-Quie bill pending before you provide education and training programs to prepare those in public service employment for movement into the private sector. This was specifically recommended by the Commission, and I urge that this provision contained in these Congressmen's bills be adopted.

The Commission also strongly recommended that special emphasis be given to the problem of motivating the hard-core unemployed. H.R. 16623 imaginatively provides that preference be given to local service companies owned by employees themselves. Thus, not only will these employees receive jobs, there will be jobs for their own corporations.

The Commission made a number of important recommendations that apply to both public and private sector employment and are adopted by H.R. 16623.

#### LOCAL COORDINATION

No matter how manpower programs are organized at the Federal or State levels, most of them must be brought together in the cities. Effective manpower programming requires interrelated services, including recruitment, counseling, placement, work experience, education, supportive training, followthrough, and upgrading.

Without a comprehensive system, the progress of an individual from unemployment to employment and on to better employment can never be assured.

This point is clearly recognized in title I of Economic Opportunity Amendments of 1967, which calls for Federal funding agencies to recognize in each community a "prime sponsor" with the capability for "planning, administering, coordinating, and evaluating a comprehensive work and training program."

The Goodell-Quie bill wisely recognizes the value of this concept by providing that funds under the bill are to be channeled through "prime sponsors" under the Economic Opportunity Act, wherever they exist. This is a rare example of the kind of coordination between different pieces of legislation and different Federal agencies which will enable cities to unify their programs.

## LOCAL TAKEOVER

The Commission stressed that the termination of a project and Federal funding must not be allowed to mean the end of employment. We suggested, instead, that Federal assistance be gradually phased out rather than cut off suddenly. In this way local governments, State and city, may be able to absorb part or all of the programs. This is accomplished by H.R. 16623.

## SUPPORTIVE SERVICES

Unlike some people who come to industry lacking only the knowledge of a specific training or trade, the hard-core unemployed often have severe health problems, cannot afford the transportation costs from home to job, have no experience in the management of their money, and have dependents or children who need constant supervision.

The average applicant has only a fifth-grade literacy level. Even more discouraging, to potential employers, especially, is the fact that almost half of the men reporting have criminal records.

H.R. 16623 provides for reimbursement of the full range of supporting services to cope with these factors. It explicitly recognizes that these services are to be treated as an integral part of the process of providing employment opportunities.

## RECOMMENDATIONS FOR ADDITIONAL LEGISLATION

Most important, in both the public and private sector, is the development of programs to increase the upward mobility of minority groups once they obtain jobs. The Commission found that the percentage of Negroes in two of the lowest paying job categories, clerical and unskilled workers, is almost three times the percentage of whites employed in each of these areas.

At the other end of the spectrum, the percentage of whites in the highest job levels, as managers and professionals, is three times the percentage of Negroes so employed.

In the words of the Commission report:

This concentration of Negroes in the lowest paying, lowest skilled positions, is the single most important source of poverty among Negroes. It is even more important than unemployment.

In support of this argument, the Commission provided the following hypothetical calculation: If the percentage of Negroes unemployed was reduced to that of whites unemployed, 3.3 percent, the income gain for nonwhites would total about \$1.5 billion a year.

However, if the nonwhite men currently employed were upgraded so that they had the same occupational distribution and incomes as all men in the labor force considered together, it would produce about \$4.8 billion in additional earnings for the Negro community.

A job advancement program will be difficult to write. It will require sophisticated, innovative mechanisms to deal with such factors as discrimination in promotion policies. Because of the complexity of the task involved, employers, both public and private, should be brought into the legislative process to render advice and give guidance. They might consider with this subcommittee such policies as:

Federal subsidies for training workers on the job for higher positions; training supervisors to help subordinates move up; and provision of funds to hire counselors to advise employees on the most effective ways of advancing their careers.

Another important program would be to insure that we fully utilize the talents of returning Vietnam veterans, many of whom are not only employable, but capable of handling middle-management responsibilities as a result of their military experience.

Stepping back from the details of specific programs, several things are clear:

Unemployment is a serious problem for the country generally, but especially for residents of our central-city areas. At the same time, our cities face increasing demands for services which basically can be met only with increased manpower. But local government, for a variety of reasons, cannot fund such expanded services, leaving us with willing employers facing potential employees across a widening fiscal gap. Only the Congress has the means and the capability to join the two.

We also know that there is increasing unrest among the unemployed and underemployed. They have learned that poverty and arbitrary barriers to personal improvement are no longer inevitable. This unrest has been translated into action, but I do not agree with those who equate activity with destruction. The marchers on Washington come not to pillage but to petition. The bonds of our society are still intact. The issue facing us today is not how to deal with a fragmented society but what we are doing to hold our society together.

Exhortations, promises, and rhetoric are irrelevant; what is imperative is performance.

You have before you bills that, when passed, will demonstrate our intention to meet the needs of the present before they become the tragedies of the past. As the Commission noted, we need to seek not so much the solution to our problems as the will to solve them.

Thank you.

Mr. O'HARA (presiding). Mr. Mayor, I want you to know that we very much appreciate your testimony. We were particularly anxious to hear you today because we are well aware that you are one of the most thoughtful and concerned students of this problem in the United States.

For those of us who had the privilege of serving with you while you were in Congress I might say we were aware of that before the public generally became aware of it and it is indeed a pleasure to have you back and testifying before us.

Mayor LINDSAY. Thank you very much, Chairman O'Hara. I appreciate the opportunity and I appreciate the commitments shown by the members of this subcommittee on both sides of the aisle, beginning with you, Mr. Chairman, and continuing with Congressman Quie and his colleagues who have introduced responsible and progressive legislation that would help the country and would help my city if passed.

Mr. O'HARA. Mr. Mayor, your last paragraph says:

You have before you bills that, when passed, will demonstrate our intention to meet the needs of the present before they become the tragedies of the past.

Am I to gather that you favor both bills?

Mayor LINDSAY. Both bills march in the right direction. Your own bill, Mr. Chairman, as well as the bills introduced by Congressman Quie and Congressman Goodell move in the right direction.

They are extremely important pieces of legislation and both would be helpful to my city.

Mr. O'HARA. I suspect we will only report one bill out of this subcommittee if we report any.

Mayor LINDSAY. Well, as your former colleague in this institution and one who used to sit in your place hearing witnesses, I know how unwise it would be to have a specific endorsement of one Member's bill over the other.

Mr. O'HARA. You are not suggesting we report both. Either would suit you.

Mayor LINDSAY. I think that I can express my opinion best if I adhere to what we put in the report of the President's Commission on Civil Disorders. This report states the unanimous point of view of 11 Americans from different walks of life, different parts of the country and different political parties as to what we think is the minimum commitment that the Congress must make toward jobs and job training in the United States if the problem is going to be met. As you know, the Commission recommended 2 million jobs in a 3-year period with 250,000 public service jobs and 300,000 private sector jobs in the first year.

Those are the levels that I think have to be targeted and that is the view of the Commission on Civil Disorders as the minimum commitment that the Congress ought to shoot for.

Mr. O'HARA. As a member of the Commission could you tell us whether or not in setting those goals the Commission meant to include in their target figures the number of jobs in both the private and public sector currently provided under other Federal programs?

Mayor LINDSAY. No; the Commission was targeting on additional jobs over those projected by present legislation and programs that are in effect.

Mr. O'HARA. With respect to the public service employment end of it I think that it can be said that the bill that I have introduced along with 79 other Members of Congress—

Mayor LINDSAY. That is H.R. 12280.

Mr. O'HARA. Yes, comes a good deal closer to the goal.

Mayor LINDSAY. Well, you are presiding on that side of the aisle that has majority control of the Congress; I assume therefore you can get the bill out.

Mr. O'HARA. I think that your assumption is a very pleasant and possibly misleading one. With respect to the private employment side of this I wonder if you are prepared to comment upon the program that has been undertaken by the National Alliance of Businessmen about which Mr. Beebe testified before this committee on Thursday of last week. Would you care to comment?

Mayor LINDSAY. Yes. We regard the National Alliance of Businessmen's program in New York City as a very positive approach. We are working closely with the NAB and with the Urban Coalition, which have even merged their offices.

I think they are on the track and their recommendations to the Congress are sound ones.

Mr. O'HARA. Would you feel that the mechanism that has been adopted for the effectuation of their program is one that is suited to the task, that with proper direction and expansion could accomplish the goals that you have set forth?

Mayor LINDSAY. It has been suggested that the Congress by law create a corporate structure which would provide a mechanism for bringing about the marriage of jobless and available jobs in the private sector. I think this is desirable.

In New York City, if I may give you an example, the Urban Coalition and the NAB have done the following:

First, the Coalition has a depth and a width that the NAB does not. The NAB is the business sector side of it. The Coalition includes representation from the poor and from neighborhoods and communities. It includes labor. It includes civil rights workers and it includes church leadership.

They are going deep into neighborhoods to work with public institutions to close the gap between the jobless and job opportunities. They are mounting training programs to bring about that shrinkage.

We are finding that forming local corporations in the areas of job development may be a wise approach. The Coalition and the NAB working together are in the process of trying to put together a local corporation which would be the method by which private funding would be introduced, private funding for risk capital, for lending purposes, and for job training.

Mr. O'HARA. I think that is an excellent suggestion and one that ought to be pursued and I would hope that at the appropriate time if the Coalition has legislative recommendations with respect to that point that they might favor us with them.

I was interested in your comments on title 1B, the 1967 amendments to the Economic Opportunity Act, and with your endorsement of the single sponsor concept. I was especially pleased because I offered the amendment that introduced the single sponsor concept into the act in the House committee and I share your enthusiasm for this.

Do you in New York City currently have a single sponsor for all title 1B Economic Opportunity Act programs?

Mayor LINDSAY. No, we don't. We do not.

Mr. O'HARA. That is one point that I think we ought to touch upon. I am thoroughly in favor of a single-sponsor concept and I wish to encourage it and I would hope that New York City, among others, will as they progress adopt a single-sponsor setup.

Mayor LINDSAY. To do that in New York City we need, of course, the cooperation of the State. We are having some success in this. We have opened up 19 manpower job-training centers in neighborhoods in New York and I believe—I think my figure is right—in nine or 10 of those the State employment service has come in and joined the city and set up their shops right there.

The Commission on Civil Disorders, as you know, found that in the country as a whole the State employment services have not been productive. They have failed to reach in deep and to dig out from communities the hard-core poverty persons who live in those communities.

We are beginning to have some success in doing that. It is very painful in the process because as you dig people out of deep poverty you

add to your welfare rolls and you add new, sometimes strident, voices to the voices of the poor that come out of these neighborhoods.

This is a new experience for most State employment services but what we find important is that the street-level storefront employment centers do bring in the State service and merge the best that they have to offer with the neighborhood work that the city is doing. We are beginning to have some success in that direction.

Mr. O'HARA. I have looked into the employment service situation in New York City and, while I did not find perfection, I did find a willingness to adapt that I thought was encouraging.

With respect to that point before we leave it, I think you are absolutely right when you say in your statement we need a good deal of flexibility with respect to the way in which these jobs, and some in the public service area, shall be provided and therefore I would not favor requiring, as H.R. 16623 appears to require, that in order to participate in the public service program a community must have a single prime sponsor. I would like to encourage development of that trend but I would not insist upon it as a requirement because I think in those communities that do not yet have their programs fully enough developed for the prime-sponsor concept, we ought to permit them to provide sponsors and that we ought to encourage maximum flexibility.

Mayor Lindsay, I would just like to say in conclusion that I think you were wise in recommending the passage of both bills. Each of them has a very serious drawback. The bill I have sponsored has the very serious drawback of probably providing for a good deal more than the Congress would be willing to do at this particular time and my friend Mr. Quie's bill has the drawback of providing for less than the problem demands, and maybe we can arrive at something in between those two.

Mr. Ayres, the ranking minority member, is here. Have you questions, Mr. Ayres?

Mr. AYRES. Mr. Chairman, I am just an ex officio member of this subcommittee, but I do want to say to you, Mr. Mayor, that it is a pleasure to have you here. I do have several questions to ask but I would yield to those members of the subcommittee who have been working hard and diligently on this problem.

Mr. O'HARA. Mr. Quie.

Mr. QUIE. Mr. Chairman, I surely appreciate your testimony, Mayor Lindsay. You have been performing a tremendous service to our country while serving the City of New York as its mayor. Those of us who served with you here in the Congress are very proud to be able to say we knew you "when." I look forward to the future when not only will you continue the work you have been doing but also the opportunities will expand for you for national leadership.

As you assess the need, and you have well articulated in many speeches the Report of the President's Commission on Civil Disorders, do you feel that 500,000 jobs, as Dr. Sheppard indicated, is a realistic figure in terms of the number of people we could place in public service employment and not be involved in any make-work-type program?

Mayor LINDSAY. Good question, Congressman Quie. I don't know whether there is room for argument with Dr. Sheppard or not, frankly. I think he arrived at a conclusion that was a reasonable one.

I have a hunch that it can be supported by independent tests separate from his own.

My own view of it, as chief executive of New York City with its 325,000 employees, about half of which are directly reportable to the mayor and the other half are reportable to the board of education and the transit system, which are separate authorities, is that, while there is continuing need for greater productivity and systems that will produce more at the same cost, there is nevertheless a crying need for more manpower.

If we had the opportunities we could put additional people into meaningful jobs in parks and recreation, in the neighborhoods, in the streets, in the hospitals, in the libraries, in this vast municipal system that we run.

In many of these areas, such as in the libraries and in the great museums that we help to fund there is a need of course for special skills. My friend, Tom Hoving, who is the new director of the Metropolitan Museum of Art, hired 25 hard-core unemployed kids, most of whom had police records of one kind or another. He made them guards in the metropolitan last summer in a buddy system with the existing guard personnel which is funded mainly by the city government itself.

