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COLD WAR GI BILL AMENDMENTS OF 1967

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HEARINGS

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

OF THE

COMMITTEE ON

LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

NINETIETH CONGRESS

FIRST SESSION

ON

S. 9

A BILL TO AUTHORIZE ON-THE-JOB TRAINING PROGRAMS,
ON-THE-FARM TRAINING PROGRAMS, AND CERTAIN FLIGHT
TRAINING UNDER CHAPTER 34 OF TITLE 38, UNITED STATES
CODE, TO INCREASE THE EDUCATIONAL ASSISTANCE ALLOW-
ANCES PAID UNDER SUCH CHAPTER, AND FOR OTHER
PURPOSES

MARCH 20 AND 21, 1967



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Committee on Labor and Public Welfare

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INFORMATION



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COLD WAR GI BILL AMENDMENTS OF 1967

MONDAY, MARCH 20, 1967

U.S. SENATE,
SUBCOMMITTEE ON VETERANS' AFFAIRS OF
THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:40 a.m., in room 1318, New Senate Office Building, Senator Ralph Yarborough, presiding pro tempore.

Present: Senators Yarborough (presiding pro tempore), Dominick, and Fannin.

Committee staff present: William M. Stover, associate counsel to the subcommittee, and Roy H. Millenson, minority clerk.

Senator YARBOROUGH. The Subcommittee on Veterans' Affairs will come to order.

This morning we are opening hearings on S. 9, a bill to amend and improve the cold war GI bill of 1966. I introduced this bill January 11, and 53 Senators have joined me in sponsoring it.

The text of the bill is ordered printed in the record at this point.
(The text of the bill, S. 9, and departmental reports follow:)

90TH CONGRESS
1ST SESSION

S. 9

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 1967

Mr. YARBOROUGH (for himself, Mr. ALLOTT, Mr. BARTLETT, Mr. BAYH, Mr. BIBLE, Mr. BOGGS, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DODD, Mr. EASTLAND, Mr. FANNIN, Mr. FONG, Mr. FULBRIGHT, Mr. GRUENING, Mr. HANSEN, Mr. HART, Mr. HARTKE, Mr. HILL, Mr. INOUE, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of New York, Mr. KUCHEL, Mr. LONG of Missouri, Mr. MAGNUSON, Mr. MCCARTHY, Mr. McGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTAYA, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. NELSON, Mr. PELL, Mr. PROUTY, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. TYDINGS, and Mr. WILLIAMS of New Jersey) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To authorize on-the-job training programs, on-the-farm training programs, and certain flight training under chapter 34 of title 38, United States Code, to increase the educational assistance allowances paid under such chapter, 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 section 1661 (a) of title 38, United States Code, is
- 4 amended to read as follows:

VII—O

2

1 “(a) Except as provided in subsection (b), each
2 eligible veteran shall be entitled to educational assistance
3 under this chapter for a period equal to one and a half
4 times the duration of his service on active duty after Janu-
5 ary 31, 1955 (or the equivalent thereof in part-time edu-
6 cational assistance).”

7 SEC. 2. Section 1673 of title 38, United States Code,
8 is amended by repealing subsection (b) thereof and strik-
9 ing out in subsection (c) “of apprentice or other training
10 on the job, any course of institutional on-farm training, or
11 any course”, and by redesignating subsection (c) (as
12 amended by this section) and subsection (d) as subsection
13 (b) and subsection (e), respectively.

14 SEC. 3. (a) Paragraph (1) of section 1682(a) of
15 title 38, United States Code, is amended by striking out
16 “Except as provided in subsection (b) or (c) (1)” and
17 inserting in lieu thereof “Except as provided in subsection
18 (b), (c) (1), (d), (e), or (f)”.

19 (b) The table contained in paragraph (1) of section

3

1 1682 (a) of title 38, United States Code, relating to educa-
 2 tional assistance allowances, is amended to read as follows:

"Column I	Column II	Column III	Column IV
Type of program	No de- pendents	One de- pendent	Two or more de- pendents
Institutional:			
Full time.....	\$130	\$155	\$180
Three-quarter time.....	95	110	135
Half time.....	65	75	90
Cooperative.....	100	120	140 "

3 (c) Section 1682 (b) of such title is amended by strik-
 4 ing out "\$100" in clause (2) (B), and inserting in lieu
 5 thereof "\$130".

6 (d) Section 1682 of such title is further amended by
 7 adding at the end thereof the following new subsections:

8 “(d) Any eligible veteran may receive the benefits of
 9 this chapter while pursuing a full-time program of institu-
 10 tional on-farm training approved under the provisions
 11 of section 1777 of this title. The training assistance allow-
 12 ance of an eligible veteran pursuing such an approved full-
 13 time program shall be computed at the rate of (1) \$110

4

1 per month, if he has no dependent, or (2) \$125 per month,
2 if he has one dependent, or (3) \$145 per month, if he has
3 more than one dependent; except that his training assistance
4 allowance shall be reduced at the end of the third, and each
5 subsequent, four-month period as his program progresses
6 by an amount which bears the same ratio to \$65 per month,
7 if the veteran has no dependent, or \$80 per month, if he has
8 one dependent, or \$100 per month, if he has more than one
9 dependent, as four months bears to the total duration of
10 such veteran's institutional on-farm training reduced by eight
11 months. For the purpose of computing allowances under this
12 subsection, the duration of the training of an eligible veteran
13 shall be the period specified in the approved application as
14 the period during which he may receive a training assistance
15 allowance for such training, plus such additional period, if
16 any, as is necessary to make the number of such months of
17 such training a multiple of four. The terms 'program of in-
18 stitutional on-farm training' and 'training assistance allow-
19 ance' used in this subsection and section 1777 shall, for the
20 purposes of the other provisions of this chapter and chapter
21 36, have the same meaning as 'program of education' and
22 'educational assistance allowance', respectively.

23 “(e) Any eligible veteran may receive the benefits of
24 this chapter while pursuing a full-time program of appren-
25 ticeship or other training on the job approved under the

5

1 provisions of section 1778 of this title. The training assist-
2 ance allowance of an eligible veteran pursuing such an ap-
3 proved program shall be computed at the rate of (1) \$80
4 per month, if he has no dependent, or (2) \$95 per month,
5 if he has one dependent, or (3) \$115 per month, if he has
6 more than one dependent; except that his training assistance
7 allowance shall be reduced at the end of each four-month
8 period as his program progresses by an amount which bears
9 the same ratio to the basic training assistance allowance as
10 four months bears to the total duration of his apprentice or
11 other training on the job; but in no case shall the Adminis-
12 trator pay a training assistance allowance under this sub-
13 section in an amount which, when added to the compensa-
14 tion to be paid to the veteran, in accordance with his ap-
15 proved training program, for productive labor performed as
16 a part of his course, would exceed the rate of \$310 per
17 month. For the purpose of computing allowances under this
18 subsection, the duration of the training of an eligible veteran
19 shall be the period specified in the approved application as
20 the period during which he may receive a training assistance
21 allowance for such training, plus such additional period, if
22 any, as is necessary to make the number of months of such
23 training a multiple of four. The terms 'program of appren-
24 ticeship' and 'training assistance allowance' used in this sub-
25 section and section 1778 shall, for the purposes of the other

6

1 provisions of this chapter and chapter 36, have the same
2 meaning as 'program of education' and 'educational assist-
3 ance allowance', respectively.

4 " (f) Each eligible veteran who is pursuing an approved
5 course of flight training shall be paid a training assistance
6 allowance to be computed at the rate of 75 per centum of the
7 established charge which similarly circumstanced nonveterans
8 enrolled in the same flight course are required to pay for tui-
9 tion for the course. If such veteran's program of education
10 or training consists exclusively of flight training, he shall not
11 be paid an educational or training assistance allowance under
12 one of the preceding subsections of this section; if his pro-
13 gram of education or training consists of flight training and
14 other education or training, the allowance payable under this
15 subsection shall be in addition to any educational or training
16 assistance allowance payable to him under one of the pre-
17 ceding subsections of this section for education or training
18 other than flight training. Such allowance shall be paid
19 monthly upon receipt of certification from the eligible veteran
20 and the institution as to the actual flight training received
21 by the veteran. In each such case the eligible veteran's
22 period of entitlement shall be charged (in addition to any
23 charge made against his entitlement by reason of education
24 or training other than flight training) with one day for each

7

1 \$1.25 which is paid to the veteran as an education and train-
2 ing allowance for such course.”

3 SEC. 4. (a) Subchapter I of chapter 36 is amended by
4 redesignating sections 1777 and 1778 as sections 1779 and
5 1780, respectively, and by inserting immediately after sec-
6 tion 1776 thereof the following new sections:

7 **“§ 1777. Approval of institutional on-farm training**

8 “The State approving agency may approve a course of
9 institutional on-farm training when it satisfies the following
10 requirements:

11 “(1) The course combines organized group instruc-
12 tion in agricultural and related subjects of at least two
13 hundred hours per year (and of at least eight hours each
14 month) at an educational institution, with supervised
15 work experience on a farm or other agricultural estab-
16 lishment.

17 “(2) The eligible veteran will perform a part of
18 such course on a farm or other agricultural establishment
19 under his control.

20 “(3) The course is developed with due considera-
21 tion to the size and character of the farm or other agri-
22 cultural establishment on which the eligible veteran will
23 receive his supervised work experience and to the need
24 of such eligible veteran, in the type of farming for which

8

1 he is training, for proficiency in planning, producing,
2 marketing, farm mechanics, conservation of resources,
3 food conservation, farm financing, farming management,
4 and the keeping of farm and home accounts.

5 “(4) The eligible veteran will receive not less than
6 one hundred hours of individual instruction per year, not
7 less than fifty hours of which shall be on such farm or
8 other agricultural establishment (with at least two visits
9 by the instructor to such farm each month). Such in-
10 dividual instruction shall be given by the instructor re-
11 sponsible for the veteran's institutional instruction and
12 shall include instruction and home-study assignments in
13 the preparation of budgets, inventories, and statements
14 showing the production, use on the farm, and sale of
15 crops, livestock, and livestock products.

16 “(5) The eligible veteran will be assured of control
17 of such farm or other agricultural establishments
18 (whether by ownership, lease, management agreement,
19 or other tenure arrangement) until the completion of
20 his course.

21 “(6) Such farm or other agricultural establish-
22 ment shall be of a size and character which (A) will,
23 together with the group-instruction part of the course,
24 occupy the full time of the eligible veteran, (B) will
25 permit instruction in all aspects of the management of

9

1 the farm or other agricultural establishment of the type
2 for which the eligible veteran is being trained, and will
3 provide the eligible veteran is being trained, and will
4 provide the eligible veteran an opportunity to apply to
5 the operation of his farm or other agricultural establish-
6 ment the major portion of the farm practices taught in
7 the group-instruction part of the course, and (C) will
8 assure him a satisfactory income for a reasonable living
9 under normal conditions at least by the end of his course.
10 “(7) Provision is made for certification by the in-
11 stitution and the veteran that the training offered does
12 not repeat or duplicate training previously received by
13 the veteran.

14 “(8) The institutional on-farm training meets such
15 other fair and reasonable standards as may be estab-
16 lished by the State approving agency.

17 **“§ 1778. Apprenticeship or other training on the job**

18 “(a) Any State approving agency may approve a
19 course of apprenticeship or other training on the job if the
20 training establishment offering such training is found upon
21 investigation to have met the following criteria:

22 “(1) The training content of the course is adequate
23 to qualify the eligible veteran for appointment to the
24 job for which he is to be trained.

10

1 “(2) There is reasonable certainty that the job for
2 which the eligible veteran is to be trained will be avail-
3 able to him at the end of the training period.

4 “(3) The job is one in which progression and
5 appointment to the next higher classification are based
6 upon skills learned through organized training on the
7 job and not on such factors as length of service and
8 normal turnover.

9 “(4) The wages to be paid the eligible veteran for
10 each successive period of training are not less than those
11 customarily paid in the training establishment and in
12 the community to a learner in the same job who is not
13 a veteran.

14 “(5) The job customarily requires a period of train-
15 ing of not less than three months and not more than
16 two years of full-time training, except that this provision
17 shall not apply to apprentice training.

18 “(6) The length of the training period is no longer
19 than that customarily requested by the training estab-
20 lishment and other training establishments in the com-
21 munity to provide an eligible veteran with the required
22 skills, arrange for the acquiring of job knowledge, tech-
23 nical information, and other facts which the eligible
24 veteran will need to learn in order to become competent
25 on the job for which he is being trained.

11:

1 “(7) Provision is made for related instruction for
2 the individual eligible veteran who may need it.

3 “(8) There is in the training establishment ade-
4 quate space, equipment, instructional material, and in-
5 structor personnel to provide satisfactory training on the
6 job.

7 “(9) Adequate records are kept to show the prog-
8 ress made by each eligible veteran toward his job
9 objective.

10 “(10) Appropriate credit is given the eligible vet-
11 eran for previous training and job experience, whether
12 in the military service or elsewhere, his beginning wage
13 adjusted to the level to which such credit advances him,
14 and his training period shortened accordingly, and pro-
15 vision is made for certification by the training establish-
16 ment that such credit has been granted and the begin-
17 ning wage adjusted accordingly. No course of training
18 will be considered bona fide if given to an eligible vet-
19 eran who is already qualified by training and experience
20 for the job objective.

21 “(11) A signed copy of the training agreement for
22 each eligible veteran, including the training program
23 and wage scale as approved by the State approving
24 agency, is provided to the veteran and to the Admin-
25 istrator and the State approving agency by the employer.

12

1 “(12) Upon completion of the course of training
2 furnished by the training establishment the eligible vet-
3 eran is given a certificate by the employer indicating the
4 length and type of training provided and that the eligible
5 veteran has completed the course of training on the job
6 satisfactorily.

7 “(13) That the course meets such other criteria
8 as may be established by the State approving agency.

9 “(b) For the purposes of this section, the term ‘train-
10 ing establishment’ means any business or other establish-
11 ment providing apprentice or other training on the job,
12 including those under the supervision of a college or univer-
13 sity or any State department of education, or any State
14 apprenticeship agency, or any State board of vocational
15 education, or any joint apprentice committee, or the Bureau
16 of Apprenticeship established in accordance with chapter
17 4C of title 29, United States Code, or any agency of the
18 Federal Government authorized to supervise such training.”

19 (b) The analysis of subchapter I of chapter 36 is
20 amended by striking out “1777” and all that follows down
21 through “courses.” and inserting in lieu thereof the following:

“1777. Approval of institutional on-farm training.

“1778. Apprenticeship or other training on the job.

“1779. Notice of approval of courses.

“1780. Disapproval of courses.”

13

1 SEC. 5. Subsection (c) of section 1662 of title 38,
2 United States Code, is amended by adding at the end
3 thereof the following new sentence: "In the case of any
4 eligible veteran who was discharged or released from active
5 duty before the date of enactment of this sentence and who
6 pursues a course of institutional on-farm training, apprentice
7 or other training on the job, or flight training within the
8 provisions of section 1682 (f) of this chapter, the eight-year
9 delimiting period shall run from the date of enactment of
10 such amendments, if it is later than the date which would
11 otherwise be applicable."

12 SEC. 6. Section 1784 of title 38, United States Code,
13 is amended by (1) striking out "Educational" at the begin-
14 ning of such section and inserting in lieu thereof "(a) Educa-
15 tional"; and (2) adding at the end thereof a new subsection
16 as follows:

17 "(b) The Administrator shall pay to each educational
18 institution which is required to submit reports and certifica-
19 tions to the Administrator under chapter 34 of this title,
20 an allowance at the rate of \$1 per month for each eligible
21 veteran enrolled in and attending such institution under the
22 provisions of such chapter to assist the educational institu-
23 tion in defraying the expense of preparing and submitting

14

- 1 such reports and certifications. Such allowances shall be
- 2 paid in such manner and at such times as may be prescribed
- 3 by the Administrator, except that if any institution fails
- 4 to submit reports or certifications to the Administrator as
- 5 required by this section, no allowance shall be paid to such
- 6 institution for the month or months during which such
- 7 reports or certifications were not submitted as required by
- 8 the Administrator."

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., March 17, 1967.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to respond to your request for the views of the Veterans Administration on S. 9, 90th Congress, a bill "To authorize on-the-job training programs, on-the-farm training programs, and certain flight training under chapter 34 of title 38, United States Code, to increase the educational assistance allowances paid under such chapter, and for other purposes."

In general, S. 9 would amend the provisions of the new GI educational assistance program enacted by the Veterans' Readjustment Benefits Act of 1966 (chapter 34 of title 38, United States Code), to (1) increase the educational assistance allowance rates, and (2) authorize on-the-job, institutional on-farm and flight training, previously authorized under the Korean GI bill. It would also change the formula for computing educational entitlement from one month for each month of active duty after January 31, 1955, to one and one-half times the duration of such active duty service. Finally, the bill would authorize a monthly report and certification fee to educational institutions which are required to make such reports and certifications. A more detailed analysis of the technical provisions of the bill is enclosed.

As indicated above, one of the provisions of this bill would increase the educational assistance allowances authorized under chapter 34 of title 38, United States Code, from the \$100, \$125, and \$150 per month now payable to veteran-trainees for full-time institutional training (dependent upon their dependency status), to \$130, \$155, and \$180, respectively.

It would make comparable changes in the rates applicable to part-time pursuit, the rates for cooperative training, and the rates applicable to those individuals pursuing an educational program while on active duty in the Armed Forces.

An increase in educational assistance allowance rates is clearly timely. In his Message of January 31, 1967, to the Congress, on America's Servicemen and Veterans, the President stated:

"The time has also come to increase the educational assistance allowance under the G.I. Bill. A single veteran pursuing a full-time course receives \$100 a month to help him finance his education. This amount is less than the \$130 a month paid to the child of a deceased or disabled veteran who may be taking the same courses at the same school.

"The veteran going to school is usually older and may bear heavier responsibilities. I recommend an increase in the monthly educational assistance allowance under the G.I. Bill from \$100 monthly to \$130 for a veteran.

"In accord with the present scale of benefits, a married veteran with children receives \$150 monthly under the G.I. Bill, regardless of the number of children he has. To help veterans with families who wish to continue a full-time educational program, I recommend that the monthly payment be increased by \$10 a month for the second child and \$10 a month for each additional child."

Legislation to implement the President's rate increase recommendations was transmitted to the President of the Senate by my letter of February 1, 1967. The rates proposed were as follows:

Col. I—Type of program	Col. II—No children	Col. III—1 child	Col. IV—2 or more children ¹
Institutional:			
Full time.....	\$130	\$150	\$10
¾ time.....	95	115	7
½ time.....	65	75	5
Cooperative.....	105	125	7

¹ The amount in col. III, plus the following for each child in excess of 1.

The maximum rate of educational allowance payable to an individual pursuing a program of education while on active duty or on a less than half-time basis would be increased from \$100 per month for a full-time course, or the established charges for tuition and fees which the institution requires similarly-

circumstanced non-veterans enrolled in the same program to pay, whichever is lesser, to \$130 per month.

While the rate increase proposed with respect to a veteran without dependents is identical to that proposed by S. 9, namely, \$130 per month for a full-time program, it differs from S. 9 in that it would provide no rate increase where there is a wife but no children. Additional amounts would, however, be paid for each dependent child. This proposed rate structure is premised on the fact that in present-day society a veteran with a wife but no children is usually in a better financial position than he would be if he were not married, for the reason that the wife is able to, and frequently does, work to supplement her husband's income. Under such circumstances, it is unwarranted to consider a fully employed wife as a dependent of the veteran warranting additional benefits. On the other hand, the ability of the wife to supplement her husband's income ceases when a child is born and the wife is required to assume the duties and responsibilities of a mother. Under these circumstances, additional benefits would be payable under the rate structure recommended by the President.

To summarize, while we strongly urge enactment of legislation to increase the educational assistance allowances under the new GI bill (chapter 34 of title 38), we believe the rate proposal recommendations by the President represents the sounder approach, and urge its enactment in lieu of the rate provisions contained in S. 9.

In addition to increasing the rates in the educational allowance, S. 9 would also re-establish a program of flight training identical to that which was provided Korean conflict veterans. The educational assistance allowance for a veteran pursuing a program consisting exclusively of an approved flight training course would be computed at the rate of 75 percent of the established charge which similarly-circumstanced non-veterans would be required to pay for tuition for the course. Such veteran's entitlement would be charged at the rate of one day for each \$1.25 paid to him as an educational assistance allowance.

Our experience in the administration of flight training programs under previous law has not been satisfactory. One of the primary objections to the inclusion of flight training in a readjustment education program is that a considerable amount of such training was found to be of an avocational or recreational nature. In order for a flight training course to be approved under the Korean conflict GI bill, it had to lead to a predetermined and identified objective. The objective of becoming a commercial pilot was the first that could be attained in flight training which was recognized as an employment objective in the industry. However, since a private pilot course is an integral part of a commercial pilot course, veterans could, if they chose, complete only that phase of their authorized commercial pilot course. Under such circumstances, the flight training pursued would, in effect, be purely avocational or recreational in nature. Thus, without some change in the program to insure its educational effectiveness, we cannot recommend legislation which would provide such training in a manner identical to that provided under the Korean GI bill.

The bill would also authorize the payment of an allowance to each educational institution which is required to submit reports and certifications to the Veterans Administration with respect to the enrollment status of veteran-trainees under the new educational program. The allowance would amount to \$1.00 for each report submitted. (We note that the bill contains no provisions with respect to the similar program established for "war orphans" under chapter 35 of title 38.)

Further, S. 9 would authorize a program of full-time institutional on-farm training identical, except for an increase in the allowance rates, with that enacted in 1952 for veterans of the Korean conflict. Participation in institutional on-farm training by veterans of World War II was 9%; whereas, participation by Korean conflict veterans was only 4%. During the month of January 1965, which was the last month of operation for Korean GI readjustment training, out of a total enrollment of 8,798 veterans enrolled in all types of programs, only 110 trainees, or 1.25% were enrolled in institutional on-farm courses. This history was undoubtedly a strong motivating factor in the omission of institutional on-farm training by the Congress when the new GI bill was under consideration.

The downward trend is believed to have been due largely to two factors: (1) a changing agricultural economy which has reduced to a minimum the smaller farming facilities generally suitable for and within the financial means of young

veterans, and (2) release of veterans from active service in such small numbers that the required classroom phase of the program ordinarily was not financially feasible within an area of commuting distance. Both of these factors exist today and would appear to support a determination that institutional on-farm training is no longer in sufficient demand to warrant its inclusion in any readjustment educational program for post-Korean conflict veterans.

An additional provision of S. 9 would authorize on-the-job training for post-Korean veterans on the same basis as was previously authorized under the Korean GI bill. Veteran participation in on-the-job training under the World War II GI bill was 18%; whereas, participation in such training under the Korean GI bill was 9%—only half as great. During the month of January 1965, which was the last month of operation for Korean GI training, out of a total enrollment of 8,798 there were only 74 on-the-job trainees, or .84% of the total enrollment. This supports the belief that the need for this type of training by post-Korean veterans is nominal, and its omission from the new program was proper.

The educational system of the United States includes schools which are prepared to offer training in an almost unlimited range of vocational fields. The number of this type of school is increasing, both public and private. States are establishing community junior colleges and other types of schools to provide vocational and technical training. Moreover, experience with on-job training under previous laws indicates that in many instances the trainee gained little training other than the job experience gained by any employee doing the same type of work, and that in many cases the allowances had the attributes of a wage subsidy. In training on-the-job the veteran usually lived at home, had little school expense such as tuition, books, etc., and received a trainee wage sufficient in most instances to provide a substantial part of his living expenses. Thus, usually he was in a better financial position to pursue such training than was his veteran counterpart who attended school, generally away from home, and who had to finance his school costs as well as expenses incident to living away from home.

Notwithstanding the above comments, in view of the general interest which has been expressed with respect to the re-establishment of some type of on-the-job, institutional on-farm and flight training, it may be that these proposals warrant further study in order to determine whether a need therefor actually exists, and if so, the manner in which they can be incorporated as part of a sound readjustment program for veterans.

In the President's January 31 Message to the Congress relating to "America's Servicemen and Veterans," (in addition to his specific recommendations), he stated he was directing the Administrator of Veterans Affairs, in consultation with leading veterans' groups, to conduct a comprehensive study of the compensation, pension, and benefits system for veterans, their families and survivors. This study group was directed to recommend to him, by January 1968, proposals "to assure that our tax dollars are being utilized most wisely and that our Government is meeting fully its responsibilities to all those to whom we owe so much." Pursuant to this mandate, we are including as a segment of this over-all study, a study concerning the propriety of providing flight training for post-Korean conflict veterans. The necessity of desirability of institutional on-farm and on-job training, as well as the question of paying a reporting allowance to educational institutions under the new educational program, will also be considered.

Under these circumstances, we urge that your Committee withhold action with respect to those matters until the Presidentially-directed study is completed.

There is one remaining provision of S. 9 upon which we have not as yet commented. The first section of the bill would amend section 1661(a) of title 38, to change the formula for computing a veteran's entitlement from the present month for month basis to a basis of one and one-half times the duration of the veteran's period of active service after January 31, 1955. The present month for month formula contained in the new GI program was adopted primarily in the interest of encouraging veterans, particularly those fulfilling the two-year Selective Service commitment, to extend their active duty service for a longer period. Thus the Armed Forces could better utilize the skills and abilities resulting from military training and experience. We believe this to be a sound argument in favor of the present formula for computing educational entitlement and would not favor a change back to the "one and one-half for one" formula which was provided for Korean conflict veterans.

Although not now contained in S. 9, I commend to your favorable consideration, the recommendation of the President that special provisions be made in

the new GI educational assistance program for educationally disadvantaged veterans. In his Message, he stated :

"Even today, some 20 per cent of those separated from the Armed Forces each year—about 100,000 young men—have not completed high school. Many of these young veterans have the ability and desire to better themselves. All too often, they lack the financial means to complete their high school education and enter college.

"As a nation, we cannot afford to neglect this valuable manpower resource.

"The present G.I. Bill makes *no special provision* for a returning serviceman who needs to finish high school or take a 'refresher course' before he can enter college. In fact, it works in just the opposite way. For each month the veteran pursues a high school education under the G.I. Bill, he loses a month of eligibility for college benefits under the law.

"This situation must be changed. *I recommend legislation to provide full G.I. Bill payments to educationally disadvantaged veterans so that they can complete high school without losing their eligibility for follow-on college benefits.*"

We have proposed legislation which would authorize the Administrator to approve the enrollment in an appropriate course of any eligible veteran who has not received a high school diploma, or its equivalent, at the time of his discharge from active duty, or who needs additional secondary school training, refresher courses, or deficiency courses in order to qualify for admission to an appropriate educational institution, and receive the applicable educational assistance allowance. Time spent in the pursuit of such a course would not be charged against the veteran's basic period of entitlement. It further provides that where the Administrator finds that an eligible veteran has since June 1, 1966, and prior to to the enactment of this title, received educational assistance while pursuing a course to which he would have been entitled under this title, without charge to entitlement, he may restore to the veteran any period of entitlement so used.

If S. 9 is to be given favorable consideration by the Committee, I urge that it be amended to include the President's recommendation with respect to the educationally disadvantaged veteran. There is enclosed an extract from the draft bill which we transmitted to the President of the Senate on February 1, 1967, which would accomplish this recommendation.

It is estimated that the annual cost of S. 9, if enacted as introduced, and the first five-year total cost would be as follows :

Cost of direct benefits

(In millions)

Fiscal year	Rate change	Extra entl.	Inst. on farm	On job	Flight	Rptng. allow.	Total cost
1968.....	\$99		\$5	\$9	\$10	\$1.5	\$123
1969.....	123	\$75	10	17	15	2.1	240
1970.....	137	80	10	13	19	2.2	259
1971.....	137	85	10	13	17	2.2	262
1972.....	138	87	8	13	17	2.2	263
5-year total.....	634	327	43	65	78	10.2	1,147

If the bill is amended to adopt the educational assistance rates proposed by the President, then the cost of the rate change would be \$62 million for fiscal 1968, \$78 million for 1969, \$84 million for 1970, \$83 million for 1971, and \$84 million for 1972, with a five-year estimated total cost of \$391 million.

If S. 9 is amended to incorporate the President's recommendation for disadvantaged veterans, the estimated cost of that amendment would be \$15 million for fiscal 1968, \$23 million for 1969, \$23 million for 1970, \$26 million for 1971, \$26 million for 1972, and a five-year estimated total cost of \$113 million.

We are advised by the Bureau of the Budget that there is no objection from the standpoint of the Administration's program to the presentation of this report to your Committee.

Sincerely,

W. J. DRIVER,
Administrator.

ANALYSIS OF S. 9, 90TH CONGRESS

A BILL To authorize on-the-job training programs, on-the-farm training programs, and certain flight training under chapter 34 of title 38, United States Code, to increase the educational assistance allowances paid under such chapter, and for other purposes

The first section of the bill would amend section 1661(a) of title 38, United States Code, to change the formula for computing a veteran's entitlement from the present month for month basis to a basis of $1\frac{1}{2}$ times the duration of the veteran's period of active duty after January 31, 1955.

Section 2 of the bill would amend section 1673 of title 38 by deleting subsection (b) which authorizes flight training only when it is taken for credit toward a standard college degree. Special provision with respect to flight training identical to that under the Korean GI bill would be provided under an amendment to section 1682 of title 38. This section would further amend section 1673 by striking out the words "of apprentice or other training on-the-job, any course of institutional on-farm training, or any course." This would remove the present prohibition of these types of training under chapter 34. The remaining subsections would be renumbered (b) and (c), respectively.

Section 3 of the bill would amend section 1682(a) of title 38, in order to revise the table of rates of educational assistance allowance paid under chapter 34. The current rates are:

Type of program	No dependent	1 dependent	2 or more dependents
Institutional:			
Full time.....	\$100	\$125	\$150
$\frac{3}{4}$ time.....	75	95	115
$\frac{1}{2}$ time.....	50	65	75
Cooperative.....	80	100	120

If enrolled for one-half time or on active duty, educational assistance allowance computed at the rate of the established charges for tuition and fees, or at the rate of \$100 a month for full-time education, whichever is the lesser. The new rates which would be provided would be:

Type of program	No dependent	1 dependent	2 or more dependents
Institutional:			
Full time.....	\$130	\$155	\$180
$\frac{3}{4}$ time.....	95	110	135
$\frac{1}{2}$ time.....	65	75	90
Cooperative.....	100	120	140

For individuals pursuing a program of education while on active duty or on a less than half-time basis, the maximum monthly rate would be increased from \$100 to \$130 for the purpose of computing educational assistance allowance.

Section 3 of the bill would also amend section 1682 of title 38 by adding a new subsection (d) to provide monthly educational assistance allowance rates for full-time institutional on-farm training. The monthly rates payable would be \$110, \$125 and \$145 for a veteran with no dependents, with one dependent and with more than one dependent, respectively.

The bill would retain the same formula for determining periodic reductions as was used for trainees under the Korean GI bill; namely,

"... training assistance allowance shall be reduced at the end of the third, and each subsequent, four month period as this program progresses, by an amount which bears the same ratio to \$65 per month, if the veteran has no dependents, or \$80 per month, or \$100 per month, if he has one dependent, as four months bears to the total duration of such veteran's institutional on-farm training reduced by eight months."

Section 3 of the bill would further amend section 1682 of title 38 by adding a new subsection (e) which would provide monthly educational assistance allowance rates for full-time on-the-job training. The basic monthly educational assistance allowance rates would be \$80, \$95 and \$115 for a veteran who has no dependents, one dependent or more than one dependent, respectively. As under the Korean GI bill, periodic reductions would be made at the end of

each four month period as the veteran's program progresses and his trainee wage increases, on the basis of the ratio the basic monthly educational assistance allowance rate bears to the total length of his program of training.

The amendment would also provide a ceiling of \$310 a month for a veteran's combined educational assistance allowance and trainee wage. This is identical with the combined ceiling applicable to the prior program.

Section 3 of the bill would amend section 1682 of title 38, United States Code, by adding a new subsection (f) which would provide flight training identical to that which was provided Korean conflict veterans. The educational assistance allowance for a veteran pursuing a program consisting exclusively of an approved flight training course would be computed at the rate of 75 percent of the established charge which similarly circumstanced non-veterans would be required to pay for tuition for the course. Such veteran's entitlement would be charged at the rate of one day for each \$1.25 paid to him as an educational assistance allowance.

Section 4(a) of the bill would amend subchapter I of chapter 36 by redesignating sections 1777 and 1778 as sections 1779 and 1780 and by inserting immediately after section 1776 new sections 1777 and 1778 which would provide criteria for the approval of institutional on-farm and apprenticeship or other on-the-job training, respectively. These criteria are identical to the criteria which was used for the approval of such courses for Korean conflict veterans.

Section 5 of the bill would amend section 1662 of title 38, by adding a "savings clause" which assures a full eight years from the date of enactment for veterans to pursue a program of institutional on-farm, on-the-job or flight training.

Section 6 of the bill would amend section 1784 of title 38 by adding a new subsection (b). This new section would provide for the payment to each educational institution which is required to submit reports and certifications to the Veterans Administration, an allowance at the rate of \$1.00 per month for each eligible veteran enrolled in and pursuing a program of education under chapter 34. No allowance would be paid to the institution for any months during which such reports or certifications were not submitted as required by the Veterans Administration.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 20, 1967.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
U.S. Senate, New Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on S. 9, a bill "To authorize on-the-job training programs, on-the-farm training programs, and certain flight training under chapter 34 of title 38, United States Code, to increase the educational assistance allowances paid under such chapter, and for other purposes."

S. 9 would amend the Veterans Readjustment Benefits Act of 1966 by increasing the educational assistance allowance rates; authorizing on-the-job, institutional on-farm and flight training; changing the formula for computing educational entitlement; and authorizing a monthly report and certification fee to educational institutions which are required to submit reports and certifications to the Veterans Administration.

The Administrator of Veterans Affairs, in a report submitted to your Committee, makes the following recommendations:

He urges enactment of the educational assistance allowances recommended by the President in his January 31, 1967, Message on America's Servicemen and Veterans in lieu of the rate provisions in this bill.

He urges that the Committee withhold action on the provisions for on-the-job, institutional on-farm and on-the-job training until they can be considered as part of a Presidentially directed study on veterans programs being undertaken by VA.

The Administrator does not favor the proposed change in the formula for computing a veteran's educational entitlement.

Finally, he recommends that your Committee give favorable consideration to the recommendation in the President's January 31 Message that provision be made for educationally disadvantaged veterans.

The Bureau of the Budget concurs in the views of the Veterans Administration and accordingly recommends against enactment of S. 9 unless amended as proposed by the Administrator.

Sincerely yours,

WILFRED H. ROMMEL,

Assistant Director for Legislative Reference.

Senator YARBOROUGH. Last year we at long last passed the cold war GI bill after 7 years of effort and much opposition from the executive department of the Government, after it had been favorably reported from this subcommittee and the Labor and Public Welfare Committee in every single Congress since 1959. Seven long years this subcommittee and the full committee approved that bill each Congress; it was passed by the Senate more than one time. So as glad as we were to see the enactment of Public Law 89-358, many of us were disappointed that the final bill provided a lesser range and scale of readjustment education benefits than had been voted by the Senate in passing the cold war GI bill in July 1965.

As a pragmatic matter we accepted the lesser benefits of the House bill rather than end up with no bill at all.

This bill S. 9 would correct the deficiencies of the cold war GI bill and provide comparable benefits for Vietnam and cold war veterans as those provided for Korean war veterans.

This bill would allow present-day veterans to make use of the educational assistance allowance for flight training, and on-the-job training, and on-the-farm training under provisions like those of the Korean GI bill. It would allow a veteran a period of education or training equal to $1\frac{1}{2}$ times his period of service, not to exceed 36 months. It would provide educational allowances more suitable for today's price level than either the Korean war GI bill or the bill passed last year. The bill provides a basic rate of educational allowance of \$130 per month for a single veteran in institutional training, a figure identical to that granted under the War Orphans Educational Assistance Act. Other rates are scaled proportionately.

Finally, the bill restores to educational institutions an allowance of \$1 per veteran-student per month to defray the expenses of submitting reports to the Veterans' Administration.

Today we have more servicemen in Vietnam than we had in Korea at any one time. It is patently clear that Congress has a duty to provide comparable readjustment benefits for today's veterans.

I do not think this Congress has any less duty in that regard than the Congress of the past in World War II and the Korean or the post-war period of those two wars.

The Honorable Jennings Randolph, of West Virginia, is chairman of this subcommittee. He has asked me to preside in his absence. He is one of the coauthors of this bill. He is dedicated to its passage, and he has worked very actively on the other cold war GI bills for the 7 years we have fought for it.

He was one of a committee of four who volunteered, at one time, to go to the White House to ask the President to put his shoulder to the wheel. He has shown himself to be one of the real activators of this full committee and this subcommittee, in putting pressure on the GI benefits, not merely for these veterans but for the Nation itself, for

what is so essential to the prosperity of this Nation as well as giving these veterans a fair break.

Senator Randolph has a very fine statement that he would have read if present. I am going to order it printed at this point in the record. It is a very fine statement.

**STATEMENT OF HON. JENNINGS RANDOLPH, A U.S. SENATOR FROM
THE STATE OF WEST VIRGINIA**

The Senate Subcommittee on Veterans' Affairs is convened today in order to begin hearings on S. 9, a bill which would significantly broaden the provisions of the so-called "cold war GI bill. This measure, introduced by my able colleague from Texas, Senator Ralph Yarborough, has received the widespread attention of veterans' organizations, business and labor leaders, various special interest groups and private citizens. More than 50 Members of the Senate have indicated a desire to be associated with the bill as cosponsors.

Among the provisions of S. 9 are these:

(1) Extends the period during which an eligible veteran is entitled to receive educational assistance to one and a half times the length of his service after January 31, 1955.

(2) Raises the amount of monthly educational allowance to \$130 for a single veteran in institutional training, \$155 for a veteran with one dependent, and \$180 for a veteran with two or more dependents.

(3) Permits eligible veterans to make use of educational allowances for a full-time program of institutional on-farm training. Training assistance allowance for such a program would be computed at the rate of \$110 per month for a veteran with no dependent, \$125 per month for a veteran with one dependent, and \$145 per month for a veteran with two or more dependents. Payments are reduced after 1 year, and every 4 months thereafter.

(4) Permits eligible veterans to make use of educational allowances for a full-time program of apprenticeship or other training on the job. Training assistance allowance for such a program would be computed at the rate of \$80 per month for a veteran with no dependent, \$95 per month for a veteran with one dependent, and \$115 per month for a veteran with two or more dependents. Payments are reduced every 4 months. In no case shall the training allowance and the veteran-trainee's pay total more than \$310 per month.

(5) Permits the eligible veteran to enroll in a course of flight training for which 75 percent of the established charge would be paid by the Veterans' Administration.

(6) Authorizes the Veterans' Administration to pay \$1 per month per enrolled veteran to educational institutions in order to defray the administrative costs of submitting reports and certifications to the VA.

By constructive action in the field of education and readjustment for veterans we strengthen our Nation and enhance the lives of millions of its citizens. The Veterans' Readjustment Benefits Act of 1966 has already begun to achieve the basic purposes for which it was created. The new law is making it possible for deserving young people,

who might not otherwise have had the opportunity, to receive the benefits of higher education. It is providing vocational readjustment and restoring lost educational opportunities to those whose lives have been interrupted by military service. In some cases it even makes possible the achievement of a more advanced level of educational and vocational training—a level which might have been possible if the individual had not entered military service.

All of this is as it should be. We must be unstinting in our efforts to assist those dedicated and courageous men and women who are serving the cause of freedom everywhere. As President Lyndon B. Johnson said in his message to the Congress of January 31, 1967:

No act of Government, and no legislative proposal can ever repay the Nation's debt to these brave men.

They are away from their families and loved ones, serving the cause of liberty. They serve us all silently and well. And this grateful Nation is in their hands. * * * their mission is freedom and their cause is just.

I commend my cherished friend, Senator Ralph Yarborough, as he continues to work to safeguard the interests of members of the Armed Forces and those who have sacrificed so meaningfully in the past. As we open these hearings I am confident that we will receive much in the way of pertinent data and helpful insights from the witnesses who will appear.

Senator YARBOROUGH. I cherish Senator Randolph's friendship and his great support for these veterans. I have known no Senator in the Senate who has been more diligent in support of these veterans opportunities. Senator Randolph serves on two different college boards and has been very dedicated to education. He feels, as I do, that we should give veterans a fair chance in life after they come out from service, after they have been out there protecting everybody and upholding whatever obligation this Government has.

Senator Bible has a statement for the record which we are happy to receive. He is one of the ablest men I have ever served with and we will give any statement from him the most careful consideration.

STATEMENT OF HON. ALAN BIBLE, A U.S. SENATOR FROM THE STATE OF NEVADA

Senator BIBLE. Mr. Chairman, I appreciate this opportunity to submit for the consideration of the subcommittee my views on S. 9, a bill to amend last year's cold war GI bill to include types of training outside educational institutions and increase benefit allowances to levels comparable to earlier conflict periods.

It is an obvious but compelling fact that the dangers of combat and the dislocations caused by military service are the same today as they were during the world wars or even the Revolutionary War. I doubt that any program has been more successful both from the standpoint of the veteran and the welfare of our Nation than the so-called GI bill. It is to the credit of the Congress that these benefits were made available to cold war and Vietnam era veterans last year and that complete comparability with earlier measures is being contemplated by the committee this year.

I have been honored to cosponsor these measures and support their enactment.

The primary purpose of readjustment benefits is to achieve, through education, a smooth and purposeful return to civilian life for the men and women called to the defense of their Nation. It strikes me as inappropriate that the pursuits they wish to follow with this assistance should be limited or confined to higher education. There are many veterans whose interests and desires direct them to vocations not requiring a college degree. It is, therefore, most appropriate that the veteran be assisted in meeting the vocational training costs, the on-the-job training and on-the-farm training costs.

The bill provides $1\frac{1}{2}$ days of education or training for every day of active duty. There should be no difference between entitlements for Korean veterans and for the Vietnam veteran. I hope the committee will support the provision for equal benefits.

The bill raises the monthly cold war GI allowances to levels deemed comparable with Korean conflict era educational costs. These increased costs are unfortunate though not unexpected or undue when the 10-year intervening period is considered. It is only natural that these increased costs should be weighed in setting allowances.

On the somewhat controversial provision for flight training my inclination would be to support the benefit, with adequate safeguards to prohibit avocational and hobby flying. A career in aviation is as legitimate and useful to the Nation as any other vocation, in my opinion, and assistance to the veteran legitimately interested in such a career seems only fair.

The House has been considering a proposal to permit a veteran to complete high school without loss of postsecondary education benefits. I commend this proposal to the committee's careful attention.

Mr. Chairman, former assistance provided to veterans was not overly generous. It seems only fitting that the Nation's recognition of the sacrifice and hardships of cold war and Vietnam veterans should be at least as adequate as before. I commend the details of this measure to the wisdom of the committee but I do urge the committee's favorable consideration.

Senator YARBOROUGH. The first witness this morning will be Mr. A. W. Stratton, Chief Benefit Director, Veterans' Administration.

Mr. Stratton, you have personnel with you, part of your staff with you?

Mr. STRATTON. Yes.

Senator YARBOROUGH. Would you like to introduce them.

Mr. STRATTON. Yes, I would like to introduce them, if I may.

Mr. J. C. Peckarsky, the Director of Compensation, Pension, and Education Service, of the Veterans' Administration, that administers the bill.

To my right is the Assistant General Counsel of the Veterans' Administration, Mr. A. T. Bronaugh.

Senator YARBOROUGH. All right, go ahead, Mr. Stratton.

Mr. STRATTON. Thank you, Mr. Chairman.

STATEMENT OF A. W. STRATTON, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION; ACCOMPANIED BY J. C. PECKARSKY, DIRECTOR OF COMPENSATION, PENSION, AND EDUCATION SERVICE, VETERANS' ADMINISTRATION; AND A. T. BRONAUGH, ASSISTANT GENERAL COUNSEL, VETERANS' ADMINISTRATION

Mr. STRATTON. I am most pleased to have the opportunity to appear here this morning and discuss with you the views of the Veterans' Administration on S. 9, which is presently pending before this subcommittee. The Administrator has submitted a report on this bill to the chairman of the Committee on Labor and Public Welfare, which contains the full text of our views on this measure.

S. 9 would amend the provisions of the new GI educational assistance program enacted by the Veterans' Readjustment Benefits Act of 1966 to:

- (1) increase the educational assistance allowance rates;
- (2) authorize on-the-job, institutional on-farm and flight training, previously authorized under the Korean GI bill;
- (3) change the formula for computing educational entitlement from 1 month for each month of active duty after January 31, 1955, to $1\frac{1}{2}$ times the duration of such active duty service; and
- (4) authorize a monthly report and certification fee to educational institutions which are required to make such reports and certifications.

Before discussing any of the specific provisions of this measure, I believe it would be helpful to give the members of the subcommittee some information as to the numbers and characteristics of veterans today.

Since the passage of Public Law 89-358 on March 3, 1966, over 525,000 veterans and servicemen have applied for training. On the effective date of the law, June 1, 1966, there were over 4 million veterans potentially eligible. About 500,000 new discharges become eligible each year. Currently, almost 10,000 new applications are received each week; 365,000 veterans and servicemen have entered into training since June 1, 1966. The law provides \$100 monthly for a single veteran; \$125 for a veteran with one dependent and \$150 for a veteran with two or more dependents. The average monthly payment is \$113.

The educational background of those veterans applying for training is significant: 95 percent of those applying for training have the equivalent of 4 years of high school; more than 17 percent have completed 4 years of college; about 36 percent have entered college at the first-year level.

The median age of those in training is 27 years, with 75 percent being under 30 years of age. Fifty-eight percent are married and 38 percent have one or more children, 21 percent have more than one child with some having as many as eight children.

Eighty-two percent of the trainees are in institutions of higher learning; 59 percent in 4-year colleges; 17 percent in junior colleges; 4 percent in teachers colleges and 2 percent in hospital schools.

Of the 18 percent in schools below college level, 11 percent are in vocational or trade schools; 3 percent in technical schools; 3 percent in business schools, and 1 percent in secondary schools.

There are almost 7,000 approved schools participating in the program, including 478 schools in 46 foreign countries and 181 correspondence schools. About 6 percent of the trainees are enrolled in correspondence schools.

Under the new program individuals may pursue a program of education while on active duty and the requirement of a discharge or release from active duty is waived for those servicemen who have completed 2 or more years of active duty. To date about 3.5 percent of those receiving training are active duty servicemen.

With that background information, Mr. Chairman, let me recall that under existing law, the basic rate payable to a single veteran with no dependents when pursuing a full-time program of education is \$100 per month, as compared with the rate of \$130 per month paid under the war orphans' educational assistance program for a comparable full-time program. Until increased by Public Law 89-222, rates under the war orphans' program were identical to those paid single veterans without dependents under the Korean conflict educational assistance program; namely, \$110 per month for full-time institutional training.

In his message of January 31, 1967, to the Congress, on America's servicemen and veterans, the President stated:

The time has also come to increase the educational assistance allowance under the G.I. Bill. A single veteran pursuing a full-time course receives \$100 a month to help him finance his education. This amount is less than the \$130 a month paid to the child of a deceased or disabled veteran who may be taking the same courses at the same school.

The veteran going to school is usually older and may bear heavier responsibilities. I recommend an increase in the monthly educational assistance allowance under the G.I. Bill from \$100 monthly to \$130 for a veteran.

In accord with the present scale of benefits, a married veteran with children receives \$150 monthly under the GI bill, regardless of the number of children he has. To help veterans with families who wish to continue a full-time educational program, I recommend that the monthly payment be increased by \$10 a month for the second child and \$10 a month for each additional child.

A draft of legislation to implement the President's rate increase recommendations was transmitted to the President of the Senate by the Administrator's letter of February 1, 1967. With your permission I offer for the record an extract of that draft bill and accompanying explanation, as it relates to the post-Korean educational assistance program.

While the rate increase proposed with respect to a veteran without dependents is identical to that proposed by S. 9, namely, \$130 per month for a full-time program, it differs from S. 9 in that it would provide no rate increase where there is a wife but no children. Additional amounts would, however, be paid for each dependent child. This proposed rate structure is premised on the fact that in present-day society a veteran with a wife but no children is usually in a better financial position than he would be if he were not married, for the reason that the wife is able to, and frequently does, work to supplement her husband's income.

Senator YARBOROUGH. Mr. Stratton, I have some questions I would like to ask you. Normally I withhold my questions until the end of a statement, but in this instance I feel I should ask these questions at this time.

I think it is a sad comment for the Government to come up and say a married man is better off than a single man because his wife can support him. I cannot agree with your policy judgment that he ought to marry instead of staying single because he is better off married with a wife who will help support him.

Senator FANNIN. Senator, I have a question.

Senator YARBOROUGH. All right, Senator.

Senator FANNIN. Mr. Stratton, I would like to ask one question. Does this mean because of having children you are given consideration; is that the intent?

Mr. STRATTON. Yes, sir; two or more.

Senator YARBOROUGH. In the past legislation of World War II or the Korean conflict a married veteran in school drew more compensation than a single veteran.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. But you are recommending an increase for a single veteran and an increase for each child but none for marriage itself?

Mr. STRATTON. There is a \$5 increase recommended here for a man with a wife; that is, from the present rate of \$125 to \$130.

Senator YARBOROUGH. In other words, you would allow him \$5 a month to support a wife?

Mr. STRATTON. \$5 a month against the current rate.

Senator YARBOROUGH. I have some questions.

Senator FANNIN. I wasn't in disagreement with what you were saying; I just wanted to clarify what was intended by the statement he made, sir.

Mr. STRATTON. Would you like for me to comment further on this now, Mr. Chairman?

Senator YARBOROUGH. You may comment at this time or finish, as you wish.

Mr. STRATTON. I will continue with my statement.

To summarize, while we strongly urge enactment of legislation to increase the educational assistance allowances under the new GI bill (ch. 34 of title 38), we believe the rate proposal recommendations by the President represents the sounder approach, and urge its enactment in lieu of the rate provisions contained in S. 9.

In addition to increasing the rates in the educational allowance, S. 9 would also reestablish a program of flight training identical to that which was provided Korean conflict veterans. Our experience in the administration of flight training programs under previous laws has not been satisfactory. One of the primary objections to the inclusion of flight training in a readjustment education program is that a considerable amount of such training was found to be of an avocational or recreational nature. Thus, without some change in the program to insure its educational effectiveness, we cannot recommend legislation which would provide such training in a manner identical to that provided under the Korean GI bill.

S. 9 would also authorize a program of full-time institutional on-farm training. Participation in this type of training by World War

II and Korean conflict veterans showed a continuing downward trend. This trend is believed to have been due largely to two factors: (1) a changing agricultural economy which has reduced to a minimum the smaller farming facilities generally suitable for and within the financial means of young veterans, and (2) release of veterans from active service in such small numbers that the required classroom phase of the program ordinarily was not financially feasible within an area of commuting distance. Both of these factors exist today and would appear to support a determination that institutional on-farm training is no longer in sufficient demand to warrant its inclusion in any readjustment education program for post-Korean conflict veterans.

An additional provision of S. 9 would authorize on-the-job training for post-Korean veterans on the same basis as was previously authorized under the Korean GI bill. Experience with on-job training under previous laws indicates that in many instances the trainee gained a little training other than the job experience gained by any employee doing the same type of work, and that in many cases the allowances had the attributes of a wage subsidy. Veterans participation in this type of training by post-Korean veterans is nominal. The trend in the labor market is away from semiskilled toward the technical highly skilled occupation. The current program meets this need by permitting a veteran to obtain a broad variety of vocational and technical training, and the number of schools offering this type of training is steadily increasing.

Notwithstanding the above comments, in view of the general interest which has been expressed with respect to broadening the types of training provided, it may be that these proposals warrant further study in order to determine whether a need therefor actually exists, and if so, the manner in which they can be incorporated as part of a sound readjustment program for veterans.

As you know, in the President's January 31 message to the Congress relating to America's servicemen and veterans (in addition to his specific recommendation), he stated he was directing the Administrator of Veterans' Affairs, in consultation with leading veterans' groups, to conduct a comprehensive study of the compensation, pension, and benefits system for veterans, their families and survivors. This study group was directed to recommend to him, by January 1968, proposals "to assure that our tax dollars are being utilized most wisely and that our Government is meeting fully its responsibilities to all those to whom we owe so much." Pursuant to this mandate, we are including as a segment of this overall study, a study concerning the propriety of providing flight training for post-Korean conflict veterans. The necessity or desirability of institutional on-farm and on-job training, as well as the question of paying a reporting allowance to educational institutions under the new educational program, will also be considered.

Under these circumstances, we respectfully urge that your committee withhold action with respect to those matters until the presidentially directed study is completed.

There is one remaining provision of S. 9 upon which I have not as yet commented. The first section of the bill would amend section 1661(a) of title 38, to change the formula for computing a veteran's

entitlement from the present month-for-month basis to a basis of $1\frac{1}{2}$ times the duration of the veteran's period of active service after January 31, 1955. The present month-for-month formula contained in the new GI program was adopted primarily in the interest of encouraging veterans, particularly those fulfilling the 2-year selective service commitment, to extend their active duty service for a longer period. Thus, the Armed Forces could better utilize the skill and abilities resulting from military training and experience. We believe this to be a sound argument in favor of the present formula for computing educational entitlement and would not favor a change back to the $1\frac{1}{2}$ -for-1 formula which was provided for Korean conflict veterans.

Although not now contained in S. 9, I commend to your favorable consideration, the recommendation of the President that special provisions be made in the new GI educational assistance program for educationally disadvantaged veterans. In his message, he stated:

Even today, some 20 percent of those separated from the Armed Forces each year—about 100,000 young men—have not completed high school. Many of these young veterans have the ability and desire to better themselves. All too often, they lack the financial means to complete their high school education and enter college.

As a nation, we cannot afford to neglect this valuable manpower resource.

The present GI bill makes no special provision for a returning serviceman who needs to finish high school or take a "refresher course" before he can enter college. In fact, it works in just the opposite way. For each month the veteran pursues a high school education under the GI bill, he loses a month of eligibility for college benefits under the law.

This situation must be changed. I recommend legislation to provide full GI bill payments to educationally disadvantaged veterans so that they can complete high school without losing their eligibility for follow-on college benefits.

If S. 9 is to be given favorable consideration by the committee, we urge that it be amended to include the President's recommendation with respect to the educationally disadvantaged veteran. I will submit for the record an extract from the draft bill the Administrator transmitted to the President of the Senate on February 1, 1967, which would accomplish this recommendation.

It is estimated that the first-year cost of S. 9, as introduced, would be \$123 million, and the first 5-year total cost would be \$1,147 million. If the bill is amended to adopt the educational assistance rates proposed by the President, then the cost of the rate change would be \$62 million (instead of \$99 million) for the first year, and \$391 million for the first 5 years (instead of \$634 million). If the bill is amended to incorporate the President's recommendation for disadvantaged veterans, the estimated first-year cost of that amendment would be \$15 million, with a 5-year cost of \$113 million.

This completes my formal presentation.

Again, I appreciate the opportunity to appear before you and urge prompt and favorable action on the particular proposals which the President recommended.

Now I will be pleased to try to answer any questions which the subcommittee may have respecting the matter I have discussed.

Senator YARBOROUGH. I order printed in the record the extract of the draft bill that you have offered, Mr. Stratton, and also the earlier report that you referred to in your statement that you asked be printed in the record. I order both printed in the record.

(The material referred to follows:)

EXTRACT FROM A DRAFT BILL TRANSMITTED TO THE PRESIDENT OF THE SENATE ON
FEBRUARY 1, 1967

TITLE III—SPECIAL ASSISTANCE FOR THE EDUCATIONALLY DISADVANTAGED

SEC. 301. Subchapter III of chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§1677. Special training for the educationally disadvantaged

"(a) In the case of any eligible veteran who—

"(1) has not received a secondary school diploma (or an equivalency certificate) at the time of his discharge from active duty, or

"(2) in order to pursue a program of education for which he would otherwise be eligible needs additional secondary school training, either refresher courses or deficiency courses, to qualify for admission to an appropriate educational institution,

the Administrator may, without regard to so much of the provisions of section 1671 as prohibit the enrollment of an eligible veteran in a program of education in which he is 'already qualified', approve the enrollment of such veteran in appropriate course or courses; except that no enrollment in adult evening secondary school courses shall be approved in excess of half-time training as defined pursuant to section 1683 of this title.

"(b) The Administrator shall pay to an eligible veteran pursuing a course or courses pursuant to subsection (a) of this section, an educational assistance allowance as provided in sections 1681 and 1682 of this chapter.

"(c) The educational assistance allowance authorized by this section shall be paid without charge to any period of entitlement the veteran may have earned pursuant to section 1661(a) of this chapter."

SEC. 302. (a) The analysis at the head of chapter 34, title 38, United States Code, is amended by adding immediately after

"1676. Education outside the United States."

the following:

"1677. Special training for the educationally disadvantaged."

(b) Section 1661(b) of title 38, United States Code, is amended by deleting the comma immediately after the words "subsection (c)" in the first line thereof and adding "and in section 1677 of this chapter."

SEC. 303. (a) This title shall become effective on the date of enactment.

(b) Where the Administrator of Veterans Affairs finds that an eligible veteran has since June 1, 1966, and prior to the enactment of this title, received educational assistance while pursuing a course or courses of education to which he would have been entitled under section 1677, without charge to entitlement, he may restore to the veteran any period of entitlement expended in the pursuit of such course or courses.

TITLE IV—INCREASE IN THE RATES OF EDUCATIONAL ASSISTANCE ALLOWANCE FOR
VETERANS PURSUING A PROGRAM OF EDUCATION UNDER THE VETERANS' READJUSTMENT ASSISTANCE ACT OF 1966

SEC. 401. (a) Section 1682(a) (1) of title 38, United States Code, is amended by deleting the chart set out therein and substituting in lieu thereof the following:

"Column I	Column II	Column III	Column IV
Type of program	No children	One child	Two or more children
Institutional:			The amount in column III, plus the following for each child in excess of one:
Full time.....	\$130.00	\$150.00	\$10.00
Three-quarter time...	95.00	115.00	7.00
Half time.....	65.00	75.00	5.00
Cooperative.....	105.00	125.00	7.00"

(b) Section 1682(b) (B) of title 38, United States Code, is amended by striking out "\$100" and inserting in lieu thereof "\$130".

- (c) Subsection (d) of section 1652 of title 38, United States Code, is repealed.
 (d) The provisions of this section shall take effect on July 1, 1967.

STATEMENT OF EXPLANATION

TITLE III—SPECIAL ASSISTANCE FOR THE EDUCATIONALLY DISADVANTAGED

This title would provide special assistance for educationally disadvantaged veterans, under the educational assistance program authorized by the "Veterans' Readjustment Benefits Act of 1966."

Section 301 of the draft bill would amend chapter 34 of title 38, by adding a new section 1677 under which any eligible veteran who has not received a high school diploma, or its equivalent, at the time of his discharge from active duty, or who needs additional secondary school training, refresher courses, or deficiency courses in order to qualify for admission to an appropriate educational institution, may pursue such training and receive the applicable educational assistance allowance payable under section 1682 of title 38. Time spent in the pursuit of such a course, however, will not be charged against his basic period of entitlement earned pursuant to the provisions of 38 USC 1661(a). As a result, he could obtain the education needed in order to remove his educational handicap, and still preserve his basis entitlement (up to 36 months) for pursuing a program of education.

Each eligible veteran now earns his entitlement to educational assistance on the basis of one month entitlement for each month or fraction thereof of service on active duty after January 31, 1955. The law currently permits a veteran who is educationally disadvantaged, and who cannot proceed with a normal educational program due to an educational deficiency, to use some of this entitlement to pursue the education necessary in order that he might correct such deficiency and continue his education. Time spent in the pursuit of such a course, however, is charged against the veteran's basic period of entitlement, thus reducing the period of time he could otherwise use to pursue a normal educational program on an equal basis with those who are not so disadvantaged.

The draft bill would provide a method for correcting this inequity, and would be in harmony with the other efforts being made by this nation to improve the educational level of our youth, especially those who are educationally and culturally deprived. In this respect, it is significant to note that as of June 30, 1966, one-third of the post-Korean conflict veterans being separated from the armed forces, had not graduated from high school, and will not be able to pursue a college education even though they may desire to do so. This bill is directed toward this segment of the veteran population.

Section 302(a) would make the required technical changes in the analysis at the head of chapter 34 and section 302(b) would amend section 1661(b) to permit the total months of educational assistance payable to a veteran to exceed thirty-six months to the extent that he received special training under the provisions of the new section 1677.

The provisions of Title III would become effective upon enactment. The Administrator, where he finds that an eligible veteran has since June 1, 1966, and prior to the enactment of this title, received educational assistance allowance while pursuing a course or courses to which he would have been entitled under the proposed new section 1677, may restore to the veteran any period of entitlement expended in the pursuit of such course or courses.

The estimated average monthly enrollments in such a program for the next 5 years and cost (at the increased rates proposed in section 401 of the draft bill) are given in the following table:

	High school graduates		Non-high-school graduates	
	Monthly average enrollment	Cost	Monthly average enrollment	Cost
Fiscal year:				
1968.....	4,000	\$7,000,000	5,000	\$8,000,000
1969.....	7,000	11,000,000	8,000	12,000,000
1970.....	7,000	11,000,000	8,000	12,000,000
1971.....	7,000	11,000,000	10,000	15,000,000
1972.....	7,000	11,000,000	10,000	15,000,000
Total.....		51,000,000		62,000,000

TITLE IV—INCREASE IN THE RATES OF EDUCATIONAL ASSISTANCE ALLOWANCE FOR VETERANS PURSUING A PROGRAM OF EDUCATION UNDER THE "VETERANS' READJUSTMENT BENEFITS ACT OF 1966."

Section 401 of the bill would amend section 1682(a)(1) of title 38, United States Code, to provide an increase in the amount of educational assistance allowance payable to a veteran pursuing a program of education under the "Veterans' Readjustment Benefits Act of 1966."

Chapter 34 of title 38, United States Code, as added by Public Law 89-358, provides educational assistance allowance rates as follows:

	No dependents	1 dependent	2 or more dependents
School:			
Full time.....	\$100	\$125	\$150
¾ time.....	75	95	115
½ time.....	50	65	75
Less than ½ time ¹			
Cooperative.....	80	100	120
Correspondence ²			

¹ Rate of the established charges for tuition and fees, not to exceed \$50 if more than ¼ time; not to exceed \$25 if ¼ time or less.

² Established charges for lessons completed and serviced by school.

The war orphans' educational program contained in chapter 35 of title 38, United States Code, as amended in the 89th Congress, provides a similar educational program for the sons and daughters of veterans who died or were permanently and totally disabled as a result of active duty.

	Amount
Full time.....	\$130
Three-fourths time.....	95
One-half time.....	60
Less than one-half time.....	0

No additional amount is paid for dependents.

It is obvious from a comparison of the two charts of rates set out herein, that there is a substantial monthly rate advantage for the war orphan over both the single veteran as well as the veteran with a dependent who is pursuing a program of education under the new GI Bill. A sustaining rationale is not apparent. Veterans face equal, if not greater, financial responsibility than those eligible under the war orphans' program. These veterans are generally married with family responsibilities. Of the 314,000 enrollees in December 1966, 72% were 25 years of age or older. Statistics further disclose that, based upon information in their applications, 21% had more than one child. In no case will the revised rate of the allowance be less than the rate presently paid under the war orphans' program.

This section of the bill would delete the rate chart presently contained in section 1682(a)(1) which provides the formula for payment of the educational assistance allowance according to the program pursued and the veteran's dependency status, and substitute a new formula. For a full-time program a single veteran or one with dependent parent, or a married veteran without children would receive an educational assistance allowance of \$130 per month, and a veteran with one child would receive \$150 per month, plus \$10 per month for a second child and an equal amount for each additional child. The new rates for three-quarter time training would be \$95 per month for a veteran with no children, \$115 per month for a veteran with one child, plus \$7 per month for each additional child. The allowance payable for half-time training would be \$65, \$75, plus \$5 per month for each additional child. The full-time cooperative course would pay \$105, \$125, plus \$7 per month for each additional child.

Under the proposed new rate, it will be noted that a monthly increase of \$5 is given for a married veteran without children as well as a veteran with dependent parent, who is pursuing a full-time course. This section introduces a new concept, no additional allowance being allowed a married veteran with no children. This position is taken on the theory that the industrial status of these persons generally consists of a couple both of whom are employed. Under such circumstances, it is unwarranted to consider a fully employed wife as a dependent of the veteran, warranting additional benefits. This rationale is even more

applicable when the veteran attends school less than full-time and augments his income by employment, in many instances, full-time employment during the balance of the time.

Senator YARBOROUGH. Mr. Stratton, as to on-the-job training and on-the-farm training, you recommended that action be postponed and the Veterans' Administration study that matter?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Has the VA ever come up here and supported the Cold War GI bill before this subcommittee?

Mr. STRATTON. Before this subcommittee?

Senator YARBOROUGH. Yes. I became chairman of this subcommittee in the year 1959 and I served 7 years. Then last year Senator Randolph became chairman. That makes 8 years. In that 8 years has the Veterans' Administration ever come up before this subcommittee and supported a GI bill, a Cold War GI bill?

Mr. STRATTON. We expressed support for a bill that would approximate \$108 million last year.

Senator YARBOROUGH. That was for Vietnam only?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. You limited it to Vietnam?

Mr. STRATTON. Yes, sir; that is correct.

Senator YARBOROUGH. But you haven't come up and supported a cold war GI bill?

Mr. STRATTON. Not to my knowledge.

Senator YARBOROUGH. From that standpoint don't you understand why many of us in this committee would look with jaundiced eye on your plea to put off these benefits until you study it further. There has been study for 7 or 8 years and you come up and say don't do it.

Mr. STRATTON. I would say on the three, flight training, on-the-job training, on-farm training—

Senator YARBOROUGH. We put them in the Cold War GI bill in the Senate. There was never any amendment offered in the Senate to exclude them. We dropped them as a practical matter to pass the House-amended bill. There was never any intent of the Senate to drop these out. If you will study that, you will see they were dropped only in conference, not by the Senate itself.

Mr. STRATTON. I can't comment on this interrelationship between the two bodies.

Senator YARBOROUGH. Every time you were up before the Senate you will see the Senate approved the three, flight training, on-the-job training, on-farm training.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. There is no Senate history that you could rely on that the Senate ever approved dropping these out of the law.

Mr. STRATTON. No, sir; I was not stating that.

When we recommend that we put these in a study group in the first place I am not talking about a lengthy passage of time. Since Public Law 358 was passed we have not received sufficient justification to change what that bill excluded; namely, the three items you mentioned. I am not going to attempt to say to you, Mr. Chairman, we don't recognize that it could be that on-the-job training for a particular veteran with a responsible employer is not a good thing. But the point that we are making here is we must develop, in my opinion, exactly how that should be written, exactly how we should profit and benefit by the

things we found out during 550 in this connection. We have made no extensive study of this matter since Public Law 358 was passed. Frankly, we have been directing all of our resources toward implementing the GI bill you gave us last year.

Senator YARBOROUGH. Well, you have had 20 years' experience under the World War II bill and the Korean and GI bill.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Back to the flight training. Have you seen these articles in the different aviation journals, that there is going to be a shortage of 12,000 pilots in this country; commercial pilots?

Mr. STRATTON. Yes, sir; I have read that.

Senator YARBOROUGH. Don't you realize that there are critical shortages, of pilots and a need for commercial pilots in this country?

Mr. STRATTON. I accept that, Mr. Chairman.

Senator YARBOROUGH. I do not understand why the VA is not willing to give these veterans an opportunity to take part in that flight training, which leads to some of the best paying jobs in the country. Some of the pilots with seniority earn over \$25,000. With the industry crying for more pilots and more training, why not encourage these veterans to take that training?

Mr. STRATTON. Mr. Chairman, I am really not disagreeing with the statistics you have given here or the need for commercial pilots. I am asking for some criteria to develop with some executive people, perhaps the aeronautics people, some criteria that will put these men under the GI bill into the needed areas and to avoid the past practice where, as we know, most of them use it as a recreational—

Senator YARBOROUGH. We have been urging this bill since 1959. It seems to me the Veterans' Administration, if it really was interested in bringing some criteria up here, that 8 years is a long enough time to study these criteria. For 8 long years we have been trying to give these veterans a chance to take this flight training. Just how long is it going to take, 8 more years, to get criteria so the Government can be protected and we get the training, too? This is one of the needs of the country, this training of pilots. There are pilots flying on temporary licenses who can't qualify to get a pilot's license.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. It is not merely the rights of the veteran, but the need of the country that demands this legislation.

The House bill provides \$155 a month for married veterans without children and \$175 a month for married veterans with children. You have said that the wives work. What percentage of the wives of married veterans work? Do you have any data on that?

Mr. STRATTON. Yes. In the overall population, in the age group we are speaking to, Mr. Chairman, which is approximately 27, those men who are married and have no children, about 60 percent of the wives work.

Now, to see whether or not the student characteristics that we could obtain coincided with this broad census data we ran a very fast sample just recently with some universities here in this area, and we actually talked to a representative number of single and married veterans without children and got from these details as to their expenses and as to their income. The report that we had there would indicate that considerably more than 60 percent of the wives are working if

their husband is attending school and that the family income for those men approximates \$3,000 a year more than the average income of the single veteran going to those same universities.

Senator YARBOROUGH. But that is on your theory that he ought to get married and let his wife support him and then you don't let the Government pay anything extra to help get him through school.

Mr. STRATTON. The Government never has intended in this bill nor in prior bills to furnish the full subsistence, Mr. Chairman.

Senator YARBOROUGH. The House bill that was reported last week rejected that theory of the Veterans' Administration, did it not?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. And it provided that with one dependent, full-time institutional training, that the pay would go up to \$155 a month for a married veteran.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. And have \$155-a-month allowance over the \$130. Don't you think that is a very modest allowance for a married man to increase his allowance from \$130 a month to \$155 a month?

Mr. STRATTON. Traditionally we go back to—

Senator YARBOROUGH. He would need that \$25 a month if he took his wife to a show or out to dinner once a month.

Mr. STRATTON. I could repeat what I stated a moment ago, that they are considerably better off now.

And then I could speak to the fact, this soon after the passage of the GI bill, we didn't have the advantage of that barometer that you always look at first, and that is the cost-of-living increase. This happened just last year.

Senator YARBOROUGH. Wait a minute. We passed a Cold War GI bill last year with less benefits than the Korean GI bill. Anybody in the United States knows it cost more to live in 1966 than at the date in 1962, the original date of the Korean GI bill.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Yet the administration recommended a decrease, and it was successful in getting them cut back to a lower figure than the Korean—

Mr. STRATTON. Yes, sir; that is correct.

In connection with this, Mr. Chairman, I was speaking of the fact we lacked the barometer because of the short time.

We looked at each group under our experience, the single, the single with the married, the single with the married and children, and we found \$130 base made sense for the single man, \$130 base in view of this increased income for the married man made sense. Then we saw that about 15 percent more need existed from the economic figures when a man and wife have a child, and the distinction between the \$130 rate and the \$150 retained there is approximately that amount. We felt that we should pay closer attention to the additional children. And rather surprisingly I can give you detailed statistics on this. Since we created a new universe of over 4 million men suddenly by enactment of the GI bill—many of them born before 1926—we could have a considerable amount of men in college today with six, seven, and eight children, and that additional \$10 bill would help there. That was the basis for our recommendation.

Senator YARBOROUGH. I want to commend the Veterans' Administra-

tion for this recommendation that \$10 additional be allowed for each child. The old bills of World War II and the Korean conflict provided for two dependents, not more. I think it is very wise that the administration has offered that. I intended to offer an amendment to incorporate that. I think that is a beneficial recommendation, very much so, very much needed. I am encouraged to see these men with this number of children, six, seven, and eight, who are going back to college, because in the long fight we had against three administrations in order to pass the Cold War GI bill I had letter after letter saying, "I am married; I have a family; I am about to lose my chance forever."

If you had flight training in the bill, you state your experience was that they would take up flight training for a vocational or recreation purposes.

Mr. STRATTON. Yes.

Senator YARBOROUGH. Did not the Korean bill bar training for recreation only?

Mr. STRATTON. Yes. While he would declare himself in the direction of the commercial pilot, there was no reason why he could not go ahead and get his private pilot license and drop out and never go toward the 12,000 deficit you speak of.

Senator YARBOROUGH. You have had that happen in all training programs which require high capability, haven't you? Isn't that going to be true of any flight training program? You are going to have men drop out who find they can't fly a 600-mile-per-hour jet or 1,000-mile-an-hour supersonic?

Mr. STRATTON. This is one of the things I hope to study. I don't know that I can answer that definitively.

Senator YARBOROUGH. I have talked to people who have taken flight training, I mean just ordinary people. Just what do you have to do to get that private pilot's license? You have to turn that plane in a spin and turn out of it before you crash is one of the things. You just talk to some pilots going through this training and you will find there are going to be a lot of men who never qualify as commercial pilots. If you try to start out with only those going to be commercial pilots, we just wouldn't have any commercial pilots.

Mr. STRATTON. That is up to the study group to say if we are left with this alternative. I believe myself, at this point, Mr. Chairman, one of the criteria we may be able to develop which, in our opinion, would make sense, would be before a person could use his GI eligibility for flight training that he would have to already have his private pilot's license and, therefore, his eligibility would be directed toward the shortages which you have.

Senator YARBOROUGH. That is another way to keep the veteran from getting training. Where is he going to get the money to get the private license? The Government is paying a modest amount as it is. He will have to get this amount and let his wife work, too, to get the private license. It is true of any education, you are going to have a lot of dropouts. There are a lot of people who want a Ph. D. degree but they never make it. Just because they start out and try to make it and they can't make it doesn't mean that they didn't intend to finish when they started. Do you mean to tell me that they did not start in good faith? I have known men who flunked out of Army and Navy

flight training who were pretty crushed about it. They had psychiatric troubles. They were so disappointed they could—the fact a man drops out doesn't automatically convince me he was up there doing those solo spins just to get \$155 a month.

Mr. STRATTON. I don't have the precise figures with me unless my colleagues do.

Senator YARBOROUGH. You have that Korean bill barring recreational flight training. You say you couldn't administer it effectively because a lot of them got the private pilot's license and didn't go on. Do you think that is a deterrent to furnishing flight training?

Mr. STRATTON. The figures, as I recall it, showed such a ratio against the GI's who take flight training and to get it under 550 that attainments had to be a commercial license. The large amount of dropouts against the total who dropped out could not be attributed to the different factors—

Senator YARBOROUGH. I think the average person who goes to college wants to get a degree. Would you bar entrance to college because a high percentage drop out and don't get the degree?

Mr. STRATTON. No, sir; of course not.

Senator YARBOROUGH. You don't bar students going to high school because you have some dropouts?

Mr. STRATTON. No, sir.

Senator YARBOROUGH. Would you bar people from flight training and keep them from getting it because of meeting the high standards of training of jet pilots?

Mr. STRATTON. The attempt to obtain a commercial license has two facets. One of them, the first one, is this avocational or recreational training, which, in my opinion, is why flight training was barred in the first bill.

Senator YARBOROUGH. That was barred under the Korean bill, wasn't it, where avocational or recreational training was barred? The Korean GI bill did not allow recreational flight training?

Mr. STRATTON. That is correct. When they said their attainment was hopefully a commercial license, to get that commercial license the condition precedent is to get that private license, there is no way we could enter a man for flight training license if he intended to get that license, a commercial license, eventually—

Senator YARBOROUGH. You are ready to say that because most of them couldn't make the commercial that was evidence of committing fraud on the Government?

Mr. STRATTON. No, sir; I am not saying that. I say the figures indicate there was such a wide disparity who failed to go after the commercial license that you can't, in my opinion, attribute that large dropout to inability to meet—

Senator YARBOROUGH. How many people took flight training under the Korean bill?

Mr. STRATTON. 60,000.

Senator YARBOROUGH. How many took training under the World War II bill?

Mr. STRATTON. 291,000.

Senator YARBOROUGH. That 291,000, that is when the law permitted recreational or avocational flight training?

Mr. STRATTON. That is correct.

Senator YARBOROUGH. And 60,000 was the figure for the commercially intended?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. How many commercial licenses in the United States are there today?

Mr. STRATTON. 87,000.

Senator YARBOROUGH. Does that include licenses for flying executive planes and such?