A great many of these boys are coming back this summer. There was not a single instance of any difficulty or problem. In fact Tom Hoving loves to tell the story that they started with 35 Rembrandts and, by the time the summer was over, they had 37. Such was the attachment and loyalty of these young men who were delighted and pleased to have well-paid jobs. Allowing for the waste and the absence of total productivity in any municipal system and the need for upgrading the systems themselves, we in New York City could use thousands of additional workers in various capacities to give service.

Obviously we can't do it because the funds are not there.

Mr. QUIE. At this point in history would you feel that all of our efforts should focus on providing jobs in private employment and providing jobs in community service which were meaningful and needed jobs where the municipality or political subdivision would hire them if they had the money rather than get involved in any type of a WPA or make-work project.

Mayor LINDSAY. I think I understand your question, Congressman Quie. Whether the jobs are public sector jobs or quasipublic in non-governmental but tax-free institutions, you don't have to make work. The work is there. It is not cheap, however.

Jobs which are public-service-type jobs are public-works-type jobs—cleaning up a neighborhood, redoing the sidewalks and the fronts of buildings, the back lots, training indigenous personnel in the science and art of rehabilitation.

These don't have to be make-work jobs and we had demonstrations in New York, such as in the Bedford Stuyvesant experiment, where indigenous personnel have been able to literally rehabilitate whole blocks by themselves providing they had reasonable guidance and training and we could pay a reasonable wage.

Mr. QUIE. What were the best results, where the people cleaned up the neighborhood themselves, or where people from the suburbs came in and volunteered their own efforts and cleaned up for them?

Mayor LINDSAY. Ultimately it has to be an indigenous effort. We are delighted to have suburbanites come in and join as a demonstration of oneness of community and to break down the walls between the central city and the outlying areas.

We imposed a tax during my term as mayor on commuters, a very unpopular measure at first, but increasingly it has been understood by commuters. When suburbanites come into the central city area to help clean up the area, it is a demonstration of good will. It is very important.

Mr. QUIE. It is also important for the dignity and improvement of the indigenous people that they play a part in it and are actively involved in their own betterment.

Mayor LINDSAY. Correct.

Mr. QUIE. You said it would not be inexpensive to provide for this type of public service employment. In New York, how much money do you estimate that we would need to help fund the added employment which you could provide through city government or the related organizations?

Mayor LINDSAY. Well, it is very difficult and sometimes dangerous to get into figures because you either frighten people when you get into figures or you run the risk of understating the needs and areas.

Let me give you just an example. Perhaps I can answer your question this way. As I mentioned in the prepared testimony, last summer we put 43,000 young men to work in productive employment. It was not make-work. It was useful and productive stuff that was on a summer-time basis but which could have been put on an ongoing year-round basis.

As you know, Congress has not kept the summer program connected with the Neighborhood Youth Corps, for example, on a year-round basis, but has stepped it up in the summer time. The total cost, including the city's share, for 43,000 youngsters was about \$37 million, divided about \$8 million from the Federal Government under the OEO special appropriation, and the balance from the city funding.

We estimate that we could have absorbed just in one summer three times that amount. We estimate also that the vast majority of those workers we could keep on an ongoing basis, again with minimum leakage, waste, error, and all the other problems that you have when you have big systems that are new.

Mr. QUIE. If we provided in the legislation a percentage of Federal participation, what percentage would you think that the Federal Government would have to provide or contribute to secure the 500,000 additional jobs, public service employment?

Mayor LINDSAY. What percentage should the Federal Government put into the system?

Mr. QUIE. In New York the \$8 million was a small percentage. Of course that is a small number compared with the total needs of the country.

Mayor LINDSAY. Well, again that is a tough one to say. In most parts of the country you will find that, in job training and antipoverty efforts as a whole, the bulk of the funding has been Federal and the small minority has been local.

One reason there has been so much trouble, however, is because the Federal share has not been sufficient and the localities have not had

the resources to pour in more funding. I think the bulk of it has to be Federal.

I don't want to put an exact percentage on it but certainly the overwhelming majority of the revenues and resources ought to be Federal; the localities just don't have the resources to do it themselves.

Mr. QUIE. What about the States? It is true that localities are dependent primarily on property taxes. But what would you expect in the future in the State of New York? The State itself would assume this responsibility there, wouldn't it?

Mayor LINDSAY. Most States have not contributed significantly to the antipoverty efforts, including job training. States are hard pressed too, but I think they shall have to step up their activities in this regard.

In New York City we recommended to the State government a program known as urban aid this last year. It will not emerge in that form but in the years to come I think it probably will. Urban aid is a system of tax sharing that has been proposed for the Federal system too. We think it is equally applicable to an urban center or urban centers in any State. What it will do simply will be to return to the neglected and bypassed center city areas resources which they so badly need and which for so long have been diverted to other uses and to more rural areas of the State.

We have the same problems in States that have existed for so long in the relationship between localities and the Federal Government. There will have to be a greater input by States. That is recommended by the President's report on civil disorders for the entire antipoverty attack, including jobs and job training.

Mr. QUIE. When you work it down to the community, New York is noted now for the Bundy report and the decentralization of schools. Do you have any plans or would you, as an individual, have any recommendations for any further decentralization of governmental functions in a city the size of New York or cities that are, let's say, over 500,000 people?

Mayor LINDSAY. The Bundy report is critical to the concept of decentralization of big bureaucracies and big apparatuses that should be close to the people. Local government somehow has grown very distant and that is a matter of great controversy in our legislature right now.

Even today it is being debated very vigorously and I hope it will be resolved with a meaningful decentralization result.

In other areas we are doing the same. In the delivery of health services, we have been badly wounded by the cutbacks that the Congress imposed. Our State legislature went even further than those cutbacks, taking off the rolls some 300,000 persons who were already on the rolls for medical attention.

We have found that we have to decentralize, by our strategy, looking to the establishment in neighborhoods of ambulatory medical care service centers at the street level. Long ago the family doctor in most hard pressed, usually black, communities in central city areas disappeared. The result has been that municipal hospital systems and those voluntary hospitals that open their doors to the poor found that they were crushed to death by the pressures of neighborhood needs for family care service. The whole apparatus was wrong.

Outpatient clinics have been strangled by this kind of thing. Distances traveled have been bad. Our strategy is to open up a network

of ambulatory care centers in the neighborhoods, each of them backed up by a municipal hospital, the hope being to keep people out of the hospitals as much as possible. Each of those hospitals, of course, would be backed up by a medical school.

That is decentralization and an unwinding of a system. We are doing the same kind of thing in our approach to police, fire, sanitation, and other services, by the establishment in neighborhoods of local task forces which have on them the local precinct captain, the head of the fire battalions, and the bureau commanders on sanitation. They meet on a regular basis with members of the community, the block association president, the head of the local community corporation, which is our antipoverty structure, and representatives from the Mayor's office in order to deliver service to the neighborhood and to meet those requests for additional service where there have been breakdowns. They do this not from city hall but from the neighborhood itself.

Our attack on narcotics had also been decentralized. We are establishing what we call Phoenix houses around the city at the block level in the neighborhood. They are staffed by city employees who are heroin addicts themselves, usually with police records of one kind or another, in order to cope with the problem in the block itself.

We are trying to do this kind of thing in every aspect of city government. As I guess you know, Congressman, under Mike Sviridoff and Mitchell Ginsberg, our antipoverty apparatus is probably as close to the neighborhood as any in the country.

That has given us some problems in administration, but we think it has been worth it because of the high degree of neighborhood power that it has generated.

Mr. QUIE. As you move toward decentralization does the need for public service employees increase?

MAYOR LINDSAY. Yes, it does. Let me give you an example. In the next 3 months we shall be opening up nine new vest pocket parks. These are small parks located in neighborhoods where there is a need for recreation and open space. It has been fairly difficult to get the vest pocket parks moving and opening.

I think next Sunday we open up three of them. But the biggest problem we have is how to maintain them, and this is a killer on management and on cost. The worst way to do it but one way you may have to do it, is to have park employees as the maintainers. We will do it in some cases because it gets done, but it is expensive and it doesn't involve the neighborhood.

The better way to do it is to have the neighborhoods themselves maintain the vest pocket park. You get a better result that way, but being realistic about it and facing it squarely, the fact is that to do it you have to pay somebody.

The volunteer effort will only go so far and no further. It is good to pay someone, give someone a job in the neighborhood to maintain that vest pocket park and to supervise it, which means of course that you have to have a kind of contracting service.

Where does the money come from? It can only come from the municipal government or from a poverty program of some kind which is funded by national resources. Here you get a result. We have an excellent vest pocket park in East Harlem at the moment. It is superb, right in the middle of the area where two summers ago we almost had

a blow up. It is a Puerto Rican community. Yet our council against poverty has had to withdraw funding for maintenance of that park to indigenous personnel. They did not want to, but cutbacks in the Congress have forced us to consolidate. The only alternative that we have is to send in uniformed park service employees from the city to try to stay abreast of this.

That won't do the trick because it is a 24-hour problem. This summer, as we open up more swimming pools, and a lot of them are going to be opened, the problem gets even worse because you have a real problem of protecting life. You have to have very tight supervision over young 3- and 4-year-old kids who have never been in the water before and it is an expensive proposition.

Mr. QUIE. In closing my questioning, Mayor Lindsay, I would like to commend you on the pioneering efforts that you are doing in New York.

As we have moved now toward greater and greater Federal involvement and greater and greater Federal funding of programs I noted that the chairman of the Appropriations Committee has indicated that, in 1960, \$9½ billion was spent for poverty programs, excluding social security and this year the budget request is for \$27.7 billion, about tripling in that time. But we need to make certain that the people in the local areas can express themselves and have a voice in their own destiny, and I think this is one of the things they are crying for today—that voice in their own destiny.

Under the old system where cities were small and townships and counties were important this was done. Now, with the move toward centralized government I think that one thing we have lost in America is the ability of the people to express themselves in their locality and in their neighborhoods. We are now moving in that direction in education and other areas and I think that in employment, too, we must make certain that people can feel that dignity with worthwhile jobs and that the responsibility for this guarantee can be exercised not only at the Federal level, State level, and in the mayor's office, but also we must recognize that people must feel that they can have a voice in their destiny locally as well.

Thank you.

Mayor LINDSAY. Thank you, Congressman Quie.

Mr. O'HARA Mr. Hathaway.

Mr. HATHAWAY. Thank you, Mr. Chairman. Thank you, Mayor Lindsay, for your very good statement. I wanted to call your attention to page 3. You mention that \$64 million was spent in the city of New York for manpower training.

Is that your money that you have for your independent program?

Mayor LINDSAY. No; that is all money. That is local money, city money, Federal money, and State money.

Mr. HATHAWAY. Most of it is Federal money, I presume.

Mayor LINDSAY. Yes.

Mr. HATHAWAY. Could you tell me to what extent the city of New York, and if you can speak for other cities also, has taken steps to improve curriculums of the public schools so that we have better prepared youngsters when they graduate from high school and don't have to rely on manpower development and training programs and post-secondary vocational schools and so forth?

**MAYOR LINDSAY.** New York City has a vast public educational system. It is budgeted at over a billion dollars and there are 1.4 million students enrolled, upward of 900 schoolhouses and buildings in the system. It has a great many vocational training schools, vocational high schools. It has special schools in the sciences. The key problem is in the primary schools.

That is where the worst difficulties have been with curriculum. The reason that there is a good deal of trouble in the school system now has been because of the feeling on the part of the neighborhoods that the curriculums and even staff did not relate to the real world in which the kids were living. That is the reason why there are efforts now to give the parents in the center city areas here a meaningful voice in curriculums and in staffing.

**MR. HATHAWAY.** How do they do that?

**MAYOR LINDSAY.** The proposals that are pending in Albany now would create school districts in the city. Those districts would be created centrally. That decision would be made by the central board or a commission. There would then be local boards, the members of which would be elected by the parents. Then, having done that, these local districts would be cloaked with certain powers, which include the right to prescribe curriculums within a certain range of standards and rules that are fixed by the State, and also to staff with teachers and nonprofessional help, even up to the level of principal and supervisor.

**MR. HATHAWAY.** To what extent would the State employment service participate?

**MAYOR LINDSAY.** There are certain standards that the State of New York through its regents lay down for teacher qualification. Those standards would have to be met, but, within those standards, the neighborhood would have the right to select their own personnel in the schools.

Bear in mind we are not talking about a school district covering a few blocks. In New York City the districts we are talking about are each as big as the whole city of Pittsburgh.

The Borough of Brooklyn, in New York, for example, is the fourth largest city in the Nation all by itself. Thus, if you divide that up into three or four, five or six school districts, you are talking about a whole city within that borough that happens to be a school district. What we seek to do here is to give that school district the same rights and privileges that the more stable suburban schools have at the moment, which is a greater voice by the locality and the right to run their own affairs.

**MR. HATHAWAY.** Have the suburban school districts changed the school curriculums so that it is more meaningful and more job oriented?

**MAYOR LINDSAY.** In most of our suburban school areas you find that the parents in the neighborhood have a real voice in what is going on in that school, what is taught and who is doing the teaching. That means that automatically they relate to the real world around them. If the real world around them happens to be a need for job training and jobs and employment, then they will adjust to that.

In New York City the problem is that the bureaucracy has been so big and the imposition of policy has been so centralized that the real needs of the community haven't been met.

Some of the slack is being picked up now in experiments at the street level such as the street academies that are going on, largely managed through the Urban League and funded in part with city funds. These are store front schools that are picking up the dropouts who have dropped out of the public school system and for whom there is no hope they are going to go back at the present time.

So the street academies have picked them up. The academies are now teaching them mathematics and reading skills that they somehow missed in the school system.

What they are doing is filling the gap that has been left.

Mr. HATHAWAY. How about the liaison between the State employment service and the educational system?

Mayor LINDSAY. As I mentioned, the State employment service has been very removed and remote from the problems of the deep ghetto. It has missed the real problem, which is the hard-core unemployed, kids 16 and 17 who know only a block life, a street life. That's all they know. Their reading skills are close to zero in many cases and, as I said, they may have police records.

The State employment system has not related to this group at all. That is why we have tried to decentralize, in answer to Congressman Quie, the job production machinery to put it at the block level and then to attract State employment service offices in New York into those offices so they will begin to see what the real problem is.

Mr. HATHAWAY. Has the education board allowed the employment service to participate in guidance and counseling in the schools?

Mayor LINDSAY. Yes. The school system has not been averse to vocational training and to those measures that will lead toward jobs, particularly in the high school areas. The superintendent of schools, Bernard Donovan, is very sensitive to this and understands it, but as I said, the hard-core problem occurs at an earlier age, in early childhood education, and this is the chief problem that we have in the city.

Mr. HATHAWAY. Thank you very much, Mr. Mayor.

Mayor LINDSAY. Thank you, Congressman Hathaway.

Mr. O'HARA. Mr. Reid.

Mr. REID. Thank you, Mr. Chairman. A warm welcome to you Mayor Lindsay. I have just two questions.

I know your time is brief this morning. One, in the light of your strong statement about the need to implement the Riot Commission report meaningfully and promptly and in light of the fact that the present proposals before the Congress in general have cut appropriations by some 40 percent below existing authorizations—and I believe in the case of New York this means a cut roughly of \$126 million versus last year—to do anything meaningful do we not have to restore that which has been cut plus add meaningful programs in some of the areas that you have mentioned?

Mayor LINDSAY. That is true. That is true. When I was first elected 2 years ago I came down to the Congress to ask for more funds for New York and then the second year I came down to ask for more funds.

Now I am just asking the Congress please stop cutting.

Mr. REID. In terms of the most advisable and immediate programs I take it you are stressing in particular jobs and summer programs

and a public service program related also to private industry with transition, where possible, from public service into private industry where that can be phased in—and all this as rapidly as possible.

Mayor LINDSAY. Correct. You stated it correctly.

Mr. REID. Have you in the city given much thought to a restructuring of the welfare system that could involve a guaranteed annual wage concept with variations?

Mayor LINDSAY. Yes. The administrator of the human resources administration, formerly the commissioner of welfare, Mitchell Ginsburg, has stated, I think well and I back him on that 100 percent, first that the present welfare system is bankrupt.

If anything, it seems to be almost intentionally designed to perpetuate the cycle of poverty. Certainly the amendments that were introduced and passed in the last Congress did not help.

Commissioner Ginsberg has had a couple of experiments going that I know that you, Congressman Reid, and your colleagues have taken a close look at. One has to do with the junking of the checkoff system and the introduction of a spot check affidavit system like the income tax for those who are below the poverty level and who are on welfare.

The second has been the demonstration program that we have been running on partial maintenance, encouraging of job training and jobs with partial maintenance through the welfare system to support those persons above the poverty level. As you know because you have studied it, Congressman Reid, in New York City this demonstration has worked very well indeed, and we think therefore that the present system ought to be moved into this area.

All you are talking about is a system of income supplements, a continuing scaled incentive for persons to better themselves through earned income. But in those areas, and there are plenty of them, where the private sector is not going to pay a wage that is above the poverty level to a family where there is a woman, for example, with three or four children and no male breadwinner, it isn't going to work unless there is a partial supplement until that woman has finally gone through the sound barrier and has joined the mainstream. All that is is a system—I don't care what you call it—of supplemental income that is almost automatic in the case of those who are below the poverty level.

The Commission report recommended that the Federal Government move toward such a system, taking over 90 percent of the cost of the whole system. We support that in New York.

Mr. REID. I take it in addition you would support, and I think you have talked repeatedly on this, the repeal of the AFDC freeze.

Mayor LINDSAY. Yes.

Mr. REID. And in addition a change in the formula that makes for divided families and encourages lack of initiative?

Mayor LINDSAY. That is right. The AFDC freeze makes no sense at all. It is nonworkable. It will do more harm than it will do good, and any provision which provides an incentive for male and female not to live together is wrong.

Mr. REID. Reverend Abernathy has referred to some 256 hungry counties and has urged that the Department of Agriculture free up its

emergency provisions for providing food. Could substantially more surplus food be used in New York City if it would be made available?

Mayor LINDSAY. Yes, we can use it. We have used it in the past successfully.

We want in on the food stamp program. It is there and we want to be a part of it. There are some problems with it that are more human problems than physical problems that are somewhat different from the food surplus problem.

Mr. O'HARA. Thank you very much, Mr. Mayor. We have enjoyed your testimony.

Mayor LINDSAY. Thank you.

Mr. O'HARA. Upon adjournment the chair would like to call the attention of the members of the subcommittee that we will be meeting tomorrow in executive session on another matter.

(Whereupon, at 11:27 a.m., the subcommittee adjourned subject to call.)

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## PUBLIC SERVICE EMPLOYMENT

MONDAY, JULY 1, 1968

HOUSE OF REPRESENTATIVES,  
SELECT SUBCOMMITTEE ON LABOR  
OF THE COMMITTEE ON EDUCATION AND LABOR,  
*Washington, D.C.*

The subcommittee met, pursuant to adjournment, at 9:36 a.m., in room 2261, Rayburn House Office Building, Hon. William D. Hathaway presiding.

Present: Representatives Hathaway and Quie.

Also present: Jim Harrison, staff director; Marilyn Trezise, clerk; Michael Bernstein, minority counsel; and Dr. James R. Wason, Legislative Reference Service, Library of Congress.

Mr. HATHAWAY. The Select Subcommittee on Labor of the House Education and Labor Committee will now come to order. Today we are taking testimony on H.R. 12280 and related bills. Our only witness today will be Dr. Blue Carstenson, assistant legislative director of the National Farmers Union, accompanied by a number of Green Thumb workers.

You may proceed.

**STATEMENT OF BLUE A. CARSTENSON, ASSISTANT LEGISLATIVE DIRECTOR, NATIONAL FARMERS UNION; ACCOMPANIED BY ADOLF MILLER, CLARENCE STUPLES, CLAUDIE HUNTER, ROSE EDWARDS, JAMES BAGE, JAMES OSBORN, E. W. HENSEL, ALLEN BAILEY, AND WALTER HARRISON, GREEN THUMB WORKERS**

Mr. CARSTENSON. Mr. Chairman, I would like for the Green Thumbers to introduce themselves and say a word.

Mr. HARRISON. I am Walter Harrison from New Jersey. The only thing I have to say is that it is a wonderful program and they do a lot of good. I can honestly say that. I am the foreman of my gang. We do a lot of hard work.

Mr. QUIE. Are you a worker or a bosser?

Mr. HARRISON. A foreman, but I have done a lot of hard work.

Mr. CARSTENSON. He is a working foreman.

Mr. HARRISON. That is right.

Mr. QUIE. What kind of jobs have you done at the Green Thumb?

Mr. HARRISON. Recently?

Mr. QUIE. Any time.

Mr. HARRISON. We cleaned up two of the parks in Mount Holly, also the parking area, which was a disgrace. It is different today. I guarantee that.

Mr. CARSTENSON. This is where the President had the Spirit of Hollybush. It wasn't very attractive in some of the areas there, so they have cleaned it up.

Mr. QUIE. What was your regular employment before you retired?

Mr. HARRISON. I was a farmer practically all my life. I have done a lot of hard work.

Mr. HATHAWAY. How long have you been with Green Thumb?

Mr. HARRISON. This is the third year.

Mr. QUIE. Are most men former farmers?

Mr. CARSTENSON. Yes. They have all had a farm background. A few of them have been lumbermen or nurserymen, or something of this sort, but all of them have had this kind of background.

Mr. QUIE. I wondered where they learned the knack of doing it so well. I guess they learned it on the farm.

Mr. CARSTENSON. The men from New Jersey brought down these flowering plants for you gentlemen. Will you take them up there?

Mr. HARRISON. Yes.

Mr. QUIE. Thank you, very much.

Mr. HATHAWAY. Thank you, very much. We appreciate it.

Mr. CARSTENSON. The main thing is we have tried, by the Green Thumb program, to demonstrate that there are men who need and want jobs, who cannot get jobs in the private sector but who are able and willing to work. They are poor. The average income has been \$900 a year. They are most appreciative of the opportunities you have given them. This committee has seen fit to give employment opportunities to these people, which they appreciate. The request that we all make is that they will give more poor people a chance to work their way out of poverty.

In the testimony we have here one of the things which is most important and is on the back page—

Mr. HATHAWAY. May we have copies?

Mr. CARSTENSON. Yes, sir. The back page shows how the Gallup poll, rather conclusively, showed that while people were not in favor of the guaranteed annual income they are very much in favor of a guaranteed job or some sort of a job program. The people look to the Federal Government to allow these people a chance who cannot get jobs in the private sector or in Government agencies to get a job. These men who have now joined me in force here, I would like for them to introduce themselves. They are here to thank you for the opportunity they have had and hope that others can have the same opportunity.

These men have traveled to the Nation's Capital on their day off in order to appear before you on behalf of their fellow workers. The National Farmers Union is defraying all expenses so that no Federal moneys are involved in our appearance before this committee.

May we just go around, if you don't mind, and just have the Green Thumbers introduce themselves and tell you their age, and maybe a word.

Mr. HATHAWAY. We would be pleased to have them do so.

Mr. STUPLES. I am Clarence Stuples; I am from Denver. I live in Virginia; Staunton, Va. I was born in Virginia. I am working on the Green Thumb now.

Mr. CARSTENSON. What kind of work are you doing?

Mr. STUPLES. I am painting. These other guys are cleaning up. I am painting and doing a nice job. I appreciate this opportunity. I was crippled, I could not get a job. They came along and said they would try to get me 3 days' work. I am trying to do you all a good job. All the fellows down there at work are good fellows.

Mr. CARSTENSON. Do you want to introduce yourself, sir

Mr. MILLER. My name is Adolf Miller. I am from Mount Holly, N.J. I have been with Green Thumb now in my third year. For 2 years I worked in the nursery at Cherry Hill. We raised trees, plants, things like that. This year they put us in a different category. Now we are cleaning up the area, parking lots, parks, things like that. I am 78 years old and I have never been sick a day. I am retired. I used to be a farmer. For 21 years I was at Fort Dix in the engineering department. When I got to be 70, they said I was too young for the job and they yanked me out.

Thank you.

Mr. HATHAWAY. Thank you.

Mr. HUNTER. I am Claudie Hunter from Meadville, Pa. I am 65. I think this is a wonderful program. It is a new lease on life for the elderly people. We would appreciate anything that you can do. It has been God's blessing.

Mr. EDWARDS. I am Rose Edwards, from Pennsylvania. This program has been a lifesaver for me for the simple reason I don't get enough social security to support my wife and myself. I am from Farrell, Pa. I am 67 years old. When this program came to our town I was fortunate enough to get a job on it, and the Lord only knows how much I appreciate it. I am thankful for it. I would just love to meet the man that organized it so I can shake hands with him and pray for him for organizing a program of this sort for we elderly men.

Anything that you can do to help us will be highly appreciated.

Mr. QUITE. I think it is the guy right in front of you who is responsible.

Mr. BAGE. I am James Bage, from Surrey County. This Green Thumb project has been a lifesaver to me. I am 72 years old. The doctor stopped me from working at 55 and I have not been able to get anything to do to support my wife and myself until the Green Thumb program began I never got social security because I did not have any. The income we had was what little my wife made. When the law was passed that at 72 years old you get social security anyway, I draw \$35 a month. It takes \$4 of that for medicare. Well, you know what that leaves me. If it wasn't for this Green Thumb, I don't know what would have become of me and my wife. I thank the man who started Green Thumb, and I would love to shake his hands also.

Mr. CARSTENSON. Gentlemen, we all know that it is the Congress that brings these programs about. How old are you?

Mr. BAGE. Seventy-two.

Mr. OSBORN. I am James Osborn from Greenville, Pa. I can verify what these men say. I happen to be a foreman, but that doesn't make it a bit better. We all have to live.

Thank you.

Mr. HENSEL. I am E. W. Hensel from Conneaut Lake, Pa. I think it is a wonderful project. It has really helped a lot on my social security with all the benefits. I thank you gentlemen.

Mr. BAILEY. My name is Allen Bailey from Beverly, N.J. I have worked in Mount Holly with Mr. Miller and Mr. Harrison, and I can very safely say that this project has been a great thing to me. I have a wife and a son who has been an epileptic from birth. When I worked for the last place where I worked, Florence Foundry, they came in on a Wednesday night and told me "Tomorrow night you are done. When you ring out tomorrow night you are done. You are too old. We are going to retire you." So I had no work at all until a man by the name of Mr. Sharp, who used to be a supervisor, I think, in our county, came in and asked me if I was working. I told him no. He said "Would you like to have work?" At the time, I was getting pretty low on money and I didn't see how I was going to make it. So the job has been a great thing to me. It has done a lot for me. It has helped me with my health and helped me to live. I am thankful for that job. I am like this gentleman back here, I would like to meet the man who organized this program so that I could shake hands with him.

Thank you.

Mr. QUIE. Somebody sure has been keeping their light under a bushel.

Mr. CARSTENSON. Well, we know it is Congress who decides the future for these programs. There are many, many more—every one of these counties where we are organized, and we are now in 150 counties—there are many, many even in those counties. In any rural county in America I think we can find at least a full Green Thumb crew of this type of men. We hope in the job proposal in the various bills that are before your committee that you will do two things: One, take off the ceiling on the O'Hara bill so that it doesn't stop at 65, and, two, that it be some sort of a mix between the kind of bill that you have introduced, Congressman, and Mr. O'Hara's, where we can have some work in industry and related things, but have both the kind of employment that these men can participate in as well as that which is related to industry. These men just simply cannot get jobs, many of them, in the private sector. With some of the others, we are working with them continually and we are placing some of them, but there are many who just simply aren't at this point able to make it in the private sector, and we hope that you will act this year.