Mr. STRATTON. Yes, sir; I would think so.

Senator YARBOROUGH. What is the average service of a pilot, life service, that is, how many years of flying for the average pilot?

Mr. STRATTON. From the time he becomes a commercial pilot?

Senator YARBOROUGH. Yes.

Mr. STRATTON. Mr. Chairman, I would have to get that, and I would say it would be between 15 and 20.

Senator YARBOROUGH. How many men took on-the-job training under the World War II bill, Mr. Stratton?

Mr. STRATTON. World War II?

Senator YARBOROUGH. World War II. How many veterans took on-the-job training?

Mr. STRATTON. It would be 18 percent of the 20 million.

Senator YARBOROUGH. Pardon?

Mr. STRATTON. Eighteen percent, Mr. Chairman.

Senator YARBOROUGH. Of the total number of veterans of World War II?

Mr. STRATTON. No. I beg your pardon.

Of the ones who actually entered training, 18 percent—

Senator YARBOROUGH. You have 7 million what, 800,000 who took training?

Mr. STRATTON. Exactly.

Senator YARBOROUGH. 7,800,000, so it would be 18 percent of that?

Mr. STRATTON. Yes, sir. And under the Korean conflict bill the universe was 2,391—

Senator YARBOROUGH. Wait just a minute, please.

Mr. STRATTON. All right.

Senator YARBOROUGH. I want you to check these figures. As I get this, that would be 1,248,000 who took on-the-job training.

Mr. STRATTON. Yes, a million three-hundred thousand approximately.

Senator YARBOROUGH. A million three-hundred thousand approximately?

Mr. STRATTON. Right.

Senator YARBOROUGH. Of the Korean veterans, how many took on-the-job training?

Mr. STRATTON. Nine percent of 2,391,000, which would be approximately 180,000.

Senator YARBOROUGH. You say 180,000?

Mr. STRATTON. I beg your pardon, 215,000.

Senator YARBOROUGH. You had of the Korean conflict about 4 million what, 750,000 veterans?

Mr. STRATTON. About 5,660,000.

Senator YARBOROUGH. 5,660,000?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Of that 5,660,000 how many took on-the-job training?

Mr. STRATTON. 215,000.

Senator YARBOROUGH. In other words, you had less than 5 percent who took on-the-job training?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. You wouldn't say that was any vast attempt to defraud the Government to get these meager payments if less than 5 percent took on-the-job training?

Mr. STRATTON. No, I can't say that. The trend that led to 18 percent after World War II, the trend that we had experienced under the Korean conflict, has been experienced since that time, and, in my opinion, it is considerably lower now if a program—

Senator YARBOROUGH. But it doesn't reduce the need of industry for trained men; in fact, if you look at the Sunday paper and see all the men needed in aircraft and missile industries and places on the west coast, expert trained mechanics all over this country, wherever there are defense industries, you will see there are great needs.

Mr. STRATTON. Mr. Chairman, in our opinion, many things have happened in this area, even after the Korean conflict bill I know today out of 5,000 institutions of all types that 4,200 of them give vocational courses of a type generally that would prepare people for the skills that used to be coming from the on-the-job training, and they are expanding.

Senator YARBOROUGH. But on-the-job training is still good training, you won't dispute that?

Mr. STRATTON. As I said earlier, Mr. Chairman, on-the-job training with the right kind of employer could meet the need of a certain group of veterans.

What we seek is the time to decide what that need is.

Senator YARBOROUGH. Oh, you have had 9 years now. The Korean bill was cut off by Executive proclamation by January 31, 1955.

Mr. STRATTON. It was cut off January 31, 1965.

Senator YARBOROUGH. No, the Korean GI bill.

Mr. STRATTON. The Korean eligibility stopped then, but the completion of training—

Senator YARBOROUGH. I am talking about the eligibility, period. We introduced this bill in 1959. There was already a 4-year lag.

How many discharged veterans in the cold war period are there now?

Mr. STRATTON. Since 1955?

Senator YARBOROUGH. Yes, eligible under this bill.

Mr. STRATTON. Four and a half million. That would be increased by 600,000 a year and perhaps next year more than that.

Senator YARBOROUGH. Faster than that?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Of this 4½ million, how many are in training today?

Mr. STRATTON. In training today would be something over 320,000.

Senator YARBOROUGH. And that is far less than 10 percent?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Of the World War II period you had some 49 percent of the veterans who took training.

Mr. STRATTON. Yes, sir; but the World War II bill and similarly Public Law 550 of the Korean bill were passed contiguous for the period of service they were speaking to. In this bill it retroactively created these men——

Senator YARBOROUGH. I am conversant with that. The administration fought this bill and these veterans got too old and lost their chance. That is one of the bad things the executive department did when we were trying to pass this legislation. Surely, I recognize that. What I am trying to do is to at least get the right for those who can make it, those with six, seven, eight children, to go back and try to recapture what the Government has taken from them. I think we should give them a broader chance than we did in the Korean conflict, where the Government had an opportunity at the time of discharge to give them the chance right when they came out of service, when they needed it the worst, and could take advantage of it.

So we had how many veterans of the Korean conflict who took this training, 45 percent?

Mr. STRATTON. It would be approximately that. It is 2.3 against 5.6 million, just about 40 percent, 45 percent.

Senator YARBOROUGH. A little less than the World War II?

Mr. STRATTON. Yes, sir, it would appear so.

Senator YARBOROUGH. Of course the benefits were more restricted under the Korean bill than under World War II.

Mr. STRATTON. Yes.

Senator YARBOROUGH. World War II you paid the veteran and his college in addition, you paid the veteran and his tuition. The Korean GI bill was a tougher bill on the veteran than the World War II bill.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. You have less than 10 percent of these men in training don't you? Don't you think you have a very modest thing in this bill when you have shown less than 10 percent get this on-the-job training, don't you think it very modest that we add this and let that 9 percent, or whatever it is, have their chance in life, too?

Mr. STRATTON. I think it would be modest, if we are speaking to that alone.

Senator YARBOROUGH. I think modest in terms of money, because every time we have had a bill the government has come up here and said it is going to cost this, \$500 million, therefore you shouldn't do it. They don't say that when they have a \$5 billion space bill, they don't say that when they bring up a \$70 billion defense bill. This is part of the defense costs, giving the men who are out there fighting for their country a chance in life.

Mr. STRATTON. I believe the response of veterans to the inclusion of on-the-job training as it was framed in the Korean bill would be modest.

Senator YARBOROUGH. Senator Dominick.

Senator DOMINICK. Thank you, Mr. Chairman.

Mr. Stratton, I wonder about the figures that you have on page 2 on qualification, those who are applying for training now. You indicate that 95 percent of those applying for training have the equivalent of 4 years of high school. What is the purpose of presenting those figures? Is it to show there are very few of them who are going to want high school educational opportunities?

MR. STRATTON. No, sir; not at all. This is one of many figures that we felt was appropriate to bring the committee up to date on, since in March of last year we passed the bill, it was effective June 1, and this is really our first opportunity to tell you some of the characteristics of our clientele, to show by our computer run—

Senator DOMINICK. If 95 percent have already gone through high school, and I am talking about 95 percent of those applying for on-the-job training, then below are those who are going to seek high school opportunities. This is not going to be very big, is it?

Mr. STRATTON. That is correct. It is not because of any restriction in the current bill. It is because the level of draftees being discharged today is higher than in any prior war.

Senator DOMINICK. It would be safe to assume the opportunity of giving them the privileges in the bill of permitting them to go into high school and complete that under their allowance is not going to be very burdensome on the General Treasury?

Mr. STRATTON. No, sir. This recommendation, if I understand your question, this recommendation to not charge against the man who is going to precollege, not charge that against his eligibility, is one that I bring here affirmatively today and would, I would say it would, affect approximately 9,000 people in our opinion.

Senator DOMINICK. You did not put anywhere in this, as far as I can see, what the educational level is of those who are now in service who might become eligible later, in other words, you didn't say how many people in the service have completed high school training, all you are talking about are those who have applied for training?

Mr. STRATTON. Yes, sir, I am speaking to the clientele who have responded to the GI bill that was passed in March of 1966.

Senator DOMINICK. Do you have any figures on those who are in service and what their educational qualifications are now?

Mr. STRATTON. Yes, sir. About 8,000 of our clientele today are in service.

Senator DOMINICK. I am not talking about that. This will make everybody in the service eligible for training later, correct?

Mr. STRATTON. What will, sir?

Senator DOMINICK. This bill, if passed.

Mr. STRATTON. It will make every man in service eligible for training under the VA program so long as he meets the service requirement of 2 years.

Senator DOMINICK. Right. Do you have any idea of the total number that are in the armed services now, do you have any idea how many of them have completed high school?

Mr. STRATTON. When they enter the service, I know this, Senator, when they enter the service, approximately 70 percent of them have had high school or better education, and when they leave the service about 80 percent of them have attained high school or better.

Senator DOMINICK. So far as the high school lad is concerned, we are only talking about 20 percent of the total number in service now who might feel that they wanted further high school training.

Mr. STRATTON. Yes, broadly 20 percent of the future dischargees could benefit by not having their high school when this started, count against their eligibility—

Senator DOMINICK. Have you included in the cost of this bill the proposed allowance for that entire 20 percent?

Mr. STRATTON. No, sir; no, sir; we could not do this, because many of them, of course, would not do it.

Senator DOMINICK. That is exactly what I was thinking.

Mr. STRATTON. Yes, sir.

Senator DOMINICK. I was wondering about how you computed your cost.

Mr. STRATTON. We computed the cost—well, the technique, I couldn't speak to very definitively, Senator. We spoke to it primarily, from our knowledge of the laws affecting prior wars and what percentage of the total of the group we speak of actually ended up going to high school under the G.I. bill.

Senator DOMINICK. You sort of used history on previous bills to try to determine what it would be for the future, is that right?

Mr. STRATTON. Yes, sir; under the previous bills the 20 percent we are speaking of here might very well be closer to 35 or 40 under World War II, for example, perhaps 25 or 30 under the Korean.

Senator DOMINICK. Mr. Stratton, I have been a licensed pilot since 1935, and I have held a commercial license since 1945, and, to the best of my knowledge, I have never done any commercial flying. I have it because it is a prestige activity in flying.

I am giving this as my background of qualifications to ask you these questions.

Do you have any idea how many airlines at the present time are running flight schools?

Mr. STRATTON. My knowledge will allow me to say most of them, Senator.

Senator DOMINICK. Do you know what their success has been in trying to get recruits into those flying schools?

Mr. STRATTON. No, sir. I would assume that it has not been too good inasmuch as the chairman spoke to the 12,000 deficit.

Senator DOMINICK. I think it might be useful, Mr. Chairman, if we could get definitive figures from the airlines or from some of the aviation organizations showing the need for pilots and showing the difficulty that we are encountering in getting people to go into flying traffic at this time.

Senator YARBOROUGH. We have asked the Air Transport Association for this information. They are sending it and they have promised to have it soon, so we can incorporate it in the record here.

Senator FANNIN. Mr. Chairman.

Senator YARBOROUGH. Yes.

Senator FANNIN. I would like to refer you to Purdue University and also Arizona State University for information in this regard. They have a school at Purdue University. Also the Cessna organization has made extensive studies as to the need projected into the future. This information is available, and I will, with your permission, obtain it for the record.

Senator YARBOROUGH. Yes, we would like to have it incorporated in the record.

Senator DOMINICK. We would like to have it in the record.

(The following material was subsequently supplied for the record:)

The following information was furnished to Senator Paul J. Fannin by Mr. Victor E. Rothe, Research Associate, Division of Industrial Design and Technology, Arizona State University:

There is an estimated increase in air freight operations in the free world from 4 billion ton miles of operation at present to an estimated 60-70 billion ton miles by 1980.

Regarding passenger operations, an increase is estimated of from 150 billion passenger miles presently to 700 billion passenger miles by 1980 in free world. For U.S. domestic carriers alone, including foreign operation, passenger miles are expected to grow from present 70 billion to 300 billion passenger miles in 1980.

Hires of airlines transport pilots and flights personnel in the U.S. are estimated to increase from 4,000 presently to a total of 50,000 by 1980 cumulative.

In general aviation field: In 1963 it was estimated a minimum annual gross rate for general aviation should be about 14.88% in order to attract the necessary capital and to keep industry healthy the ideal rate is 26%. Actual growth rate since 1963 has been over 25%, but even at the minimum growth rate of 14.88% it will require increasing the number of student starts per year to 193,000 by 1968. Actual number of student starts per year has been:

Year:

1963	69, 130
1964	84, 629
1965	94, 635
1966	126, 500

Senator DOMINICK. I am interested in your prepared statement saying that your experience in administration of flight-training programs under previous laws has not been satisfactory. Whose administration are you talking about?

Mr. STRATTON. Whose administration?

Senator DOMINICK. Yes, where you say that your experience in administration of flight-training programs under previous laws has not been satisfactory.

Mr. STRATTON. I am speaking of the administration at the time during the period when these laws ran.

Senator DOMINICK. Are you talking about the fact that the people who run the flying schools were hornswoggling the public or are you talking about the Veterans' Administration running their flight schools?

Mr. STRATTON. We never ran our own flight schools.

Senator DOMINICK. What are you talking about, the administration?

Mr. STRATTON. What are we talking about here in this paragraph? I am speaking back to our experience and what our figures show. I wouldn't say all the flight schools were hornswoggling anybody. But where we would have one deficiency let's say, in a report from an institution of learning we would have 10 or 15 times as many from the flight school from the on-the-job training it would increase.

Senator DOMINICK. What kind of deficiencies, Mr. Stratton?

Mr. STRATTON. Failure to report what they should have reported or reporting incorrectly whether they intended to or not.

Senator DOMINICK. You are talking about bookkeeping reports?

Mr. STRATTON. Reports that sprang from bookkeeping; yes, sir.

Senator DOMINICK. So you are not necessarily talking about whether or not they were turning out pilots, you are just talking about whether or not they were making proper reports?

Mr. STRATTON. That is partly true, and whether or not the school was fitting this man for the overall objective of commercially, commercial license.

Senator DOMINICK. Wouldn't it be possible to set up bookkeeping rules and regulations that would clear the bookkeeping areas?

Mr. STRATTON. Yes, sir. This type of thing, including the needs, the rates of pay and how to work out the hours that should be paid for as well as the reporting, is the type of thing we would want to study during this next 6 months.

Senator DOMINICK. I am just wondering about this attitude of the Veterans' Administration. I gather that you are not too happy about on-the-job training, in any event, is this correct?

Mr. STRATTON. We have not been happy in the past on what we have found; no, sir.

Senator DOMINICK. So that you are not specifically prejudiced against flight training, you just don't like on-the-job training; is that right?

Mr. STRATTON. Broadly, your statement is reflective of our view.

Senator DOMINICK. Are you any more prejudiced against flying training than any other on-the-job training?

Mr. STRATTON. To an extent I would have to say yes. The experience has been worse per capita.

Senator DOMINICK. In what way has it been worse?

Mr. STRATTON. Primarily, I think, because the flight type of training comes so close to the avocational and recreational bar that was put in 550 as contrasted with the World War II GI bill, whereas on-the-job training, I can't object there that this avocational, recreational training reared its head at all. There our administrative experience in on-the-job training that we found was unsatisfactory.

Senator DOMINICK. Let me ask you a question.

I presume, if you send a man to college, he will in many cases take accounting courses.

Mr. STRATTON. Yes, sir.

Senator DOMINICK. He doesn't necessarily become an accountant, does he?

Mr. STRATTON. That is correct.

Senator DOMINICK. But he uses the accounting in other business or if he goes into it eventually?

Mr. STRATTON. Right.

Senator DOMINICK. Isn't the same thing true of flying?

Mr. STRATTON. I would say no, because in the course of the latter example you gave me it is an educational attainment. Perhaps the best example would be attorneys.

Senator DOMINICK. Are you a flyer, Mr. Stratton?

Mr. STRATTON. No, sir; I cannot qualify myself as well as you did a moment ago.

Senator DOMINICK. If you think that flying is not an educational attainment, you are wrong. You had better be pretty smart or you are going to end up dead.

Mr. STRATTON. Yes, sir.

Senator DOMINICK. The point I am making is this, there are a lot of people who may not go into commercial flying as a pilot as a result of this training but, nevertheless, use that flight training in their other businesses and use it consistently and constantly whether they happen to be lawyers or doctors or any other profession or even members of an industry, whether they fly it themselves as part of their business.

Mr. STRATTON. Yes, sir.

Senator DOMINICK. This is helpful to them, otherwise they wouldn't be doing it. So the fact they don't go through and become a licensed pilot on United Air Lines or American, whatever it is, doesn't necessarily mean that the money is being thrown down the drain, is the point I am making.

Mr. STRATTON. Senator, I would more properly put in my mind the type of case you did, the equivalent of the commercial license, much more so than the recreational or avocational. I accept what you stated a moment ago.

Senator DOMINICK. We are spending, according to the most recent report that we had from the Director of the Job Corps on his nomination hearing, about \$6,800 per person in each one of these Job Corps camps, not counting amortization of capital expenses for the camps themselves. They are also spending, according to their own reports, \$54,000 per person for each person who gets a job out of the Job Corps. Don't you think that this training at the rate of \$100 a month or \$130 a month is going to be far more productive of getting jobs for these people than it would be putting them in the Job Corps camp?

Mr. STRATTON. I couldn't comment and compare on that, Senator.

Senator DOMINICK. I think the figures themselves will speak for that. How many types of on-the-job training were you engaged in before?

Mr. STRATTON. During the Korean bill?

Senator DOMINICK. Yes.

Mr. STRATTON. I have about 10 single-line sheets with me I can introduce for the record showing the numbers. I can suggest that there are about 1,500 on the data I have with me today.

Senator DOMINICK. Did you ever find out how many of the people who took that training went into those vocations?

Mr. STRATTON. No, sir; and we should have.

Senator DOMINICK. So far as you know, it could have been that none of them went into the avocation as of the vocation for which they were trained and they just used this knowledge later on in other pursuits.

Mr. STRATTON. No, sir; it is not that type of training. I think the question would be more toward whether or not a man started out on-the-job training to be a steamfitter and what percentage of them completed that and became journeyman steamfitters and made that their work. This is the followup that we did not make.

Senator DOMINICK. I have considerable sympathy with the chairman's position in wondering why you advocate increasing the allowance to \$130. Is it \$130 for a single person?

Mr. STRATTON. Yes, sir.

Senator DOMINICK. Yet if they were married with no children what would be the Veterans' Administration recommendation; \$130?

Mr. STRATTON. \$130.

Senator DOMINICK. It doesn't seem to me as though this makes very much logic unless you go on the principle that all people who get married are going to make their wives work. Do you have any idea of how many wives do work out of this group?

Mr. STRATTON. Of the group that we contacted personally here in this area as distinguished from the Census figure of 60 percent for the males in this country, veterans of the same age that we are speaking of, I think that about 75 percent of those men in schools here in

this area, Maryland, George Washington, American University, I think about 75 percent of those men's wives work and they are averaging \$3,000 more a year than a single man who is in the same university.

Senator DOMINICK. About 75 percent of the gross?

Mr. STRATTON. Yes, sir.

Senator DOMINICK. You used the Washington area as your criteria on this.

Mr. STRATTON. We used the Washington area to help us validate the figures that we had received from the Census Department on the average needs and the income of single veterans and married veterans throughout the country whether they were in school or not.

Senator DOMINICK. Did your 75-percent figure hold true in other areas of the country?

Mr. STRATTON. I could not really speak to that mathematically because with the speed and the haste we only did it here and we had to do it by phone call, frankly. I would see, in my mind, no reason to distinguish between this area and other areas of similar metropolitan size where the job availabilities are there. I would guess that it would be less in some of the smaller towns with junior colleges and this type of thing.

Senator DOMINICK. Thank you. This is the point I was trying to bring up. There are a great many areas in this country where people will be receiving training who do not have a metropolitan complex where so many jobs are available.

Mr. STRATTON. Yes. And to offset that, those who have a wife working, I would suspect most of them would gravitate to those areas, if they could, so that the wife could work.

Senator DOMINICK. I sure hope that isn't true. If we are going to be doing that, it means that we are just going to make a congestion in the larger metropolitan areas, which is the one thing we are trying to solve at the present time.

Senator YARBOROUGH. Senator, will you excuse me at this time?

Senator DOMINICK. Yes.

Senator YARBOROUGH. It seems to me a sad attitude that they want them to have so little as to force the veteran's wife to work. I have heard pretty tragic cases where their wife's health has broken down and they have had to drop out of school. I think the Veterans' Administration should study about forcing the wives to work who are not physically able.

Pardon me for the interruption.

Senator DOMINICK. I completely agree with you, because I don't think this amount will keep them alive, anyway. If they can get jobs, they are going to do it, because they aren't going to live very well on \$130 a month.

Senator YARBOROUGH. I have had many veterans state to me this was the margin they could pull through and make it who had wives working, with this margin they could make it, they could get through school. Pardon me.

Senator DOMINICK. That is fine. I am happy that you are adding that.

I think that is all I have at the present.

Senator YARBOROUGH. Senator Fannin.

Senator FANNIN. Mr. Chairman, I would just like to supplement

some of the questions that Senator Dominick has covered. One of your principal goals, Mr. Stratton, is to train men for available jobs; is that right?

Mr. STRATTON. Yes, sir.

Senator FANNIN. Also to fill critical needs for manpower, Senator Dominick was discussing this need in the airline industry. Your goal is to channel more young men into commercial pilot training, is that correct?

Mr. STRATTON. Our recognition and acceptance of the chairman's figures of 12,000 shortage in this area, certainly if we can work out something else on flight training during this study group, we are going to, this would be our purpose to avoid the different things we found under the Korean bill we want to avoid.

Senator FANNIN. Mr. Stratton, if you will project the figures that the chairman has given, project as to the future, you will find that it is a larger amount than first considered. I will submit the figures that are in the report of an investigation, by the Cessna Corp.

Just to refer to the viewpoint of the airline pilots in cooperation on recruitment of manpower problems, I would like to quote from this article, "Viewpoint of Air Line Pilots Association."

By virtue of compulsory retirement alone and not counting other factors of attrition 60 percent of pilots now employed will be out of service within 20 years.

So we do have a great problem in front of us, especially with the increase in need for pilots.

At the present time the average age of airline pilots is in excess of 40 years and steadily rising.

So don't you feel that this program as outlined in the bill would encourage more young men to go into this type of training? They would have the experience under the bill. Wouldn't more of them be encouraged to go further in their training and to adopt this as a career?

Mr. STRATTON. Oh, I would agree with that. If flight training is included in any GI bill, even as written under the 1955 bill—that is the Korean bill criteria—ultimately some of these men would become commercial pilots and help to fill this need.

Senator FANNIN. I wonder about your restrictive stipulation regarding the number who would be permitted to go into this type of training, if you are restricting it in your recommendation.

Mr. STRATTON. No, sir, I didn't mean to leave the latter impression. We should include this in the study that we are contemplating.

No. 2, I conjectured, I conjectured personally, that if we can write a criteria which will actually point those men toward the need, that we would be favorably disposed toward a modification of flight training later this year.

Senator FANNIN. Have you attempted to get any of the studies that have been made in regard to the shortage that is projected or the shortage that exists? From our universities, for instance, Purdue University is one I know that has been active in this regard.

Mr. STRATTON. Are we still speaking of flight training?

Senator FANNIN. Yes, and the pilots needed in industry, executive pilots, and also commercial pilots.

Mr. STRATTON. I don't have such studies with me today, but, frankly, Senator, we have been engaged in looking more closely at this recently and have been talking to the people—I am sure the type you have

mentioned here would be included—also our discussions with FAA and others, as to what we might do in the coming 6 months.

Senator FANNIN. I notice your recommendation will not be made before January 1968. Don't you think this delay will be detrimental?

Mr. STRATTON. Detrimental?

Senator FANNIN. Detrimental to the program. Here we are talking about legislation, I hope we will pass legislation, that will give these needed opportunities to the veterans. I feel from your testimony that you are to some extent discouraging the very objective that we have in this regard.

Mr. STRATTON. I am discouraging the inclusion of flight training in this bill similar to the way it was written under the 1955 bill.

Senator FANNIN. Would you again state your reasons as to why you are discouraging this type of training?

Mr. STRATTON. Yes. Because we found under 550 that those men, even though required, to state there their objective was a commercial license, which was accessible under 550, that a very high percentage of them, as soon as they got their private license stopped. That meant, in our opinion, that they meant that they were primarily interested in avocational or recreational training as far as we are concerned.

Senator FANNIN. As Senator Dominick said, there are dropouts—

Mr. STRATTON. Yes, there are dropouts, and the abortion rate in that area was too high, because, I am speaking of men who discontinued after 1 month, 2 months, 3 months, I am speaking of figures where they got that first license and they never did continue to pursue getting their commercial license.

Senator FANNIN. You are talking about a very sophisticated activity. It is very difficult to compare the type of training that would be involved with many other fields of endeavor, where abilities are not as severe. The critical part of the program does not compare with what we are discussing regarding flight training.

Mr. STRATTON. Yes, sir.

Senator FANNIN. So I am really concerned that you would not want to assist in training more young people, more of our men who are available or will become available into this field.

Mr. STRATTON. I am not authorized to encourage the provision being added to this bill, Senator.

Senator FANNIN. Thank you, sir.

Senator YARBOROUGH. You say your opposition to putting flight training in under the terminology of the Korean conflict bill is because of the large number who finished the pilot flight training but didn't go on and become commercial pilots?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. Do your commercial pilots' figures include crop dusting and other commercial flying?

Mr. STRATTON. Yes, sir. I am not sure, but I might include the groups that Senator Dominick was speaking of a while ago, the group that used their commercial license not to fly for an airline but to fly for a business which was purely—

Senator YARBOROUGH. Such as doctors and lawyers, I know of a number who fly in their practice, and the farmers who fly in their business.

Do you include those as commercial pilots in this 87,000?

Mr. STRATTON. I am not sure I know the answer to that. But personally, as I said to Senator Dominick a moment ago, to me it is the same. If we can come up with something on the commercial licenses, it seems to me that we can come up with something that is more equivalent to flying for an airline.

Senator YARBOROUGH. Isn't the bachelor of arts degree essentially unrelated to what most people with such degrees end up doing to earn their living?

Mr. STRATTON. Yes, but standing alone, standing alone, a B.A., in my opinion, is not the equivalent of a license to fly a private plane.

Senator YARBOROUGH. How long does it take to get a license to fly a private plane?

Mr. STRATTON. I have no idea. I would have to defer to Senator Dominick.

Senator YARBOROUGH. If he didn't go ahead and get a jet license, you took that as *prima facie* evidence a moment ago, you said, if they got this private license they didn't intend at the time they signed their declaration—

Mr. STRATTON. I think it would be a degree. I am certain that this is not true of the majority. I am speaking of the fact at some point in that flight training despite their intentions in the beginning—

Senator YARBOROUGH. Maybe they went into a few of those tailspins and they decided to leave the big jets alone: That doesn't mean they are swindling the Government in my opinion.

Senator DOMINICK. If I may interrupt right there, when I went through aviation cadet training in 1942, which was some 7 years after I started flying on my own, you will be interested to know that 50 percent of the people who entered flying school with me were washed out of school, so you are going to have a big dropout. This is what I am talking about. By sheer inability to carry forward with this type of training, which doesn't mean that the people themselves who subsequently get washed out or dropped out didn't intend to go through with this to begin with, it simply meant they were not qualified to do it by going through training.

I think that ought to be taken in your consideration in the problem.

Senator YARBOROUGH. I will say further that the Government has not wasted this money in its efforts to help these men get the training and, if they can, become professional pilots.

I practiced law with a lawyer who was a Marine jet fighter pilot in Korea. He decided to buy his own plane. He could afford to do so. He said:

If I hadn't been a jet pilot in Korea I would have dropped the thing. This is so much more complicated now, flying just a little prop job with all the regulations, with the increased air traffic and the hazards and the navigational aides and devices that you must learn to qualify on.

As I understand it—Senator Dominick can tell us this—it requires a higher level to fly a jet than it does to fly the small prop plane. You have to fly more planes.

Is that correct, Senator?

Senator DOMINICK. Yes, that is correct.

Senator YARBOROUGH. You have a part and you have a right under this bill to write rules and regulations for all this training. These

bills give the Veterans' Administration the right to write rules and regulations to protect the Government.

Mr. STRATTON. Yes.

Senator YARBOROUGH. It is a little more trouble, is it not, to inspect flying schools and on-the-job training and on-the-farm training than it is to receive reports from colleges.

Mr. STRATTON. It is, indeed.

Senator YARBOROUGH. It puts the Veterans' Administration to work to go out and inspect these schools.

Mr. STRATTON. We are busy now, Senator.

Senator YARBOROUGH. And in college—

Mr. STRATTON. We rely on the students' reports.

Senator YARBOROUGH. You get reports from colleges.

Mr. STRATTON. If the man changes his course. We do not now, Mr. Chairman, get the monthly report from the school.

Senator YARBOROUGH. How many veterans received on-the-farm training under the World War II bill?

Mr. STRATTON. This would be 9 percent of the 7.8 million.

Senator YARBOROUGH. That would be about 700,000, roughly 700,000?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. How many under the Korean bill?

Mr. STRATTON. This would be 4 percent of 2.4 million.

Senator YARBOROUGH. That would be a little less than a hundred thousand?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. You don't think that there is any swindle of the Government in that number, do you? You have less than 5 percent of the veterans of World War II who took on-the-farm training?

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. All right, the 5,600,000 veterans—

Mr. STRATTON. 5.7 million.

Senator YARBOROUGH. Now, less than a hundred thousand took on-the-farm training.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. That was less than 2½ percent of the Korean war veterans, wasn't it?

Mr. STRATTON. Yes.

Senator YARBOROUGH. You don't think there is any great swindle of the Government there, do you?

Mr. STRATTON. Not from the standpoint of the economics, no, sir.

Senator YARBOROUGH. Would you say there is a need for that training?

Mr. STRATTON. Not at this time.

Senator YARBOROUGH. In my State there has been a great need for people to drive tractors. We finally got manpower training programs in order to train farm labor in how to run a tractor and how to plow rows and how to turn it. It is necessary.

Senator Dominick pointed out how much cheaper it is to get it done under this program than under the Job Corps or manpower programs. I think we are missing a real bet here, in not giving training to that fraction of veterans, even if it is only 2½ percent, who want to go into on-the-farm training. That is about the percent of the people on the farms.

What is the total on the farms?

Mr. STRATTON. Approximately, 3 percent.

Senator YARBOROUGH. Two and a half percent on-the-farm training, I think it proves a need for that and shows it isn't being used as any effort to cheat the Government.

Mr. STRATTON. Of course, the farm complement situation, even the figure of 2½ percent, has changed considerably.

Senator YARBOROUGH. The Future Farmers of America and people interested in farming, are worried because the old people on the farms are leaving and we are not training any people to take their place. I think this is needed for the agricultural interests of the country, the whole economy, the whole agricultural future of the country. Some of them want to live out in the open the rest of their lives and they ought to have a chance to do so.

I reserve the right to present a written question.

Senator DOMINICK. Mr. Chairman, may I ask a question or two of Mr. Stratton?

Senator YARBOROUGH. Yes, sir.

Senator DOMINICK. This study group which you refer to in your statement.

Mr. STRATTON. Yes, sir.

Senator DOMINICK. Does this study group have any educators on it; does it have any people who are conversant with flight training or anything of that kind, or is it simply a Veterans' Administration study group?

Mr. STRATTON. At the present time, I can't be very definitive because of the membership and because the Administrator has not announced when. I assure you flight training, on-the-job training, on-the-farm training, this type of training, will be included in the study group.

There is no question but that this group in this period of time will be consulting with the people you will have on this group in connection with this.

Senator DOMINICK. Will they be part of the group who are studying it, in other words, part of the group who are really aware of what, for example, the flight qualifications are, the expense of an approved school, the amount of time that they have to spend, and other matters?

Mr. STRATTON. They can serve in two capacities. I can assure you they will serve in two capacities. They will serve as members or consultants. In either event, we will have the advantage of what you are speaking to. Whether they will be members or consultants, at this point I really wouldn't know.

Senator DOMINICK. I would hate to have a study group done without this expertise, because, if so, we are just dealing with a close corporation for a group who are not—

Mr. STRATTON. No; we consider this request by the President to make such a study completely unprecedented. This is not going to be more of the same thing. We are going to talk to everybody we can and come back here next year with a positive, aggressive program.

Senator DOMINICK. Mr. Chairman, I want to say, with all due respect to the President's suggestion, and everything else, I see nothing wrong with having a study group, but I also do not see why

that should slow down making available to veterans the opportunity of improving themselves after they get out of service so they can be a productive member of society. I just don't want to see the program slowed down by having another study group.

That is all I have, Mr. Chairman.

Senator YARBOROUGH. Senator Fannin had to leave. He was planning to make a statement here. He asked me to put it in the record. It is so good I want to take just a minute to read a sentence or two out of it, about this Senate bill 9 and his support of it. He said:

Of all the legislation passed by Congress in recent years, readjustment benefits for veterans, particularly as they relate to education, have been among the most beneficial, the most successful.

Senator Fannin is one of the cosponsors.

They have aided our veterans in the difficult transition from soldiers to full-time civilians. Study after study has shown this to be an economical investment. Our Nation has been repaid handsomely for this loan in the form of increased tax dollars and better educated and better informed citizens.

Each of them, as did other Americans before them, has given fully of himself in order that the lamp of freedom may continue to burn on a far and distant shore.

Some who answered their Nation's call will not be benefited by our action. They will have paid the ultimate price of warfare, and our hearts go out to them and to their loved ones. But for those who do return, for those whose sacrifice is no less important to the cause of peace and freedom, these educational benefits will provide an element of hope for a better life.

Do you have any other justification for not treating these veterans as well as the Korean veterans were treated with respect to the formula now, except that which you have given in your statement?

Mr. STRATTON. Except for the inducement that we give to the man?

Senator YARBOROUGH. Yes, that you want to cut his benefits down to induce him to stay in longer.

Mr. STRATTON. The position of the VA at this point is very proper, in my opinion, that they also need skills and it takes time to create skills, and it is very difficult.

Senator YARBOROUGH. They have a draft. Nobody is drafting a man to let him go to school, or to give him training.

Mr. STRATTON. They, of course, want to increase the number of men who make their career the Service.

Senator YARBOROUGH. Since we, as people don't pay the young men enough, if you pay them enough you could get a full-sized force. We the people, as a government, don't pay them enough to cause them to volunteer. I think we could at least give them a chance to build up some of their lost years. To me, I don't think this holds any more water than past years when the Defense Department was fighting this bill.

So in the interests of time I will defer further comment on that.

Do you have any further data or information that you desire to offer there, Mr. Stratton, or your associates?

Mr. STRATTON. No, sir.

Senator YARBOROUGH. I want to see the day that the Veteran's Administration will come up here fighting for one of these bills, instead of against them.

I thank you.

Mr. STRATTON. Yes, sir.

Senator YARBOROUGH. We will make Senator Fannin's statement a part of the record.

**STATEMENT OF HON. PAUL J. FANNIN, A U.S. SENATOR FROM THE
STATE OF ARIZONA**

Mr. Chairman, I would just like to say that I am happy to join with other members of this subcommittee, and with many other Senators as well, in supporting Senate bill 9, a measure to broaden educational benefits for veterans.

Of all the legislation passed by Congress in recent years, readjustment benefits for veterans, particularly as they relate to education, have been among the most beneficial, the most successful. They have aided our veterans in the difficult transition from soldiers to full-time civilians. Study after study has shown this to be an economical investment. Our Nation has been repaid handsomely for this loan in the form of increased tax dollars and better educated and better informed citizens.

But there is another reason for supporting this legislation. We must demonstrate to the brave young men and women in the armed services that our appreciation of their sacrifice does not end the moment they leave the service, the moment they remove their uniforms. Far from it.

Each of them, as did other Americans before them, has given fully of himself in order that the lamp of freedom may continue to burn on a far and distant shore.

Some who answered their Nation's call will not be benefited by our action. They will have paid the ultimate price of warfare, and our hearts go out to them and to their loved ones. But for those who do return, for those whose sacrifice is no less important to the cause of peace and freedom, these educational benefits will provide an element of hope for a better life.

I join with my colleagues in extending these benefits to veterans not in charity but in heartfelt thanks.

Thank you, Mr. Chairman.

Senator YARBOROUGH. The next witness will be Mr. Francis W. Stover, director, National Legislative Service, Veterans of Foreign Wars.

Mr. Stover, will you please introduce your associate.

I want to compliment you and the Veterans of Foreign Wars for having put your shoulders to the wheel so effectively last year. I thank the VFW more than any other organization for the fact that in the final bill we were able to include in the 1966 benefits all cold war veterans, not limited to those in Vietnam. Never in the past wars have we drawn a distinction between the man who was ordered overseas and the man in the Defense Department who wasn't ordered overseas.

The VFW, composed itself solely of veterans of overseas wars, made the strongest fight. Thank you for the position you took then.

Mr. STOVER. On my left is Harry Donohue, executive assistant.

I would like the record to show also that in the audience is Mr. Hooper D. Holt, executive director, who has their office here in Washington.

Senator YARBOROUGH. I am very proud of what you have done, because that, in my opinion, is doing something for the whole country.

Mr. STOVER. I am proud of the leadership you showed in the 89th Congress.

Senator YARBOROUGH. Thank you, Mr. Stover.

STATEMENT OF FRANCIS W. STOVER, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; ACCOMPANIED BY HARRY DONOHUE, EXECUTIVE ASSISTANT, VFW

Mr. STOVER. Mr. Chairman and members of the subcommittee, the Veterans of Foreign Wars supports S. 9, which would increase educational allowances provided under the cold war GI bill and would authorize on-the-job training programs, on-the-farm training programs, and certain flight training.

The purposes of S. 9 are entirely consistent with a resolution approved at the most recent National Convention of the Veterans of Foreign Wars held in New York City in August 1966, which advocates broadening GI educational benefits. A copy of that resolution, No. 129, is attached as an appendix to this statement.

Mr. Chairman, the resolve clause of that resolution is as follows:

Be it resolved, by the 67th National Convention of the Veterans of Foreign Wars of the United States, That we support legislation which will broaden Public Law 89-358 by increases in the educational allowances and on-the-job training, and on-the-farm training for all veterans eligible under this law.