The opinion poll, I think, shows very clearly that there is a mandate, that this is the acceptable alternative to poverty and a better alternative than welfare. To help fill in these gaps, I think will meet the situation that faces not only the people but also many of our communities who need the work done to make their communities a better place to live in. We appreciate the chance to come and visit with the committee, and we thank you very much.

Mr. HATHAWAY. Thank you. We appreciate having you here.

Without objection, your statement in its entirety will be put into the record at this point.

(Mr. Carstenson's statement, with attachments, follows:)

TESTIMONY OF THE NATIONAL FARMERS UNION ON MANPOWER, TRAINING, AND PUBLIC SERVICE EMPLOYMENT PROPOSALS AS PRESENTED BY NINE GREEN THUMB WORKERS AND BLUE A. CARSTENSON, ASSISTANT LEGISLATIVE DIRECTOR, THE NATIONAL FARMERS UNION

On behalf of the members of Farmers Union and the Green Thumb Workers we are pleased to have this opportunity to appear before this committee this morning. We come in part to thank this committee for its work in pioneering the programs of employment for low-income persons. Our Green Thumb workers will be telling about what it means to get a job in public service work. These men, frozen out from jobs in the private sector because of age, appreciate this chance for a new life with dignity.

Farmers Union has long endorsed the principles involved in the idea that it is the responsibility for the Federal Government to provide public service employment for low-income persons opportunities as well as vocational training and other manpower programs.

At our Farmers Union National Convention in Minnesota in March, the delegates passed the following resolutions:

"We urge continuation and expansion of employment-type programs as our experience in the Green Thumb Program reinforces our belief that most low-income people prefer work opportunities rather than welfare. We urge a major program of expanded public service employment to implement the Employment Act of 1946, to replace much of the public welfare programs and really help people to move out of poverty as well as to provide those community services so desperately needed in rural areas. We urge revision of the employment services and the Manpower Development and Training Programs so as to better help rural and farm people to obtain jobs and training and information about opportunities especially for the youth and for persons over 55 years of age."

There are three questions which must be answered before moving ahead to pass legislation such as the proposed Guaranteed Job Bill sponsored by Congressman O'Hara and others or the Manpower Development and Training Amendments sponsored by Congressman Quie.

I. Is there a need for this program and does the public feel that there is a need?

II. Do we have enough experience to show that the program is workable?

III. What impact will such a program have on other programs and especially what impact will this have on the local communities and upon the moral fiber of the people involved?

Many groups have testified as to the need for such legislation. Local government representatives have spoken out clearly for such programs. Experts have long said that in the final analysis that there are many people who are able and willing to work and who need work but who cannot obtain work. Our experience shows clearly that there are very few rural communities in America where there are no poor people who truly want and need jobs. We now operate Green Thumb in 157 counties in 14 states. We have yet to find a county which doesn't have at least a half dozen low-income people who desperately want a \$1500 a year hard working job such as Green Thumb. In many counties there are long waiting lists for these jobs. Almost every Community Action Agency in the country, every Camp Committee of the Department of Labor, and most local employment services can support this need. The poor themselves usually cite jobs as the thing they want most.

On June 15, the Gallup Poll reported that the overwhelming majority of the American public, 78% who felt that the government should guarantee enough work each week to give low-income people a chance to earn a minimum income of \$3,000 a year. (see attached articles) Even 77% of those with incomes over \$100,000 a year support this proposal. On the other hand the vast majority of people did not support the guaranteed annual income proposals.

Second, we believe that through the efforts of this committee, through the Nelson-Sheuer and other programs under the Economic Opportunity Act there is a strong body of experience and knowledge on how to run public service employment programs so that they are being run effectively and efficiently. The Department of Labor has operated these programs in a manner to reflect credit upon this Committee, the Congress, and the Administration. We submit that Green Thumb which is one of the largest employment projects and the demonstration project for the mainstream or Nelson program is exhibit number

one that such public service employment can be well run with fewer criticisms than many other antipoverty efforts or the WPA of the 1930's.

We would like to state at this time that it would not be advisable to proceed with H.R. 17867 the Amendments of the Older Americans Act which would provide part time employment for older people through the Administration on Aging. I believe that careful analysis will show that the Department of Labor has been able to operate their programs more efficiently (higher percentage of the money actually going to the low-income people). Secondly, it would be wrong to split up these employment programs and especially splitting them from the related OJT and manpower and training programs. H.R. 17867 does not have the support of any of the major organizations and would be a step backward in helping to consolidate and co-ordinate all manpower programs. The Department of Labor has moved ahead with its senior citizen service corp program and has shown that it has capacity both among the young (the Neighborhood Youth Corps) and the older worker, and those in between.

Third, such a public service employment program will have a major positive impact upon local government. Our strongest supporters as many of this committee know comes from state and local governmental officials who ordinarily are highly critical of federal programs. It is flexible enough to allow local government to use a manpower pool to get essential things done. In our experience, we have found that state and local government will give full support for the program last year with about \$2.3 million contract for Green Thumb, local and state government put up nearly \$1 million of "inkind" contributions. We continue to have overwhelming support from local and State government and citizen groups.

However the major evidence of the impact that this program has is upon the men themselves and the Green Thumbers who are here today can best tell this story. They are here on their own time. Farmers Union has helped pay their way here so that you could hear what such a program means to people.

STATEMENT BY THE GREEN THUMB WORKERS FROM PENNSYLVANIA, NEW JERSEY,  
AND VIRGINIA

*Public Service Work and Training Programs for Adults Have Proven  
Successful*

Farmers Union undertook the Green Thumb program to demonstrate that there could be good, effective, and popular rural and older worker programs in the war on poverty. We also undertook the Green Thumb program, as we said to this Committee last year, as the pilot program for the adult work programs.

We have found that this type of adult work program in public service type activities is not only well accepted by both conservatives and liberals but it is also working at some of the basic problems which help these communities move ahead. For example, many of the rural areas in which we have had our Green Thumb programs have dramatically increased their tourist business, often doubling or tripling the number of tourists in the counties. The parks and community projects which we have developed have made these areas more attractive to live in. While we have been the pilot program for the Nelson-Scheuer programs, practically all the projects carried out in these programs have not only been well received by the participants but also by the communities. We have yet to talk with a rural community action director who did not want a Nelson Amendment or Mainstream project or who did not already have one.

Before people find fault with adult work programs, we ask them to take a good hard look at the pilot program which already exists such as Green Thumb. We defy anyone to show that these have failed either the community or the people. As these older and retired low-income farmers in Green Thumb have said, "This program has enabled me to earn my way out of poverty with dignity and give me a new lease on life."

*A good program for young adults*

The Neighborhood Youth Program also is a type of public service employment for those unable to find work in the private sector. We feel it demonstrates the value of work opportunity programs. As some of our youth in our Arkansas Farmers Union Neighborhood Youth Corps said about a month ago in southern Arkansas:

"The Neighborhood Youth Corps is not a give away program as some people might think. It is a program of progress, to help boys and girls that have been left behind. The Neighborhood Youth Corps means helping those who want to help themselves . . .

"I feel that Neighborhood Youth Corps is a program designed to help the boys and girls through school, who under normal conditions might not finish at all. It encourages students to do their jobs and do them well."

Another Neighborhood Youth Corps said:

"I don't know what it means to you but I can only say what it means to me. I want to make something out of life. I want to be somebody. I may not live in a fine home, wear the finest of clothes, but that is not going to stop my venturing out for success in life. This great opportunity is before us, all we have to do is to take advantage. I can truly say to all the Neighborhood Youth Corps members who have made this program possible that it has really been a help to me in my schooling. It has made me do more to know there are people who want me to do more."

Another said:

"Personally this Neighborhood Youth Corps program has given me my first chance to perform a meaningful job, a greater feeling of responsibility."

Another one said:

"If it had not been for Neighborhood Youth Corps I would never have been able to finish school. I cannot begin to express how much it means to get to finish school.

"I quit school and got married but it didn't work out. After my baby was born, I didn't know which way to turn. I was living at home again. I had a brand new baby, no education, no job and no income. I was about to throw up my hands in defeat. Arrangements were made with Arkansas Farmers Union enabling me to work on the Neighborhood Youth Corps out-of-school program. When I was told I could work 30 hours per week I was so happy I cried."

The work program has been good for young people. *These programs carry dignity.*

We submit that a work opportunity program is better, more just, more acceptable, and carries with it a lot more dignity than the present welfare system.

It is our belief that most of the people on welfare today and most of the people who are in poverty and not on welfare could be helped by public service work opportunities. Certainly it is our experience that there are few communities that could not use the manpower to good purpose. Welfare, except for the disabled and bedridden, is not only a tragic waste of public monies but it is also an almost inhuman treatment of human beings in most of our rural communities today. While it is possible for work programs to become degrading as they did in the days of the Work House, the experience with the adult and youth work and training programs that we have had under the Economic Opportunity Act has been universally successful and well received by the public.

*Adult Work and Training Programs as an Essential Part of the Solution to the Rural and Urban Problems Which Face This Nation*

The big cities are totally incapable of continuing to cope with the population and the problems that they now have. Each year the cities are faced not only with increased numbers of people through the higher birthrates of the urban poor, but are also deluged with the steady flow from the countryside, 800,000 each year. The migrants from the countryside require a disproportionate share of the cities services. Even if we turned off the steady stream of immigration from the rural countryside to the cities, it would be years before the cities could catch up with their existing problems.

Most studies indicate that it is not the new arrivals that riot, but because they do arrive—needing social services, housing, jobs, and all the rest—most cities lack the capability of dealing with the hard core of their city problems. While the white migrant to the city usually can get a job, usually can get a house, usually can get social services, it leaves precious little except frustration for the young Negro.

The failure to maintain full employment in all the country has meant a failure to stem the rural-to-urban migration. Now we are paying the costs of this failure to act.

It remains more humane, more just, more sensible, less costly, and better for the development of America for the government to step in and provide public

service employment and training opportunities for those who are needy and want to work.

*Farmers Union Position Over the Years Is Clear*

Representatives of the Farmers Union have come before Congress since 1944 urging the government to take those steps necessary to maintain full employment, and through a government program make certain that every person who wanted and needed a job should not be unemployed. The failure to enact that program has resulted in some of the most tragic social blunders of this century. In 1944, Farmers Union President James Patton said:

"What this amendment says is that this Nation not only wants full employment, but that it is going to use all its strength to achieve it and maintain it." In 1945, he said:

"It (The Full Employment Bill) would offer an alternative means of livelihood to those in agriculture who are unable to earn a decent competence . . . It would open the way to better facilities for living in rural areas."

". . . It would take up the slack in the private investment and help to raise rural and agricultural levels of life."

As we know, the Full Employment Act was passed setting full employment as a national goal, but it did not include a public work employment program. In 1954, James Patton said:

"The original 'Full Employment Bill' was based upon the proposition that 'the people of the U.S. through their instrumentalities of government, should assume ultimate responsibilities for maintaining full employment; and that if the level of economic activities stimulated by all types of private outlays with all available incentives were inadequate to maintain full employment, then the government itself on behalf of the people should make up the difference through public outlays.' The Economic Report of 1954 says that the solution of the income problem of the rural poor 'lies largely in the expansion of local non-farm employment or movement to better opportunities elsewhere' . . . but it does not tell us by what means or programs these poor farm families are to find work elsewhere . . ."

In 1956, John Baker (now Assistant Secretary of Agriculture), then Farmers Union Legislative Director, testified:

"The farm families on less adequate units will in hundreds of thousands, be driven away from their homes if additional assistance is not given immediately."

In 1963, Ed Smith, President of North Dakota Farmers Union, testified:

"We need to raise the question of whether the mass exodus from the farms to city slums and sprawling suburbia is a desirable solution to the problems of growing efficiency and underemployment on the farm."

In 1964, Reuben Johnson testified before the House Education and Labor Committee:

"In the war on poverty full employment is not only a national goal—it is a national necessity. It is an essential and basic part of the President's war against poverty and a national effort of such magnitude that will bring an end to unemployment, is essential to winning the poverty war."

"The Manpower Development and Training Act should be expanded to train in trade skills those who are unemployed in rural America—both youth and adult."

In 1965, Dick Shipman, then Assistant Legislative Representative, testified:

"May I point out that more than two million family farmers have been squeezed off the land and all too many of them in the ranks of the unemployed. A study of welfare rolls in Washington shows that 70% came from rural backgrounds."

In 1966, Farmers Union testimony called for

"Farmers Union supports expansion of the Nelson Amendment programs of conservation, beautification and community betterment to include employment of the poor in health, education, welfare, safety, and recreation."

Also, in September, 1966, Farmers Union wrote members of the Committee about rural poverty efforts:

"The weakest part of Rural CAP programs is lack of job opportunities. Therefore, the Nelson Amendment program was eagerly sought after by rural CAPS, and many times more money could have been spent wisely in rural areas had it been available."

In July, 1967, I testified as follows:

"Last year we supported a major increase in the adult work programs. We continue to urge greater emphasis upon adult work programs not only as solid

ways to eliminate poverty and help people toward employment in the private sector, but also because it improves the quality of living in our communities, especially in low income areas of our communities and increases essential services."

"We support the revision of the public welfare system replacing much of public welfare with part-time and full-time community service work programs. This is a preferred way to bring low-income families out of poverty. Those remaining, who are unable to work (sick, disabled, young, and the very old), should be able to live without hard ship and with dignity."

In July, 1967, Tony Dechant, National President, said in a statement to the Congress:

"We in the Farmers Union believe riots will continue to occur in the urban areas so long as rural America continues to supply the cities with people. The rural poor become the urban poor. Rural young people in grinding poverty are being forced to the city slums to look for jobs. Many lack training to get good jobs. They are stacked deep in the slums marked by their language and looks. They were ill prepared and ill educated for urban slum life.