This and other resolutions form the basis each year for the drafting of key legislation goals to be sought in each session of the Congress. The VFW national legislative goals for 1967, as approved by the commander-in-chief of the Veterans of Foreign Wars, Leslie M. Fry, include the following:

3. Broaden GI bill: The VFW strongly recommends that the rehabilitation assistance authorized for those who have served in the armed forces during this post-Korean period be broadened to provide the same assistance as was given veterans of the Korean conflict. The present \$100 a month allowance is inadequate. The rates should be substantially increased since even the \$110 a month allowance given to Korean veterans would not purchase the same amount of education as in 1952. The program should be broadened to include other types of assistance such as on-the-job training, a pilot training program and on-the-farm training, with educational assistance of one of one-half days for each day of service.

The VFW is very pleased that S. 9, which is broadly sponsored in the Senate, incorporates the specifics sought in this key goal of the Veterans of Foreign Wars. While it indicates that today's veteran should receive the same assistance as was given veterans of the Korean conflict, there is wide sentiment in the VFW for increasing this readjustment benefit to make it equivalent to the assistance provided World War II veterans under the World War II GI bill.

We think this is a desirable goal from the standpoint of the veteran and a necessary goal from the standpoint of the Nation. The benefits to be provided under this bill are closely linked with other legislative matters soon to come before the Senate.

Very soon the Congress must give its attention to improvement of the draft laws of the Nation. When that time comes the Senate will, of course, consider the recent reports that have been made available, including the report of the National Advisory Commission on Selective Service.

The Veterans of Foreign Wars submitted a statement to the National Advisory Commission on October 19, 1966. In that statement we took the position that it must be acknowledged that there could be no real equity in a system designed for the specific and sole purpose of involuntarily delivering a limited number of our youth into the Armed Forces, particularly when there is the prospect that under combat conditions a certain number of these shall suffer wounds and death.

The VFW stated:

Let us acknowledge that it is not fair that a select few must serve in the Armed Forces but that it is just that a free society impose an obligation on those who are most equal to the task of insuring its survival. Let us then honor that service and reward it.

The point we would like to leave with this committee, which bears on its consideration of the bill before it, is stated in the following paragraph from the VFW statement to the National Advisory Commission on Selective Service:

While there can be no equity in the final act of choosing who shall serve in the Armed Forces, there can be equity in conditions of service and in provision for postservice benefits. The erosion of veteran benefits is as much a factor to be considered by the Commission as is the objective of minimizing uncertainty and interference with individual careers and education. The few who serve in the Armed Forces under the auspices of Selective Service—this would include enlistees as well as draftees—deserve to be compensated for that unique service. This is the basis for veterans' programs. And only through such programs is it possible ultimately to insure equity.

It is well accepted that it is impractical to increase inservice benefits, particularly compensation, to the point where enlistments would provide an entirely voluntary army. It is estimated that the cost of raising a voluntary army by this method would be prohibitive.

It should be recognized that even under the present draft law from two-thirds to three-fourths of entries into active duty are by enlistment. The induction of draftees provides the remaining strength.

The VFW is of the opinion that increases in veterans benefits, particularly educational benefits, would tend to increase enlistments and, thus, reduce the number of young men who enter the service as draftees. We think it would be desirable to arrive at a point where voluntary enlistments under a draft law were sufficient to fulfill military service requirements without the necessity for the involuntary induction of draftees. While this is a desirable goal, it may well be unattainable. Nevertheless, any sound measures that contribute to an approach to this goal should be carefully considered and, hopefully, adopted.

With this general purpose in mind, we could perhaps place veterans benefits into two broad classifications. Obviously, compensation and other benefits based on death and service-connected disabilities represent obligations of the first order of magnitude.

This is not an area where benefits are likely to serve as an inducement to enlistment. In other areas of veterans' benefits, there is the possibility that justifiable increases may well serve as an inducement. In a time when a relative few of our young men have served and must serve in the Armed Forces, the VFW believes the Congress would do well to consider improvements in veterans' benefits. Such improvements, if soundly conceived, would have the ancillary advantage of increasing the number of our young men who volunteer for military service.

We think the most fertile area for such an improvement is in the field of educational and training benefits. In measuring increases in this program it is most important to bear in mind that the moneys spent are not costs but investments. With this in mind, we request this committee and the Senate not to be liberal but to be practical. We can be fair to the man who serves by helping him as he has helped us. He serves the Nation. Let the Nation serve him. We believe we cannot do less and still meet our commitment to the young men who serve in defense of this Nation.

We are, in effect, holding out our hand to those men who have been called by every observer from the President on down as the finest young men who have ever served the Nation. Their task has only begun, however. We know from experience that their greatest service to the Nation is ahead of them. Let's make it impossible for them to pass up the opportunity to fully educate themselves in preparation for the unique contribution that they are capable of. Whether in the service, in educational pursuits, or in later life, let's remember we will not be serving them; they will be serving us.

The VFW believes our commitment to them requires the provisions of S. 9, and even more. The principles of the GI bill have long been accepted. Its costs have been repaid many times over through increased earnings. It is for the Congress to determine whether the degree of assistance provided under this bill is sufficient to give the kind of assistance necessary to discharge our obligation and to insure the fullest possible participation in this program on the part of the young who have earned it.

The benefits under the GI bill should be comparable to those provided World War II veterans and, by all means, Korean conflict veterans. The VFW endorses the provisions of S. 9 and urges this subcommittee and the Committee on Labor and Public Welfare to recommend its enactment along the lines suggested in this statement.

Thank you, Mr. Chairman, for the opportunity to present the views of the Veterans of Foreign Wars of the United States on this most important legislation.

Senator YARBOROUGH. Thank you, Mr. Stover, for this very fine statement. This bill that we have would bring the level of payments up to that of the War Orphans Act. The administration proposal would add \$10 a month for each additional child for the married veteran. We strongly commend that.

We hope to amend this bill and put that provision in it. We hope to amend this Senate bill and put in "finish high school" before your eligibility benefits are used up.

I personally favor the approach that you advocate here of bringing this past the level of World War II. That is particularly because of the college tuition. The college tuition has more than doubled in the past 10 years, both in public colleges of the United States and private colleges. Under World War II the Government paid the tuition. High school and college tuitions have priced veterans out of many schools.

At the present time we are trying to get this bill through to bring the veterans up to the level where they should be. This is the goal I intend to aim at.

Thank you for your fine statement.

Mr. STOVER. Thank you.

Senator YARBOROUGH. Senator Dominick.

Senator DOMINICK. Mr. Stover, last year in the bill we provided for the appointment of an advisory committee to be formed by the Administrator to go into some of the problems of the veterans and their need for education, and so on. Have you ever been consulted by that? Has your organization, to the best of your knowledge, been consulted by that advisory committee, or do you know, in fact, whether it has ever been set up?

Mr. STOVER. To my knowledge, I don't believe we have ever been officially contacted by such an advisory group. I am not aware it has even been set up. I couldn't say such an advisory group exists to my own personal knowledge.

Senator DOMINICK. If it has been set up, you have not been consulted about it, is that correct? Is that a correct statement, that you have not been consulted by it?

Mr. STOVER. Not that I know of.

Senator DOMINICK. Officially, anyway?

Senator YARBOROUGH. Officially?

Mr. STOVER. Officially, no; the CFW has not been consulted.

Senator DOMINICK. I just want to express my appreciation for your statement and your support of this bill.

I am interested in one statement that you made here. I am looking for the exact spot. I didn't mark it. You said in here, "We request this committee and the Senate not to be liberal, but to be practical." You are talking about educational and training benefits. Would you say that the proposed S. 9, with its on-the-job training and on-the-farm training and pilot training, as being practical?

Mr. STOVER. Yes, that is what the intent of that statement was, practical rather than just the suggestion that you would be liberalizing the bill. By practical, I meant providing more opportunity for more veterans to readjust to civilian life.

Senator DOMINICK. Thank you.

Senator YARBOROUGH. Thank you, Mr. Stover. I agree with you, broadened educational benefits are an inducement. Some do hope to go to school at the end and they couldn't go without it.

Thank you very much for your statement.

Mr. STOVER. Thank you.

Senator DOMINICK. Mr. Chairman, I wonder before Mr. Stover leaves if I could ask him just one more question.

Senator YARBOROUGH. Yes.

Senator DOMINICK. Mr. Stover, is the VFW active in furnishing vocational rehabilitation to veterans?

Mr. STOVER. No, we do not furnish vocational rehabilitation as an organization, although we did at the end of World War II have a training program for service officers, and we are giving consideration in that regard at the present time for a similar program of our own. We don't furnish any at the present time.

Senator DOMINICK. Do you furnish any consulting services for veterans showing what they can and cannot do under the legislation passed by Congress?

Mr. STOVER. Yes, we have a nationwide consulting service, that is, nationwide system of service officers who represent veterans and their

dependents before the Veterans' Administration, who provide free counsel and assistance and representation in every VA office in the country, as well as a lot of VA substations. In fact, that is one of our main purposes to provide this service to veterans without regard to whether they are VFW members or entitled to be.

Senator DOMINICK. As an organization, as such, you do provide guidance and consultation for veterans of foreign wars who are seeking advice as to what benefits they may or may not be entitled to under these bills?

Mr. STOVER. That is absolutely right; yes, sir.

Senator DOMINICK. In some cases you would presumably be recommending to them institutions of higher education or vocational training, under which they can get benefits, and therefore improve their standard of living?

Mr. STOVER. That is correct; that does happen, although they generally shy away from recommending a specific institution, they just recommend the institutions which provide the education and training and they take an area and show where they can get this assistance as provided by the Congress and carried out by the Veterans' Administration.

Senator DOMINICK. Thank you.

Senator YARBOROUGH. Mr. Stover, I want to revert to a matter that happened last year on the cold war GI bill. We are glad this year that the administration message to the Congress expressed concern over the situation of the 100,000 men leaving the service every year who had not finished high school. Do you recall that the GI bills of World War II and the Korean conflict provided for high school education and the bills we have been urging here in the Senate for 7 years provided for high school education?

Last year the Senate bill provided for high school education, but when the cold war GI bill was returned to the Senate with the House amendment, the House had not only cut out on-the-job training and on-the-farm training; we discovered language in the House bill that the Veterans' Administration defended that would have prevented any GI education for veterans needing high school training.

At my insistence the Senate opposed the Veterans' Administration's willingness to scuttle high school training. You supported us and aided us in that. They were finally forced to drop their opposition to the Senate amendment, insuring the veteran aid to finish his high school education. Do you recall that?

Mr. STOVER. I recall that very vividly.

Senator YARBOROUGH. I am glad this year the Veterans' Administration has gained a little religion and would let the veteran complete his high school and then his college, because last year they wanted to bar it.

Mr. STOVER. Last year they said these men had gotten in the service an equivalent to high school training. So, they opposed your amendment.

Senator YARBOROUGH. Now, they realize there are 100,000 coming out every year without finishing high school. I make this statement explaining that, because you were a very vital part of that effort.

Mr. STOVER. Thank you very much. I remember that very well because the veterans need all the help available.

Senator YARBOROUGH. I want to instruct the staff to check with the Veterans' Administration. They said 525,000 veterans out of this 4½ million who have applied for training, 365,000 in training, find out the reason why the other 160,000 were not accepted for training.

Thank you, Mr. Stover.

(Resolution No. 129 adopted by the Veterans of Foreign Wars follows:)

RESOLUTION No. 129—To BROADEN G.I. EDUCATIONAL BENEFITS

(Adopted at the 67th National Convention of the Veterans of Foreign Wars of the United States, held at New York, New York, August 21 through 26, 1966)

Whereas the Veterans of Foreign Wars of the United States took the lead in 1956 in advocating educational benefits for "Cold War" veterans; and

Whereas our efforts bore fruit in 1966 with the enactment of Public Law 89-358, providing educational benefits for all "Cold War" servicemen; and

Whereas the Veterans of Foreign Wars of the United States was the largest and oldest veterans organization which campaigned for the last decade to do justice for our comrades of the "Cold War"; and

Whereas the final result of the "Cold War" G.I. Bill was not as broad as that provided in previous veterans' education programs; and

Whereas Public Law 89-358 does not provide on-the-job training or on-the-farm training, as in previous veterans' education programs: Now, therefore, be it

Resolved by the 67th National Convention of the Veterans of Foreign Wars of the United States, That we support legislation which will broaden Public Law 89-358 by increases in the educational allowance and on-the-job training, and on-the-farm training for all veterans eligible under this law.

Senator YARBOROUGH. The next witness is Mr. Charles E. Mattingly, assistant legislative director, American Legion.

Mr. Mattingly.

Mr. MATTINGLY. Mr. Chairman, the American Legion appreciates very much this opportunity to appear before you and your distinguished subcommittee to make known the views of the American Legion with reference to broadening the educational benefits of the cold war, Vietnam, GI bill.

Our witness is Mr. E. H. Golembieski, deputy director, National Rehabilitation Commission of the American Legion.

Senator YARBOROUGH. Thank you very much.

Mr. GOLEMBIESKI. Proceed in your own way. We have your statement here. You may file that, or you may read it, read part of it, condense it, or file it, whichever way you prefer.

STATEMENT OF E. H. GOLEMBIESKI, DEPUTY DIRECTOR, NATIONAL REHABILITATION COMMISSION, THE AMERICAN LEGION

Mr. GOLEMBIESKI. I prefer to read my statement.

Senator YARBOROUGH. Proceed.

Mr. GOLEMBIESKI. Mr. Chairman and members of the subcommittee, the American Legion is pleased to have this opportunity so early in the 90th Congress to present its views on S. 9, a bill to broaden the scope and effectiveness of education and training for veterans of the cold war and the Vietnam era. In general this bill has a four-fold purpose in amending chapter 34 of title 38, United States Code:

(1) To expand the formula for computing the duration of entitlement to education or training assistance;

(2) To increase the monthly rates of educational assistance allowance for institutional or cooperative programs and to those individuals pursuing a program of education while on active duty;

(3) To enlarge on the educational and training provisions by authorizing: full-time institution on-farm training; full-time apprenticeship or other on-job training; and enrollment in flight training in other than one given in an institution of higher learning for credit toward a standard college degree; and

(4) To provide for payments to educational institutions to defray the administrative costs of submitting reports and certifications to the Administrator of Veterans' Affairs.

Since its 1965 national convention, the American Legion has sponsored and supported enactment of legislation that would provide for those with service in the Armed Forces after August 4, 1964, a program of veterans' benefits comparable to that which had been provided veterans of World War I, World War II, and Korean conflict.

In speaking of equal benefits for Vietnam veterans, the President, in his message to the Congress on America's servicemen and veterans, said:

Veterans of the Vietnam conflict should receive benefits comparable to those granted to their comrades of World War I, World War II, and Korea. Prior legislation has equalized many of the benefits. But, because of certain gaps in the law, today's veteran, his family and his children are ineligible for a number of benefits other war veterans receive.

It is only right that these loopholes be closed. It is a matter of simple fairness that the veteran of the Mekong Delta and Chu Lai be placed on a par with the veteran of Pork Chop Hill and Iwo Jima * * *.

Although Public Law 89-358, the Veterans Readjustment Benefits Act of 1966, approved March 3, 1966, created a program of veterans educational assistance for those with service in the Armed Forces after January 31, 1955, who wished to further their education or training in a public or private school at or below the college level or in technical and vocational institutions, it failed we believe, to make the program comparable in scope and effectiveness with the education and training programs created for veterans of World War II or the Korean conflict by not authorizing apprentice and on-the-job training, institutional on-the-farm training, by not providing monthly rates of educational assistance allowance at least as adequate in meeting the costs of education in public and private facilities as those payable under the World War II GI bill or the Korean GI bill, and by not providing that the formula for computing duration of entitlement to educational assistance be as generous as that under either of the two previous vocational and educational readjustment bills.

In its resolutions mandating the American Legion to support enactment of legislation to provide benefits for these veterans, there was a deliberate choice of the word "comparable." By comparable we did not mean equal in that the organization realized that both the economic and vocational and educational needs for these veterans were somewhat dissimilar from those of the veterans of the two previous armed conflicts. Just as rates of disability compensation and other veterans benefits respond to the increased cost of living and the needs of veterans, so should the educational assistance program as it is continued for the newer veteran generation.

We do not ask that the educational assistance payable meet the total cost of education. We do think that the veteran should meet some of the financial obligation so that he may have a sense of accomplishment as well as responsibility. But we do feel, on the assumption that the earlier rates bore a reasonable relationship to the total cost of education, that the rates bear a reasonable relationship to the total cost of tuition, books, fees, and subsistence. In addition, he should not be denied the option to pursue this vocational objective under this program either in the educational, vocational, or technical school or in an apprenticeship or on-the-job training, institutional on-the-farm training, or flight training.

In the preamble to the Veterans Readjustment Benefits Act of 1966, the Congress said:

The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might not normally have aspired to and obtained had they not served their country.

To make this preamble meaningful, the Congress needs to broaden the scope of education and training opportunities as well as the benefits available.

As you know, Mr. Chairman, the American Legion considers the veterans' education and training programs as one of the most significant of the readjustment benefits provided by the Nation for the personal and social readjustment of the veteran returning to the civilian community. Much has been said and much needs to be said of the thousands and thousands of young men and women of service in World War II and Korean conflict who, because of education and training assistance provided under the two GI bills, found it possible to become the first in their families to obtain a college degree.

This tapped a wholly new source of educated manpower—increasing the potential of our Nation in all fields of the humanities, arts, and sciences. In this space age or age of advanced and growing technology, we can be thankful for this addition to our educated and trained manpower. Because the necessity for higher education has been made evident to this generation of men and women whose families had not previously experienced higher education, the pattern of the future is bright for their sons and daughters as they are directed toward higher education. We must not permit this opportunity to pass to provide further for the future civic, social, and economic needs of our Nation.

Many educators are in agreement with the American Legion belief that the principle underlying the education and training provisions of the several GI bills for World War II, Korean conflict, and cold war veterans, is sound, and that is, that when a young man or woman took time out to serve his Nation, often risking his life in the process, the Nation should be willing to reciprocate with a program that will assist him in making up for lost time by providing him with education and training opportunities.

By many it is recognized that men who are drafted, or who voluntarily enter the Armed Forces, not only have their educational opportunity interrupted, but they also suffer a loss in income as well. Since every young man is not called upon to serve—estimates are that only 27 percent of the eligible age group serve—it seems only equitable to provide them with programs of education and training responsive to their needs and to their aptitudes.

Although some have spoken to the contrary, it is generally recognized that a period of military service places a worker at a disadvantage in the employment market due to one or more reasons directly traceable to his service—such as lack of civilian experience, older than normal entrance age for job training, inability to utilize military skills in civilian occupations, or existence of service-connected disability.

A satisfying aspect of legislation that provides education and training assistance to veterans is that it offers assistance where assistance is most needed, most desired, and most merited. In contrast to scholarships which, generally, are on a competitive basis, those who would benefit from such legislation would in all likelihood not score among the higher groups in the various college board tests. It offers those who score second best, and third best, an opportunity to enlarge on their education, or lacking the ability or desire for additional schooling, to pursue their vocational goals through the other forms of education or training assistance authorized. In any event, military service in most instances brings a maturity and purpose not present on graduation from the secondary school or which caused them to drop out before completing their schooling at the secondary level.

At this point, Mr. Chairman, I should like to direct the remainder of my statement to the specific areas covered by S. 9.

INCREASED RATES OF MONTHLY EDUCATION AND TRAINING ASSISTANCE

Previously we had touched on the amazing education and training byproducts of the World War II GI bill and the Korean GI bill. It is our feeling that the Veterans Readjustment Benefits Act of 1966 will not attain its full potential unless Congress and the President of the United States give recognition to the fact that the monthly rates of educational assistance allowance payable now do not compare favorably with the cost of education in institutions of higher learning or in first-line technical and vocational schools.

Although the rates payable under the Korean GI bill were substantially higher than those now authorized under chapter 34 of title 38, statistics on Korean conflict veterans attending school at the college level indicate that 80 percent received money from other sources, such as loans through college funds, self-employment, or employment of the spouse.

According to the February 1967 Health, Education, and Welfare indicators, the annual cost of education in public and private schools of college level has increased steadily since the enactment of the World War II GI bill. The following illustration is taken from that source.

Here, Mr. Chairman, we make a comparison for the academic years of 1945, 1953, 1967, and 1971. These show a distinct upward trend in both the tuition and the total educational cost in both public and private schools.

Academic year ending	Tuition		Total educational costs	
	Public	Private	Public	Private
1945.....	\$95	\$280	\$910	\$1,200
1953.....	137	420	1,130	1,590
1967.....	260	917	1,640	2,370
1971.....	353	1,115	1,840	2,780

To show the significance of the increases in total annual costs of education since enactment of the World War II GI bill, the growth is shown in percentages.

Again, we here show the growth that has occurred since 1953 to the 1967 academic year, and the projection, as made to the 1971 academic year. Here, again, in the public and private schools there is a substantial increase in the total educational cost.

For the purpose of comparison:

Academic year ending—	Public	Private
1953.....	24.2	32.4
1967.....	80.2	114.0
1971.....	104.0	132.0

Also for the purpose of comparison, let's review the rates of subsistence or educational assistance provided under the World War II, Korean, and cold war GI bills. Under Public Law 89-358, the Veterans' Readjustment Benefits Act of 1966, the monthly rates for full-time attendance are \$100 to a veteran alone, \$125 where there is one dependent, and \$150 where there is more than one dependent. Under the Korean bill, Public Law 82-550, the monthly education and training allowance for the same categories of dependency were \$110, \$135, and \$160.

And under the World War II bill, Public Law 78-346, the original subsistence rates were \$65 for a single veteran, and \$90 for a veteran with one or more dependents. In addition, the Administrator of Veterans' Affairs could pay up to \$500 during an ordinary school year toward the cost of tuition and other fees and expenses customarily charged.

In recognition of the rising costs of education and obligations a veteran had toward his dependents, Public Law 80-411 provided increased subsistence rates of \$75 for the veteran alone, \$105 for the veteran with one dependent, and \$120 for the one with two or more dependents.

This comparison leads to the conclusion that while the costs of education and training have been increasing steadily since the 1945 academic year, the monthly rates of subsistence or educational assistance provided Korean conflict veterans were less and those provided for cold war and Vietnam conflict veterans were even more less.

Because of the increased total costs of education since the enactment of the World War II GI bill and the continued growth in the expenses, conservatively estimated at 5 percent each academic year, the American Legion suggests the following increased monthly rates of education assistance.

Here, Mr. Chairman, we advocate the rate of \$150, no dependent; one dependent, \$175; and two or more dependents, \$200; and lower rates for those who are less than full time or those who are on cooperative training.

According to advice from the Veterans' Administration, the first-year additional cost would be about \$130 million.

Senator DOMINICK. Is that on those figures?

Senator DOMINICK. And not on the figures in the bill?

Mr. GOLEMBIESKI. No, sir. This does not take into consideration, Senator Dominick, that these higher rates would provide incentive for greater participation. It is the additional cost on those who are anticipated to be enrolled under the current bill.

EXPAND THE FORMULA FOR COMPUTING THE DURATION OF ENTITLEMENT

This is another area in which there is a lack of comparability between the education and training assistance provided under the act of 1966 for the cold war GI's and that which was provided under the original GI and the Korean GI bills. Under the World War II GI bill, the period of entitlement was computed by adding 12 months to the active service from September 16, 1940, through July 25, 1947, but not to exceed 48 months; and under the Korean GI bill, the period of entitlement was equal to $1\frac{1}{2}$ times the duration of active service from June 27, 1950, through January 30, 1955, but not to exceed 36 months.

Although the act of March 3, 1966, permits a maximum of 36 months entitlement, the duration of the entitlement is computed on the basis of 1 month for each month of creditable active service after January 13, 1955.

A look at the statistical compilations discloses that the average World War II period of active duty was 30 months, and the average for the Korean conflict was 23 months.

There is little reason to suspect that the average period of active duty for the Vietnam conflict veteran would be less than the Korean veteran, since the 2-year period of selective service continues. Conditions of war prevail in Vietnam. Because of the increased commitment of troops (417,000 on March 4, 1967, with indications that the figure will become larger), our Armed Forces have accelerated training and placed demands on the members of the Armed Forces equal to that to which members of these forces had been subjected during the Korean conflict. Equity argues forcefully that the current generation of veterans be given a formula for computing duration of educational assistance and training similar to that which was given Korean conflict veterans.

In addition, Mr. Chairman, proponents of a volunteer army predict that a program of liberal education assistance benefits would stipulate enlistments to the point where the draft, outside of a total commitment of the Nation's strength would not be needed.

APPRENTICE AND ON-THE-JOB, INSTITUTIONAL ON-THE-FARM, AND FLIGHT TRAINING

With respect to apprentice and on-the-job training, the need for skilled craftsmen and journeymen to meet the demands of our economy and our way of life is never more apparent than now. In addition,

more than once in the past we became acutely aware of the fact that a nation in time of national emergency, such as war or during an all-out effort to attain a technical superiority, has a need for a reservoir of skills which can be learned only in an apprenticeship or in an on-the-job training program.

Irrespective of posters encouraging enlistment in the Armed Forces, it is known that few veterans have been trained during service in a skill which may readily be translated into gainful employment as craftsmen or tradesmen or technicians in the civilian economy. This appears to be particularly true in time of war or in a conflict such as we are engaged in now. The infantryman, today, is still an essential link in the chain of imposing our will on the enemy or achieving the Nation's diplomatic purpose irrespective of much discussion of how technically qualified are the members of the Armed Forces today. Today, the infantryman, because of his youthful characteristics and psychology, is quite often one with little if any education beyond the secondary level.

In a recent statement on the need for broadening the provisions of Public Law 89-358, Louis K. Mather, a legislative research expert for the International Brotherhood of Teamsters Union, said much benefits were needed so that young veterans can gain useful skills to make them employable. In fiscal year 1964, he said, more than 267,000 young veterans remained unemployed in a booming economy. These veterans, he said, were those who joined the services without completing high school. With only 9 to 10 years of formal education, they found it difficult to adjust to the highly technical labor market.

In conclusion, he said:

Common justice demands that the cold war G.I. bill be amended so that on-the-job training be authorized and made available to those young men who choose to learn a skill or trade rather than seek advanced formal education.

In consonance with the President's message, legislation has been submitted to the Congress which would provide that the educational assistance given a veteran while completing his secondary education would not count against his total period of eligibility. While this is laudable, it is not the total answer. On coming out of service, many of these individuals want to move quickly into the position of being qualified as tradesmen or craftsmen. For this reason, many would prefer either an apprentice or on-the-job training. In addition, many veterans, by choice, do not care to return to school either at the secondary level or college level; many, because of financial obligations are unable to take advantage of education in formal channels; and many, because of family tradition, or aptitude, prefer to train for a specific trade or craft.

An argument has been advanced by the Veterans' Administration that these trades or crafts can be learned through the present authorized programs in vocational or technical schools. A review of the advertising section of the newspapers will quickly reveal that many employers want men with a background of experience—an experience that can be obtained only through on-the-job application or through an apprenticeship. Also, it is well known that vocational or technical schools in certain areas of the country have a list of pending applications due to the heavy loading brought about by the Veterans Readjustment Benefits Act of 1966.

If one veteran's reward for military service is educational assistance at the college level in any of the arts, sciences, and philosophies, it seems grossly unfair to deny another on the basis of similar service assistance in a trade of his choice.

Mr. Chairman, section 3(e), page 5, of this bill states that the Administrator shall in no case pay a training assistance allowance in an amount which, when added to the compensation to be paid the veteran, in accordance with his approved training program, for productive labor performed as a part of his court, would exceed \$310.

As you probably know, the training allowance under the Manpower Development and Training Act varies from State to State as well as with the number of dependents of the individual in training. In some instances, a veteran with dependents, if under the Manpower Development and Training Act, could receive substantially more than the \$310 limitation under section 3(e). Because we believe that on-the-job training offered veterans should be no less remunerative than training in a classroom under MDTA, we suggest that the following language be substituted for the existing language in line 16 and 17, page 5, of the bill, beginning with a "part of his course":

would exceed whichever is the greater, the rate of \$310 per month or the amount he would have been entitled to receive if he were receiving payments under section 203 of the Manpower Development and Training Act of 1962, as amended.

Senator YARBOROUGH. If you will pardon my interruption right there.

I agree with that proposed amendment. I don't think the veteran who comes out of the service should be barred from receiving as much compensation for his work and training as a nonveteran receives. This bill was patterned on the old Korean bill, but the viewpoint of the American Legion, I think, is more fair.

GOLEMBIESKI. Thank you, sir.

We know that there have been questions on whether today's veterans would participate in on-the-job training programs. Statistics on World War II veterans who took some form of training or education show that 1.4 million of 7.8 million took on-the-job training. The following is quoted from the 1965 annual report of the Administrator of Veterans' Affairs for the period ending June 30, 1965:

On-the-job training:	Percent
World War II veterans.....	18
Korean conflict veterans.....	9

As to institutional on-the-farm training, section 3(d) of the bill would permit full-time participation in such a course of training. Veterans living in rural or agricultural areas, who so desire, should be afforded the opportunity to become successfully established in the business of farming. It is true that the current provisions of chapter 34 would permit pursuit of agricultural courses in some institutions, particularly at the college level. Again, there are individuals who do not have the aptitude or desire to pursue such a course at an institutional level without recourse to practical application and for other reasons. As you know, with the current low levels of farm income, it is especially difficult for young persons to become established in farming without some assistance. This Nation and others are becoming increasingly aware of the growing need for increased food production. We become increasingly apprehensive with respect to meet-

ing these needs when we hear of the increasing number of the younger generation leaving the rural or farm areas for the better opportunities that exist in the urban or metropolitan areas. The American Legion believes with sincerity that institutional on-the-farm training would enhance the opportunity for young veterans and their families to establish themselves in the business of farming.

From a statistical standpoint, there is no reason to believe that a percentage of veterans would not, if it were made available, participate in institutional on-the-farm programs. Data on the World War II veterans indicate that 700,000 initiated a course of training under the on-the-farm training provisions of Public Law 78-346. Again, referring to the Administrator's 1965 annual report for the period ending June 30, the following is shown:

On-the-farm training:	Percent
World War II veterans-----	9
Korean conflict veterans-----	4

Section 3(f) of this bill would authorize participation in an approved course of flight training. An increasing use of aircraft and helicopters in crop dusting, firefighting in forest areas, traffic control, law enforcement, and in many areas other than piloting commercial passenger and freight aircraft, appears to justify flight training under other than the present restrictions that it be given by an institution of higher learning for credit toward a standard college degree. If there is fear on the part of some that this benefit would be used for avocational purposes, this could be obviated by the insertion of restrictive language that the training must be directed toward a specific vocational objective either directly or indirectly associated with being a licensed aircraft pilot.

REIMBURSEMENT OF EDUCATIONAL INSTITUTIONS FOR REPORTS AND CERTIFICATIONS TO THE VETERANS' ADMINISTRATION

Section 5(b) provides that the Administrator shall pay to each educational institution which is required to submit reports and certifications to the Administrator for each veteran enrolled and attending under chapter 34 of title 38, United States Code, an allowance at the rate of \$1 per month. This practice of paying the institutions the monthly allowance came into being with the Korean GI bill. Initially, it was set at \$1.50 but the "General operating expenses" appropriation for the VA; public law 83-149, reduced it temporarily to \$1. Subsequent legislation placed it on a permanent \$1 monthly rate.

We are cognizant of the fact that educational institutions should be reimbursed for costs of completing these reports and certifications. We are also aware of the fact that many changes have been made in reporting and certifying requirements of the VA, since the enactment of the Korean GI bill. Whether the \$1 monthly allowance payable represents the true cost to the institution per month per student we are unable to document. We do feel that a monthly rate should be payable which is fair to both the Federal Government and the institution required to submit the report. Otherwise, it may be necessary for the institution to add it to registration and other fees charged to the student.

In conclusion, Mr. Chairman, may I express the conviction of the American Legion that broadening the scope and strengthening the

effectiveness of the Veterans Readjustment Benefits Act of 1966 by including the additional training programs that may be pursued, liberalizing the formula for computing entitlement duration, and increasing the monthly rates of education and training assistance, would enhance immeasurably the opportunity given the current generation of veterans of our Armed Forces to further their education or training. Broadening and liberalizing the provisions of this act would place another tool in the Nation's manpower and education policies. Like the Manpower Development and Training Act, it will help to better educate and train the youthful veteran, and utilize to a greater extent the civic and economic potential of those who have it.

Providing an opportunity for education and training under the best conditions for the many veterans of our Armed Forces with low income backgrounds is, the Legion believes, an important phase of this Nation's war on poverty—an invaluable supplement to the other educational assistance programs designed to bring to it a new level of skills and education and economic growth.

If history repeats itself, there is no question in our minds that the cost of these programs under chapter 34 is but a temporary investment in the future of these valiant American youth—an investment that is repaid with interest.

We thank you for the opportunity to appear this morning to present our views.

Senator YARBOROUGH. Mr. Golembieski and Mr. Mattingly, I want to thank you for your very fine statement. I agree with your conclusion. I agree with your reasons for them that you have advanced. The lateness of the hour, way past the noon hour, will not permit me to say more. I think with better opportunity there will be more voluntary enlistments. I think this is one of the finest statements I have heard anywhere showing the economic necessity for legislation. Thank you very much. We will study the analysis, each of the divisions, on-the-job training, flight training; you have done a very, very thorough study of this and you have given us a very fine statement.

Thank you very much.

Senator DOMINICK. Mr. Chairman, I am going to have to rush myself as I am sure you are but I am going to congratulate the American Legion on their very fine statement.

I have a couple of questions I want to ask.

Have you ever been approached by the advisory committee supposedly set up in the 89th Congress to give your viewpoint on vocational rehabilitation and other types of educational benefits that veterans should get?

Mr. GOLEMBIESKI. Not to my knowledge.

Senator DOMINICK. Do you know whether or not the advisory committee has, in fact, ever been set up?

Mr. GOLEMBIESKI. I have not been aware of it, sir.

Senator DOMINICK. Do you feel that the Advisory Committee is a helpful idea, and, if so, do you think the veterans organization should be included as membership on it?

Mr. GOLEMBIESKI. Are you speaking of the one advocated by the President in his message of January 1, 1967?

Senator DOMINICK. No, I am not. Under the GI bill, section 1788, and I quote, it says:

There shall be an Advisory Committee formed by the Administrator which shall be composed of persons who are eminent in their respective fields of education, labor, and management, and representatives of the various types of institutions and establishments furnishing vocational rehabilitation under chapter 31 of this title or education to eligible persons or veterans enrolled under chapter 34 or 35 of this title.

Mr. GOLEMBIESKI. Yes, sir, I followed your first two questions, and on the third one, when you mentioned consultation, I think in speaking for the organization, such as in all veterans' programs, it is an excellent thing for him to consult with those who have a continuing interest in the welfare and future of our veterans.

Senator DOMINICK. I appreciate that.

I have one other question on this.

Sum of \$1 to \$1.50 on reports, as I think you are probably well aware, certainly, those who served on the Select Committee on Small Business are. One of the things that absolutely drives small business and institutions crazy is the number of reports being asked for by the Federal Government. I just have some concern whether we go to \$1.50 per student payment to the university or whatever educational institution may be involved, we are not, in fact, providing an incentive to have more reports, which no one will read or which will make no sense or which will not form the basis of anything very practical.

Mr. GOLEMBIESKI. We are not advocating \$1.50. We were simply drawing a comparison. What we are saying is that we are in favor of a rate which is both fair to the institution and to the Federal Government. We don't know whether the \$1 rate is a proper rate. It may be that a lower rate is proper.

Senator DOMINICK. I think one of the things that an advisory committee in this organization should do is how to cut down on the number of reports instead of increasing them. I know the burden of them to the institutions and data and everything else is so tremendous, I know that there is a taxpayer revolt against providing any of these things. But I wouldn't be a bit surprised if that type of attitude wasn't one of the reasons why the VA has some problems with the flight training schools in previous bills, just reluctance on the part of the operator to go through this mish-mash that is thrown out by the Federal Government in the way of reports. So maybe we could get into that in the work of the advisory committee on trying to cut down the reporting requirements and the depth that they go into.

That is all I have.

Senator YARBOROUGH. Don't you think the fact that 49 percent of the veterans of World War II took educational training under the World War II Readjustment Act, that 45 percent of the veterans of the Korean conflict took educational training of some type under the Korean bill, and that only 8 percent of the 4½ million veterans already discharged during the cold war period are now taking training is an indication of how this restrictive bill is denying many worthy veterans what they need to get this training for themselves and their families of the Nation?

Mr. GOLEMBIESKI. Yes, sir, I believe that. The rates are low. The man may already have certain economic obligations of family or other dependents. The fact that he is denied pursuing certain programs of education, all of these, I think, will have an effect upon the percentage

of people who will participate in this program. I don't think we will realize the maximum that the bill could provide.

Senator YARBOROUGH. Thank you very much.

The next witness is Mr. William E. Hardman, executive vice president, National Tool, Die & Precision Machining Association. I understand that he is from out of the city.

Mr. Hardman, you may condense your statement or read it.

Will you introduce the gentleman who is with you?

Mr. HARDMAN. The gentleman on my left is the legal counsel for our industry, Mr. William C. Brashares, of the firm of Covington & Burling, of this city.

Senator YARBOROUGH. Thank you.

STATEMENT OF WILLIAM E. HARDMAN, EXECUTIVE VICE PRESIDENT, NATIONAL TOOL, DIE & PRECISION MACHINING ASSOCIATION; ACCOMPANIED BY WILLIAM C. BRASHARES, LEGAL COUNSEL

Mr. HARDMAN. Mr. Chairman, my name is William E. Hardman and I am executive vice president of the National Tool, Die & Precision Machining Association. I am delighted to have this opportunity to support a proposal our industry has advocated for many months; namely, the expansion of the Veterans Readjustment Benefits Act to cover on-the-job training. This legislation, embodied in S. 9 now being considered by this subcommittee, will make available to our companies a great number of veterans who previously could not afford the financial hardships of an apprenticeship. Moreover, it will enable many veterans to embark upon an extremely satisfying, rewarding, and secure career.