"We will continue to have riots in the cities until we can adequately treat rural poverty. Once the fire is lighted, all efforts must be extended to put it out, but it would be infinitely cheaper to remove the fuel before the fire starts. Major programs of training and work opportunity combined with rural development efforts could slow the mass migration to the urban slums. Today our minds are filled with riot stopping. If we really mean to stop riots, let us look for riot prevention. Riot prevention can be found in rural America."

#### *1968—Position of Farmers Union*

In 1968, Farmers Union now testifies that today the situation is even more critical than in the past. The need for an adult work and training opportunity program for the unemployed poor has become an emergency matter. We need public service work and training opportunities for the unemployed poor who cannot find employment in the private job market. We need the government to serve as "the employer of last resort." Without such a program we will continue to have grinding poverty in the rural areas and riot poverty in the cities.

As the accompanying chart shows, there are too many in the rural areas who are making less than the poverty level (Table 3) and the unemployment rate is highest in the rural areas especially in agriculture (Table 4) and the result is the outmigration of the rural young adult (Chart 16).

Farm and rural income is substantially less than urban central city income and unemployment is higher. We can also show there is a serious need for the public services which the unemployed can be trained to do. Farm and rural non-farm health is poorer, hospital facilities fewer, and educational achievement less. It is obvious that there is also more actual hunger in our rural areas.

Both in human and financial terms it will be wiser for the public sector to employ the unemployed where they are to help make a better place in which to live rather than to carry on with our policies which have resulted in slow desertion and depression of many of our rural communities and the overcrowding inflammable situation in our central cities.

Now riots have moved through this country with the force of a hurricane. Destruction is in the billions. Cores of our major cities are bombed out and are likely to remain so for years.

The fear that these riots have set loose has affected the lives of most of the people in this nation. Yet everyone agrees that more riots are to come unless something of major dimension is done.

Farmers Union warns that unless something is done to provide jobs for those who want and need employment, the next bill, instead of being called an Emergency Employment Bill, may have to be called a "Disaster Employment Bill."

It is of equal tragedy that there is poverty and poverty among hundreds of thousand, yes, millions who have something to contribute. Our nation is losing the productive capacities of these people when they could be contributing to the betterment of the nation and the lives of its people. We have the capacity both in technical knowhow to create such a program.

The program is clearly needed. We believe that on the basis of our experience with the Appropriations Committees of the Congress that such a program will fair well when stacked up against less essential programs. In the past the Appropriations Committees have provided more money for adult worker training programs than the administration was willing to earmark for these purposes.

Probably they will not give full appropriations this year for such a program, but I am convinced they will not ignore or reject such a program. Farmers Union urges the passage of an Emergency Employment Bill now.

ASSURED INCOME OPPOSED IN POLL—BUT A GUARANTEED JOBS PLAN IS BACKED BY  
78 PER CENT

(Special to The New York Times)

PRINCETON, N.J., June 15.—A majority of Americans opposes a guaranteed annual income that would provide each family with a minimum income of \$3,200 a year, according to the Gallup Poll. But they overwhelmingly support a plan that would guarantee each family enough work to provide this amount of money.

At the heart of the opposition to a guaranteed annual income is the belief held in our work-oriented society that people ought not to get "something for nothing."

The lower a person's income the more likely he is to support a guaranteed minimum income, but a significant fact brought to light is that an overwhelming majority of persons in all income levels (and of both races) support a plan guaranteeing work rather than money.

This disputes the oft-held contention that most lower-income people are "lazy" and looking for "handouts."

A majority of rank-and-file Republicans and Democrats alike opposes a guaranteed annual income but overwhelmingly supports guaranteed work.

INCENTIVE CITED

"If we give people money without working," said a young white collar worker from Tuscaloosa, Ala., "we will be taking away the individual's incentive to work and his ability to pass this incentive on to his children. To do this would be creating a society of parasites—a 'something for nothing' society."

A 42-year-old plant manager from San Francisco was more succinct: "I don't want my tax money going to someone who is sitting around with his feet up in the air."

"I feel they should provide a job, not charity," said a manual worker from Erie, Pa. "Give a man confidence by letting him earn the money—making him feel like a man."

A total of 1,570 adults were interviewed in a scientifically drawn survey just completed. The guaranteed minimum income plan was presented first:

"As you may know, there is talk about giving every family an income of at least \$3,200 a year, which would be the amount for a family of four. If the family earns less than this, the Government would make up the difference. Would you favor or oppose such a plan?"

RESULTS OF SURVEY

The national results based on yearly family income were as follows:

[In percent]

|                          | Favor | Oppose | No opinion |
|--------------------------|-------|--------|------------|
| National.....            | 36    | 58     | 6          |
| Whites.....              | 33    | 60     | 7          |
| Nonwhites.....           | 66    | 30     | 4          |
| Annual family income:    |       |        |            |
| \$10,000 and over.....   | 26    | 68     | 6          |
| \$7,000 to \$10,000..... | 30    | 64     | 6          |
| \$5,000 to \$7,000.....  | 38    | 55     | 7          |
| \$3,000 to \$5,000.....  | 47    | 48     | 5          |
| Under \$3,000.....       | 48    | 45     | 7          |

Those who favor a guaranteed annual income offer these reasons in this order: (1) Many people can't live decently on their present income. (2) The present welfare system is not working. (3) We are the richest country in the world and we shouldn't have so many poor.

Those who oppose the plan give these reasons in this order: (1) Such a plan would kill incentive; (2) Jobs are available if people really want to work; (3) It would increase the taxes of those who work.

SURVEY ON WORK PLAN

All persons in the survey were next asked about a guaranteed annual work plan.

"Another proposal is to guarantee enough work so that each family that has an employable wage earner would be guaranteed enough work each week to give him a wage of about \$60 a week or \$3,200 a year. Would you favor or oppose such a plan?

Here are the national results and by income level:

[In percent]

|                          | Favor | Oppose | No opinion |
|--------------------------|-------|--------|------------|
| National.....            | 78    | 18     | 4          |
| Whites.....              | 77    | 19     | 4          |
| Nonwhites.....           | 86    | 13     | 1          |
| Annual family income:    |       |        |            |
| \$10,000 and over.....   | 77    | 20     | 3          |
| \$7,000 to \$10,000..... | 79    | 18     | 3          |
| \$5,000 to \$7,000.....  | 75    | 21     | 4          |
| \$3,000 to \$5,000.....  | 80    | 16     | 4          |
| Under \$3,000.....       | 83    | 16     | 1          |

THE GALLUP POLL: GUARANTEED WORK, NOT PAY, BACKED

(By George Gallup)

PRINCETON, N.J., June 15.—A majority of Americans are opposed to a guaranteed annual income that would provide each family with a minimum income of \$3200 a year, but they overwhelmingly support a plan that would guarantee each family enough work to provide this amount of money.

At the heart of the opposition to a guaranteed annual income is the belief held in our work-oriented society that people ought not to get "something for nothing."

The lower a person's income the more likely he is to support a guaranteed minimum income, but a significant fact brought to light is that an overwhelming majority of persons at all income levels (and of both races) support a plan guaranteeing work rather than money.

This disputes the oft-held contention that most lower-income people are "lazy" and looking for "handouts."

A majority of rank-and-file Republicans and Democrats alike oppose a guaranteed annual income but overwhelmingly support guaranteed work.

A total of 1570 adults were interviewed in a scientifically drawn survey. The guaranteed minimum income plan was presented first:

*"As you may know, there is talk about giving every family an income of at least \$3200 a year, which would be the amount for a family of four. If the family earns less than this, the government would make up the difference. Would you favor or oppose such a plan?"*

The national results and findings based on yearly family income:

[In percent]

|                          | Favor | Oppose | No opinion |
|--------------------------|-------|--------|------------|
| National.....            | 36    | 58     | 6          |
| Whites.....              | 33    | 60     | 7          |
| Nonwhites.....           | 66    | 30     | 4          |
| Annual family income:    |       |        |            |
| \$10,000 and over.....   | 26    | 68     | 6          |
| \$7,000 to \$10,000..... | 30    | 64     | 6          |
| \$5,000 to \$7,000.....  | 38    | 55     | 7          |
| \$3,000 to \$5,000.....  | 47    | 48     | 7          |
| Under \$3,000.....       | 48    | 45     | 7          |

All persons in the survey were next asked about a guaranteed annual work plan. "Another proposal is to guarantee enough WORK so that each family that has an employable wage earner would be guaranteed enough work each week to give him a wage of about \$60 a week or \$3200 a year. Would you favor or oppose such a plan?"

Here are the national results and by income level :

[In percent]

|                          | Favor | Oppose | No opinion |
|--------------------------|-------|--------|------------|
| National.....            | 78    | 18     | 4          |
| Whites.....              | 77    | 19     | 4          |
| Nonwhites.....           | 86    | 13     | 1          |
| Annual family income:    |       |        |            |
| \$10,000 and over.....   | 77    | 20     | 3          |
| \$7,000 to \$10,000..... | 79    | 18     | 3          |
| \$5,000 to \$7,000.....  | 75    | 21     | 4          |
| \$3,000 to \$5,000.....  | 80    | 16     | 4          |
| Under \$3,000.....       | 83    | 16     | 1          |

#### SPECIFIC COMMENTS ON EMPLOYMENT LEGISLATION BY THE NATIONAL FARMERS UNION

##### COMMENTS ON THE GUARANTEED EMPLOYMENT ACT H.R. 12280 BY CONGRESSMAN O'HARE AND OTHERS

The O'Hara Bill comes as close as any one bill to the bill that we feel the Congress should pass. However, there are one or two changes we would recommend.

#### Section III

Under this bill, employment would be limited to those under 65 years of age. We think that this should definitely not be limited to people 18 to 65 but simply to persons 18 or out of school in particular those older core who have the greatest difficulty in seeking employment in the private sector. Instead, this section should include a specific mandate to include the older worker, including those over 65. It should also include provision for the unemployed or impoverished persons who may be working, but is far below the poverty level. The definition used is the parallel of that in the Economic Opportunity Act.

#### Section IX

While it is possible to arrange part-time work under this title, we would prefer that specific acknowledgement of part-time work possibilities should be specifically written into this section. We would also like to recommend that the bill specifically indicate that wherever possible, such programs should be related to on-the-job training and/or other manpower programs.

##### COMMENTS ON H.R. 16625, THE MANPOWER AND TRAINING AMENDMENTS BY CONGRESSMAN QUIE AND OTHERS

Our comments are the same as those given on S. 2349 which follows. However, we would like to add that we specifically would like to see some attention be given in Section 411 present to the employment of age discrimination in the Civil Service Employment which would recommend substances to the Age Act (A.D.A.) past by earlier in this Congress. We like the employment of on-the-job training and industry, and feel that some of this could be added on to the O'Hare Bill as outlined in our comments on the latter.

#### Specific comments on the legislation

##### I. Specific Comments on S. 3063 the Clark Bill

Sections 101 and 301.—We reject the concept of this program being available only to those unemployed poor who happen to be concentrated or where there is a high proportion of the unemployed poor. We have found desperately poor unemployed persons in relatively wealthy rural counties. To believe that poverty is somehow less desperate among rich or middle income persons is nonsense. In the relatively wealthy central Wisconsin area where local community leaders said

there were no poor people who couldn't get jobs, we found ample numbers of able-bodied men whose average income was \$700 a year per couple and who were desperately anxious to work for \$1500 a year under the Green Thumb program. The level of programing should be proportionate to the numbers of poor people. Anything less is unfair and besides the practical politics of maintaining Congressional support in Congress demands it. The failure to develop good rural anti-poverty programs and neglect of rural poverty by Community Action Programs contributed heavily to the defeat of the program in the House of Representatives last year.

*Section 102 (3).*—We urge the Committee to reject this section as a part of the law. If we had this now, we would be unable to operate Green Thumb and most of the mainstream projects would have to be abandoned. This would not develop creative meaningful projects only static planning. You cannot envision a complete year's programing in advance and respond to community needs or to creative thinking. This sounds good but would have tragic results in programing. The result on the workers would be even worse since little advantage could be made to special skills or talents which are developed or uncovered during the course of the year's work.

*Section 103.*—The idea of giving authorization for financial assistance and loans to sponsors for the purchase of supplies and equipment is good, we urge a note of caution. The place where public service employment can get the greatest involvement, the greatest in kind contributions, and the greatest good will is in the process of finding equipment and supplies. While I am sure there are some communities with so much poverty that it is impossible to come up with inkind contributions of supplies and materials, we have not found such counties even in the hills of the Ozarks and the delta lands of Arkansas. We have found that we get better results when the local community or the counties or the states have to come up with the materials and equipment with the exception of hand tools for the workers. The better mainstream projects have found the same to be true.

*Section 202.*—We strongly endorse the concept of providing day care as a part of the cost of the project. We also agree that the cost of transportation is a most important factor in employing the unemployed in rural areas.

*Section 302.*—We urge this committee face the issue of age discrimination squarely in this emergency employment bill if the Anti-Age Discrimination Act passed earlier by Congress is to have any meaning at all. Until now, it is still an empty gesture. It is worse to be the unemployed impoverished head of a household at age 68 or 70 than it is to be if you are 35 or 40. When you are unemployed and poor at 35 there is still hope. Today when you are 70, unemployed and poor there is no hope. Unless this committee acts to specifically include the older person, the fine words used by the Labor and Public Welfare Committee about senior citizens are a mockery. For the millions of older people who have failed to receive an adequate increase in Social Security, it is an emergency and they need an emergency employment program. The placement record in private jobs may not be so great, but the public support for jobs for the older people can not be denied. People support it because it is just and because they know these people can not make it in the private sector.

#### *Other comments*

We believe that this committee should specifically write in something like the phrase in the Nelson Amendment Program which calls for special projects, . . . "directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable, because of age or otherwise, to secure appropriate employment or training assistance under other programs . . ." Unless the committee does hire some bright young analyst who will use a computer and show that older people should be forgotten because of their low rate of job placement or because they do not count in the so-called "cycle of poverty."

About  $\frac{1}{5}$  of the people over age 65 are still in the labor force. Yet, we are quite aware that many of these people are still able to work, not perhaps a 40 or 60 hour week.  $\frac{2}{3}$  of the rural people over age 65 are poor or about 6 million people. It is our experience in Green Thumb that at least half of these are able and willing to work and that perhaps  $\frac{1}{3}$  to  $\frac{1}{2}$  of the remaining would have been able to continue to work even now had not inactivity and poverty taken such a tragic toll. We hope that the language in the bill will not forget the older worker.

*II. Specific comments on S. 2938, Clark, Javits and others. Amendment to the MDTA of 1962*

We concur in the extension of the MDTA program.

However, we do urge that the Congress give greater emphasis to the manpower training needs of rural America where proportions of poverty and unemployment is much greater. It is wrong that only 17% of MDTA funds are going to aid people from rural areas. While we realize that this is an improvement over previous years, we feel that more should be done. We urge the establishment of an Assistant Administrator of MDTA for rural areas. Not only should this person work to develop training and job development for rural people in the small towns, rural areas and cities, but he should also take a fresh look at the new developments in agriculture where highly skilled workers are now needed. We are not talking about the old type of farm worker who was untrained, underpaid, and underdignified. We are talking about a person who is trained to handle and maintain a \$50,000 piece of harvesting equipment or be responsible for \$50,000 worth of dairy cows.

*III. Specific comments on S. 3249, the Javits proposal (Senator Javits and others)*

There are a number of features in this bill which we can endorse. We strongly support the proposal for a centralized information clearinghouse system for job opportunities, labor supply and skill requirements. We agree that it is needed on a national basis and with the aid of computers, we can have a better picture of the available jobs and labor supply for purposes of training, and job placements.

The bill calls for state plans. Authority now exists for an effective statewide manpower plan to be developed through the CAMP Committee (Comprehensive Area Manpower Planning) established in each state. Unfortunately, most states have not yet felt that such planning is important enough to place the kind of priority that the U.S. Department of Labor has felt desirable. Since the authority is there for such state wide and area planning, we feel that it is not desirable to give additional authority. If the state wishes to exercise comprehensive planning, they now have this authority, but let's not spend millions of extra dollars to create just one more state wide plan if there is no desire on the part of the states to have such a plan.

We are also reluctant to encourage "profit making" corporations into the role of a local sponsor or service company. Our present adult and youth work opportunity programs have been well run by public agencies or non-profit groups or agencies. We have seen no evidence that they are not doing a good job or that a better job could be done by profit-motivated corporations. As long as there are plenty of capable public and non-profit groups to do the job why spend the extra money.

On the other hand, there might be some tendency on the part of profit making sponsors to take only the easier-to-reach, easier-to-place unemployed and ignore many of the isolated unskilled rural unemployed.

While Farmers Union has no position relative to the major proposal of the Economic Opportunity Corporation, it is intriguing. We are unsure how it would be possible that the rural problems would get equitable treatment. We note the omission of the Secretary of Agriculture from the incorporators. We also note that there is no mention of the development of co-operatives which we in rural areas have found so successful. We have read the statements made by some of the sponsors of the bill and we remain doubtful as to the proposal at this time.

We concur in the need for their evaluation and oversight study by the Comptroller General. However, even this will not give us better data on rural areas than the most recent census which is now 8 years old.

Mr. HATHAWAY. The subcommittee would like to thank all of you who came here. We appreciate what you have said, and we are glad to have had an opportunity to do something and that you have had the opportunity to do something productive.

Mr. QUIE. Mr. Chairman, I would like to echo what these men have said because there are many people in a number of counties in my district who can say the same thing as you have. What I am especially pleased about is the reaction of the people of the community to the

work that people like you are doing in Minnesota. I am even most pleased about the skeptics, those who said, "What are you doing that for? To make work?" And they looked carefully to find everything they could that was wrong with it. Now that it is a tremendous program, they are pleased that the areas have been cleaned up and they enjoy being able to picnic there, and so forth. They see clearly now that the men are healthier than they were before. The renewed pride that is felt by the Green Thumb men as well as by the local communities in which they work is quite obvious.

All you men stood up straight and looked us straight in the eye. That is what we like to see. When a person wonders where his next meal is going to come from, it is pretty hard for him to do that.

To me, this program and the foster grandparents program are the two most outstanding programs created under the terms of the Economic Opportunity Act. While this year there was an appropriation, so far in the House anyway, of a lump sum for the entire OEO, I surely hope that the Green Thumb will come in for an increase in moneys over the previous year. What you men have said today, I think, is proof that the program that was envisioned by some individuals—including Blue Carstenson who, as far as I know, made major contributions and played a most vital role in its development and implementation. He is a good salesman. He sold this to the Congress. But the best thing about the salesman that is good is that he can come back after 1, 2, 3 years and find that the Congress agrees that the product sold us was a tremendous program. We surely appreciate what you have done.

Mr. CARSTENSON. Thank you. The men appreciate it. I appreciate what this committee has done.

Mr. QUIE. Who are the younger people in the audience? I asked the young lady if she was working for Green Thumb.

Mr. CARSTENSON. She has been my secretary and is now education director for the Green Thumb.

Mr. QUIE. Who else is here from Green Thumb? Perhaps we can identify them.

Mr. MEAGHER. I am George E. Meagher, national director of Green Thumb.

Mr. KENNY. I am Joseph R. Kenny, State director for New Jersey.

Mr. WILCOX. I am Hank Wilcox, State director of Pennsylvania.

Miss HEATH. I am Barbara Heath, education specialist at Green Thumb.

Mr. SAVAGE. I am Russell Savage of the Southeastern District of Virginia, field supervisor.

Mr. JORDAN. I am DeSoto Jordan, program analyst for Green Thumb.

Mr. CARTER. I am Roy A. Carter, eastern regional director of Green Thumb.

Miss BANKS. I am Joyce Banks, an intern at the University of Minnesota.

Mr. QUIE. Hi, neighbor.

Miss BANKS. Hello.

Mr. RAY. I am Victor Ray of the National Farmers Union and the Green Thumb.

Mr. MARKS. I am A. E. "Sonny" Marks, director of field operations.

Mr. LIPETZ. I am Samuel Lipetz (assistant national director for administration).

Mr. CARSTENSON. Having seen all the staff, I would like to comment that our administrative costs are about as low as any. Actually, 83 percent of the money actually goes to the workers.

Mr. QUIE. Very good.

We want to show our appreciation to them because it takes some staff work to get all this organized. You have all done a good job, too.

Mr. HATHAWAY. Thank you very much, all of you, for coming.

I ask unanimous consent that any statements received by the subcommittee in regard to these bills be made a part of the hearing record at this point.

(The following material was submitted:)

TESTIMONY BY GARTH L. MANGUM \*

Support for some form of employment guarantee to close the gap remaining in the Employment Act of 1946 seems to be widespread and bipartisan. The concept has been endorsed by every national commission and presidential Task Force appointed to study any related topic during the past two years. Bills incorporating it are currently before both House and Senate Committees with both Democratic and Republican sponsors. Letters and telephone calls to professional economists on behalf of Senator Clark's Emergency Employment Act brought quick favorable response.

The support has a basis in logic as well as compassion. There is always useful work left undone in society. The real costs of doing that work are the alternative uses of the same resources. Work done by otherwise idle people becomes economically costless. Unless the methods used to bring the idle into productive activity clash with other goals, there is no excuse for not employing the unemployed. Unemployment is both economic idiocy and social tragedy, but saying so does not answer all questions relative to eradicating it. The key issues of this hearing would seem to be how the proposed H.R. 12280 relates to other measures for achieving the same goals and what impact pursuit of "a job for everyone able, willing and seeking to work" would have on the achievement of competing goals.

ALTERNATIVE ROUTES TO GUARANTEED EMPLOYMENT

Though the Employment Act was not aggressively implemented in its first fifteen years, it was generally viewed as endorsing only aggregative measures for promoting "maximum employment." The major policy innovation of the 1960's was to focus on the individual's employment obstacles. It became too painfully clear that somewhere around a 4 percent unemployment rate, the interests of those still burdened by unemployment came into harsh conflict with the interests of those more sensitive to rising prices. Yet the country was becoming less willing to ask the poor to sacrifice for price stability and, more importantly, they were becoming less willing to do so. The manpower policy emphasis between 1962 and 1967 was to "polish" the unemployed and underemployed until they could compete effectively in the job market. Impatience with that approach has shifted attention to the direct provision of jobs for the disadvantaged, either in the private or public sectors. Yet the "polishing" approach has been by no means exhausted and employment proposals must be examined as alternatives to employability programs.

Unless one is satisfied to create a separate job economy sheltered from competitive impact, the provision of employment opportunities must have the same ultimate effect as the provision of training and other labor market services. Either through work experience or through training on or in connection with the job, the worker must ultimately become prepared to face the rigors of job market competition. Neither the Guaranteed Employment Act nor the related Emergency

\*Garth L. Mangum is Research Professor of Economics and Co-Director of the Center for Manpower Policy Studies, George Washington University, where he is evaluating federal manpower programs under a grant from the Ford Foundation.

Employment and Training Act (S. 3063), the National Manpower Act of 1968 (H.R. 16623 or S. 3249) nor the Job Opportunities Act of 1968 (S. 3649), can be considered in isolation from other work, training, remedial education or economic development legislation. The competitively disadvantaged are not a discrete group. Every labor market participant faces some handicaps but at some point on a continuum including the entire labor force, public intervention becomes justifiable. For those nearer the margin of employability, remedial education and skill training may bridge the gap at relatively low cost. For many, the obstacles may be locational rather than personal and relocation, transportation or housing may be the preferable but not easy long-term answer.

Direct intervention into the job market, either through subsidization of private employment or through direct public employment is a more costly alternative and one fraught with more unforeseen implications. Yet the "polishing" approach leaves the recipient with only a hunting license to search for a job. Some will face further failures and all will depend upon the availability of jobs. Weak motivation, often the product of broken promises in the past, is more readily strengthened by employment first with the polishing, if any, on the job.

The current emphasis on subsidized private and direct public employment does not mean that the remedial education, skill training, relocation and other routes for the less disadvantaged have been exhausted. Far from it. Remedial education as an employability aid has hardly been touched and relocation has only been experimented with. The Manpower Development and Training program is running at half its current capacity with the trainee potential unplumbed but obviously some multiple of what current budgets will support. Rather the switch has come because, given limited budgets, it has been decided to reach for the most disadvantaged first. Whether this was the best choice can be tested only when the characteristics of the participants, the costs and the results are available for comparison with those of the other alternatives.

In making the switch from the employability to the employment emphasis, a false dichotomy has been made between private and public employment. The issue is not whether the employers are in the private profit-making sector, the private not-for-profit sector or the public sector of the economy. All are equally legitimate; all provide useful goods or services demanded by consumers and all offer job opportunities growing at varying rates. The realistic dichotomy is between orthodox competitive jobs which exist for production's sake and those specially created for employment's sake. The first set are those for which the consumers of the production are willing to pay the full cost. Programs for hiring the disadvantaged in these jobs do not result in more than a marginal increase in total employment opportunities. Instead, subsidization, if successful, buys influence in the hiring choice. A private employer may receive reimbursement for low productivity or training costs or perhaps only a payment to overcome his prejudices. The subsidization of regular public employment involves only a shift of the burden from one set of tax roles to another. The essential difference in the public employment proposals is that jobs are created in areas where, though, the services may be useful, the taxpayers have chosen to do without them rather than pay their full costs. When the gains in employment and incomes for the otherwise deprived are added to the benefits, the scales are tipped in a more favorable direction.

#### COMPARING EMPLOYMENT PROPOSALS

This somewhat random collection of principles is relevant to the bill before this subcommittee and related proposals here and in the Senate. Economically, under current conditions, the costs of these proposals must be borne by some combination of shifts within the total manpower budget, reduction in nonmanpower expenditures or increased taxation. It is my personal bias that ample "water" exists in non-manpower expenditures of lower priority and that the net sacrifices of taxpayers would be far less burdensome than the gains for the less fortunate. It is my technical economic judgment that job creation through the direct public employment route would have only a fraction of the inflationary impacts necessary to get the effects of aggregate purchasing power increases to trickle down to the bottom of the ladder. However, to the degree that expenditures for employment replace those for employability, the relative payoffs must be carefully considered and the balance is not at all clear.

To compare alternative legislation, H.R. 12280 is the simplest and most easily analyzed. It differs from the others in that it is limited to the public and non-

profit sectors. The most important implication of that fact is that it is specifically a job creation rather than a job reallocation proposal. Grants are to be made to any public agency or nonprofit private organization which will employ any person between 18 and 65 years of age unemployed for five or more weeks or working part-time though seeking a full-time job and which guarantee that a net increase in employment of standard quality will result. Education and training is to be provided to make the guaranteed job a temporary floor rather than a permanent "last resort" wherever possible.

Analysis of the alternatives is more complex. S. 3063 in its public employment title does not differ appreciably from H.R. 12280, though it attempts to be somewhat more restrictive as to eligibility, planning requirements and relationship to other manpower programs and less specific about the creation of net new jobs. The most important contrast is size beginning with 300,000 and up to 1,200,000 jobs over 4 years in S. 3063 as compared to 1 million a year in H.R. 12280. The S. 3063 private employment proposal is also a simple and straightforward one offering reimbursement for the added costs of recruiting and employing the disadvantaged. In effect it would give legislative sanction to and approximately quadruple the target of the current JOBS program.