This morning I would like to explain briefly what our industry is about, what we are doing presently in the way of on-the-job training, and why we are in critical need of persons capable of entering and completing our apprenticeship programs. I have attached to my written statement two documents which explain in considerable detail the present need for more skilled manpower. One of these documents is a report of the Subcommittee on Special Investigations of Small Business Problems to the Select Committee on Small Business of the House of Representatives. This report which was published last December, is based upon hearings held last July on the specific problems of the tool and die industry. The report emphasizes the critical importance of our industry to both defense and civil production. It warns of serious production bottlenecks if our manpower shortages are not alleviated. And among its several recommendations with respect to our manpower problem, it specifically endorses the legislation you are considering today to provide benefits for veterans enrolled in on-the-job training programs.

The second document attached to my statement is a petition filed last June with the Interagency Advisory Committee on Essential Activities and Critical Occupations. This petition is based upon a detailed survey of the companies in our industry and presents the full picture of our industry's function, its skilled manpower shortages, and the steps needed to reduce those shortages. The petition seeks deferment from the military draft for highly skilled machinists, tool and

die makers, and other highly trained employees engaged in the tool and die industry. It has not yet been finally acted upon by the Inter-agency Committee, but I offer it for your consideration as a thorough study which supports the urgent need for passage of S. 9.

Senator YARBOROUGH. I order these two documents filed with the committee for reference by the committee.

Mr. HARDMAN. NTDPMA is a trade association representing the independent tool and die industry in which there are some 6,000 companies. Approximately 1,200 of these companies, representing over 40 percent of industry production, are directly affiliated with NTDPMA itself and thousands of others are associated through local chapters in the major industrial areas.

Our industry has been justifiably called by the House Small Business Subcommittee the "keystone to mass production." Our companies manufacture the tools, die, gages, molds, jigs and fixtures which shape and form the consumer-end products of every description and function. The types of products our companies make range from the enormous dies used in the stamping of auto bodies to precision gages capable of measuring to millionths of an inch. The industry has increasingly undertaken the design and construction of special metal-working machines which are designed to meet individual customer specifications for particular jobs. Another phase of our work is precision machining which has been under tremendous demand by the aerospace and missile industry.

Our industry requires highly skilled employees and practically all of the companies in our industry are trying to find more machinists, machine operators, tool and die makers, and apprentices to learn these trades. Our association has taken significant steps to alleviate this chronic skilled manpower shortage by administering the largest skills program in the Nation—our national apprenticeship training program, in cooperation with the Department of Labor.

Apprenticeship training is nothing new in our industry. Company-financed apprentice programs have prepared some 15,000 men for skilled occupations in the industry over the past 5 years. Our cooperation with the Labor Department under the Manpower Development and Training Act began in 1964 with a contract calling for the training of 1,200 apprentices. That contract has been continually renewed and expanded to cover more than 3,000 apprentices and we are presently negotiating a new contract which will provide for the training of 4,100 more apprentices.

Our apprenticeship program is based upon the most up-to-date training techniques and is aimed directly at preparing a young man for work in a tool and die shop. Our apprentices are given 12 weeks of institutional training in vocational or other public schools using special curriculum material we have prepared. They then enter the shops where they work with and are instructed by skilled journeymen. After 4 years on the job they are qualified journeymen. I can say without the slightest hesitation that 100 percent of the apprentices who complete the training and qualify as journeymen continue to be steadily employed at high wages.

Under the provisions of the Manpower Development and Training Act, some apprentices receive a subsistence allowance while they are in the 12-week institutional phase of their training. The Department of

Labor partially reimburses the employer for his time spent in on-the-job training with the apprentices and, of course, apprentices receive wages for their work during their on-the-job training. These wages are understandably moderate since the apprentice is essentially being trained rather than contributing to the work of the company. The training is a full-time job involving homework assignments which preclude other employment for apprentices to assist in their financial support. In these circumstances, it is undoubtedly a hardship for a young man to undertake on-the-job training even though in a few years he will be a highly paid skilled journeyman. This hardship turns many qualified men away from on-the-job training. It is particularly difficult for veterans who after several years in the service may have dependents and find it extremely difficult to adjust to the financial sacrifices of a 4-year apprenticeship. Yet these veterans constitute an important source of talent for these essential skilled trades and they, in many cases, would be doing both themselves and their country a much greater service in entering these skilled trades rather than pursuing a college education.

The legislation before your subcommittee would help to enable many veterans to choose this career. The benefits proposed in S. 9 would provide enough of a financial supplement for a substantial number of veterans to consider the apprenticeship in our industry or in other critical industries. Of course, if these benefits were increased there would be a corresponding increase in the number of qualified veterans who would undertake an apprenticeship. The overall maximum set forth in the bill of \$310 per month for the total of statutory benefits and compensation paid by the company appears to be somewhat lower than what will be required to attract a satisfactory number of veterans into on-the-job training. We ask your subcommittee to consider the appropriate level of benefits in terms of the 4-year duration of our apprenticeship program and we suggest that a somewhat higher figure be justified.

The best illustration of this is the fact that even though apprentice starting wages in most trades are modest, they would still amount to more on a monthly basis than the overall maximum set forth in the bill of \$310 per month. Let us take a typical example. An apprentice starting out at \$1.90 an hour, based on four and one-third 40-hour weeks in the month, would draw a gross monthly pay of about \$329. This would not allow him to qualify for the benefits under the proposed amendment. Nevertheless, \$329 with deductions taken out for taxes, social security, insurance, et cetera, leaves the apprentice much less in actual take-home dollars—so much less that the kind of man we are talking about, the recently discharged GI, who perhaps is married with one child, find it economically unfeasible to take on this high skills training that he would otherwise so much desire. He can't find his way through the first year of training because during the first year of the apprenticeship the wage is seldom enough to take care of a family adequately. However, with a small stipend to help carry him through this crucial first year of training, he would be more inclined to accept the opportunity. This is true to a much greater degree perhaps of minorities and the disadvantaged, and we have placed great emphasis along with the U.S. Labor Department on the recruiting of these people. Yet it is not economically feasible for many of them to enter into the training.

One other suggestion we would like to offer toward this fine amendment is that the Secretary of Labor continued to be empowered to administer all on-the-job training programs and to have any of moneys or allowances to GI's who might come into manpower programs, easily accessible to him so that administrative processing and redtape is cut to a minimum. The Labor Department, over the past several years, has gained much experience and great skill in administering on-the-job training programs. It occurs to us that it would be administratively unwise to bring other agencies into the administration of this program at this time.

In conclusion, let me stress again that our industry is fully behind the proposal to expand the GI bill benefits to cover on-the-job training. This will provide a major stimulant to apprenticeship in our industry and many others. While the benefits level should be increased, the most important step at this time is to provide the coverage for on-the-job training and to recognize, thereby, the importance of Government assistance to the skilled trades as well as college level education.

Senator YARBOROUGH. Mr. Hardman, this statement is very beneficial to us in consideration of this legislation. We have appreciated your pointing out a discrepancy here, which the American Legion did, initially, that if this veteran is limited to the total of the benefit plus his on-the-job training pay to \$310 a month, he gets less than those receiving training under the Manpower Retraining Act. I agree with all of your conclusions, except one. I don't disagree, but I say it raises a question perhaps we will have to work out, and that is as to whether the Secretary of Labor or VA administers on-the-job training. You know that raises a question that has to be worked out.

Mr. HARDMAN. Just one point. It strikes us that the VA, because of the way governmental agencies are presently set up would be the qualifying agency for the veteran and would only certify him for his benefits. Right now most of the on-the-job training in the United States is being administered through the Labor Department which has gained tremendous skill in this capacity over the past 5 years.

Senator YARBOROUGH. I agree we have the skills and have employed many people who have come out of that.

Mr. HARDMAN. They police employers all over the United States in on-the-job training through their Bureau of Apprenticeship and Training, and they have fieldmen in every community.

Mr. Stratton's testimony was a little extraordinary, I thought, when he questioned the business of good employers, or dubious employers, and so forth, because in our experience, there is no such thing as a dubious employer. BAT—Bureau of Apprenticeship and Training—makes sure that they all adhere to their training obligations.

Senator YARBOROUGH. Thank you very much for this valuable statement, showing the country needs this training as well as these individuals.

Thank you.

Mr. Hardman.

The next witness is Mr. Lowell A. Burkett, executive director, American Vocational Association, Inc.

Mr. Burkett, do you desire to condense your statement?

Mr. BURKETT. Mr. Chairman, I will submit my statement for the record.

Senator YARBOROUGH. That would be very helpful. We have another witness and I have another meeting that started at 12:30.

Mr. BURKETT. I would like to call your attention to a few things in my statement.

Senator YARBOROUGH. All right.

**STATEMENT OF LOWELL A. BURKETT, EXECUTIVE DIRECTOR,
AMERICAN VOCATIONAL ASSOCIATION**

Mr. BURKETT. I call your attention to the prepared statement where I begin to quote some of the resolutions passed by our association.

For many years, the American Vocational Association has worked for legislation to provide readjustment assistance for veterans. We have formulated our position at our annual meetings. In recent years, we have held to the policy of supporting legislation of the type that is proposed here.

We are in support of S. 9 and all of its provisions.

I would like to make one comment in regard to on-the-job or on-the-farm training. As you undoubtedly know the State departments of education have supervised the institutional on-the-farm training for many years, the first was the World War II program and then the Korean program, and we have made several studies in regard to the benefits of this program.

I picked out a typical study made in the State of Minnesota—which is not included in my statement—but will be given to you later. They surveyed under Public Law 550, the Korean veteran program, some 2,286 veterans who went into institutional on-the-farm training for some 20 months, during the period between 1954 and 1956.

At the conclusion of the training period they found that the earning power of each of these veterans had increased by an average of \$5,225.

Senator YARBOROUGH. That was per year?

Mr. BURKETT. Per year.

Senator YARBOROUGH. On-the-farm training, each one who took this training increased their earning capacity by \$5,225?

Mr. BURKETT. That is right.

For the same group, farm capital was \$8,170 when enrolled; and when the program ended it was \$12,551. Net worth in beginning was \$6,641, and at the end of program it was \$10,545.

In that same State another group of 3,179 veterans were surveyed 4 years after completion of the training. Of the total number, 2,663 were in farming, 83 percent of the veterans who enrolled. An additional 110, or 3.4 percent, were in related agricultural occupations; 325, or 10 percent, were in nonagricultural occupations; one-tenth of 1 percent were unemployed. This gives you an example of the benefits of earlier programs of institutional on-the-farm training, and we believe it is a very sound program.

Most of the other things that I have to say are included in my statement. We will correct the statement to include some of these points and bring them to you by tomorrow.

I want to say to you in conclusion, we assure you that the American Vocational Association supports the provisions of S. 9, we believe it is good legislation and hope that it will be enacted.

Senator YARBOROUGH. Thank you very much. I have been going through your statement as you testified. I haven't finished quite all

of it, but I commend you particularly for page 4 in pointing out the great detriment to our society in this forced migration of the farmers.

Mr. BURKETT. Yes.

Senator YARBOROUGH. Thank you for your support of this legislation over the years. I think the comments, facts, arguments, show the necessity of this legislation for the benefit of the Nation, as well as the individual opportunities for the individual veteran. Thank you.

Mr. BURKETT. Thank you.

Senator YARBOROUGH. We will study every word of it.

(The prepared statement of Mr. Burkett follows:)

PREPARED STATEMENT OF LOWELL A. BURKETT, EXECUTIVE DIRECTOR, AMERICAN VOCATIONAL ASSOCIATION

Mr. Chairman, and members of the Subcommittee on Veterans Affairs: I am Lowell A. Burkett, Executive Director of the American Vocational Association. On behalf of our members, I want to express appreciation for the opportunity to appear before you as spokesman for the American Vocational Association.

We are a private, non-profit education association of 40,000 members who are vocational-technical and practical arts teachers, supervisors, administrators, and teacher educators. We are a federation of State affiliates, and our concern is primarily that of promoting, expanding, and improving vocational-technical and practical arts education.

We are here today to express our support for S. 9, a bill to increase opportunities for education and training for veterans under the provisions of Public Law 358, 89th Congress. The bill now before this subcommittee (S.9) will, in our judgment, permit a much needed expansion of opportunity for those veterans who need and want certain types of on-the-job training.

For many years, the American Vocational Association has worked for legislation to provide readjustment assistance for veterans. The AVA House of Delegates, the governing body of our Association, on several occasions has adopted resolutions in support of such legislation. It is the policy of our Association that when a resolution has passed, it remains the position of the Association, and the following resolutions set forth the official position of our Association:

"Whereas the Congress of the United States has recognized the justice, equity, and benefits to the Nation arising from giving educational and training benefits to veterans by enacting the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Congress), and the Veterans Readjustment Act of 1952 (Public Law 550, 82nd Congress) and

"Whereas the benefits under these Acts are not provided to servicemen who enter the Armed Forces after January 31, 1955, notwithstanding the fact that the Nation has continued its compulsory military service program, and

"Whereas the result is that many young men who serve in our country's armed services will lose educational and economic opportunities even though the need for education for the purpose of competing in civilian life continues to be of great importance, and

"Whereas our Nation has found it necessary to its security, well-being, and a position among nations to increase the educational level, professional competence, and technical skill of its citizens, and

"Whereas the increased earning power, increased efficiency in commerce and industry and increased national product and income directly attributable to the program of educational and training benefits for servicemen results in increased tax revenue to the U.S. Government so that the cost of the program is largely repaid by the tax revenues,

"Therefore, be it resolved that the American Vocational Association in annual conference assembled in Los Angeles, Calif., Dec. 8, 1960, urge Congress to enact appropriate legislation to provide education and training for veterans who first entered the military service after January 31, 1955."

A second resolution, adopted in 1961, states:

"Whereas Congress has previously recognized that national interests are served by providing educational and training benefits to veterans serving prior to January 31, 1955, and

"Whereas the members of the AVA pledged their support at the 1960 AVA Convention for the extension of educational and training benefits to veterans entering the armed services after the above mentioned date;

"Therefore be it resolved that the members of this association reaffirm their support of the extension of educational benefits to servicemen who first entered military service after January 31, 1955." (Adopted by House of Delegates of the American Vocational Association, Kansas City, Mo., December 7, 1961.)

We are grateful to the Congress for the affirmative action taken in 1966 when Public Law 358 was enacted to provide readjustment assistance to veterans who served in the armed forces after January, 1955.

More than two decades have passed since enactment of the first G.I. Bill (Public Law 78-346), and we have had sufficient time to see and assess the values accruing to individuals, and to our Nation, as a result of education and training programs for veterans. I do not belabor the point at this time, for evidence of the values and accomplishments is contained in many hearings and reports issued by the Senate Committee on Labor and Public Welfare. I simply want to say that the pending bill, S. 9, will greatly enhance the education and training opportunities available to our cold war veterans.

My comments will deal generally with those provisions of S. 9 which would make it possible for veterans to obtain education and training through organized instruction related to their full-time employment in work on the farm, apprenticeship, or other on-the-job training and flight training. We believe that the assistance provided by S. 9 will eliminate any possible injustice to those veterans who cannot or do not wish to pursue full-time programs of education and training.

INSTITUTIONAL ON-FARM TRAINING

The success of the institutional on-farm training resulting from previous veteran's readjustment assistance legislation, has proven the value of this type of training. I recall that in 1952 AVA made a study of the program to determine the extent to which veterans were becoming established on farms as a result of the training. The study showed a great increase in farm income and net worth. Many improved agriculture practices were adopted by the veterans. I am confident that similar results may be anticipated from programs enrolling veterans under the proposed amendments to Public Law 358.

In the state of Minnesota a group of veterans who participated in institutional, on-farm training under Public Law 550 were surveyed during the period of 1954-56. Included were 2,286 veterans who received training for a period of twenty months.

At the conclusion of their training period, it was found that the earning power of each of these veterans had increased an average of \$5,225. Farm capital increased from \$8,170, at the beginning of the training period, to an average of \$12,551 when the program ended. Net worth increased from \$6,641 to an average of \$10,545.

Another group of 3,179 veterans were surveyed four years after completing institutional, on-farm training. Placement figures show that 2,663 (or 83 percent) were in farming. An additional 110 (3.4 percent) were in related agriculture occupations; 325 (10 percent) were in non-agriculture occupations; and only 1/10 of 1 percent were unemployed.

Secretary of Agriculture Orville Freeman said recently:¹

"A continued unplanned stacking up of more people in urban areas, at the expense of rural areas, is a national drift that bodes ill for the future. No one planned it this way, nobody really wants an America of super strip cities, dotted with explosive and squalid ghettos. It is not too much to call such a drift 'national idiocy.'"

I would not suggest to this Subcommittee that S. 9 can provide a total solution to this enormous problem, but I do suggest that by providing an opportunity for veterans to find employment and education, on the farm, offers an inducement for some veterans who otherwise might not remain or return to the rural areas of our Nation.

I would like to point out, Mr. Chairman, that many communities have young farmer programs. These already established programs could, I believe, rather easily absorb the veteran who might wish to pursue institutional on-farm training.

APPRENTICESHIP AND ON-THE-JOB TRAINING

On-the-job training is now receiving much emphasis. Vocational schools have participated increasingly in providing related instruction for those

¹ Address by Secretary of Agriculture Orville Freeman at Conference on Rural Poverty, sponsored by National Association for Community Development, Marriott Motor Inn, Twin Bridges, Arlington, Va., Jan. 30, 1967, 10 a.m. (EST).

enrolled as on-the-job trainees under the Manpower Development and Training Act. For many years, vocational educators have conducted cooperative and apprenticeship programs. Undoubtedly these trends for on-the-job training will continue as the demands for vocational training become more acute, and shortages of skilled workers continues to increase. A recent article from an issue of the Wall Street Journal has pointed out that industry's demand for craftsmen far exceeds the number of people now in training. The article states:

"Already a scarcity of skills in many parts of the country has become acute. U.S. Steel Corporation says its capital spending program is lagging behind schedule largely because of a lack of skilled employees. Boeing Company and Douglas Aircraft Company are being forced to delay some of the jet deliveries this year because suppliers can't find the trained manpower to turn out engines on time.

The outlook: More of the same, or worse. Since most of the scarce skills require three to five years apprenticeships or equivalent informal training to master, employers and labor statisticians can gauge future supply of these skills with some accuracy from surveys of current training programs. What they are finding is anything but encouraging.

In Bridgeport, Connecticut, for example, a study shows that 287 machinists, tool and die makers, and electricians will have completed training by June, 1967. But Bridgeport manufacturers expect then to have job openings for 2,051 workmen with those skills, nearly ten times the number expected to be available. Around the country, the labor Department calculates, employers by 1975 will need four million new skilled workers—1.8 million to replace retiring employees, the rest to fill new jobs. Right now, only 255,000 apprentices are being trained, less than one-twentieth the number of college students. The Departments reckon that fewer than one million craftsmen will have finished formal apprenticeship by 1975 if current trends continue . . . "the supply of skilled workers is tight and getting tighter," says the National Association of Manufacturers. "Our members say they can see no end to it unless training is expanded substantially."²

This article simply points out the great need for skilled workers, and re-emphasizes the fact that jobs are available for those who have skills. Technology is making great demands on education, and it has caused education to become a life-long process. By enacting S. 9, Congress will broaden the spectrum of education opportunity for those who serve in the armed forces to acquire the skills demanded by industry.

FLIGHT TRAINING

We also fully support the provisions of S. 9 that will make it possible for a veteran to pursue flight training under P.L. 358. There is a great shortage of persons who are qualified as pilots. Our Association has recently worked with groups and organizations in helping to promote flight training as a vocational program.

We believe P.L. 358 should provide the veteran an option to take flight training, if the training is related to his occupational objective or will enhance his earning capacity. We believe this bill has ample safeguards to assure that such training will not be pursued for avocational purposes.

We are pleased that S. 9 outlines the criteria for approval of training programs. We believe that training programs should be approved at the State level. We also believe that the standards set forth governing State approval are adequate to assure that the veteran who takes institutional on-the-farm training, or apprenticeship or on-the-job training, will participate in a soundly conceived and well administered education and training program.

We assure you, Mr. Chairman, that the vocational educators of America will welcome this additional opportunity to be of service to veterans who may elect to take training under the provisions of S. 9. We believe that it is good legislation, and hope that it will be enacted.

Senator YARBOROUGH. Our next witness is Mrs. Mary C. Gereau, legislative consultant, Federal Relations Division, National Education Association.

In the long 7-year fight, yours was the first of the big nationwide organizations, big in membership, to come in wholeheartedly. It is

² Wall Street Journal, Aug. 3, 1966, p. 1.

very encouraging, because others who seemed to be more directly supporting it were slower.

We appreciate the support of your organization.

STATEMENT OF MRS. MARY C. GEREAU, LEGISLATIVE CONSULTANT, FEDERAL RELATIONS DIVISION, NATIONAL EDUCATION ASSOCIATION

Mrs. GEREAU. Thank you, Senator, you anticipated what I was thinking when I was listening to some of the statements today. If all of the people who spoke today had been with us all along the past 7 years and had been with you, we would have a much better situation today.

Senator YARBOROUGH. We are grateful we are getting cooperation from your association.

Mrs. GEREAU. I want to say on behalf of all the educators, we want to pay a special tribute to you for your persistence and assistance, not only to veterans but to education at all levels. It sometimes may have seemed like a one-man fight, but we are with you all the way.

Senator YARBOROUGH. Do you desire to submit your statement?

Mrs. GEREAU. I will submit the statement for the record. I just want to point out one or two things in the interest of saving time.

In relation to the educational allowance as proposed in S. 9, we believe this is an absolute minimum. We hope it will be higher. I think the suggestion of the administration of \$10 for each child, as you say, is a good one. I am sure that we advocate that. We don't agree that married veterans should be paid less than single ones. You understand our position; it is similar to yours.

We believe the change of entitlement of 1½ days is proper. It is discriminatory the way it is, because in the earlier bills it was 1½ days of education for each day in the service. We believe the cold war GI bill should be the same. We believe there should be 48 months of eligibility instead of 36, because more and more programs now at the higher educational level are requiring 5 and 6 years of preparation before one enters a profession, so extending the act to provide 1½ days and the total entitlement to at least 48 months we believe is desirable.

This would be particularly helpful in increasing the pool of personnel who could teach at the college level where there is a very critical manpower shortage, and it is going to increase. So the 48 months is very important.

Senator YARBOROUGH. I think to raise this to 48 months would get away from the Department of Defense's objection that the 24 months' serviceman, if we gave him a month and a half entitlement for one month's service, would give him as much education as the 36 months' serviceman under the present limitation. The addition of 12 months would relieve that situation, and that DOD objection would no longer be valid.

Mrs. GEREAU. We believe the on-the-job training program is in the national interest as well as the veterans' interests. All young people shouldn't go to college. There is concern sometimes there is too much emphasis on a college education and the implication is that anyone who doesn't have it isn't worth much. We don't believe this is ac-

curate or true. Unless we do something to make it more practical for some men—and I don't mean they are less intelligent—but for those who would find it impossible to take advantage of the present GI bill as written, there will be pressure on vocational-technical schools to lower the entrance requirements and the quality of their courses so that the older GI who has not finished high school can enter and this, we think, would limit the quality of education in the post-high school technical schools. We strongly support the on-the-job training program.

I would say we would concur with the gentleman who spoke previously. The total amount of money the young man is permitted to earn under the on-the-job program should be considered carefully and increased. It seems somewhat meager in the bill as presented.

On-the-farm training programs, we believe, should be extended, but we, in cooperation with the Department of Rural Education of NEA, question the restriction of the program to those who own or have access to control of a farm. In this modern day and age—and particularly from the part of the country that you come from, Senator, and that I come from, which is Montana—farms are ever increasing in size because of mechanization. It is quite common now for one big rancher to have maybe four or five different specialized foremen for different types of operation. None of these foremen are owners or operate the farms exclusively, but we think that on-the-farm training is the type of education that ought to be made available for such potential employees. Perhaps this is considered on-the-job training. We believe the wording describing who is eligible for on-the-farm training needs to be reviewed carefully.

I also think in the area of the fruit and vegetable growing business in this country that we are concerned, as many people are, about the problem of the migrant and the lack of qualification in trained leaders, and perhaps through the on-the-farm program some work in this field could be developed.

Now, this might be considered on-the-job training, but it seems to us that it should be combined with on-the-farm training and a great deal of the material that the farmer needs; that is, related material that the farmer would take, could be similar for the on-the-farm training—that is, the formal training programs—and it seems to me this is something the committee could consider. Not only the man who owns the farm, but many other young people would be encouraged to stay in agriculture, as we all think they should. On-the-farm training should be opened up to them, too.

Senator YARBOROUGH. Thank you, Mrs. Gereau, for this recommendation. We will certainly examine that language on that limitation. I think it is a very necessary part of this whole bill.

Mrs. GEREAU. As to the flight training—and I may be in error here as I am not an attorney, and I didn't have very much time to analyze this—I am not clear whether or not there is a provision for State approval of the flight schools. I believe there should be, and probably through the regular State approval agency, which would do it in cooperation with the State aeronautics commissions. This may be the way it is—

Senator YARBOROUGH. I am instructing counsel that we study this thoroughly and have no doubt about it.

Mrs. GEREAU. I sound like a "States righter" here, and I am in this instance.

Senator YARBOROUGH. We will have this thoroughly studied.

Mrs. GEREAU. Then the other point was on the Advisory Committee, which I have mentioned in my testimony, I don't know whether or not such a committee has ever been appointed as is provided in the law. If it has, it has been singularly quiet. I would hope it would be implemented and that all levels of education would be included—and here I am speaking particularly of the elementary and secondary level—which has benefited so much in having young men come into the teaching profession.

Senator YARBOROUGH. The minority has been forced to leave; it is 1 o'clock and after; they have requested that these two questions be asked:

Has the National Education Association been consulted by the Veterans' Administration under this requirement, under the cold war GI bill of last year?

Mrs. GEREAU. It would be possible that they have been, Senator, but I have no knowledge of it. It is possible that it could have happened without my having knowledge.

Senator YARBOROUGH. Thank you very much for this statement. This is very helpful, particularly, Mrs. Gereau, you have brought in what I believe to be a deficiency in the language of the bill in on-the-farm training. I will certainly study that with sympathetic interest in an effort to broaden it to the point where it will be of more benefit to the agricultural economy.

Thank you very much for your statement. Your entire statement will be printed in the record. You have certainly packed a lot of material into four pages.

Thank you, Mrs. Gereau.

(The prepared statement of Mrs. Gereau follows:)

PREPARED STATEMENT OF MRS. MARY CONDON GEREAU, LEGISLATIVE CONSULTANT,
NATIONAL EDUCATION ASSOCIATION

Mr. Chairman and members of the subcommittee, my name is Mary Condon Gereau. I am a legislative consultant with the National Education Association. There are one million members of the Association and 1.7 million members of our state and local affiliated associations. Over 90 per cent of our members are classroom teachers; our membership also includes county and state education department personnel, school administrators, and college faculty from the public and private schools of this country.

The National Education Association has been a vigorous supporter of the veterans' educational benefits program since the earliest days. We continue to support the program not only as a matter of simple justice for the nation's service men and women, but also because of the economic, scientific, social, and educational advances the nation as a whole has made because of the three "G.I. bills" for World War II, Korean, and "Cold War" veterans.

Others will expand on the economic, social, and scientific advances this country has made as a result of the education of veterans. I shall confine my opening comments to the educational improvement that the G.I. bills have engendered.

1. The impact of the veteran on the quality of college instruction has been twofold—

(a) The day of the moss-covered professor who droned through the same set of dog-eared notes every year is past. The G.I. students after World War II jarred the college and university faculties out of their comfortable ivory towers. They asked questions, demanded more "meaty" courses, chafed at the over-emphasis on socialization which was characteristic of some institutions. They really shook things up—to the benefit of all the students, veterans or not. Since the veterans came from all levels of society,

they constituted a new type of student body, one more broadly representative of all levels of the American social structure. The impact on the non-veteran students was definitely all to the good.

(b) The opportunity to go on to graduate school under the G.I. bill provided a larger pool of qualified personnel from which college faculty could be recruited. This is particularly sound reason for expanding the veterans' educational benefit program by increasing the amount of the training assistance allowance. Because they are older, a graduate student is more apt to have a wife and children. The present provision in the Cold War G.I. bill is, as we have said before, totally inadequate in light of the increased cost of living—and of education—that has taken place in the last 20 years. As a matter of fact we believe the proposed increase in the educational allowance in S. 9 is an absolute bare minimum and that it should be increased.

2. The previous G.I. bills have been very beneficial to elementary and secondary education by providing an opportunity for more young men to become qualified for and to enter the teaching profession at the elementary and secondary school level. The NEA Teacher Supply and Demand studies show a remarkable increase in the number of men entering teaching following the enactment of the World War II G.I. bill. The prewar stereotype of the old-maid school teacher is as obsolete as that of the mossy college professor. Today, because of the infusion of young men into the teaching profession as a result of the G.I. bill, elementary school teaching is no longer considered to be a "sissy" job for a man. This has necessitated improved salaries for teachers, for the family man cannot support his family on a salary designed for a single woman or a dependent wife who merely wants an extra job. Higher salaries have led school boards to demand better quality teaching. As salaries have increased, better students—both men and women—have been motivated into careers as teachers. In the final analysis it is the school children who have benefited greatly from this cycle—which I hasten to add is still going on—for teachers' salaries in many school districts are still woefully inadequate to attract and retain enough high quality teachers to meet the national need.

We also believe that the period of entitlement should be changed to one and one-half days of eligibility for every day in service as provided in the proposed amendment to Sec. 1661(a) of Title 38 U.S.C. The "one day for one day" provision in the present Cold War G.I. bill is discriminatory as compared with the earlier acts.

We recommend further that the total number of months of eligibility be raised to 48, comparable to the World War II G.I. bill provision. The trend is for more than the A.B. or B.S. degree in many professions, including education, with five or six years of college work becoming the norm. The one-year provision and 36-month maximum provide the average serviceman who serves two years with the bare minimum of entitlement for four years of training. In the light of present trends, and needs, this is inadequate. Amending this provision will be particularly beneficial to improving the pool of potential college faculty—a vital manpower area of critical shortage in the foreseeable future.

We believe that the inclusion of the on-the-job training program in S. 9 is in keeping with the national as well as the veteran's interest. All young people should not go to college. Many will find the on-the-job training opportunity more practically suited to their needs. The experience of previous G.I. bills bears this out admirably, despite some abuses in the earlier days of the program. Extending the on-the-job training provisions to include those eligible under the Cold War G.I. bill will lessen pressure on institutions of higher education and on vocational technical schools to offer courses which are basically elementary so that veterans who now do not have the background for entrance into a vocational-technical education program can take advantage of their "G.I. bill" benefits. In other words, the veteran who is now unable to enter a post high school education program is virtually denied his earned G.I. benefits. (We are aware that a veteran may go to high school under the G.I. bill—but this is very uncommon.) The answer is not to lower the entrance requirements of vocational technical schools, but to provide an on-the-job training opportunity which will meet the veteran's needs—and also be of benefit to potential employers by helping them train manpower for industrial employment.

We believe also that the on-the-farm training program should be extended to the "Cold War G.I.'s" as proposed in S. 9. We suggest, however, at the request of the NEA Department of Rural Education, that the on-the-farm training opportunity not be limited as provided in Sec. 1777(2) (page 7, lines 17-19) and Sec. 1777(5) (page 8, lines 16-20).

The language cited, we believe, restricts the on-the-farm training program to a limited few who are either the sons or relatives of farm owners, or are financially able to lease a farm. This is somewhat unrealistic in the present situation where family farms are disappearing, but agri-business is expanding. In some instances one "farmer" may have need for several assistants, each of which supervises a crew of "farm hands." These assistants do not have degrees in agriculture, but they do need practical training programs such as is offered in the on-the-farm programs in the earlier G.I. bills.

There should be an opportunity for young men to learn practical farming, and make a career of farming activity, even though they may never own or entirely manage a farm or ranch. In agricultural activities such as fruit and vegetable farms, the crew leader should have far more opportunity for preparation for his job than is available. The on-the-farm program could be very helpful in this area.

Perhaps veterans interested in these and many other farm-related employment opportunities are covered under the on-the-job training provision. What we are suggesting is that they not be forgotten in the bill. We suggest that the on-the-farm training provisions are most applicable to this situation and urge he bill be written accordingly.

We also suggest that approval of flight training programs be placed with the same approval agency as is designated for other education programs or with the State Aeronautics Commission in cooperation with the state approval agency. As written the issue of state approval for flight training programs seems unclear.

We also suggest that if an Advisory Committee on Veterans Affairs is to be established that educators from all levels of education be included in the membership of the Committee.

We hope the Committee will consider these constructive suggestions favorably as we pledge our continued support to improving and expanding the G.I. bills, particularly as they relate to education of all types.

Senator YARBOROUGH. This session is recessed until tomorrow morning at 10 a.m. in room 6202. We have been an ambulatory subcommittee since a number of subcommittees are meeting this week.

(Whereupon, at 1:10 p.m., the subcommittee was adjourned, to reconvene Tuesday, March 21, 1967, at 10 a.m.)

COLD WAR GI BILL AMENDMENTS OF 1967

TUESDAY, MARCH 21, 1967

U.S. SENATE.
SUBCOMMITTEE ON VETERANS' AFFAIRS,
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 o'clock a.m. in room 6202, New Senate Office Building, Senator Ralph Yarborough presiding pro tempore.

Present: Senators Yarborough (presiding pro tempore) and Dominick.

Committee staff present: William M. Stover, associate counsel to the subcommittee, and Roy H. Millenson, minority clerk.

Senator YARBOROUGH. The Veterans' Subcommittee will come to order.

We will proceed with the hearings recessed from yesterday. The first witness is Mr. William J. Flaherty, assistant director of legislation from the DAV.

Mr. Flaherty, will you come around and introduce your witnesses, other witnesses whom you have with you?

**STATEMENT OF WILLIAM J. FLAHERTY, ASSISTANT NATIONAL
DIRECTOR OF LEGISLATION, DISABLED AMERICAN VETERANS;
ACCOMPANIED BY WILLIAM GARDNER, ASSISTANT LEGISLA-
TIVE DIRECTOR OF RESEARCH**

Mr. FLAHERTY. Mr. Chairman, my name is William J. Flaherty. I am assistant national director of legislation for the DAV. With me is William Gardner, assistant legislative director of research.

Mr. Chairman, members of the subcommittee. I appreciate the opportunity to appear before you to express the view of the Disabled American Veterans on S. 9, a bill to authorize on-the-job training, on-the-farm training, and certain flight training under chapter 34 of title 38, United States Code, and to increase the educational assistance allowances paid under such chapter, and for other purposes.

Essentially, the bill would provide for veterans who saw service after January 31, 1955, a range of readjustment benefits on a level with that accorded veterans of the Korean conflict.

As you know, Mr. Chairman, the Disabled American Veterans has historically held to the principle that our Nation's primary obligation to veterans is the rehabilitation of those who were disabled as a result of service in our Armed Forces. The DAV has learned by long experience that a program of education and training is indeed an indispensable ingredient in the rehabilitation process after a serviceman's

return to civil life. In recognition of this concept, the following resolution was approved at our most recent national convention in New York City:

Whereas recently enacted legislation has been designated Public Law 89-358; and

Whereas this law commonly known as the Cold War GI Bill granted education to certain limited groups; and

Whereas apprentice, on-the-job training, on-the-farm training, or flight training are not authorized under this law; and

Whereas there are certain veterans who cannot qualify for a college education and could be eligible and worthy candidates for apprenticeship or on-the-job training: Now, therefore, be it

Resolved, That the Disabled American Veterans in National Convention assembled at New York, New York, August 8-12, 1966, urge that the law be amended to include these provisions.

In the field of education and training, the DAV is convinced and we are sure that your committee shares our view—that certain adjustments are necessary and desirable in order to more fully carry out the intent of the “Veterans Readjustment Benefits Act of 1966.” President Johnson also gave emphasis to this in his January 31 message to the Congress when he said:

Since last June when the new GI Bill went into effect, more than 500,000 veterans have applied for education and training benefits. Thousands more are signing up each week. Today, over one quarter of a million returning servicemen and women are preparing for the future and learning new skills in universities, colleges, and technical and vocational schools across the Nation. By the end of fiscal 1968, this number will increase to more than 500,000.

The President added:

While the new GI Bill is less than a year old—and an outstanding success—we can still work to extend and improve it.

Past events have clearly demonstrated that Federal expenditures for the education and training of veterans under the GI bill have been both sound and rewarding. Money spent in this field has been an extremely wise investment in the future of America.

It is a monument to the members of this committee and the Congress who in their wisdom saw the enormous possibilities in furthering education for those who would in turn enrich the Nation through science, medical knowledge, culture, better citizenship, and improved standards of living.

We ask now, with deep respect, that you and your committee members invest again in America's future by enlarging educational opportunities to include apprenticeship training, on-the-job training, on-the-farm training, and certain flight training, as contemplated in S. 9.

As you are aware, Mr. Chairman, during the 87th Congress Public Law 87-815 was enacted which authorized vocational rehabilitation for veterans who have a service-connected disability rated for compensation purposes at 30 percent or more. If rated less than 30 percent, it must be clearly shown that the disability has caused a “pronounced” employment handicap.

As a result of this restriction, many members of the DAV whose service-connected disabilities fell within the 10 and 20 percent categories (but who were otherwise eligible) were denied vocational training under Public Law 87-815. With the enactment of the Veterans Readjustment Benefits Act of 1966, however, veterans—regardless of the degree of their service-connected disablement—were made eligible for

education and training benefits. It is for this reason that the DAV actively supported the act of 1966 when it was up for consideration in both House of the Congress.

In this same regard we wish to point out, Mr. Chairman, that a veteran, to be eligible for benefits under the veterans educational assistance program, must serve on active duty for a period of more than 180 days, or he must have been discharged for a service-connected disability.

Generally, a young man drafted into the service today is required to serve for a period of 2 years.

Upon discharge from service this veteran, under terms of S. 9 as written, would be eligible for a period of education or training equal to $1\frac{1}{2}$ times his 2-year period of active duty, which is the equivalent of a standard 4 years of training at the college level.

However, if this same young man had, for example, been discharged for a service-connected disability after serving 1 year of his 2-year involuntary tour of duty, the benefit of the standard 4 years of college would be denied to him.

In view of this, the DAV would recommend for the committee's consideration that S. 9 be amended to provide that veterans who are discharged for a disability incurred prior to expiration of their mandatory 2-year period of service (or any regular enlistment for longer periods) be entitled to the full 36 months of education or training.

Section 1778 of S. 9 wisely provides cautionary measures to avoid abuses similar to those which had occurred in connection with certain training programs for World War II veterans.