H.R. 16623 (S. 3249 in the Senate) is at the same time more modest in its goals, lower in cost but more complex in its structure and more speculative in its results than the others. Leaving aside its rewriting of the preamble to MDTA and the requirements for job vacancy and labor supply information, its public employment title differs in substance from H.R. 12280 and S. 3063 primarily by promising some 200,000 jobs over two years rather than 1 million per year and 1,200,000 per year after four years, respectively, and placing 40 percent of the funds under state control as contrasted with full federal discretion. It encourages use of "local service companies" as contractors to public agencies, perhaps modeled after PRIDE in Washington. Its private sector proposal departs markedly by offering to employers their choice of direct cost reimbursement or tax credits. The latter, though purportedly involving less "red tape" than the reimbursement route, would require a public agency to search out, identify and tag with a "green card" hard core unemployed persons, the hiring of whom would bring the employer a sliding tax credit diminishing from 75 to 25 percent of the employee's wages over a two year period. To maintain the private enterprise image, an Economic Opportunity Corporation would be created to provide coordination and technical assistance to the private employment program. Neither the role nor the financing source for the corporation is clear, beyond an initial \$20 million federal underwriting.

The Job Opportunities Act (S. 3649) differs from H.R. 16623 primarily in its private employment provisions. There it would simply reimburse any private employer for 25 percent of the costs of almost any non-supervisory, non-professional-technical training. It is difficult to identify the increase of social benefit in excess of private benefit necessary to justify subsidization of training in general, yet a 25 percent reimbursement for training the disadvantaged would be ineffective as long as 100 percent subsidization is available under other programs. The Community Employment and Training section of S. 3649 would place 60 percent of the funds in state hands in contrast to the 40 percent in S. 3249.

Both subsidization of private employment costs and direct public employment are logical additions to the developing kit of manpower tools. The first has been made available within existing programs and such efforts are probably expanding as rapidly as experience, administrative capability and the need for evaluation justify. Specific authorization and funding is needed for future expansion and, more importantly, to eliminate the reallocation of funds from other badly needed services. The Neighborhood Youth Corps and New Careers programs are a foot in the door for direct public employment but there is no general authorization. It is important that the concept of guaranteed job opportunities be adopted based on a floor of public service employment. Basically the various proposals vary only in size and the degree of state autonomy. H.R. 12280 is not excessive in size but the gradual 3-year expansion proposed by S. 3063 is probably more practical. Some version of an employment guarantee including both subsidized private and direct public jobs is an unfilled gap in the manpower policy structure and in the promises of the Employment Act. The issue of filling it may be unnecessarily confused by combining such worthy but controversial proposals with the needed and probably noncontroversial extension of the Manpower Development and Training Act.

PHILADELPHIA, PA., May 11, 1968.

Congressman JAMES G. O'HARA,  
House Office Building,  
Washington, D.C.:

Jewish Labor Committee of Greater Philadelphia strongly supports H.R. 12280. We feel that if your bill is enacted it would be a significant step forward in dealing with frustrations and bitterness caused by joblessness.

EDWARD H. ROVNER, *Chairman.*  
ALE WOLLOD, *Area Director.*

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STATEMENT OF HOWARD M. SQUADRON, ON BEHALF OF AMERICAN JEWISH  
CONGRESS

The American Jewish Congress supports H.R. 12280, the proposed "Guaranteed Employment Act of 1967," and expresses the hope that it will be reported favorably by this Committee.

The American Jewish Congress is an organization of American Jews deeply concerned with the preservation and extension of the American democratic way of life and with the survival and enrichment of the Jewish cultural tradition. At its most recent Biennial Convention, held in Miami, Fla., from May 14-19, 1968, delegates representing American Jews in all parts of the country reaffirmed our organization's long-standing commitment to the attainment of economic justice and equality for all Americans. We regard this commitment to the disadvantaged as an integral part of the social, religious tradition of the Jewish people, a tradition which this organization seeks to preserve and extend.

At that Convention, the delegates expressly stated their support of economic reforms, including guaranteed employment, designated to reduce the evils of poverty in this nation. In addition, the delegates expressed their willingness to make the financial and other sacrifices necessary to any effective program of economic justice for all. It is in that spirit that the American Jewish Congress submits this statement in support of H.R. 12280.

*The provisions of the bill*

H.R. 12280 would authorize the expenditure of up to four billion dollars for the fiscal year beginning July 1, 1968 and such sums as may be necessary for succeeding fiscal years to generate up to one million jobs for the unemployed and underemployed, by making grants to state and local government agencies and to private, nonprofit educational, hospital, health-care and other institutions engaged in activities designed to improve the physical, social or cultural conditions in a community. There are appropriate safeguards to insure that the program will not have adverse effects on other workers and that labor, health and safety standards are fully complied with. The bill would be administered by an Office of Guaranteed Employment Opportunities to be established in the Department of Labor.

The bill does not specifically provide the nature of the job opportunities to be created. While it may be assumed that they would be such as would achieve the purpose stated in the bill of "assuring a more stable economy and a more stable society," we suggest below that this ambiguity be resolved by appropriate amendment.

*The need for the bill*

As this Committee sits to consider the job creation proposals embodied in H.R. 12280, thousands of the poor encamped here in Washington and tens of thousands more throughout the country wait for the answer to their pleas for help. Their presence provides more dramatic testimony than we can ever give of the need for the legislation this Committee is now studying.

The American Jewish Congress, however, would urge this legislation even if there were no Poor People's March, no turmoil in the country, no Watts, no Detroit and no Newark. We would urge passage of this legislation because it would deal soundly with a pressing national problem. An America with three to five million unemployed and ten million under-employed is not an America fulfilling the promises of its forefathers. An America in whose 50 largest cities the sub-employment rate is as high as 35% and where the non-white jobless rate is triple that of whites makes a mockery of our professed ideals.

The job creation plan proposed in H.R. 12280 comports with the best of traditional America values and procedures. Historically, this country has advanced the national interest by aiding the individual. In earlier years, the government's grant of western lands to families who agreed to settle on them, extended and strengthened the western frontiers of our nation. Today the grant of moneys to local governmental and non-profit community service agencies to provide jobs for the under- and unemployed would serve the dual purpose of meeting unmet community needs while providing meaningful employment for all.

The method of dealing with poverty embodied in this legislation is consistent with traditional American concepts of strengthening initiative and self-reliance. These concepts in turn accord with recent psychological and sociological research which stresses the necessity of enabling individuals in our work-oriented society to gain a positive image of themselves through productive employment in order to insure individual mental health as well as healthy family life and child development. There can be no question that under-employment and unemployment are the root causes of many of our serious domestic problems—inadequate housing, malnutrition, substandard health care, breakdown of the family, lack of motivation for education and general corrosion of the human spirit. While many unemployed are physically or mentally incapable of holding jobs, approximately two million employables are unable to find work. Moreover, poverty is not confined to the totally jobless; much of it is found among the working poor who are under-employed and receive substandard wages. Of the 10 million under-employed in this country, 6.5 million earn less than the annual poverty wage.

#### *A multifaceted attack on poverty*

The guaranteed employment program proposed in H.R. 12280 would make the government and non-profit community agency the employer of last resort for those unable to obtain jobs in the private sector. We regard such a program as but one part of a multi-faceted attack on poverty.

On the one hand, we contemplate that government will have to continue to provide some sort of income support for those who, because of illness, disability, age or the need to care for their young, are unable to work at all. Secondly, we heartily commend the Urban Coalition and the National Alliance of Businessmen for their efforts to encourage private employers to hire and train the hard-core unemployed. In this connection, we support expanded governmental programs which will under-write and subsidize employers' extraordinary costs for training the unskilled and for the supportive services incident to employment of hard-core urban and rural jobless. The American Jewish Congress has itself initiated a job-finding program among its membership in the New York metropolitan area which, in a few short months, has been responsible for finding some 1100 job openings in the private sector for hard-core unemployed youth. Some of our participating employers have agreed to train these youths at their own expense.

Nevertheless, we are convinced that private enterprise, even with government's help, cannot be expected and should not be asked to do the whole job. At this juncture, only the public sector can generate immediate jobs for ghetto residents tailored to their capabilities and where they live. For example, employment opportunities in private industry have been moving from the commercial city into the suburbs and beyond. Sixty-two percent of industrial plants built between 1960 and 1965 were built outside the central cities. The ratio was 77 per cent in Chicago and 85 per cent in Los Angeles. While manufacturing was increasing 5 per cent between 1950 and 1964, manufacturing employment in New York City was reported to have slipped 10 per cent. Similar developments have occurred in other large metropolitan areas. Although the long term solution to this situation lies in eliminating housing discrimination in suburban areas and improvement of transportation facilities, as well as some limited relocation of industry back into the central areas, it is obvious that for immediate ghetto job generation we cannot rely on private industry extensively or exclusively. Grants to social and governmental agencies located in the central cities and in rural pov-

erty areas will provide jobs immediately where the jobs are needed, while these other long-term developments are speeded by other aspects of government policy.

*The special role of Government and nonprofit agencies*

Most government and non-profit agencies are established to serve people. Their professional needs require an ability to work with and relate to the clients they serve. Hence, they can immediately take advantage of existing capabilities of ghetto residents and put them to work, often with a minimum of training. Private enterprise, which is for the most part product and technologically oriented, must engage in more extensive training before it can economically use ghetto labor. For example, ghetto residents can be employed in mental health centers, in child care centers and in schools without extended training. On some jobs, especially in social work, the hard-core unemployed can serve as crucial links between residents and professionals, again without long training.

The Neighborhood Youth Corps, the Work Experience Program and the Scheuer New Careers Community Action Program have all demonstrated the feasibility of creating public service jobs tailored to the abilities of the hard-core unemployed. Jobs in these programs have ranged from common laborers in our parks and national forests to subprofessional aids in libraries, school and public offices and community aides in neighborhood centers. In all these areas, constructive contributions to their own and their neighbors' welfare have been made by persons formerly thought unemployable.

That there are substantial unmet community needs in our country which a program under H.R. 12280 could fill cannot be argued. Last year, the National Commission on Technology, Automation and Economic Progress estimated that 5.3 million new jobs could be created through public service employment. The greatest needs were in hospitals, welfare and police departments, schools and urban renewal programs. The critical shortage of such professionals as teachers, nurses, medical technicians, policemen and social caseworkers is well known.

Grants to agencies for the employment of aides and paraprofessionals would relieve the professionals of many routine duties and would save agencies money by permitting professionals to work full time on the complex tasks they are specially trained to do.

*Nature of the grants to be made*

The bill before this Committee does not specify or limit in any way the nature of the programs to be financed by the grants it authorizes. We suggest that such specifications be inserted in the bill to insure that it will achieve its stated purposes. Guidelines of this nature have been incorporated in S. 3063, the "Emergency Employment and Training Act of 1968."

For example, we suggest that priorities be given to grants to local governmental and non-profit agencies in urban and rural areas with high rates of unemployment and under-employment; that priorities be given to construction and other projects which will aid low-income persons and families in these depressed areas and that preference be given to projects which have a high ratio of jobs to money expended. Safeguards should also be inserted to assure that the jobs provided are productive and meaningful and that eligible participants receive adequate supervision and opportunity to obtain training and experience, if possible, which will equip them for regular competitive employment and occupational advancement. We also urge that, if funds are limited and choices must be made, priority be given (within the limits of our laws prohibiting discrimination on grounds of sex) to work training and experience for males, avoiding the temptation to concentrate on unemployed women, the more readily identifiable and manageable recipients of welfare but the less significant social problem. Finally, it goes without saying that we assume that the provisions of Title 6 of the Civil Rights Act of 1964 apply to this program as they do to other programs receiving Federal financial assistance: that no person may be denied a job by either a governmental agency or a non-profit agency on grounds of race, color or national origin and that Federal job creation funds will not be given to any agencies, private or public, which deny their services to persons on these grounds.

STATEMENT OF GEORGE S. BULLEN, LEGISLATIVE DIRECTOR, NATIONAL FEDERATION OF  
INDEPENDENT BUSINESS

The National Federal of Independent Business appreciates the opportunity to submit this statement on H.R. 12280 now under consideration by your Subcommittee.

The Federation, founded twenty-five years ago, now represents more than 253,000 independents in all fields of enterprise. This means that, within the small business community of this country, as presently constituted, almost one out of every nineteen existing small businesses is a member of the Federation. Our membership is representative of all facets of the business spectrum. A check of membership percentages in each business category will show that the composition of the National Federation of Independent Business falls within a very few percentage points of the overall makeup of the entire small business community. Therefore, we feel that we can reasonably say that the views expressed by our members do represent a valid cross section of the views of the whole small business community.

The legislative policies of the Federation are determined by the direct vote of its membership, using the Mandate ballot.

Recently the Federation polled its nationwide membership on H.R. 12280 and found that of those responding, 79% voted against the measure, 16% voted for it and 5% indicated no opinion.

So that you might see how the issue was presented to our members, we have reproduced the question, explanations and results below :

# The Mandate

REG. U. S. PAT. OFF. Published by

**NATIONAL FEDERATION OF INDEPENDENT BUSINESS**

The Largest Individual Membership of Any Business Organization in the United States  
A Non-Profit Corporation

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**Washington, D. C. 20005**  
**Area Code 202, 737-3523**

**San Mateo, California 94402 — Chicago, Illinois 60626**  
**Covington, Kentucky 41011 — New York, N. Y. 10019**



**That Our Nation Remain the Land of Opportunity By Giving Small Business Fair Consideration**

Copyright, 1968, National Federation of Independent Business, Inc. **Bulletin No. 328**

- ⑤ **H. R. 12280.** A bill to guarantee productive employment opportunities for those who are unemployed or under-employed by a program of government grants totaling \$4 billion. (Cong. O'Hara, Mich.)

This program is co-sponsored by 50 members of the House of Representatives.