Under provisions of S. 9, training establishments must meet certain criteria set down by State approving agencies. There must be certainty that training courses are adequate to qualify the eligible veteran for appointment to the job for which he is trained; that there is reasonable certainty that a job will be available to him at the end of the training period. These and other safeguards in the bill are designed to protect the veteran's best interest.

Under existing law, the monthly allowances for full-time educational training for a veteran with no dependents is \$100; with one dependent, \$125; with two or more dependents \$150. Rates for part-time institutional training are scaled proportionately.

In the last several years the costs of tuition, fees, books, supplies, and other educational costs have risen dramatically. As a result, the current allowances are totally inadequate to meet the ever increasingly high cost of education and training.

To alleviate this situation, in some degree, the DAV would propose for your consideration raising the monthly allowances to \$130 for a single veteran; \$155 for a veteran with one dependent, \$180 for a veteran with two dependents; plus \$10 for each dependent in excess of two, and adjusting proportionately the rates for part-time training.

We believe that these proposed monthly training allowances, if approved, would encourage veterans to resume their educations interrupted by military service, and would permit many of them to remain in school.

It is recognized that education is now an integral part of our national domestic programs, and since we hear on every hand that education must be made available to a staggering number of young people

if we are to keep pace with other countries, the Disabled American Veterans deems it a privilege to lend our every support and to urge passage of the realistic proposals set forth in S. 9, and the amendments offered here by the DAV.

In closing, Mr. Chairman, I again want to thank you for the opportunity to express the views of the DAV in these vital matters.

Senator YARBOROUGH. Mr. Flaherty, to you and Mr. Huber, who have worked on this, and all the other officers of DAV, I want to express my appreciation and warm congratulations on your consistent support of this legislation.

When this cold war GI bill was first introduced in 1959, we found solid opposition from the Department of Defense, Bureau of the Budget, and from the Veterans' Administration, and that continued year after year under different Presidents. Many thought the fight was too tough and thought it couldn't be passed and pulled off and didn't work for it. DAV started supporting this from the very first year. A small group of disabled veterans put their shoulder to the wheel and worked until we got the bill passed last year.

As you have so ably pointed out here, among your membership are those who because of having under 30 percent disability are not eligible to receive the vocational training, yet badly need these training benefits.

The GI bill passed last year providing for a college education did enable many of your members to qualify, but, as you so well point out, it did exclude these other types of training: on-the-farm and on-the-job training.

We had need to broaden this and bring it back up at least to the level of the Korean conflict.

You have another provision you offer here, and that is that S. 9 be amended to provide that veterans who are discharged for a disability incurred prior to expiration of their mandatory 2-year period of service, such as if he has just served 4 months and is disabled and discharged from service, that he be eligible to receive the benefits as though he had been able to complete his service.

As now written in the law under the 1966 bill, regardless of the length of service, his period of entitlement would be very short if he became disabled in combat, say, in 6 months. If he had less than 30 percent disability, he might not be eligible for vocational rehabilitation and his period of entitlement under the cold war GI bill would be short and he couldn't finish school.

I recommend you draw a proposed amendment and submit it to the subcommittee and we will take up in our executive committee hearings and consider it.

I do not believe in my service on the Veterans Committee that we have had a similar proposal before.

I want to comment on your statement where you said:

We hear on every hand that education must be made available to a staggering number of young people if we are to keep pace with other countries.

It has been stated to me that we are still ahead of the Russians in engineering because of the fact that we have educated nearly 11 million young men who have taken educational training under World War II and the Korean bills.

Most of these servicemen due to training in the armed services, take more training in engineering and natural sciences than those who have

not been in the service, so we get a big influx of engineers and training in science.

Thank you for your contribution and all the DAV membership.

Senator DOMINICK. I am interested in this proposal that the chairman made reference to, the possibility of giving a veteran a full 36 months of education and training, even though they have not served 2 years. It make considerable equity and justice in my mind, but I have some hesitation on some portions of it.

Suppose, for example, a fellow is on a firing range in boot camp and he has been in, we will say, 6 weeks, and by accident he shoots his toe off and he gets discharged as a result of the disability. Do you think that in that kind of a case we should be providing a full 36 months of education and training for him?

Mr. FLAHERTY. I do, sir; if that disability was incurred through no fault of his own.

In the case you cite if it would be an accident, I think he should be entitled to 36 months of training.

Senator DOMINICK. I would suspect that we might run into some cases which would be pretty marginal on this. I wonder if there are any safeguards that you thought of in this process so the bill wouldn't be subjected to attack if we added this type of amendment to it?

Mr. FLAHERTY. No, no specific thoughts in that connection, sir.

Senator DOMINICK. The chairman asked if you would draw up a proposal along this line. When you are doing it I hope that you will give some thought to this. Suppose a fellow is in a motor pool and he turns his car over, for example, all kinds of things that can create disabilities other than combat wounds or other accidental things—it would be accidental but not necessarily good judgment—then the question is, what additional rights should they have over those who have exercised more care and have gone through their 2-year period and have done pretty well, is this going to give this person more rights or is it going to give them less or are they going to have the same or what condition should be imposed? I think you can think about that a little bit. I, frankly, haven't thought about it until you brought this up.

It occurs to me we might have some problems by virtue of this unless we word it very carefully.

Mr. FLAHERTY. Yes, sir.

Senator DOMINICK. I wondered, Mr. Flaherty, if you could tell us, where did you get the figures \$130, \$155, and \$180?

Mr. FLAHERTY. We thought that these would be reasonable amounts under the conditions prevailing.

Senator DOMINICK. Are they figures that are just picked out of the air?

Mr. FLAHERTY. More or less, sir.

Senator DOMINICK. Do they represent in any way a cost of living increase between the present law and when that was written and the cost of living now?

Mr. FLAHERTY. To some extent; yes, sir. We realize that what we offer here, the figures that we offer here, cannot, to total degree, offset the increase in the cost of living.

Senator DOMINICK. I gather, then, that you propose these figures but you are not necessarily set on them?

Mr. FLAHERTY. No, sir.

Senator DOMINICK. And either high or low, or preferably higher, I would presume would be all right, as far as you are concerned?

Mr. FLAHERTY. Yes, sir; preferably higher.

Senator DOMINICK. Let me ask you this, from your experience in DAV, how many—what percent—of disabled veterans do you think would take advantage of this opportunity?

Mr. FLAHERTY. I couldn't give you an exact figure on that, sir. I think with the increases that are offered here in S. 9, that many veterans would take advantage of the program, veterans who are not taking advantage of it now.

Senator DOMINICK. Do you have any idea based on past history as to the percent of disabled veterans who went ahead and got training or went ahead and got additional education under previous laws?

Mr. FLAHERTY. Again, offhand I don't know the figures, but we can get those for you.

Senator DOMINICK. I wonder if you will give those to us, too.

Mr. FLAHERTY. Yes, sir.

Senator DOMINICK. I am asking for these figures because I think you have a lot of expertise in this field. One of the things we are going to have to do is to defend the cost of this on the floor if, as and when we get it there.

Mr. FLAHERTY. Yes, sir.

Senator DOMINICK. It seems to me whatever experience ratio you have would be helpful to us in being able to do that.

That is all I have, sir.

Senator YARBOROUGH. Thank you, Mr. Flaherty. I hope that the DAV, with your legislative officers, will consider Senator Dominick's request in drawing this proposed amendment and think about ways of assuring that meritorious cases only are considered.

Mr. FLAHERTY. Yes, sir.

Senator YARBOROUGH. Thank you very much.

Mr. FLAHERTY. Thank you.

(The material requested was subsequently supplied for the record, and follows:)

SUPPLEMENTAL STATEMENT OF WILLIAM J. FLAHERTY, ASSISTANT NATIONAL
DIRECTOR OF LEGISLATION, DISABLED AMERICAN VETERANS

In response to your request of March 21, 1967, we are pleased to furnish the following proposed amendment relative to the pending bill, S. 9:

Delete subsection (a) page 2, lines 1 thru 6, entirely, and substitute the following:

"(a) Except as provided in subsection (b), each eligible veteran shall be entitled to educational assistance under this chapter for a period equal to one and a half times the duration of his service on active duty after January 31, 1955 (or the equivalent thereof in part-time educational assistance). For the purpose of this subsection (a), any person discharged from active duty after January 31, 1955, for a service connected disability, shall be deemed to have completed twenty-four months active duty after such date."

You will recall that DAV testimony on S. 9 mentioned the fact that "a young man drafted into the service today is required to serve for a period of two years. Upon discharge from service this veteran, under terms of S. 9 as written, would be eligible for a period of education or training equal to one and one half times his two year period of active duty, which is the equivalent of a standard four years of training at the college level."

We further mentioned that "if this same young man had, for example, been discharged for a service connected disability after serving one year of his two-

year involuntary tour of duty, the benefit of the standard four years of college would be denied to him." At that point we recommended for the Committee's consideration that S. 9 be amended "to provide that veterans who are discharged for a disability incurred prior to expiration of their mandatory two year period of service (or any regular enlistment for longer periods) be entitled to the full 36 months of education or training." The amendment set forth above would accomplish this proposal.

During the course of our testimony Senator Dominick expressed an interest in this proposal and asked that we furnish additional information in this connection. In response thereto the following data is provided:

WORLD WAR II	
Total World War II veterans-----	14, 916, 000
World War II veterans trained under GI bill (Public Law 346-78C)---	7, 800, 000
World War II veterans trained under vocational rehabilitation program (Public Law 16-78C)-----	619, 600
KOREAN CONFLICT VETERANS	
Total Korean conflict veterans-----	5, 770, 000
Korean conflict veterans trained under GI bill (Public Law 550-82C)-----	2, 391, 000
Korean conflict veterans trained under vocational training program (Public Law 894-81C)-----	74, 400
VETERANS SERVING AFTER JAN. 31, 1955	
Approximate total-----	4, 500, 000
Training under GI bill (Public Law 89-358)-----	264, 788
As of June 1966 training under vocational rehabilitation (Public Law 87-815)-----	15, 185

We feel that our proposed amendment is a fair and reasonable one. We believe that any draftee whose regular two year tour of duty is abruptly terminated by reason of a disability incurred in line of duty should be given special consideration. In this regard, the veteran's inability to serve out his full term of active duty is due to circumstances beyond control, namely, his service incurred disease or injury.

As you know, veterans whose disabilities are rated 30 percent or more are entitled to vocational training under laws already on the books. Those rated less than 30 percent may also be entitled to vocational training if their disabilities cause a "pronounced employment handicap." In any event, the vast majority of veterans who receive medical discharges have disabilities which call for ratings in excess of 30 percent, very few are given medical discharges if their conditions are only 10 or 20 percent disabling. These facts would operate to reduce the number of veterans coming within the purview of our amendment.

Senator Dominick expressed the thought that perhaps safeguards should be added to the amendment "so that the bill wouldn't be subjected to attack if we added this type of amendment to it?"

We can think of no special safeguards that may be offered. Present law, however, provides that "an injury or disease incurred during active service will be deemed to have been incurred in line of duty, *unless such injury or disease was the result of the veteran's own willful misconduct.*"

The law also provides that the requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person "(1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; (2) was confined under sentence of court-martial involving an unremitted dishonorable discharge; or (3) was confined under sentence of a civil court for a felony (as determined under the laws of the jurisdiction where the person was convicted by such court)." These provisions are the extent of safeguards under present law, and we cannot add to or enlarge upon them.

There are no data available upon which to base an estimate of the cost of additional benefits under the proposed amendment, but on the basis of the facts and circumstances cited above there would be very few veterans involved and thus the cost would be relatively small.

I want to take this opportunity to say again that the DAV shares your enthusiasm for S. 9, a truly meaningful and practical bill.

DISABLED AMERICAN VETERANS,
Washington, D. C., March 24, 1967.

HON. RALPH YARBOROUGH,
Subcommittee on Veterans' Affairs,
Senate Committee on Labor and Public Welfare,
Old Senate Office Building,
Washington, D. C.

DEAR SENATOR YARBOROUGH: In response to your request of March 21, 1967, we are pleased to furnish the following proposed amendment relative to the pending bill, S.9:

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Veterans serving after January 31, 1955

Approximate total (Million)-----	4. 5
Training under GI bill (Public Law 89-358)-----	264, 788
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We feel that our proposed amendment is a fair and reasonable one. We believe that any draftee whose regular two year tour of duty is abruptly terminated by reason of a disability incurred in line of duty should be given special consideration. In this regard, the veteran's inability to serve out his full term of active duty is due to circumstances beyond control, namely, his service incurred disease or injury.

As you know, veterans whose disabilities are rated 30 percent or more are entitled to vocational training under laws already on the books. Those rated less than 30 percent may also be entitled to vocational training if their disabilities cause a "pronounced employment handicap." In any event, the vast majority of veterans who receive medical discharges have disabilities which call for ratings in excess of 30 percent, very few are given medical discharges if their conditions are only 10 or 20 percent disabling. These facts would operate to reduce the number of veterans coming within the purview of our amendment.

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I want to take this opportunity to say again that the DAV shares your enthusiasm for S. 9, a truly meaningful and practical bill.

Sincerely,

WILLIAM J. FLAHERTY,
Assistant National Director of Legislation.

Senator YARBOROUGH. We have a statement here from Senator Fong, who is an advocate of the bill. He could not be here. He requested it be put in the record.

Senator Fong has been one of the cosponsors for this legislation from the beginning, all the years he has been in the Senate. He has been a very active articulate advocate of these veterans rights.

From his statement I want to read one paragraph:

As a staunch supporter of this program, I was delighted Congress moved as quickly in the last session to approve educational, home and farm loan, and other benefits for veterans of Vietnam and the Cold War.

It was a great disappointment, however, that last year's bill as approved by the Senate was later cut back in vital respects by the House of Representatives. Among other things, monthly benefits were reduced and on-job, on-farm, and flight training were stricken from the bill before final enactment. In order to get any bill enacted, the Senate accepted the House amendments.

Senator Fong then reviews the history of our reintroduction of this bill, last summer, last year, after the passage of the first cold war GI bill, and the reintroduction at this session.

His statements in support of this bill are substantially as others, except he would start the veterans' payments at \$135 a month instead of \$130 in the bill.

He has a very fine statement of why this bill is necessary.

I hereby order it placed in the record.

(The statement of Senator Fong follows:)

**STATEMENT OF HON. HIRAM L. FONG, A U.S. SENATOR FROM THE
STATE OF HAWAII**

Mr. Chairman and members of the subcommittee, as a cosponsor of the pending bill (S. 9), it is a pleasure for me to offer a statement in support of this necessary and meritorious measure.

It was my privilege to cosponsor the cold war GI bill which, with amendments, became Public Law 89-358 in February last year.

As a staunch supporter of this program, I was delighted Congress moved so quickly in the last session to approve educational, home, and farm loan, and other benefits for veterans of Vietnam and the cold war.

It was a great disappointment, however, that last year's bill as approved by the Senate was later cut back in vital respects by the House of Representatives. Among other things, monthly benefits were reduced and on-job, on-farm, and flight training were stricken from the bill before final enactment. In order to get any bill enacted, the Senate accepted the House amendments.

Subsequently last year, a number of us joined our colleague, Senator Ralph Yarborough, former chairman of this subcommittee and leader in drafting and passing the cold war GI bill, in a sequel bill (S. 3303), which sought to amend the cold war GI bill, as enacted, so as to restore the Senate features which the House had deleted. No action was taken on S. 3303 before sine die adjournment, and a new bill was required for the 90th Congress, the bill now being considered by this subcommittee.

The amendments provided by the pending bill (S. 9) are necessary to provide benefits for Vietnam veterans and cold war veterans comparable to GI benefits allowed for veterans of the Korean war.

Briefly, here is what the pending bill will do:

1. Provide $1\frac{1}{2}$ days of education or training for every day of active duty. Present law only allows 1 day for each day of duty.

2. Permit veterans to take on-job, on-farm, and flight training toward an occupation. Present law forbids these three types of training although such training was permitted Korean war veterans.

3. Educational assistance would be raised from \$100 a month for a veteran without dependents to \$135; from \$125 a month for a veteran with one dependent to \$155; from \$150 a month for a veteran with two or more dependents to \$180. The amount for cooperative training is increased proportionately to the other categories.

4. On-farm training allowances are set at \$110 per month for a single veteran with no dependent; \$125 for one dependent; and \$145 for more than one dependent. After 12 months, these amounts would be scaled downward.

5. For full-time, on-job training S. 9 sets benefits at \$80, \$95, and \$115, according to number of dependents, for the first 4 months, then scales these downward after that. Allowance and salary cannot exceed \$110 per month.

6. The flight training allowance is 75 percent of tuition costs, with the period of entitlement at the rate of 1 day for each \$1.25

allowed. No limit is set on the monthly allowance, but as the amount increases, the veteran's eligibility will be used up faster. Safeguards are included so that training will be bona fide, occupational training, not avocational or recreational.

7. Restores to the schools the right to receive \$1 per month per veteran-student to help defray administrative costs of reports and certificates required regarding each student.

These amendments contained in S. 9 are needed to provide educational and training assistance for Vietnam and cold war veterans comparable to that provided by Congress for veterans of World War II and the Korean war.

Today's veterans are every bit as deserving as their predecessors. To deprive them of on-job, on-farm, and flight training and monthly allowances of comparable value is to relegate Vietnam and cold war veterans to second-class status. That is pretty shabby treatment.

Comparability is reason enough to warrant enactment of the amendments proposed in the pending bill.

But there are other good reasons.

On-job training is a tried and proven means of providing needed job skills for workers. Such training is an emphatic and important part of the manpower development and training program. It is one of the more practical elements of the national antipoverty program.

On-farm training is particularly necessary in these days of dwindling food reserves in our country and of growing food shortages elsewhere in the world. We are going to require every farmer we can get and every acre of production we can cultivate.

Flight training, too, is as necessary now as it was years ago for Korean veterans. One of the most pressing labor shortages is lack of qualified commercial airline pilots. By 1970, it is estimated we will need about 12,000 new airline pilots. Those receiving military pilot training will not be able completely to fill this need. By restoring flight training allowances under the GI bill, we can help to train skilled pilots to meet impending shortages.

Last, but certainly not least, is the need to raise the monthly allowances so as to bring the buying power of these allowances into line with allowances granted Korean war veterans.

Earlier this year, figures prepared in 1965 by the Legislative Reference Service were put into the Congressional Record showing that to buy what a student could buy for \$110 in 1952 would require \$153.68. For a married student to buy what \$135 bought in 1952 would require \$182.50. For a student with two or more dependents to buy what \$160 would buy in 1952 would require \$211.33. As tuition costs and the cost of living have risen generally since 1965, it seems clear that even higher allowances would be needed today to bring GI aid to the level paid Korean war veterans.

The cold war GI bill enacted last year actually provides less help for Vietnam and cold war veterans than was provided more than 10 years ago for Korean war veterans.

The rates provided in the pending bill fall below the amount needed to restore buying power up to Korean war veteran levels. However, the allowances would be an improvement over the existing cold war GI law. They are in line with another existing law, the War Orphans Educational Assistance Act, passed by Congress in 1965,

which provides \$130 a month for young persons whose parent died in service. If we can provide that much to someone based on another person's military service, we ought to provide as much to the one who actually serves.

Plain justice and logic demand that we amend last year's Cold War GI Act as proposed in S. 9.

We know from past experience under the World War II GI bill and the Korean war GI bill that veterans who take advantage of such education and training eventually repay the cost of the program through taxes they pay on their earnings in higher skill and higher paying jobs for which they qualify as a result of their training.

The GI education and training bill is one Government program that pays for itself.

I sincerely hope this subcommittee will include for the record figures showing what a wise and wonderful investment for our Nation the GI program is.

This is not only an expression of appreciation by a grateful nation to our men who have served in the Military Establishment. It is also an investment looking toward a better and brighter future for America.

For when all is said and done, the cold war GI bill is actually a resource development plan—designed to develop our Nation's most valuable resource—brainpower of our people.

I wholeheartedly support the pending bill. I urge the subcommittee to report it promptly and favorably to the Senate for action.

Thank you very much for the opportunity to make a statement in support of this important bill.

Senator YARBOROUGH. The next witness is Mr. Robert E. Monroe.

STATEMENT OF ROBERT E. MONROE, CONGRESSIONAL LIAISON, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Mr. MONROE. Thank you. Mr. Chairman and members of the subcommittee, my name is Robert E. Monroe. I am congressional liaison and deputy chief of the policy and technical planning division of the Aircraft Owners & Pilots Association, which I will refer to hereafter as AOPA.

We appreciate the opportunity to present AOPA's views regarding S. 9, insofar as it relates to the provision of aeronautical training, for veterans entitled to benefits under Public Law 89-358, popularly called the cold war GI bill.

DESCRIPTION OF AOPA

Since AOPA does not regularly present testimony before this committee, a brief description may be helpful. AOPA was formed in 1939 to provide a vehicle through which individual pilots and aircraft owners could channel their efforts to make flying safer, more useful, more economical, and more pleasant. Our membership of over 135,000 individuals includes over 30 percent of the active civil pilots and the ownership of over 60 percent of the active general aviation aircraft. AOPA is the largest aviation organization of this kind in the world. It employs a staff of about 127 people to serve its members. The professional members of this staff are acknowledged experts in their various fields of specialization.

BACKGROUND FOR COMMENT

The comments which follow stem from the complaints of our members and the observations of our professional staff.

AOPA does not normally concern itself with legislation affecting veterans and we have no comprehensive or continuing program in this area. Therefore, the principal reason for our appearance in these hearings is because of the very strong interest voluntarily manifested by our members for remedial action respecting the flight training provisions of Public Law 89-358. AOPA has been admonished repeatedly by its members for failing to make more strenuous efforts last year to preserve the aeronautical training options previously available as a part of the veteran's benefits. Our members are interested in this subject.

AOPA POSITION AND RECOMMENDATION

Veterans should be able to take educational courses which prepare them for employment in the field of aviation or which provide them with aeronautical skills that will be used to enhance their earning capacity in another vocational field, regardless of whether or not they are pursuing a standard college degree or are enrolled in an educational institution of higher learning.

AOPA recommends that appropriate modification be made to the Veterans' Readjustment Benefits Act of 1966 to enable such training. S. 9 will do this and AOPA supports and urges enactment.

ARGUMENT

It is essential to recognize that adequate vocational training for many aeronautical purposes is offered and can be obtained outside of the formal system of educational institutions of higher learning. The college degree is not the only entry to a rewarding and profitable vocational pursuit. Flight training in Federal Aviation Agency certificated schools, on-the-job training and apprentice training offer legitimate and remunerative training opportunities which may meet more appropriately the veteran's requirements.

The Government will lose no money if veterans are given the privilege of obtaining vocational training through schools which more closely meet their requirements than do colleges and universities.

Senator YARBOROUGH. Mr. Monroe, will you permit me to ask a question there.

You have raised another very interesting question that I don't think has ever been covered in one of these GI bill hearings. You point out not only the schools certificated by the FAA for training but you mention on-the-job training and apprentice training. You are familiar, I assume, with the requirements for machinists who work on airplanes?

Mr. MONROE. Yes, sir.

Senator YARBOROUGH. These must be licensed by the FAA and have a certificate of competency, before they can go out and work on one of these airlines, do they not?

Mr. MONROE. That is correct.

Senator YARBOROUGH. After the commercial airliners have been worked on in the shops the machinists have to say this is complete and ready to fly before it can be taken out of the flight line and can fly?

Mr. MONROE. Yes, sir.

Senator YARBOROUGH. The FAA has its own inspectors to go in and inspect that plane, does it not, to see if what these laborers have said is correct, to see if it is in good flying order?

Mr. MORSE. Not always, sir.

Senator YARBOROUGH. They do check, though?

Mr. MONROE. They maintain a certain audit procedure in which they do check a certain percentage, and this percentage varies, it is a little higher, it is a little higher with respect to air carriers than it is with respect to general aviation aircraft?

Senator YARBOROUGH. I mean the commercial airlines that carry passengers, they check that. If a plane comes out and a pilot finds something wrong before he takes off and it goes back, that certificate to work on airlines is pulled, isn't it, by the FAA?

Mr. MONROE. It can be.

Senator YARBOROUGH. In other words, he has to turn out work that is not only certificated, but to hold his certificate to work as a machinist on planes he has to turn out work so that the plane will fly.

Mr. MONROE. We usually put it the other way around: We say when a mechanic signs off an airplane he places his job on the line.

Senator YARBOROUGH. That is what I am driving at. I think that is important. You brought out that on-the-job training is important here as well as the pilot flight training. Thank you very much.

Will you proceed, please?

Mr. MONROE. It may, in fact, save some money. In the first place, the veteran can spend no more Federal money than he is entitled to spend under the provisions of the law. In the second place, by suffering the penalties of loss of subsistence and loss of a day of entitlement for each \$1.25 expended for flight training, the resulting total cost of the training required for vocational employment often will be less for the Government, when the training is taken in conventional flight schools, mechanic training schools or in on-the-job programs than in a regular college curriculum.

Likewise, the cost to the veteran may very well be less in the long run since the period of training can be materially shorter than that required for acquisition of a college degree. The veteran may also be able to take training under circumstances which are more convenient and practical than would be the case if a degree must be pursued. Thus, the veteran can return to an income-producing status sooner than would otherwise be possible.

The ultimate objective of the basic legislation will be served if this option is provided. In the statement of purpose in section 1651, clause (3) indicates that one of the purposes is "providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty * * *" and clause (4) provides for "aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country." We do not think that clause (2) which provides for "extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education" can properly be interpreted as limiting the benefits of this act to the area of formal higher education in view of the language in clauses (3) and (4).

It seems quite clear that the real intent is to enable veterans to prepare themselves, within the limits of their entitlement, for earning a living at their chosen trade or profession—whatever that trade or profession might be—in as expeditious and straightforward a manner as possible.

Transportation is a problem universal to business. There is great merit in permitting a veteran to acquire the ability to fly, even though he may not use that ability as his primary means of earning a living, but will use it to enhance the productivity of his primary vocational pursuit. Like being able to read, speak or write effectively, the ability to travel expeditiously and at will is often a vital ingredient to successful business activity.

The use of aircraft in regular business activity is increasing steadily. Such use does not require a professional airman's level of skill or training, but it does require a level that can be certificated. However, while recommending that subprofessional training be allowed when properly justified as an enhancement of the veteran's earning capacity, we do not wish these remarks to be construed as support for use of veteran training benefits for pleasure or hobby purposes only.

In our opinion, to stay within the purposes of the law, there must be a vocational benefit in view.

It seems to us that there is a general misconception of the current use of aircraft. The FAA Statistical Handbook of Aviation, 1965, quite clearly reveals that the large majority of general aviation flying, to say nothing of air carrier activity is business related. Less than one-fourth of the flying hours and only one-fifth of the miles flown are for personal or pleasure purposes only. All the rest is business related in some fashion. It is engaged in, therefore, in the hope of producing or augmenting income.

During the last 7-year period, the unit cost of the average general aviation aircraft has risen from \$22,000 to \$32,000. This is hardly the price tag of a plaything for the average citizen. Rather, it is because these aircraft are valuable business tools that our manufacturers have produced over 62,000 of them during this same period.

There are some real opportunities in the business world to make vocational use of aviation skills—and they are not limited to the world of aviation per se. Farmers, foresters, engineers, merchandisers, educators, salesmen, business administrators, and a host of others in a wide variety of vocational pursuits have found productive use for airplanes and aeronautical skills.

In the world of aviation itself, opportunities abound for pilots; aircraft salesmen; mechanics; radio, radar and electronic technicians; and for instructors in each of these vocations.

Project Long Look by the FAA has documented some of these opportunities but the help wanted ads and the inquiries to our own and other associations do it even better and on a more current basis.

We know that some fear of abuse of privilege exists in the minds of some. We do not think that this fear should preclude provision of a particular kind of vocational training when this kind of training meets the veteran's needs; when there is a demand for this kind of vocational capacity; and when adequate means exist or can be provided for preventing abuse. We would be happy to work with the staff of the committee or with the Veterans' Administration in developing realistic guidelines to be incorporated in the committee report

or in VA directives to insure that training privileges are used for the purposes intended.

In summary, we can only say that veterans, by their service, have earned and are entitled to the kind of vocational assistance which meets their requirements and yet which does not exceed the costs envisioned by the act. Just as the same measure does not fit all circumstances, so the same kind or level of training does not fit all veterans' requirements.

We strongly urge that S. 9 be enacted.

Senator, if I may, I would like to comment on two or three things which arose in the testimony provided to you yesterday, which, of course, is not a part of this prepared statement.

Senator YARBOROUGH. Go right ahead.

Mr. MONROE. In the first place, I would like to concur strongly in Senator Dominick's statement that aviation education is a training or an educational affair. As a matter of fact, I submit for your files or the record, whichever you prefer, a copy of a document related to aviation, general aviation, which is prepared by the National Aerospace Educational Council, an organization devoted entirely to the proposition of involving aviation materials into our normal regular curriculum. This is a program of curriculum enrichment, and here is a council devoted to doing this type of thing entirely.

The administrative attitude—

Senator YARBOROUGH. Mr. Monroe, just a cursory examination shows this is an excellent document with all these charts. I am ordering this filed as a reference for the committee, not being printed in the record.

I notice in the statement it says that other copies might be obtained. I would like to obtain a copy at least for each member of this subcommittee if you could furnish those.

Mr. MONROE. We will do so.

Senator YARBOROUGH. If not the full committee, certainly for the Veterans' Subcommittee.

Mr. MONROE. We will do that.

I have two other things which I would like to give you similarly, for placing or filing in the record, whichever is appropriate in your estimation. The one I have given you, "General Aviation 1967" is a reprint from our own magazine. In those two documents are some of the growth figures which I have given you general statements on.

The other one is another tearsheet from our magazine last year, which gives an idea of the number and the situation which had been created for people who were trained during the war or just after the war did not or are not able to take up their flying activities on a regular basis then but had been able to do so now. It has augmented their income in subsequent years.

In other words, when they first got through this training or first got out of the service and took this training, then at such a low trail in the echelon of business development that they couldn't afford an airplane nor are they in a position that would justify their corporation sending them out using a corporation airplane.

Now they have grown to the stage where they are—

Senator YARBOROUGH. I know a number of those in that category myself, Mr. Monroe, not in the large businesses which use far more planes, but I know individual professional men, lawyers, doctors, or

farmers who came out of the service and as business became more fluid they needed these planes and they learned to fly and are flying.

Mr. MONROE. Mr. Stratton yesterday in commenting upon one of the reasons why he was against the veteran flight training program indicated that a large part of it was because there had been so many people who had dropped out immediately after they acquired their private pilot's license. There is basically one reason for this, and it is the cost involved. If you take the entitlement which is presently authorized of 36 months and multiply it out by the charge per day which is envisioned and was previously the case, you come out with a maximum veteran benefit under a flight training situation of \$1,350.

Now, for that amount of money you can just about complete a private pilot's certificate for someplace between \$600 and \$800, and if you want to go on with it, you can probably for that amount of money also acquire an instrument rating, so that you can fly in all weather conditions. But you could not with that amount of money go ahead and complete a commercial pilot's course which involves 200 hours instead of someplace between 30 and 40.

You cannot by any manner of means even conceive of attaining an ATR, which requires 1,200 hours of training, flight training.

Senator YARBOROUGH. Now, your "ATR," will you tell us what that means?

Mr. MONROE. Airline transport rating; in other words, to go to work for the airlines. Nowadays many corporations require air transport ratings to work for them.

So what I was pointing out is by the time the veteran had finished his private, and perhaps had gotten an instrument rating, had run out of an entitlement, there was no further he could go, he couldn't possibly acquire a commercial rating, and, therefore, Mr. Stratton's allusion or indication that because these people did not and in the course go ahead and acquire this kind of a certificate is beside the point; they are unable to.

Now, so far as dropouts, as I point out, there is only one step to drop out at, and this was it; they couldn't go on. Furthermore, as far as the difficulty of training is concerned—I have forgotten now the figures, but I think we could probably produce them, if necessary. It seems to me that several years ago when the military was involved in extensive flight training programs they had a pretty sizable dropout rate, too. And for that reason I think that Mr. Stratton has sort of missed the point of why these people fell out of or failed to acquire a commercial rating.

With that I will release the questioning.

Senator YARBOROUGH. These two documents that you have submitted here, "General Aviation 1967—Upward Spiral Continues," from the AOPA Pilot of January 1967, and "Sold on Flying Again," from the AOPA Pilot of April 1966, I order those filed as documents with this hearing record for reference.

We have not ordered all of these printed in the record as I would like because of time limitations. That would delay us getting the record back.

Mr. MONROE. I wouldn't expect it.

Senator YARBOROUGH. Mr. Monroe, Senator Dominick is a licensed pilot with a commercial rating so I am going to pass the questioning on this technical subject over to him.

Senator DOMINICK. Thank you, Senator.

Mr. MONROE, some time ago, I guess it was with the introduction of the jets in the airline transport, we had a dispute, you will recall, between the pilots' union and the mechanics' union, because, as I recall it, the third-man requirement in the cockpit required that the flight engineer who had previously been the rated mechanic must at this point also be a pilot. Is that correct?

Mr. MONROE. That is correct, sir.

Senator DOMINICK. So that on-the-job flight training for a mechanic would also require a license as a pilot, isn't that right, in the aircraft that he is flying?

Mr. MONROE. Well, that is not exactly the problem now, sir. This is a little over in an airline field in which I am not too expert, but, if my recollection is correct, it runs something like this. There was a provision for a flight engineer in the cockpit, and with the coming of the jets the addition of the third person, you are correct, they made a requirement for the third man to be a pilot. There was a period allowed for those who are then engineers to become pilots and, in part, this was a training program which they engaged in separately, not while they are flying on the job as an engineer, and having acquired their certificate, then they are rated, and the thing was allowed to go on. That thing has now gone to the point where, I think the latest thing I saw a day or two ago, is that the two unions are now merging.

Senator DOMINICK. In any event, the airlines at that point, both in the interest of administration flexibility and also for efficiency, wanted the third man, if possible, to be both a pilot and an engineer?

Mr. MONROE. Yes.

Senator DOMINICK. So, therefore, a person who is basically a flight engineer, or was trying for that type of a rating, the fact that he is also taking flying training, would be a help to him in his job; this is the point I am trying to make.

Mr. MONROE. Oh, very definitely.

Senator DOMINICK. In your statement you say that—

there is great merit in permitting a veteran to acquire the ability to fly, even though he may not use that ability as his primary means of earning a living, but will use it to enhance the productivity of his primary vocational pursuit.

You also state that you don't want these remarks to be construed as support for use of veterans training benefits for pleasure or hobbies purposes only, and that there must be a vocational benefit in view. Do you think that you could be of assistance to the committee in preparing some type of definition so that we could insure that we are not falling into the very thing that the Veterans' Administration indicated they are concerned with?

Mr. MONROE. I think this is possible, yes.

Perhaps what we need to do here is to bring ourselves up to date on what is happening to vocational or to the characteristics of a vocational enterprise and what is happening to business these days. I suppose the best example I can use is this: If I could I would like to jerk the White House and the Budget Bureau into the seventh decade of the 20th century where we use airplanes, day in and day out, the President is himself the foremost user of an airplane in the fashion in which general aviation uses an airplane. He happens to call it Air Force One, and it is flown by a professional crew, as are many of our corporate craft, but essentially uses that airplane so that he can

make the optimum use of his time rather than adhere to some sort of a transportation schedule. Now, that is what is happening in professions, trade, and business. In trade, profession, and business, what we need, I think, is to come to some sort of a guideline which says that, if a man has a business or professional object in view, which would normally mean that he might have to travel, that then he should be allowed to pursue this kind of training. If, on the other hand, he undertakes the kind of profession which does not involve travel, in the normal course of business, no, he would not have a vocational benefit in view. We are only saying this because this is the fashion in which the law is stated. Mind you, we are not against pleasure flying, we are in support of it. If the airlines had to cut out all the pleasure traffic that is on the airlines they would all be back on subsidy overnight.

Senator DOMINICK. Mr. Monroe, you listed some opportunities in aviation, the world of aviation, such as aircraft salesmen, mechanics, radio, radar, and electronic techniques, and for instructors in each of those vocations. Is it your belief that having flight training is of value to each of those who go into that field?

Mr. MONROE. Yes, I would think so, particularly, for instance, it is essential so far as the aircraft salesman is concerned. The mechanic who wants to develop into a foreman or operate a shop eventually gets around to the point where he has to go out and survey jobs that are located at other places, and as a means of getting them in, for maintenance, mechanics, unless they are shooting for, and most of them, I think, would shoot for, foremen positions eventually, need the kind of flight experience that gives them some sort of empathy with the pilot for what he is talking about and feeling when he brings his airplane in and says to him, "This thing doesn't sound right." There are all sorts of cross benefits in here that are worth it, and I think the veteran having earned it should be able to utilize it in the fashion in which he thinks will do him best.

Senator DOMINICK. Mr. Monroe, under section 1770(a), under the proposed bill, it refers to the certification of approved type schools. It says that any State approving agency may approve a cost of apprenticeship or other training on the job, if the trainees' establishment offering such training is found upon investigation to have met certain criteria. It is my understanding, at least this is true in my own State, that we have no State aviation director, therefore, presumably we have no State approving agency.

Mr. MONROE. Not necessarily. Your State board of education could perform this service.

Senator DOMINICK. It would be your thought, then that where you have no State aviation director that you would turn this over to the State board of education?

Mr. MONROE. I would think that it is probably the most logical, and that would occur, I think, in approximately six States.

Senator DOMINICK. The chairman tells me there is another witness who may comment on this also.

Do you have any ideas at the present time how many States do or do not have an aviation director?

Mr. MONROE. Yes. There are approximately 44 which have a State aeronautics commission or something analogous to that in one department or another of that State.

Senator DOMINICK. That is all I have. Thank you, Mr. Monroe, for your very helpful statement.

Senator YARBOROUGH. Thank you, Mr. Monroe, for your very helpful statement.

I have been studying this law while the questioning was going on. It seems that the Korean GI bill and S. 9 do not limit the flight training to those who would become commercial pilots only; they bar recreational or avocational training. Now, I think this man who trains so he can sell equipment should be able to pilot an airplane. It seems to me he needs this in his business training. I think we need new definitions of what this training is for. A man shouldn't necessarily be shooting to be a commercial pilot to need flight training in some job, in his livelihood. I am impressed with the fact that you have here that only one-fifth of the miles flown in aviation are for personal or pleasure purposes while four-fifths are flown for business purposes.

Senator Dominick has just pointed out in the general aviation pamphlet you have filed with the committee, that of the planes in the air 18.3 percent are military and 1.9 percent are airlines and 78.8 percent are general aviation.

It has been very helpful here to have this statement from the largest aviation organization in the field, with a staff of 127 people. You have added a lot to our hearing.

Thank you very much.

Mr. MONROE. Yes, sir.

Senator DOMINICK. I doubt very much if you could get around your great State of Texas without flight training to take care of your constituents.

Senator YARBOROUGH. It would be a pretty hopeless job without somebody having flight training.

I have a letter here from the Air Transport Association to the Honorable Jennings Randolph, chairman, Senate Subcommittee on Veterans' Affairs, strongly supporting this flight training. I will take time to read only about two sentences.

One, they discuss the commercial airline industry. They say:

On the basis of current and projected operating requirements it is estimated that an average of 4,000 new qualified pilot openings will become available annually for the next 10 years.

They are dealing there with the commercial airline industry.

In addition, it is reasonable to expect that general aviation will continue to expand and with its expansion will come further pilot opportunities in the corporate, air taxi and commercial fields.

They point out that this training is necessary in addition to programs that the carriers themselves have. The VA mentioned that the airline carriers have a real need for pilots. This is needed also to get the number of pilots we need in this country and to give these veterans an opportunity.

In the interest of saving time, we will not read it in the record but will file that document with the subcommittee to be left in their files.

The two articles referred to earlier will be printed in the record at this point.

(The material referred to earlier follows:)

SOLD ON FLYING AGAIN

(By Frank Coviello)

(An aircraft salesman looks at the increasing number of World War II-trained pilots who are returning to flying by buying and operating their own business planes.)

After delivering my fourth new *Bonanza* in a row to a former combat pilot of World War II, I decided to do a little research to find out just what relationship this held to the current surge in sales of owner-flown business aircraft.

The failure of the military trained pilot of the '40's to continue flying has been pointed out as one of the prime reasons for private aviation's lack of expected growth in the postwar period. In fact, the quick demise of many small aircraft manufacturers during the early '50's is attributed to the "Air Corps finest" hanging up their flying caps and putting on their Stetsons—supposedly for good.

Recent trends, however, make it apparent that those fellows may well be behind the current healthy surge in business and pleasure aircraft sales—Stetson and all.

When a business field shows rumblings of successful expansion, such as we currently have in general aviation, those employed in it must determine the success-making ingredients so that more fuel can be added to the fire. That is the reason for the constant surveys that are taken by airframe manufacturers. They want to know who buys what and why.

Leading general aviation manufacturers have come up with essentially the same answer to the "who" part. A composite of today's new airplane buyer shows him to be a 43-year-old male who went to college, earns in excess of \$25,000 a year and either own his own business or is in the top management of his company.

This means our buyer was around 20 years old in the early '40's—just ripe for the draft. The tremendous impact and importance of air power no doubt impressed him as it did everyone else. Possibly he was trained as a flight crew member.

It appeared evident that this air-minded group would generate a fabulous growth of flying activity after the war. Aircraft manufacturers tooled up and pumped out thousands of airplanes—Stinsons, Luscombes, Bellancas, Aeroncas, *Ercoupes*, *Navions* and all the rest.

The boom became a bust. The "tigers" of the Air Corps wanted tranquility. Apparently, flying memories were associated with military "must-go" missions. Former pilots therefore returned to school under the G.I. Bill, went into business with a G.I. Loan, or both. Each married his sweetheart, bought a cottage and settled down to raise tiger cubs.

But now those "tigers" appear to be coming back full blast. The 20-year-old who turned in his B-4 bag for school books and a baby carriage is back on the airport ramp. He's 43, carries a Jepp bag and means business.

Today these fellows generally are settled financially, with grown-up families. In their own business or in management positions of large corporations, they are mindful of the value and advantages of airplanes to move men and materials swiftly and profitably. They have the decision-making positions for expenditure of funds to purchase profit-making business tools—from computers to aircraft.

They have been sold on the benefits of flying for years. Only now, however, have they the need, desire and ability to buy.

A few specifics will illustrate the point.

Stanley Shapiro (AOPA 64150) of South Orange, N.J., was an AT-6 instructor and later a P-47 pilot in Europe between 1943 and 1945. His flying ended with VE day. He entered business with his brother and for the next 20 years struggled to build a successful hat manufacturing company. Returning to flying this year, he has an IFR-equipped Beech *Debonair* which carries him up and down the eastern seaboard on sales trips for his successful Newark Felt Novelty Company.

Joseph Stolte (AOPA 279824) flew a P-40 *War Hawk* with the 325th Fighter Group during the invasion of Africa in 1942 and later all through Europe on combat missions in P-47's and P-51 *Mustangs*. This year he took delivery of a new *Bonanza* to help in his Ocean and Monmouth Lands Real Estate business, which he developed in the intervening years.

Harold Greenberg (AOPA 13600) became a cadet, flying PT-17's in 1942 in Lincoln, Neb. He was with a combat group flying B-25's in Europe from 1942 to 1945. The next 20 years saw the usual struggle to become established in business—but no flying. Now his Amit Lumber Company is one of the largest

suppliers of raw wood in the northeast. His new 200 m.p.h. yellow and black *Bonanza* is a familiar sight to lumber people in the eastern Canadian Provinces. A journey which formerly took days by public carrier, with long layovers, now takes a few hours from his New Jersey office. It can be made more frequently and more profitably because of his airplane. Uncle Sam set the stage years ago.

Former Air Corps Lt. Eugene Theodore, a member of the famed "99's," a crack fighter group operating out of Foggia, Italy, flew P-40's and P-51's from 1944 through 1945. The next 20 years saw him engaged in building up a successful real estate business in the New York area. He had a dream come true a few months ago when he took delivery of a new *Musketeer* for business and pleasure use.

Lloyd G. Smiley (AOPA 171143), nationwide management consultant in the marketing-distribution field, uses his distinctive new white, blue and red-trimmed *Bonanza* over 600 hours a year on field trips serving his blue chip list of clients. He was a B-24 commander from the invasion of Africa, through Italy and on to the allied victory in Europe.

Stanley Price of Summit, N.J., herded B-17's for the Eighth Air Force all through Europe before settling down for a 20-year business-building stint. His new IFR-equipped *Debonair*, obtained a few months back, is already averaging over 30 hours a month in support of his successful metal fabrication business. Price is still a skillful pilot, having lost none of the polish he acquired years ago.

A prominent member of a large Wall Street brokerage house uses his newly acquired S-35 *Bonanza* on field office inspection trips. He was an RCAF instructor and combat pilot out of England before turning in his fighter for the Financial News.

A review of my delivery records revealed that two years ago, one out of every five new, owner-down, high performance single- or light twin-engine aircraft went to a former World War II pilot. Last year this moved up to one out of every three deliveries.

I'm sure that the numbers are lower in other categories of aircraft delivered, and for other salesmen, particularly those selling the lower performance airplanes. In my particular field—high performance, single- and light twin Beech aircraft—the clientele should not be surprising. Speed, power and performance are meaningful and desired by the experienced pilot. And that is precisely what the World War II pilot is, regardless of the 20 nonflying middle years.

There are some interesting sidelights and similarities among these fellows which showed up during both the selection of aircraft and later predelivery checkout.

Each had a healthy respect for flying and for the handling of equipment. Each set down hard rules on required performance and instrumentation. Every aircraft going to these fellows had dual nav/com, ILS and three-axis autopilot.

Power, performance and flight feel were evaluated carefully and expertly. The 20-year lapse actually did little to dull their feel for flying. Each demanded and got a thorough checkout in his aircraft before acceptance. Uncle Sam taught them years ago to be wary of unfamiliar women and airplanes. A complete checkout, including all emergency procedures is standard with us, but it was encouraging to see their eagerness in this regard.

Interesting comparisons were continually made during checkouts. Aileron roll rates were compared to those of P-51 *Mustangs*; general flight feel to that of P-47 *Thunderbolts* or even to B-17's. After 20 years, their degree of flying skill and respect for procedures were, as a whole and to the delight of this check pilot, extremely high. However, knowledge and respect for today's airway system was initially low. The usual first remarks included reference to needing only an ADF, compass and road map. A few hours of familiarization with the VOR and ILS changed the sneers to cheers and brought orders for complete nav/com systems.

The individual character of World War II aircraft was followed in many ways by each in the selection and distinctiveness of his new business airplane. Clean rakish lines, nonstandard color combinations and special embellishments were generally desired in some manner by most.

Cowl or fuselage painted names, or distinctive numbers, were arranged in many cases. Lloyd Smiley's "Connie" had its counterpart in Harold Greenberg's "Ami," painted on the cowl of his *Bonanza* in honor of his French-Canadian friends. Stan Shapiro's "Susy Q II," in honor of Mrs. Shapiro, was matched by Stan Price's "007 W" registration and "Gemini-Cricket" on the nose. One *Bonanza* owner's highly polished aluminum bullet nose spinner will be more than matched by a special "spiral nose" paint job ordered by another returning World War II pilot.

The facts are apparent. These fellows are back. Their well-equipped airplanes are saving time and money in business while allowing them to return to a love Uncle Sam taught them a score of years ago—the joy of flight as pilots in their own airplanes.

[Reprinted from January 1967 issue of the AOPA Pilot]

General Aviation 1967—Upward Spiral Continues

(By Robert L. Parish)

In both numbers of units and dollar volume sales, 1966 set new records for lightplane industry, but observers believe it only foretells greater successes to come.

Most observers agree that if the general aviation scene during the past year could be summed up in a word, that term would have to be "dynamic." As a record setter, 1966 was unprecedented. Based upon current financial indicators, however, its future should be even more heartening.

The optimism with which general aviation manufacturers approached Calendar Year 1966 has been more than justified by the factual evidence of statistics. Virtually all prognostications offered last January underwent mid-year revisions upward. As of Oct. 1, 1966, the beginning of a new fiscal year for most general aviation manufacturers, the 18 major aircraft builders had delivered a total of 15,724 planes having an estimated retail value of more than \$512,000,000. This reflected an increase of 34.4% in deliveries over 1965, the previously record-high year, and a conservatively estimated 20% upturn in profits.

Because of the various methods of records keeping that exist within general aviation, it is difficult to assess the full impact of the industry on the overall national economy, or to come up always with precise figures on every facet of the field. Manufacturers base their figures on differing fiscal years. FAA maintains tabulations on both the Federal fiscal (July 1–June 30) and calendar year bases, as well as attempting to project figures for several years to come.

The Utility Airplane Council of the Aerospace Industries Association, official scorekeeper for 11 of the more than 30 general aviation airframe makers, tries to provide a running monthly count, culminated by an annual calendar year report.

Results of those several compilations sometimes are conflicting, but are generally complimentary in that they reflect similar growth trends. For 1966, those trends all have been definitely up.

According to AIA, October was the 13th consecutive month in which deliveries made by 11 leading manufacturers exceeded 1,000 units. New model introductions during September and October stimulated a total of 2,595 deliveries for that two-month period, as compared to 1,946 for the same two months of 1965.

Of the 15,724 planes shipped in the 12 months ending Sept. 30, there were 13,153 single-engine and 2,571 multi-engine models. Among the latter were 297 business jets and 141 turboprop aircraft.

From the standpoint of general aviation operations, newly posted records were similarly impressive. In a compilation of miscellaneous statistics released shortly before the end of 1966, FAA projected a calendar year total of 45,100,000 operations at the 303 airports in the country equipped with control towers. Of that total—an increase of 19% over 1965—general aviation was estimated to account for 33,800,000; a 27% increase in its activities over the preceding year.

General aviation IFR operations handled by air route traffic control centers also were projected to reflect a substantial rise—from 1,500,000 in 1965 to 2,100,000 in 1966.

In a breakdown of airman certificates issued during Fiscal Year 1966, FAA registered a total of 211,153, an increase of 25% over the 169,465 certificate issuances in 1965. These broke out to \$116,354 student certificates, 41,449 private, 25,770 commercial and 6,369 air transport licenses, swelling the total of active pilot licenses to nearly 550,000.

Aircraft manufacturers themselves pointed up the healthy state of the industry, which was due in no small measure to the extent and effectiveness of their individual merchandising efforts. Sales posted by each apparently correlated well with those efforts.

Cessna Aircraft Company, riding its 11th straight year as the industry leader in unit production and the ninth consecutive year it has been first in dollar

volume sales, boosted its deliveries by 57% over those of 1965. Production of 7,922 planes made it the biggest year in the company's 39-year history and represented a doubling of business in just three years' time.

According to Cessna President Del Roskam, 1966 saw significant gains in every one of the company's individual markets. The largest was in its "learn to fly" market, made up of four versions of the two-place Cessna 150, the 172 and its companion model, the *Skyhawk*. Those accounted for 3,985 of Cessna's total units for the year, a 78.8% increase over sales of the same models in 1965.

Next largest increase was in multi-engine sales, which climbed from 567 in 1965, to 817 units in 1966, a gain of 44%. Cessna's middle-priced line—the 182, *Skylane*, *Super Skylane*, 210 *Centurion* and *Turbo-System Centurion*—was up 24% in sales, while utility aircraft, including the new *Agwagon*, accounted for a 30% increase over 1965 deliveries.

Of the company's record \$202,000,000 in total income for the year (up from \$148,419,000 in 1965), commercial aircraft sales accounted for \$140,000,000, 35% more in dollar volume than during the preceding year. Cessna ended its fiscal year with September sales of \$20,200,000, the largest single month's business in the company's history.

Piper Aircraft Corporation, with a 1966 production record of 4,319 units (up about 12% from 1965's 3,838 units, despite a three-month-long strike that exhausted distributor-dealer inventors) has focused its sights on 1967 as the year to remember. Company officials have pledged themselves to a 39% production increase to bring their Fiscal '67 output to 6,000 units. They made a slow start toward that goal in October, however, with delivery of only 217 units worth an estimated \$6,125,000.

Piper billings of \$80,000,000 in 1966 represented a 17.5% rise over 1965 income. A generous share of that reportedly is being plowed into plant expansion to further increase company production capabilities.

Beech Aircraft Corporation, sharing the industry's optimistic outlook for 1966, originally forecast a dollar volume market of \$140,000,000 for all of its wares, of which \$92,000,000 was expected to be earned on commercial aircraft sales. By midyear it had upped that estimate by \$10,000,000, with the bulk of the increase expected from general aviation production.

The accuracy of that projection was borne out by year-end tabulations that showed total Beech general aviation deliveries of 1,442 units worth \$100,731,368 in net billings. That was a 35% increase over 1965's dollar volume business.

For the future, Beech sees only more of the same gratifying growth. In a recent report increases of 10% for 1967, bringing total income to about \$180,000,000 for the year. By 1970, they predicted, that figure will top \$200,000,000.

Mooney Aircraft Company's fiscal year differs from that of its competitors. It runs from November through October. With 1966 sales in excess of \$14,000,000, the company was geared for a \$24,000,000 volume during the current year and had projected a \$32,000,000 market for Fiscal 1968.

Frustrated in its efforts to bring its pressurized M-22 *Mustang* to full fruition in 1966—a shortage of properly trained manpower worked against that, according to company president Hal Rachel—Mooney used its resources instead to push production of the *Executive 21*. That course of action apparently paid off handsomely, with that model accounting for 120 of Mooney's 772-unit production record during the past year. An income of \$14,150,000 represented an increase of about 15% over 1965's 750 aircraft sold.

Mooney's successful experience with merchandising the Japanese-developed Mitsubishi MU-2 reportedly has led the Texas-based firm to seriously consider development of a twin of its own design. But that is still in the comparatively distant offing. Meantime, Mooney has sold 18 of the MU-2's to U.S., Canadian and Mexican business firms, has contracted with Mitsubishi Heavy Industries to buy another 80 and is dickering with the Japanese company to obtain South American sales rights.

Aero Commander, with its expanded line of acquired single-engine models (the Aero Commander 100, nee *Voltaire*; 200, nee *Meyers*; and Snow Commander) complementing its twin-engine and business jet models, reportedly posted a phenomenal increase in both units and dollar volume during its fiscal year, which corresponds with the calendar year. With year-end deliveries slated at 255 to 260, worth net billings of a reported \$56,000,000 to \$60,000,000, the company claimed an increase of about 53% in unit deliveries and better than 100% in dollar volume.

The company's most recent acquisition, the Snow *Agplane*, broadened the base of Aero Commander's product line as well as contributing to increased

unit sales. But apparently the firm's parent company, Rockwell Standard Corporation, still intends to make good its pledge to transform the "Big Four" in general aviation to the "Big Five." Besides holding an option to acquire the Ted Smith Aircraft Company's developing *Aerostar line*, Rockwell Standard reportedly is still looking over the lightplane products of several domestic and foreign manufacturers with the idea of further buyouts.

Among some of the smaller unit producers in the United States, several recorded 1966 sales increases far in excess of the industry giants, percentage-wise. Alon, Inc., with its popular two-place trainer, tripled its sales during 1966, (from 52 to 157); Bellanca's deliveries rose from 29 to 57; and Champion, with its *Citabria*, registered an increase from 225 to 338.

How did this unprecedented unit/dollar volume growth affect the overall general aviation picture? According to an FAA report for Fiscal Year 1966, it probably drove the number of active privately owned aircraft in this country comfortably above the 100,000 mark. FAA figures generally are regarded as being too conservative, however, and many industry officials estimate the true size of the active general aviation fleet at more than 110,000.

FAA's report, titled "Selected Year End Statistics," placed the total active civil aviation fleet as of last January at 97,741, of which 95,442 were general aviation planes. With an estimated 4.5% "attrition rate," more than offset by 1966 sales in the United States, FAA's next reported official figure is expected to be in the neighborhood of 100,000.

Growth of the general aviation industry has necessarily led to greater employment all down the line during 1966. In October, the Aerospace Industries Association disclosed that total employment within that broad field would reach an expected record of 1,349,000 by the close of the year, an increase of 11% over that of a year earlier. The biggest proportion of increased employment was within the aircraft segment of the industry.

Utility, or general aviation aircraft, manufacturing reflected a rise of about 3,000 employees during the year among the 11 companies reporting to AIA. That brought the year end total to some 31,000. Announced expansion plans by the major producers during 1967 would indicate that employment will increase even more—provided there are workers to be found.

That, according to virtually all lightplane manufacturers, is the thorniest problem in an otherwise bright future. All of the major plane builders have indicated that they are beginning to focus nearly as much attention on getting and keeping good employees as they are on merchandising their wares. In exulting over its recent growth to more than 10,000 employees, Cessna noted with some alarm that the demand for personnel in almost all facets of the industry is increasingly dwarfing the apparent supply.

Of total employment and employment opportunity within the industry, more than 60% is in the production line. Scientists, engineers and technicians comprise about 25%. The remainder is made up of administrative, sales and similar forces.

To achieve a hoped for 30% industrywide growth rate during 1967, most observers claim there will have to be at least a 15% employment increase. By the same token, similar personnel increases will have to be registered among maintenance and support services, engine and equipment manufacturing companies, and similar organizations which now employ a conservatively estimated 250,000 people.

Looking ahead, the general aviation industry seems to be destined for even more explosive growth than it has enjoyed in the past year. A recent FAA publication, "General Aviation—A Study and Forecast of the Fleet and Its Use in 1975," partially mirrors the cause for the industry's continued optimism.

General aviation's history has been characterized by changing trends and shifting emphasis, at the same time establishing a strong foundation for future growth, the FAA study points out. It acknowledges that flying has become an accepted means of travel, with greater public understanding of the safety and usefulness of lightplane operations a direct result.

Lightplane aircraft production has been very sensitive to business cycle fluctuations, FAA claims, and the sharp increase in shipments from 1963 to 1965 reflects the unusually high growth rates experienced by the national economy. The agency's study estimates that by 1975, normal annual production of general aviation planes will approximate 22,000, but could go as high as 27,000. That estimate includes 8,000 aircraft required to meet normal growth in the private fleet, about 7,000 to replace those lost through attrition, and export sales of about 7,000.

Industry, on the other hand, sees a rosier outlook. It predicts annual sales of some 35,000 by 1975.

Concerning technological developments in the coming decade, FAA has this to say:

"In airframe structures, the aluminum-stressed skin construction will continue. No need is foreseen for any of the exotic materials or radically altered construction methods. Cabin pressurization . . . may be anticipated in the more expensive single-engine aircraft. However, it will not be the general rule.

"Aerodynamic improvement can be anticipated with a resultant increase in speed, but some of these improvements may be accompanied by certain low-speed regime problems which may require additional systems to counteract these problems. The latter, of course, would add to the cost and complexity of the aircraft.

"The 1975 general aviation fleet will still be essentially a piston-engine fleet . . . the use of lightweight turbo-superchargers and higher horsepower piston engines can be expected to increase, for these engines expand the usefulness of the aircraft by permitting higher altitude flight above many levels of bad weather.

"The general increase in speed, range and size of general aviation aircraft has made them more acceptable for longer trips. This has led to the requirement for more and better navigation and communications equipment . . . Most of this flying is still VFR, however. IFR capability in both pilot and aircraft is relatively expensive to attain and is justified in only a small percentage of operations. The continued development of solid state electronic gear and hoped for reductions in cost as well as their light weight, low power requirements, and reliability should stimulate a wider use of more sophisticated equipment by 1975.

"All of the technological advances . . . will lead to a more useful aircraft for general aviation. As the aircraft become more useful, they can logically expect to be in greater demand."

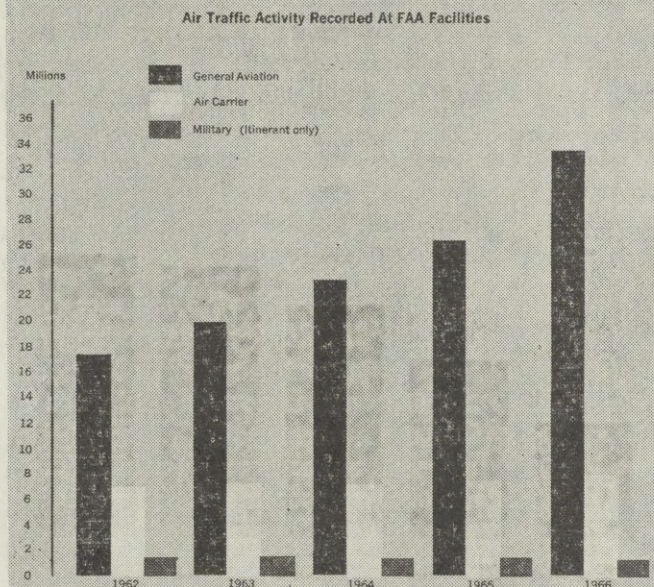
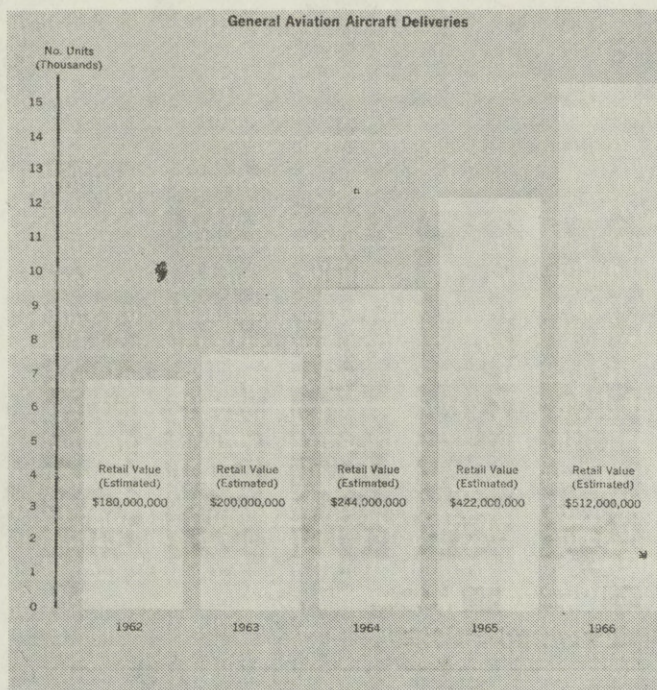
Looking into their own crystal ball, some industry officials have revealed that they will be scarcely surprised to see nearly 20,000 private planes produced this year that will sell for upwards of \$600,000,000.

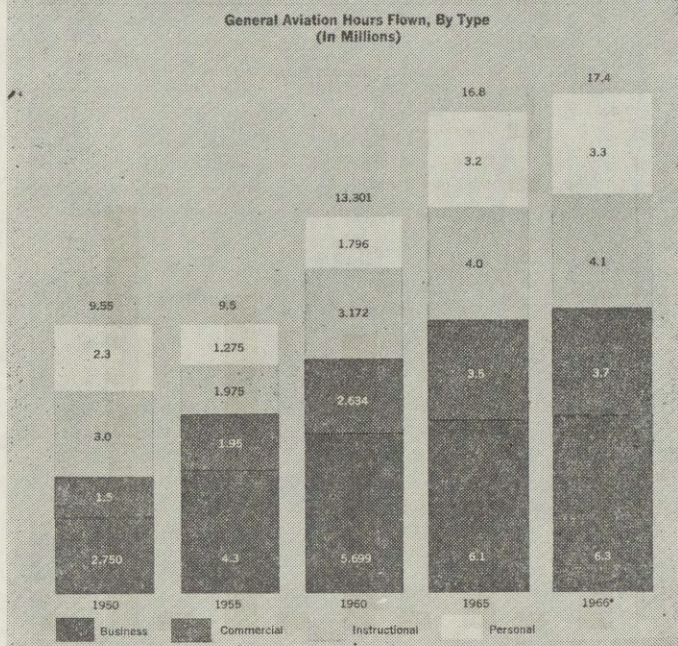
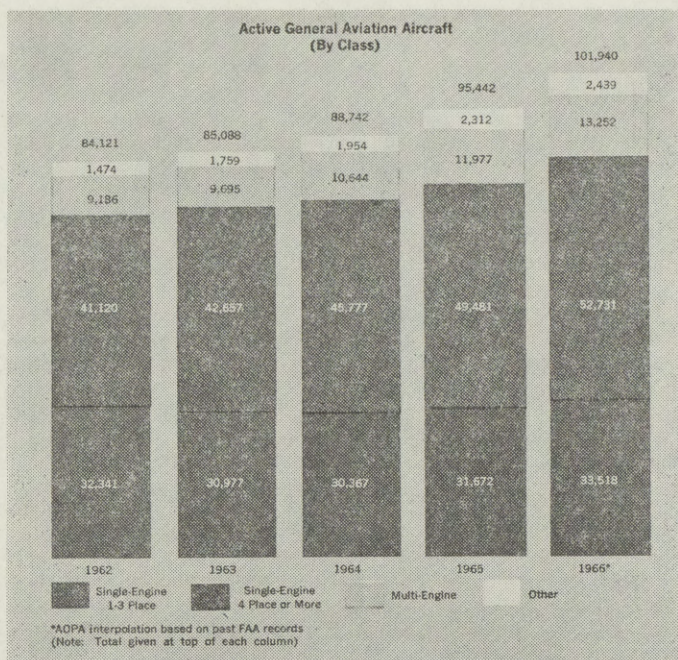
Problems and question marks the industry has aplenty—the manpower supply, availability and quality of materials, public education and merchandising, stability of the economy and, of no little concern, the ramifications of FAA's absorption by the newly created Department of Transportation. But at this point, as with each of the preceding three years, industry leaders predict only brighter prospects and more prosperous fortune in the year ahead.

Active Airman Certificates

Fiscal year	Student	Private	Commercial	ATR	Other	Total
1962-----	95,870	149,405	96,047	20,032	4,617	365,971
1963-----	105,298	152,209	96,341	20,269	4,583	378,700
1964-----	120,743	175,574	108,428	21,572	4,724	431,041
1965-----	139,172	196,393	116,665	22,440	5,100	479,770
1966 ¹ -----	172,914	204,682	138,831	26,743	5,800	548,970

¹ AOPA interpolation based on rate of increase and past FAA records.





Senator YARBOROUGH. The next witness is Frank Kingston Smith.

Mr. Smith, proceed in your own way.

Senator DOMINICK. Mr. Smith is a very well known author as well as in his present position.

**STATEMENT OF FRANK KINGSTON SMITH, EXECUTIVE DIRECTOR,
NATIONAL AVIATION TRADES ASSOCIATION**

Mr. SMITH. Thank you, sir.

Mr. Chairman and Senator Dominick—

Senator DOMINICK. Mr. Smith, since you are an author and skilled in the use of words, could you summarize your statement for us?

Mr. SMITH. Yes, sir; that is exactly what I intended to do.

Senator YARBOROUGH. We will file it in full and read every word of it. We are determined, some of us, to put this flight training in this bill. We are anxious to get this hearing finished and try to get this training for these veterans.

Mr. SMITH. Yes, sir.

Senator YARBOROUGH. If you will pardon me a moment, the VA yesterday complained of the large number that took flight training under the Korean bill. I believe the figure was 80,000. Under the statement that we just placed in from Air Transport it says we need 40,000 pilots for commercial aviation alone, not saying what we will need for business and corporate. I think we will need 80,000 pilots.

Proceed, please.

Mr. SMITH. I would like to submit my written statement for the record.

I would like to proceed, sir, by hitting the high points of my written statement and explaining our position here today.

The National Aviation Trades Association is composed of aviation and businessmen in the sales, service, and supply industry which supports the entire general aviation fleet. However, we recognize that this legislation that is proposed by you is a veteran's bill, and rather than come in and say that we are in favor of this for our self-interest I would rather that you consider us as *amicus curiae*, in a legal case, and will use us, I hope, as well as the Air Line Pilots Association through your staffs to achieve the proper end to give the veterans the kind of training that I think is needed.

The greatest problem that we have in facing any matter of aviation is the excessive stress put upon the airlines. The airlines are only a part of our national aviation transportation picture.

I have statistics here that may come as a shock, that all the domestic trunk carriers and the 14 local service carriers operate a fleet of 1,506 aircraft. At the same time in general aviation we have almost a hundred thousand active airplanes. A year ago, and again in—

Senator YARBOROUGH. Let me get that figure again. Is that 1,506?

Mr. SMITH. 1,506.

Senator YARBOROUGH. Is that all the trunk lines—

Mr. SMITH. I can give it airline by airline.

Senator YARBOROUGH. And feeder airlines, 38 commercial airlines in the United States. Is that the number?

Mr. SMITH. If I can count down this line, I can tell you how many there are.

Senator YARBOROUGH. That is all right, you have the number of planes.

Mr. SMITH. There are 11 domestic trunks and 13 local service air carrier airlines.

Senator YARBOROUGH. That would be 24?

Mr. SMITH. Yes, sir.

Senator YARBOROUGH. I picked up the figure 38 somewhere.

Mr. SMITH. In the current issue of Aviation Week & Space Technology, March 20, 1967, in just about the center of the book, on pages 51 and 53, it gives the number of airplanes used by each airline.

On the other hand, as I say, we have over a hundred thousand airplanes active licensed in general aviation.

In order to understand the need for pilots and the type of education required for the commercial pilots, for the ones who are going to go into it for a profession, it is necessary to analyze the various kinds of pilot, which I have done in my written statement.

Mr. Monroe discussed the fact that private pilots, those who are not licensed to carry anyone for hire, may have a valid professional need for aircraft. It so happens I am a private pilot. I fly my own airplane about 400 hours a year on business. I have never had the need to have a commercial license, so I have never gotten one, but I certainly stress that I have in my profession, and since I have been here in Washington, had a great need for aviation transportation. When we go to the position where a veteran can make money as a pilot he must have the commercial license. The commercial license, in order to be valid in all weather operations requires additionally an instrument rating. These two licenses together, the commercial and the instrument, enables a pilot to carry people for hire in any light airplane which is legally defined as any airplane that weighs less than $6\frac{1}{4}$ tons—12,500 pounds. The moment the pilot becomes qualified to fly an airplane that weighs more than $6\frac{1}{4}$ tons he must have an air transport rating (ATR). This requires, in addition to that "Ph. D. in aviation" a type rating for each airplane that he is going to fly that weighs more than 12,500 pounds. Although the airlines get all the play in the press and here on the Hill, I think that we should define the scheduled airlines as being those who have certificates of public convenience and necessity from the Civil Aeronautics Board.

We have in this country many thousands of airplanes in commerce—carrying passengers for hire, many of them on schedules, but since the airplanes weigh less than 12,500 pounds they are not subject to the rules and regulations of the Civil Aeronautics Board.

We have a new industry developing: scheduled air taxi for commuting. Three years ago there were 12 commuter airlines. I understand: last year 75; and now over 116 commuter airlines operate, not subject to the Civil Aeronautics Board regulations and which do not have any Federal subsidy at all. These are free enterprise businesses.

Senator YARBOROUGH. Let me ask you, if you have an airline operating wholly within one State that doesn't cross the State boundary line, the CAB does not regulate that?

Mr. SMITH. That is correct, sir. I believe even though the airplane may weigh more than 12,500 pounds usually they will operate this equipment without CAB regulation.

The pilots who fly the large airplanes are airline pilots. They have their airline transport rating (ATR). They must by law.

In addition to the enormous number of job opportunities which I have set forth in my paper for the five license types of aircraft operation, we have some special pilot opportunities which require a commercial certificate; aerial application, for instance. In this country we have more than 5,000 airplanes used for agriculture. This covers everything from fertilization, to defoliation, pesticide use, spraying of seeds. Many parts of the West have been sprayed with seeds to make the desert green. This is an enormous business. Many people don't even understand it. You hear people call them cropdusters or sprayers.

You get the idea this is some kind of a crazy man that is flying around in decrepit airplanes. They are airplanes that cost from \$15,000 to \$30,000 and \$40,000 and are flown by professionals.

Senator YARBOROUGH. It takes a pilot with a high skill to fly those.

Mr. SMITH. Yes, sir. In addition to having commercial rating he must also pass certain regulations as an agricultural pilot because much of this flying is done at low levels.

Senator YARBOROUGH. I have heard pilots refer to that as suicide.

Mr. SMITH. I think that is a commonly used term. It is a misnomer. We have in our association many members who are aerial applicators who have been flying for 20 and 30 years.

Senator YARBOROUGH. They duck over a telephone line or over trees; they do have to be very skilled pilots.

Mr. SMITH. They certainly do. I don't want any part of it. These are skilled pilots. There is a growing need for agricultural pilots in this country.

In addition to this, there are two noncertificated air carriers. I talk again about air taxi. The first type is "demand" air taxi. The second is a "scheduled" air taxi and commuter airline.

In your State of Texas you will find that many people get from one place to another by air taxi because there is no certificated air service to many communities. I know that going west in my own airplane many times we joke about how you can go east and west on the air carriers but you can't go north and south: General aviation is the answer to this.

I believe general aviation and commuter airlines are going to solve many of the communication and transportation problems in this country in the next few years. The growth of this industry has shown a demand by the general public.

Senator YARBOROUGH. This problem is accentuated, I believe; 10 years ago we had in our home State more cities available by commercial aircraft than now, certainly more flights a day. As the planes have gotten larger and hold more passengers and fly faster the airlines have necessarily lessened the number of flights per day.

Mr. SMITH. It is purely a matter of economics.

I might add, we were talking a while ago, Mr. Monroe and I, and I believe you read a letter from the Air Transport Association about the requirement for pilots. I know now of two major certificated trunk lines who are running copilots with 250 hours, which means that they have just made their commercial rating and they are flying as copilots in the airlines. The need for the air carrier pilots is tremendous, but,

in addition to that, as I say, we have the air taxis and the commuter airline need for pilots.

These men must be very good professional pilots to fly this equipment.

This business is growing and as it grows the need for pilots is exceptional. Who is going to produce the pilots?

As the need for the pilots has gotten greater, the need for flight instructors has gotten greater. We find many instructors going into flying of large airplanes, "executive flying," so we are losing many of our trained instructors. They must be replaced.

These are all valid areas in which the veterans who would get a commercial or instrument license would have job opportunities. This is what we are pointing at.

The point is, do the veterans have an opportunity, can they take advantage of it through this S. 9, and will there be a place for them to go? We say yes. We have given many figures. We have cited many cases in our written paper. There are many many documents with statistics in them. I believe, I know for a fact, that your staff has these. I have a satchel full of them right here that show that there is an enormous need for trained pilots, for flight instructors in general aviation, not counting the requirement for the airlines.

Sir, I think the only other thing I must mention—Mr. Monroe mentioned this in passing, and I have put it in my paper—is the question of the educational requirements and the costs involved and the amount of money that will be paid under this bill.

Working very closely with AOPA in this matter we have both come to the conclusion that in order to obtain an instrument rating, a commercial rating with instrument privileges, it requires about \$3,300 in educational benefits. However, an interpolation of the various laws involved here indicates that the entitlement that Mr. Monroe mentioned awhile ago is merely \$1,350, which is about 41 percent of what a veteran needs to have an instrument and commercial license.

We invite your attention to this to show that I think this should be met. I think we should not have the dropout situation that we found after the Korean war. We assess the former situation that frequently the man did not have enough money to fill out the requirements for his profession and having run out of money and gone to work someplace else and does not get back into aviation is called a dropout.

I think, sir, this committee should examine that.

On the question of the cost of producing pilots and the number of dropouts, I believe that you and your committee might examine the experience at Fort Rucker in Georgia—I beg your pardon, in Alabama.

Fort Rucker has a very extensive course, starting many, many people from scratch, teaching them to be light airplane pilots for the military. I am sure they have very fine statisticians that can give the number of people who cannot make pilot rating, cannot be pilot rated and would, therefore, be dropouts.

If you have any questions, sir, I will be very glad to answer. I will say for the record that we are certainly in favor of S. 9, and like AOPA we stand ready to help you and your committee any way we can or to assist you in any way possible for the veterans:

Mr. YARBOROUGH. Mr. Smith, I have been examining your state-

ment as you condensed it. You have a very fine statement here. It is ordered printed in the record in full.

The data that you furnished about planes, about general aviation, about the types of pilot certificates and explanation of what is required, for commercial instrument rating, light aircraft, heavy aircraft, noncertificated air carriers, pilot opportunities, et cetera, is excellent.