FOR

AGAINST

NO VOTE

Following are brief arguments "FOR" and "AGAINST" which we asked our members to read before voting:

5. Argument for H.R. 12280: Proponents of the bill know that jobs are not the whole answer to the problems facing our society, especially the urban areas, but they are "an essential answer." This program would provide \$4 billion in grants to Federal, state and local government agencies and to private non-profit organizations, to help them bear the cost of providing one million jobs in public service occupations for people who are now unemployed or underemployed. Sponsors see new jobs being created in areas of the economy which have large manpower needs, but not the workers to fill them.

5. Argument against H.R. 12280: Opponents of this bill argue against the method of reaching the objective, not against the objective itself. The best way to provide jobs is to encourage business, especially smaller independent business, so that they can expand and offer jobs to those seeking work. Rather than grant \$4 billion to government programs, why not provide small business with: tax incentives, low interest working capital, loans, plowback allowances, tough anti-trust enforcement, and elimination of burdensome paperwork? This is the free enterprise way and would cost less tax money.

The results of this poll were:

[In percent]

|  | For | Against | No vote |
|--|-----|---------|---------|
| 5. H.R. 12280. Guarantee job opportunities for the unemployed..... | 16  | 79      |         |

We think it is important to point out the fact that such a strong vote against the issue does not mean to imply that the small business community is opposed to providing jobs for the unskilled or the hard-core unemployed. Rather, this vote indicates recognition of the problem, along with a very strong feeling that the private sector of our economy should provide the needed employment.

The attached press release shows the state-by-state breakdown of the vote, along with an interpretation explaining how the small businessmen feel that a similar objective can be reached by using means which would allow the private sector to provide the necessary employment.

#### THE BRIEF FACTS

Federal financing of low-level jobs in public service work to alleviate the hard-core unemployment problem at an estimated cost of \$4 billion per year, is advocated by Representative James G. O'Hara of Michigan in his Guaranteed Employment Act, H.R. 12280. This "make work" plan is strongly opposed by independent businessmen, with the Federation's national poll showing 79 percent opposed, 16 percent in favor and 5 percent undecided.

A Congressional proposal to relieve the hard-core unemployment problem with a \$4 billion Federal "guaranteed jobs" program has met strong opposition from the independent business sector.

Independent business owners polled by the National Federation of Independent Business registered 5-1 opposition against the Guaranteed Employment Act introduced by Representative James G. O'Hara of Michigan. The bill would establish Federal grants to create new non-professional jobs in medical, educational, and other public service activities to be filled entirely by unemployed persons and under-employed persons seeking more than parttime work. All jobs would be with state, national or local government agencies and nonprofit organizations.

The nationwide vote shows 79 percent of the businessmen opposed to the program, 16 percent in favor and 5 percent undecided.

The vote seems to indicate rejection by businessmen of the "make work" philosophy in which the taxpayers pay the tab. The proposal, say the critics, is another expensive welfare program.

Many of the business people believe that the nation's private economy can provide a million or more jobs a year if Federal policies hurting small business are reversed and this part of the economy is stimulated instead.

Independent business is creating much fewer new jobs today than it did under the Eisenhower-Kennedy administrations, Federation surveys show.

The Guaranteed Employment Act, on the other hand, would create jobs in medical, and health services, education, welfare, public protection, urban development, conservation and the like where, supporters claim, the needs exist but money is not available. Federal grants would pay all or most of the wages. Jobs would be appropriate for low-skilled persons, according to Congressman O'Hara.

The bill, establishing an Office of Guaranteed Employment in the Department of Labor, would appropriate \$4 billion for the first year, fiscal 1969.

The strong opposition to this program by independent business owners seems to indicate their priority on measures to promote the private economy, rather than more expansion of government welfare spending, in the opinion of the National Federation of Independent Business.

Employment could be spurred, many businessmen feel, by providing tax incentives like the "plowback allowance advocated by Representative James Corman of California which would allow a business to reinvest, tax-free, 20 percent of a year's net profit up to \$30,000 into business expansion. Independent businessmen have endorsed this bill by an 81 percent vote.

Some views of businessmen on the employment problem as expressed to the National Federation:

From the owner of a Georgia oil wholesale company: "Everything for an independent businessman, especially a small one like me, is going up . . . taxes, utilities, insurance, wages, supplies, maintenance, everything but profit margin. Profit is what makes jobs, business expansion, etc., and without a good profit margin this country would not be what it is today."

From a former California retailer: "I gave up a retail business that had two employees besides myself and now work for myself in a wholesale business. For the small amount of profit after the red tape, high overhead, record-keeping, deductions, FICA, Social Security, State tax unemployment compensation, business license, inventory tax, withholding and as the list goes on it is just not worth the effort and investment. I would like to hire about six people on a commission basis but cannot without getting back into the same old rat race and there must be thousands like myself in this same position. It is no wonder that the welfare programs are growing by leaps and bounds."

From a Pennsylvania manufacturer: "If the government is looking for ways to increase employment, it certainly is increasing unemployment with the increase in the minimum wage every few years."

From a Montana manufacturer: "All (government) interference with our business reduces the possibility of increased employment."

From a California retailer: "Taking into consideration our investment of many thousands of dollars, our employees are making more than we, the employers, in this retail business. If the profit structure gets any worse, we shall be forced to liquidate our business, fire all employees, and get a job with some big corporation."

From a Texas retailer: "Under the new minimum wage and hour law, we have had to eliminate borderline employees."

And from a Minnesota tire dealer: "Unless the government stops forcing up wages, favoring unions in settling strikes, increasing unemployment benefits, raising Social Security costs and generally raising taxes, only the larger businesses who can best control prices will survive."

State tabulation follows.

## THIS BILL WOULD GUARANTEE, BY GRANTS, JOB OPPORTUNITIES FOR THE UNEMPLOYED

| State                | Percent<br>in favor | Percent<br>against | Percent<br>undecided |
|----------------------|---------------------|--------------------|----------------------|
| Alabama.....         | 22                  | 74                 | 4                    |
| Alaska.....          | 9                   | 88                 | 3                    |
| Arizona.....         | 13                  | 79                 | 8                    |
| Arkansas.....        | 19                  | 77                 | 4                    |
| California.....      | 15                  | 79                 | 6                    |
| Colorado.....        | 13                  | 83                 | 4                    |
| Connecticut.....     | 15                  | 80                 | 5                    |
| Delaware.....        | 20                  | 78                 | 2                    |
| Florida.....         | 12                  | 84                 | 4                    |
| Georgia.....         | 10                  | 88                 | 2                    |
| Hawaii.....          | 24                  | 66                 | 10                   |
| Idaho.....           | 13                  | 82                 | 5                    |
| Illinois.....        | 13                  | 82                 | 5                    |
| Indiana.....         | 13                  | 81                 | 6                    |
| Iowa.....            | 14                  | 81                 | 5                    |
| Kansas.....          | 14                  | 81                 | 5                    |
| Kentucky.....        | 9                   | 87                 | 4                    |
| Louisiana.....       | 13                  | 83                 | 4                    |
| Maine.....           | 10                  | 85                 | 5                    |
| Maryland.....        | 16                  | 80                 | 4                    |
| Massachusetts.....   | 16                  | 79                 | 5                    |
| Michigan.....        | 16                  | 79                 | 5                    |
| Minnesota.....       | 19                  | 77                 | 4                    |
| Mississippi.....     | 15                  | 84                 | 1                    |
| Missouri.....        | 13                  | 82                 | 5                    |
| Montana.....         | 10                  | 82                 | 8                    |
| Nebraska.....        | 16                  | 80                 | 4                    |
| Nevada.....          | 15                  | 81                 | 4                    |
| New Hampshire.....   | 11                  | 86                 | 3                    |
| New Jersey.....      | 20                  | 77                 | 3                    |
| New Mexico.....      | 11                  | 88                 | 1                    |
| New York.....        | 21                  | 75                 | 4                    |
| North Carolina.....  | 19                  | 78                 | 3                    |
| North Dakota.....    | 17                  | 73                 | 10                   |
| Ohio.....            | 17                  | 79                 | 4                    |
| Oklahoma.....        | 13                  | 83                 | 4                    |
| Oregon.....          | 12                  | 81                 | 7                    |
| Pennsylvania.....    | 17                  | 77                 | 6                    |
| Rhode Island.....    | 17                  | 80                 | 3                    |
| South Carolina.....  | 14                  | 78                 | 8                    |
| South Dakota.....    | 13                  | 83                 | 4                    |
| Tennessee.....       | 8                   | 87                 | 5                    |
| Texas.....           | 13                  | 84                 | 3                    |
| Utah.....            | 9                   | 86                 | 5                    |
| Vermont.....         | 22                  | 73                 | 5                    |
| Virginia.....        | 12                  | 86                 | 2                    |
| Washington.....      | 15                  | 78                 | 7                    |
| Washington, D.C..... | 8                   | 92                 | -----                |
| West Virginia.....   | 26                  | 69                 | 5                    |
| Wisconsin.....       | 18                  | 77                 | 5                    |
| Wyoming.....         | 9                   | 84                 | 7                    |

Mr. HATHAWAY. The subcommittee is adjourned, subject to the call of the Chair.

(Whereupon, at 9:57 a.m., the subcommittee recessed, subject to the call of the Chair.)

(The following statement was submitted for the record:)

STATEMENT BY MSGR. LAWRENCE J. CORCORAN, SECRETARY, NATIONAL CONFERENCE  
OF CATHOLIC CHARITIES

As Secretary of the National Conference of Catholic Charities, I present these views on the employment legislation considered by the Select Subcommittee of the Education and Labor Committee of the House of Representatives. It has become increasingly clear that the problems related to employment, and the persistent problem of unemployment, underlie many of our other socio-economic problems in the United States. Not only is it important for Congress to investigate these

problems, but even more it is clearly necessary for this legislative body to enact measures to correct them. The need is present, it is evident, and its widespread and massive nature requires action by the largest and most representative instrumentality of our society, the federal government.

Our culture places great value on work, and rightly so, even though the various reasons for this might not be accorded their rightful priority status. Without assigning priorities, however, all would agree that work is necessary for the production of goods and services, for income which provides the livelihood for a family, and for a sense of accomplishment and fulfillment on the part of the worker. In addition, our society tends to condemn—by a kind of prejudgment—those who are unemployed, implying that they lack ambition and are guilty of sloth.

For people to work, they must want to work, be able to work, and there must be employment available. Yet, employment opportunities have not always been available for all who are able and willing to work. Thus, in recent years there has always been an unemployment rate of at least 3.5 percent of the labor force, representing (in May, 1968) 2,303,000 persons. When this over-all picture is analyzed, the plight of the non-white worker is apparent. His unemployment rate is double that of the white worker, or 6.4 percent. This relative position of unemployed workers has prevailed for many years, even though there are always some job openings unfilled, due to lack of skills on the part of the worker, or to geographic location, or to other economic, social and psychological factors.

Thus, we face a condition which is often beyond the control of the individual worker and the individual employer, although each must assume his full responsibility in the attainment of full employment. Clearly, however, the situation demands further redress which can only be accomplished by further governmental action. The federal government, therefore, should accept the responsibility for guaranteeing full employment by developing a program in cooperation with private enterprise and with State and local governments to assure that everyone who is able and willing to work has the opportunity to do so. I urge the Select Sub-Committee and its parent Committee to approve, and Congress to enact legislation which will embody this objective among the recognized functions of the federal government. This is sound economic and social policy inasmuch as it will contribute to an increase in production, an increase in private and public revenues, and will provide the individual with the satisfying experience of working.

Such legislation should contain certain elements which must be considered essential to an adequate and equitable full employment program.

1. It should be clearly stated that the goal of our society is full employment, that it is the responsibility of the federal government to assure this, and that this becomes a part of the public socio-economic policy of the federal government.

2. The Federal responsibility of assuring full employment must be discharged in cooperation with state and local governments and the private sector, thus establishing an effective and harmonious partnership between the public and private domains. Thus:

(a) In the first place the private sector should be encouraged to exert itself to the fullest to provide maximum employment opportunities through its own efforts.

(b) Federal assistance should be offered to enable private employers, as well as state and local governments to provide employment opportunities beyond the number of jobs which they can reasonably be expected to provide without any assistance. This assistance should also include the costs of the extraordinary adjuncts to employment, such as additional education, certain types of training, counselling, and other supportive services.

(c) The federal government should also directly provide employment opportunities beyond those which can be stimulated in private enterprise establishments.

(d) The many opportunities to be found in private, non-profit organizations should be utilized to the fullest, recognizing the necessity of including such organizations in the public-private partnership.

3. The program must be adequate to the goal of full employment and, therefore, must be related to the unemployment figure. Thus, the present goal should be the provision of more than 2,000,000 jobs. This also demands a flexible program, capable of adjusting to changes in the unemployment rate.

4. The work provided must be meaningful, obviously making a contribution to the advancement of our economy, the service of our citizens, the beautification of our cities and countryside, and the conservation of our resources.

5. The work to be performed and the abilities of the worker must be harmoniously related and matched one with the other. Included in this concept is the necessity of incorporating into any employment program provisions for upgrading job skills and the opportunity for job advancement. This will require auxiliary helps and supportive services to enable a worker to improve his employment potential.

6. Wages comparable to those paid for similar work in each area must be provided, and equal opportunity for all workers must be an integral part of the program.

7. Safeguards should be established to assure that federal financial assistance to employers issued for additional jobs over and above those which the employer can provide unassisted.

This legislation on guaranteed employment is among the most important to come before Congress this year. We urge enactment of it in line with the items listed above. Such a step would become a major concomitant of our public welfare program. Assurance of employment would remove many persons from the public assistance roles, and thus would reserve the welfare system for those unable to work, providing them with a basic guarantee against hunger and exposure to the elements. The development of the guaranteed employment program would, therefore, be an important advance in the elimination of poverty in America.