Also I think you have done a fine service in pointing out that the maximum amount payable for the pilot training under this bill—that just followed the old Korean bill—would be \$1,350. Under the present law if a man went to school for 36 months he would have \$3,600. I think that the average college graduate in America earns less money per annum than the average airplane pilot, certificated pilot. In other words, it is worth more to our economy, more to the Government in taxes it collects, to have a qualified pilot than to have the average college graduate.

Mr. SMITH. Yes, sir.

Senator YARBOROUGH. You have pointed out here the discrimination in the amounts allowed. I would like for the different ones, representing different aspects of the aviation industry, to put your expertise to work for an amendment of the bill to allow that and to allow more money for flight training.

Mr. SMITH. Thank you, sir. We will be most happy to work. I think that the opposition to this bill, which I have heard, which has been expressed to me, is based on archaic thinking. I have had the statement made to me that the Government is not interested in having cornfield operators teach people to fly. I think, sir, that before these hearings are over, that you will see that we are not engaged in cornfield operations. We have two members in Florida who have—each of them have—more than 150 air-training airplanes, turning out pilots. Aviation has grown so much, the character of aviation, general aviation has changed so much in the last 10 years, that it is almost unbelievable. As Mr. Monroe says, the changes in airplanes and the cost of airplanes and the use of airplanes in the last 10 years, let alone the last 25 years, has been so dramatic and changed so greatly that before anyone could make any decision they must recognize this great change and make an intelligent decision on that basis.

I don't think it is fair for anyone to come in and say we are engaging in cornfield operations, that we are teaching people to fly around the patch. When you see the kind of airplanes, you see hundreds of them based in the Washington area, like mine, like Senator Dominick's, these are expensive airplanes we use because we must have them.

I think this should be pointed out to the people who object.

Senator YARBOROUGH. I am impressed with your explanation on how the aviation industry has been changed where you say the majority of the fleet produced by the manufacturers now outperform typical air carrier aircraft in the 1960 era.

I am going to pass the questioning over to Senator Dominick, who is an accomplished pilot in this field.

Senator DOMINICK. I agree with you; I think Mr. Smith has made an excellent statement.

Your statement has been devoted to the actual need of pilots in different fields.

Senator YARBOROUGH. Would you say it is of assistance to people who do not earn their living by becoming a pilot but may be a mechanic, radar operator, or a meteorologist or something of this kind?

Mr. SMITH. I have touched on it very lightly in my statement because, frankly, my statement is directed to professional pilots and professional pilot training. Any mechanic who works on my airplane is going to fly it before he turns it back to me. This is a personal requirement I have. Therefore, a man who is a mechanic should have a pilot rating.

In addition to this, I am a lawyer by profession. I got into aviation because I needed transportation. I have many, many friends, brokers, doctors, others who are in professions where they must have fast transportation and this is where aviation comes into the matter.

One other matter in the business of installing nothing but radar equipment and weather radar equipment. Every one of the top people in this business have to be pilots because they have to test this equipment in weather conditions. It is not enough to put equipment in on the ground and say it works; they must test it up in the air. Therefore, this is an essential requirement for anyone in the profession.

Senator DOMINICK. Do you think you and Mr. Monroe would be able to work out together a system of definitions, a private license in connection with his business, which is a priority one, he would still get an entitlement to flight training even though he is going only for a private license?

Mr. SMITH. Yes, sir; I would certainly be most willing to try it. I think we could achieve something.

Senator DOMINICK. I think this has been very helpful. So many people, as you so properly said, and as Mr. Monroe said, feel if a man has a private license that all he is doing is having fun flying around the airport. This isn't true, as exemplified by your own experience.

That is all I have, Mr. Chairman. Thank you very much.
(The prepared statement of Mr. Smith follows:)

PREPARED STATEMENT OF FRANK KINGSTON SMITH, EXECUTIVE DIRECTOR,
NATIONAL AVIATION TRADES ASSOCIATION

S. 9—CERTAIN FLIGHT TRAINING

It is a pleasure to appear before your distinguished subcommittee. I am Frank Kingston Smith, executive director of the National Aviation Trades Association, composed of general aviation businessmen, manufacturers, component suppliers, and operating support facilities. Our association represents sales, service, and supply organizations which support the operations of the entire general aviation fleet.

We appear today in support of S. 9, which we believe will enhance the future earning capacity of veterans receiving aid for flight training. Our purpose is to present some thoughts on present and future manpower needs and requirements, and potential carrier opportunities in aviation. We offer the resources and facilities of our association to your subcommittee on this matter and solicit your recognition that National Aviation Trades Association has expertise in aviation.

Rather than being here as an advocate for the passage of S. 9 for reasons of self-interest, we appear for the purpose of offering a statement similar to that of *amicus curiae* in a legal proceeding. On this basis we support the requests of veterans for the inclusion of flight training into Title 38, U.S. Code, recognizing that there is a legitimate industry need for such professional training.

Preamble. Prior to launching into any discussion of specific needs or job opportunities, it is appropriate to define several areas of the aviation industry which are frequently misunderstood by the general public. There are two basic types of aviation activity in the U.S.: *military*, which need not concern us here; and *civil*—the specific field in which we are interested today.

Civil Aviation. Civil aviation is further divided into two categories:

Air carrier. Because of its recognized importance to the national economy, this is generally considered by laymen to be the most important facet of civil aviation. They completely overlook and usually ignore the tremendous impact of general aviation in the area of national transportation and its importance to the nation's economy.

The air carrier category consists of scheduled air carriers operating under *Certificates of Public Necessity and Convenience*, which are issued by the Civil Aeronautics Board. Such certificate holders come under the regulatory functions of CAB, including such matters as route protection, tariff schedules, required service, and federal subsidies.

According to the latest available statistics from the Air Transport Association as of the end of 1965, the 11 trunk and 13 local service airlines operated a total of 1,870 fixed wing aircraft: 712 pure jet, 288 turboprop, and 870 piston engine airplanes. (*Air Transport Facts and Figures, 1966*, official publication of the Air Transport Association of America, p. 34)

According to the Federal Aviation Agency, certificated air carriers of the type described here serve approximately 750 communities in the U.S. (*Air Traffic Activity, 1966 FY*, FAA Office of Management Services, Data Systems Div.)

General Aviation, the second category of the civil fleet, is an all-encompassing term. According to FAA, 95,442 general aviation aircraft were actively registered at the end of 1965, of which 574 were pure turbine. There were approximately 2700 multi-engine aircraft similar to the types operated by air carriers, and another 20,000 multi-engine executive type aircraft, easily defined as business and corporate aircraft. There are also some 50,000 single engine aircraft of the light executive type, and 31,000 aircraft of less than 200 hp in active status. *FAA Statistical Handbook of Aviation, 1966*, table 5.1, p. 95)

Aircraft usages are broken down in the *FAA Handbook* into *personal, business, instructional, commercial* (including air taxi, aerial application, and industrial specialties), and *other*. A further breakdown, table 5.3 (*ibid.*, p. 96), indicates that almost 22,000 aircraft are used for executive and business transportation, 5,000 in aerial application, 8,000 for instruction, and 5,000 for air taxi operations.

FAA further has indicated that as of the end of 1965, 8891 airports are registered in the continental U.S. (FAA Office of Information Services Bulletin 67-22, Mar. 15, 1967, and attachments). This figure excludes 418 heliports, 364 seaplane bases, and 25 additional airports located outside the contiguous U.S.

General aviation, including air taxi and air commuter services, can use *all* airport facilities the U.S., hence can provide *all* communities in the country commercial transportation by air, in contrast to the relatively limited number served by the large turbine equipment of the certificated air carriers.

Types of Pilot Certificates. Let us examine for a moment the various types of pilot certificates that are required for professional purposes for both certificated air carriers and general aviation.

Private Pilot. The first step after the student license is that of Private Pilot, which entitles the holder to fly anywhere in the U.S., carrying passengers so long as he does not receive compensation therefor. Unfortunately it has not been recognized by many lay people that private pilots may and do use their aircraft for transportation for business purposes. The erroneous but common view is that a private pilot flies aeronautical fliers only for recreation and relaxation, usually remaining in the vicinity of an airport. For this reason we frequently find opposition to training anyone merely to be a private pilot since the thrust of all educational programs, particularly those financed by the federal government, is pointed at "commercial" usage. We submit that a private pilot may be a high-time and very proficient multi-engine and instrument pilot, although because he has not found a requirement of carrying people for hire he has never progressed to a commercial certificate.

Commercial License. The next step up the ladder, authorizes the pilot to carry passengers for hire. It is just such professional training to which S. 9 is directed, on the assumption that flight training for the actual profession of flying in commerce is the only valid one for which the eligible veteran should receive educational aid. Certificated airlines may use pilots who hold com-

mercial licenses as so-pilots (1st officers) and as flight engineers. Neither position requires a type rating (see below).

Instrument Rating may be held by either private pilots or commercial pilots. It is not mandatory for either type of pilot at this time, although the utility of aircraft is extremely restricted by not having instrument capacity of the pilots involved. An instrument rating is extremely important, and most pilots, both private and commercial, who are spending much time in air transportation, are impelled to obtain the rating at the earliest possible moment. We suggest that obtaining this rating should be considered as part of the training program under S. 9.

Light Aircraft and Heavy Aircraft Pilot Requirements. Pilots holding certificates of the types described above are restricted to flying what are legally described as light aircraft—airplanes weighing less than $6\frac{1}{4}$ tons (12,500 lbs.) gross weight.

Air Transport Rating. In order to be pilot in command of any aircraft weighing more than 12,500 lbs., FAA regulations require the pilot to hold an Air Transport Rating (ATR). In addition, he must hold a "type rating" for each type of aircraft he is going to fly.

The ATR is the Ph.D. of the flying profession. It requires an extensive additional period of training for the educational testing requirements of FAA itself must be met, as well as passing a special FAA examination for each type of aircraft that will be flown and for which the pilot must be qualified. Aircraft weighing more than 12,500 lbs. gross are commonly described as "air carrier type aircraft" and are found in wide use by corporate aviation departments.

Non Certificated Air Carriers. A special category of commercial aviation recognized as one of the fastest growing segments of the passenger carrying industry is *scheduled air taxi* and *commuter airline* operations. Four years ago there were 12 commuter airlines; a year ago, 75; now there are 116.

Although these commercial operations are literally scheduled airlines carrying passengers for hire, they normally operate airplanes weighing less than 12,500 lbs. and therefore are not required to operate under CAB issued Certificates of Public Convenience and Necessity; neither are they eligible for federal subsidies or for route protection. Commuter air operations are purely free-enterprise businesses which have developed to meet the demands of the traveling public. We have expressed the opinion that within the next few years air commuter operations coupled with the "demand" air taxi operations (i.e., purely "on call" commercial passenger operations using light planes) will dominate the total coverage of the national air transportation system of the U.S.

The facts set forth above are offered to support our endorsement of the provisions of S. 9. Let us now turn to the job opportunities available for pilots and those that will develop in the foreseeable future.

Professional Pilot Opportunities. It is common knowledge that certificated air carriers have expressed and are expressing an enormous need for pilots which is one of the most pressing problems facing the Air Transport Association and its members. Your subcommittee and others in the Congress are already aware of the attrition of the pool of trained airline pilots created merely by the passage of time. Many of the grey haired high-time pilots of the airlines who were trained in World War II are arriving at retirement age; it is anticipated that there will be a huge bulge in the attrition rate in the next 10 years. In addition, because of the enormous efficiency and utility of modern air carrier turbine aircraft, there is a much higher requirement for crews for the same number of total aircraft on the line as compared with the situation a short 10 years ago when piston engine airliners were the only equipment available. Statistics on certificated airline needs can be obtained from the Air Transport Association.

General Aviation Pilot Opportunities. Let us look therefore at future requirements for trained personnel in the general aviation executive and business aircraft field.

Flight Instructors. Our association is constantly being queried by flight school operators for sources of flight instructors to turn out the Private Pilots who will develop from the more than 100,000 Student Pilot starts this year and increasing in the future (*FAA Handbook*, op. cit., table 4.10, p. 79).

To qualify as a certified flight instructor, a prospect must have his Commercial License as a prerequisite to obtaining the additional flight instructor certification. The need for flight instructors as a profession can be documented by Aircraft Owners and Pilots Association statistics, as well as the individual requests of the many individual flight schools throughout the country.

We believe that this is a valid professional occupation for which veterans should be given the educational assistance provided for in S. 9.

Aerial Application. FAA has indicated that there are 5,000 aircraft used in agriculture for seeding, fertilization, pest control, and harvesting. Aerial application is a specialty use of aircraft for which a commercial certificate is required, although the equipment is not used in the federal airways system. This is another rapidly growing industry which needs specially trained pilots. The earnings of ag pilots are commensurate with those of executive pilots.

The best basic source for information and statistics concerning the enormous growth of the general aviation fleet is available from Aerospace Industries Association of America, Inc., and its Utility Airplane Council, and their current statistics. This source indicates that more than 15,000 general aviation light aircraft are being built annually, not including the large (over 12,500 lbs.) general aviation aircraft built by Grumman, Lockheed, deHavilland of Canada, deHavilland Aircraft Co. of England, and Sud Aviation (the Fan Jet Falcon is merchandised by Pan American Airlines for general aviation). In addition many aircraft formerly owned by the certificated airlines are percolating into the general aviation business fleet as the transition is made to turbine equipment by the former owners.

All of this points to an enormous demand for trained pilots to satisfy the requirements of the certificated air carriers and those of general aviation executive fleet. A recent study of the FAA is almost frightening in impact as a result of its analysis of the composition and use of the general aviation fleet through 1975—and yet it has been our experience that FAA projections have usually been conservative (*General Aviation A Study and Forecast of the Fleet and Its Use in 1975*, dated July, 1966, FAA Office of Policy Development, Economics Div.).

The Aviation Industry Has Changed. In the last ten years the complexion of general aviation and the composition of the general aviation fleet has changed dramatically. Prior to that time the typical general aviation airplane was a single engine, fabric covered, one to four place airplane of limited range and speed. In 1967 the majority of the fleet produced by the manufacturers will out-perform typical air carrier aircraft of the 1940 era. Modern light airplanes are equipped like, and perform as, private airlines. It is no longer enough to have a seat-of-the-pants sensitivity to be a general aviation pilot and to obtain commercial utility from the aircraft. The typical modern light airplane has crystal controlled transmitting and receiving communication equipment, crystal controlled electronic navigation equipment, and a large segment of the business fleet is equipped with such advanced equipment as radar transponders and distance measuring equipment (DME)—items that were not even thought of on the piston engine airliners a few years ago.

Similarly the total picture of flight instruction has changed. During the World War II era the typical trainer was a light fabric covered two place airplane of 65 to 95 hp operated usually from a grass airport and it was unusual to have more than two or three trainers available. Now successful flight schools are big business operations. Free enterprise flight school organizations like Embry-Riddle and Burnside-Ott in Florida, for example, own hundreds of airplanes and process thousands of students from first class facilities. Many flight schools are totally qualified to produce well trained Commercial and ATR pilots to meet the needs of business and the certificated airlines. Aviation is no longer an endeavor for hobbyists. It is transportation for business and for pleasure, but the business use of aircraft has only recently come to the fore.

Educational Requirements and Costs. We feel that we would be remiss if at this time we did not raise the question of the adequacy of funding for the education of veterans as enunciated in S. 9 and the proposed amendments to Title 38, U.S. Code.

Maximum amount of financial assistance for flight trainees:

S. 9 would amend Title 38 U.S.C. by adding a sub-section to Sec. 1682 as follows:

“(f) Each eligible veteran who is pursuing an approved course of flight training shall be paid a training assistance allowance to be computed at the rate of 75 per centum of the established charge which similarly circumstanced nonveterans enrolled in the same flight course are required to pay for tuition for the course. If such veteran's program of education or training consists exclusively of flight training, he shall not be paid an educational or training assistance allowance under one of the preceding subsections of this section; if his program

of education or training consists of flight training and other education or training, the allowance payable under this subsection shall be in addition to any educational or training assistance allowance payable to him under one of the preceding subsections of this section for education or training other than flight training. Such allowance shall be paid monthly upon receipt of certification from the eligible veteran and the institution as to the actual flight training received by the veteran. In each such case the eligible veteran's period of entitlement shall be charged (in addition to any charge made against his entitlement by reason of education or training other than flight training) with one day for each \$1.25 which is paid to the veteran as an education and training allowance for such course."

To determine the maximum amount of assistance to be rendered a veteran under the above sub-section we must interpolate the provisions of sub-sections (b) and (c) of Sec. 1661:

"(b) Except as provided in sub-section (c), in no event shall an eligible veteran receive educational assistance under this chapter for a period which, when combined with education and training received under any or all of the laws listed below, will exceed 36 months—

- (1) parts VII or VIII, Veterans Regulation Numbered 1(a), as amended;
- (2) title II of the Veterans' Readjustment Assistance Act of 1952;
- (3) The War Orphans' Educational Assistance Act of 1956;
- (4) chapters 31, 33, and 35 of this title

"(c) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for 12 weeks, whichever is the lesser period."

Assuming that a month consists of 30 days, it can be shown under Title 38 that the maximum entitlement of a veteran is 1,080 days for a 3-year period. With the proposed financial entitlement that for each day \$1.25 should be paid to a student in a flight training course, we project that the top limit of financial assistance to a veteran under flight training in the current proposal would be \$1,350 ($1,080 \times \1.25).*

We have examined this assistance allowance in the light of financial reality to determine whether it is sufficient to meet the criteria set—that the veteran be educated to enhance his earning capacity in the future.

Our association has communicated with Congressional committees on this subject, both in person and by telephone, as well as in writing, and we reiterate our thinking for you.

Analogizing flight certification as a commercial and instrument pilot which would qualify the veteran for employment with certificated airlines, commuter airlines, air taxi operations, or for employment with a sales, service, and support operator (commonly known in the industry as a "fixed base operator")**, there is a valid comparison between obtaining a bachelor's degree in a college or university and obtaining the commercial certificate.

A poll of our membership directed at the operation of flight schools and the costs of obtaining commercial certificates and instrument ratings has indicated that the total cost to the student is approximately \$3,300***, which includes formal ground school and materials allied therewith, aircraft use and flight instruction fees, but does not include expenses for housing or subsistence. Under the formula established by Title 38 and as amended by S. 9, the maximum financial assistance for an otherwise qualified veteran in flight training amounts to \$1,350, well less than half the cost of the course (40.9%).

Conclusion. National Aviation Trades Association favors the passage of S. 9. We believe that the industry need is great, and growing greater, for trained

*The present state of the law under Title 38 limits financial entitlement to veterans for college courses to a similar period of time, i.e., 36 months, yet a simple arithmetical computation shows that a single veteran enrolled in an institution of higher learning is entitled to \$4,680, a disparity to which we invite the subcommittee's attention.

**To qualify as a flight instructor, a candidate must have a Commercial Certificate.

***In consultation with other associations and FAA, we find that our figures are consistent with others' expediences, although FAA indicates that we may be almost \$2,000 too low.

pilots to fulfill the requirements of the growing aviation transportation industry, both the certificated airlines and general aviation. We believe that qualified veterans who wish to make a career in aviation have a valid career opportunity which federal authorities should recognize.

We stand ready to assist this subcommittee or any other group to establish a workable program for the benefit of the nation and for the entitled veterans.

Thank you for this opportunity to testify.

Senator YARBOROUGH. I am going to call the next witness out of order because he is a witness on this same subject. I am going to call Mr. Jim Boutwell, president of the Aviation Training Centers, Inc., Austin, Tex., chairman, Action Committee for Veterans Flight Training.

Will you come around, please, Mr. Boutwell?

STATEMENT OF JIM BOUTWELL, PRESIDENT, AVIATION TRAINING CENTERS, INC., AUSTIN, TEX.

Mr. BOUTWELL. Mr. Chairman and Senator Dominick, my name is Jim Boutwell. I am chairman of the Action Committee for Veterans Flight Training, and I am president of Aviation Training Centers, Inc., Austin, Tex.

The Action Committee for Veterans Flight Training is a national organization of individuals who have joined together at their own expense to develop information and data leading to the reinstatement of flight training in the veterans' training program. Many of us making up this organization received our flight training under World War II or Korea training programs, and many of our members are experienced in the operation and administration of flight training programs. Many of us are presently engaged in training nonveteran students in all phases of aviation.

We were disappointed when we discovered that the Veterans Readjustment Assistance Act of 1966 did not include flight training. Flight training opportunities were available to veterans in the World War II and Korea programs and we have been unable to find a justification for depriving our Vietnam veterans of this same opportunity. As a matter of fact, all indications point to a greater need for flight training today than during World War II and Korea training programs. At the close of World War II we had the greatest standing army in the history of the Nation and a great fleet of operational aircraft and trained pilots. We had also trained for military purposes tens of thousands of mechanics and related aviation servicemen.

Within 1 year after the close of World War II, 15 million veterans had been discharged and all of these veterans with flight ability and related aviation skills were dumped on the domestic employment market at a time when the domestic aviation industry was least equipped to handle them.

Pilots were in surplus supply. Despite this, aviation training was extended to World War II veterans and in hindsight, it appears that the national interest was served. Today, there is a shortage of pilots, aviation mechanics, and others with aviation related skills.

Many of those serving the aviation industry today are graduates from the World War II and Korea VA training programs. The military has suddenly been confronted with tremendous aviation manpower needs and has been required to resort to contracting training with nonmilitary aviation instructors.

Sir, if I might at this point digress from the prepared statement temporarily, I received my own training under the World War II GI bill and have been engaged in aviation for a good many years since then as a pilot, in connection with the Department of Public Safety; later on entering the aviation field.

I am now president of our own company and I am employing a fair number of people in the aviation industry. This was made possible by the World War II bill.

Contrast the situation following World War II with the one existing today. The total number of workers in civil aviation occupations is expected to increase rapidly during the 1965-75 decade, but the rates of growth among the major civil aviation divisions will differ.

General aviation employment is expected to show a rapid rise, mainly because the anticipated greater demand for general aviation services will lead to an increase in the number of aircraft.

About 120,000 general aviation aircraft will be flying by 1975—an increase of about 35,000 over the number in 1964. Most of the employment increase will occur in business flying, which will require about 15,000 new employees, mainly well-qualified pilots. Nearly as many new job openings will occur in air taxi operations, largely because of the demand for air transportation in cities not serviced by scheduled airlines. These jobs will be about equally divided between qualified pilots and copilots, and airplane mechanics. Another 10,000 job openings—practically all for airplane mechanics—will occur in certificated repair stations because of the need for additional maintenance and repair services by a larger general aviation fleet. A few thousand additional employees—principally pilots—will be needed by crop dusters, and operators who give flight instruction and engage in patrol and survey flying.

Airline employment growth will result from anticipated increases in passenger and cargo traffic. It is estimated that by 1975 the scheduled airlines will fly about twice the number of revenue passenger miles flown in 1964. An even larger increase is expected in air cargo traffic, however, which represents a relatively small percent of total traffic. Among the factors which will contribute to increase air travel are a larger population, increased consumer purchasing power, the continued trend toward longer vacations, the greater use of air travel by businessmen, faster flights on jet aircraft which will save considerable time in long-distance travel, and increasing economy class passenger services.

The Action Committee for Veterans Flight Training wants to emphasize the rapid growth expected in two phases of the aviation industry. There is already a greatly increased demand for agricultural pilots and pilots are needed for the rapidly expanding helicopter industry.

Many presently serving in the military are aware of the excellent job opportunities in the aviation industry. I would like to quote a few brief passages from some of the communications we have received. A discharged veteran from North Carolina wrote:

As a Cold War veteran, I am interested in the extension of the Peacetime G.I. Bill. I feel we have a great need for pilots with an airline and that the airlines provide a service as vitally essential to our economy we cannot afford to ignore this need. The flight training would enable me to ensure a good job with a good future.

I spent four years in the U.S.A.F., 1955-1959, and would benefit greatly from this provision.

A staff sergeant in Alabama wrote:

The elimination of the flight training from the new G.I. Bill was a hard blow to me, as I am sure it was to most who had planned to better themselves by flying. I will be leaving the Army after nine years of service on the 22nd of December. I had made real hopes to obtain a commercial airplane and helicopter license.

A specialist fourth class with the Fifth Cavalry in Vietnam, commenting on our committee's effort to obtain flight training, said:

This was indeed good news to me and many other men I knew who are interested in getting flight training when they get back to civilian life. I hold a mechanic's (A&P) license and a private pilot rating, and I worked for Flying Tiger Line before I was drafted. If I could get my Commercial and Instrument Ratings under the G.I. Bill, I would be eligible for a much better job in addition to becoming a more proficient and hence safer pilot.

Another veteran, seeking to obtain aviation training on his own, wrote as follows:

At the present time I am in training for Private Pilots License, and am going for commercial and instrument-multi engine. It is extremely expensive and does put a great hardship on finances and family. I am a ten per cent D. A. V. and had one year overseas duty during World War II, with a certificate of eligibility for three years and eleven months. I feel I am entitled to some help from the Veterans Administration and I feel that the act that lapsed the education rights should be reactivated and steps should be taken this year.

A few days ago, the action committee got the following letter from a serviceman in Vietnam saying:

I'm finishing my army career in Vietnam and would like to enter the aviation field as a commercial pilot. I am presently rated single engine and would like to take advantage of a flight school of which there seem to be many.

Mr. Chairman, these are samples of many letters we are receiving and most of the veterans and servicemen who write to us express dismay that they cannot participate in the flight training when such training was available to earlier groups.

I would like to make some comment as to the criticism we hear from time to time about flight training abuses during World War II. I will not attempt to minimize the problems that flight schools had, along with vocational schools, and even colleges, when they were hit by the mass of discharged veterans following World War II, but I would like to emphasize that when the program was extended to Korea veterans, steps were taken to minimize the possibility of abuse. These steps were as follows:

1. A school was required to be in operation 2 years before it could enroll veterans.
2. The school was required to maintain a 15-percent enrollment of nonveterans before being permitted to enroll veterans.
3. Only three-fourths of the cost of the course was paid for the veteran, thereby requiring a substantial contribution on his part.

These provisions of law were effective and they are continued to the Veterans Readjustment Assistance Act of 1966. The flight training program worked well for Korea veterans and would continue to do so for this latest group. Our action committee does not feel that the possibility of abuse or hobby flying should be a serious concern.

Mr. Chairman, the aviation industry is desperately in need of

trained manpower. It is an expanding industry which pays good salaries. There is an abundance of qualified institutions to offer proper training and I can think of no logical reason why this important type of training should not be made available.

Mr. Chairman, I would like to comment briefly on several other provisions of the bill under consideration. S. 9 proposes to change the eligibility formula from the present day of eligibility for day of service to 1½ days of eligibility for each day of service. The eligibility formula for World War II veterans was quite liberal. It was restricted some for Korea veterans and now has been restricted further for this latest group. I do not see the equity or fairness of this. Those servicemen being drafted for 2 years' service accrue only 2 years' eligibility, and this is not sufficient to get them through college courses, and is not sufficient for them to obtain all the flight training they need to become proficient. The action committee heartily concurs in the provision of S. 9 to reinstate the 1½ days of eligibility for each day of service formula.

Another feature of the bill in which our committee is interested is that section which would provide on-the-job and apprentice training. While we are primarily interested in flight training, many of us as employers have had experience with on-the-job training and we could put the program to good use and offer excellent training opportunities to many young men interested in related aviation occupations.

The action committee believes there is merit in the section of the bill which would restore the \$1 per month reporting allowance. If flight training is restored, we will still do our best to cooperate with the Veterans' Administration on the necessary administrative work to enroll the veteran and see that he is properly paid. However, it is a fact that preparation of necessary documents and monthly reports needed by the Veterans' Administration to insure efficient and effective administration of the program does constitute an added expense to the school, and there is justification for reinstatement of the \$1 per trainee per month allowance utilized under the Korea program.

Mr. Chairman, there is a great deal of data available about vocational opportunities in aviation, but I did not want to unduly burden your committee with too much of this type material. The action committees for veterans flight training sincerely appreciate the interest of the subcommittee in conducting these hearings and we are grateful for the opportunity to present our views.

That completes my prepared, statement, Mr. Chairman.

Senator YARBOROUGH. Thank you, sir.

Senator DOMINICK. Mr. Chairman, I wonder if I could ask some questions at this point. Unfortunately I am going to have to leave in a few minutes.

Senator YARBOROUGH. Go right ahead.

Senator DOMINICK. I want to ask you a few questions, Mr. Boutwell.

Do you think that the proposals that you have for qualification of flight schools and the restrictions on them, as pointed out, should be a part of the regulations which are issued to determine which schools are and are not eligible?

Mr. BOUTWELL. Sir, I would comment this way, if it is thrown wide open, then one of the things that seems to have been against this bill

was that after World War II, particularly, there were a lot of house trailers and shacks thrown up to the edge of a cow pasture and unscrupulous operators using antiquated airplanes with poor maintenance entered this type of business simply in order to take the gravy from the GI bill.

I feel that the industry, as has been earlier pointed out, Senator Dominick, and, as you well know being a pilot, sir, has changed to the point where there are good qualified schools professionally run by businessmen now.

Senator DOMINICK. How many schools are there that would be eligible, in your opinion, at the present time for training veterans?

Mr. BOUTWELL. Sir, according to recent records by the Federal Aviation Agency, there are approximately 1,200 approved flight schools in the United States.

Senator DOMINICK. They were approved by the Federal Aviation Agency?

Mr. BOUTWELL. This is correct. By this it means they must meet certain standards in equipment, maintenance, personnel, and facilities.

Senator DOMINICK. Do you believe that this number of schools would be sufficient to take care of the number of people who might want to take training under this bill if it passes?

Mr. BOUTWELL. That is a difficult question to answer, Senator. I feel that we have not definite enough knowledge of how many people who would want to take this type of training. These schools are certainly in each State and in many key locations and sometimes several schools in the same city. I think that there would probably be enough of them, and those that are there can certainly expand if they care to do so.

Senator DOMINICK. So you would not anticipate, then, that under the wording of the present bill that we would get a large group of fly-by-night flying schools?

Mr. BOUTWELL. I think, sir, that you would probably find certain efforts made to establish such schools. I feel that there should be a safeguard, at least, that the schools should be approved by the Federal Aviation Agency.

Regarding the requirement of being in operation 2 years, that is a new question. If a school is FAA approved and is properly checked and operated, I don't see that it has to have been in operation for 2 years.

Senator DOMINICK. The present bill as it is worded, as I understand it, at least, does not require FAA approval, it simply requires approval from the State-approving agency.

Do you think we should make some changes in this?

Mr. BOUTWELL. Yes, sir, I would recommend that it be FAA approved.

Senator DOMINICK. Mr. Chairman, I think that is a very helpful suggestion. The FAA, of course, is dealing constantly with the aviation world throughout this country, and in my opinion, by and large, does a very good job, although sometimes we all get fed up with bureaucracy in operation. Nevertheless, I think this has advantage, surprisingly coming from me, over a State-approving agency in the various States. I think you get a more impartial idea of where a school is being operated properly or where it is not for this purpose, and

certainly it is about as important an operation as we could conceive of because proper training and proper type of school would determine whether a guy is going to stay alive or whether he isn't.

Mr. BOUTWELL. Mr. Chairman, if I may make two more brief points. There has been the discussion this morning of the cost of flight training. It is less or approximately the same as that of a college education. However, the training can be completed under a good effective program in approximately 6 months.

In that time a man could obtain his commercial license with an instrument rating, with full-time flying, and under proper supervision. This would qualify him in a period of 6 months as opposed to the period of 4 years for a college education to immediately enhance his earning capability to immediately become a taxpayer instead of a tax liability for a considerably longer period of time.

I respectfully ask that I be allowed to bring that out, that it is quite factual that it does not take 4 years to obtain a good aviation education. So the return on the investment, so to speak, in money that the Government spends on this education is money well spent.

Senator YARBOROUGH. If he took full-time training—assuming he had the capabilities of a pilot—could he qualify for a commercial jet pilot license in 6 months' time?

Mr. BOUTWELL. A commercial jet license, no, sir, that would not be possible for a commercial jet pilot's license. He could be qualified for the smaller aircraft.

Senator YARBOROUGH. How long would it take him to get through all of the ratings, the highest type rating for a commercial jet pilot?

Mr. BOUTWELL. The highest type rating, sir, would take a minimum of 1,200 hours of flight training alone, plus an equivalent of approximately that much more ground training and many other—as Mr. Smith well put it, that is the Ph. D. of aviation.

Senator DOMINICK. That would be for the first pilot and not for a copilot?

Mr. BOUTWELL. That is correct for a first pilot.

Senator YARBOROUGH. Mr. Boutwell, you heard what the Veterans' Administration's criticism is of flight training, because of dropouts. Do you have any comments on that about the excessive number of dropouts, the cost in money?

Mr. BOUTWELL. Yes, sir. I feel that some type of screening possibly be suggested prior to a person taking or entering a pilot training program. He should be screened for his capabilities, to be able to see that he can do it. For example, it is a Federal requirement that he be able to take and pass a physical examination, a flight physical examination. It is a pretty stiff one, Senator; not awfully so. But it would be a shame if he got partially through the training before he even took the physical. In other words, this should be a prerequisite that he be able to pass the physical examination for the class of license that he is applying for.

Regarding other batteries of psychological tests, and so forth, I do not feel that it would be necessary for him to take those, if he has had a high school education or equivalent, he should be able to assimilate the other parts of ground training.

Senator YARBOROUGH. But you feel that physical examination should be given in advance to see whether he could qualify physically?

Mr. BOUTWELL. Yes. He would have to have this before he solos which would be after some 8 to 10 to 12 hours of instruction. At the same time he would have already been enrolled at an expense for the Government and the training institution.

Senator YARBOROUGH. The training school does not want a man in there just a short time and have him drop out.

Mr. BOUTWELL. No, sir.

Senator YARBOROUGH. You heard about the VA complaint yesterday about reports, that they didn't get reports from the schools. Do you have any comment on that as a representative of this group that you represent here: the Action Committee for Veterans Flight Training?

Mr. BOUTWELL. Yes, sir, we do. We certainly think that there is merit in the section of the bill which would restore the dollar per month reporting allowance.

Senator YARBOROUGH. I couldn't hear you.

Mr. BOUTWELL. We think the bill should restore the previous dollar per month reporting allowance. We certainly feel that that should be made a part of it.

Mr. BOUTWELL. Yes, sir.

Senator YARBOROUGH. I agree with you on that. In conventional colleges I have had complaints from veterans. Their schooling was approved last fall, they had gone to January, and they had received a single check from the VA. They borrowed money from friends and everybody else to hang on until they could get checks. I have investigated some of those and find that the colleges had not processed their papers. Small colleges didn't have the money, got behind, backlogged, didn't have adequate help. We found this \$1 per month per veteran for paperwork very important.

Do you have anything further to add on this flight training?

Mr. BOUTWELL. One thing, Mr. Chairman. I have a letter here which I will introduce. It is from the Texas Aeronautics Commission, at Austin, from Mr. James N. Ludlum, the Commissioner. He says:

I understand you are to attend a hearing for the purpose of investigating the reinstatement of veteran's flight training under the GI Bill.

I urge the Congress of the United States to enact legislation enabling veterans to take professional flight training. I also feel that "on-the-job training" for aircraft and engine mechanics is equally vital.

Senator YARBOROUGH. Supporting the legislation?

Mr. BOUTWELL. Yes, sir; definitely supporting the legislation.

Senator YARBOROUGH. Did you finish your statement before Senator Dominick asked his question? If not, we will order it printed in the record at that point.

Mr. BOUTWELL. Yes, sir; I had completed it.

I certainly thank you for your time.

Senator YARBOROUGH. Thank you for your beneficial testimony.

The next witness is Mr. Marvin Busbee, who is the legislative director, Division of Veterans Education, National Association of State Approval Agencies.

Come around, Mr. Busbee.

I want to thank you for your support and the National Association of State Approval Agencies, of the cold war GI bill at a time back in 1959, 1960, and 1961, when many people discouraged us on this and said we could never pass the legislation.

Your organization has been small in numbers but great in activity. The veterans owe much to you of these State approving agencies.

**STATEMENT OF MARVIN P. BUSBEE, LEGISLATIVE DIRECTOR,
DIRECTOR OF THE DIVISION OF VETERANS' EDUCATION, NA-
TIONAL ASSOCIATION OF STATE APPROVAL AGENCIES**

Mr. BUSBEE. Thank you, Mr. Chairman. My name is Marvin P. Busbee, legislative director of the National Association of State Approval Agencies. I am also director of the Division of Veterans Education, South Carolina State Department of Education, and have been in this division for the past 20 years. This statement is for the National Association of State Approval Agencies. This, of course, you may recall, is composed of employees of agencies established by executive order of the Governor of the State or by State law. Most of these agencies are departments of education, however; they also include Governor's veterans' councils, veterans' service officers and other State agencies.

I consider it a distinct privilege to appear here today before this congressional committee and which records the wholehearted support of the National Association of State Approval Agencies. Since 1946, the members of our association have performed the functions of approving agencies as authorized by the original GI bill and subsequent legislation that provided educational assistance benefits for Korean conflict veterans and sons and daughters of deceased or disabled veterans and the newly enacted legislation for our cold war veterans. It has been our responsibility to approve and supervise the educational institutions and business establishments that have offered education and training to eligible persons.

The 89th Congress, by unanimous vote, passed the Veterans' Readjustment Benefits Act of 1966. By this action, Members of the Congress demonstrated that they recognized the tremendous benefits that accrued to individuals and to the Nation by the readjustment benefits that had been provided for veterans of World War II and the Korean conflict. They also indicated that they were confident that similar assistance to cold war and Vietnam conflict veterans would result in great and lasting benefits to the individuals and to the Nation.

Unfortunately, the educational benefits provided by the cold war GI bill are considerably less than those provided for veterans of the earlier conflicts. We do not believe that veterans of the cold war and the Vietnam conflict are less deserving or that they deserve less. We believe that they deserve similar benefits. We are confident that if they are given the same opportunities, they will make significant contributions to the economy and the general welfare of our Nation, just as other veterans are now doing.

Senate bill 9, if enacted into law, would provide for present-day veteran readjustment benefits similar to those provided for veterans of the Korean conflict.

We will go now to section 1. Changes the amount of entitlement from 1 day of education for each day of active duty, to 1½ days of education for each day of active duty.

This would grant entitlement to educational benefits at the same rate as provided for Korean conflict veterans. There is no reason

to believe that this formula was too generous. Present-day veterans deserve no less.

Section 2 deletes those sections of the present law which prohibit enrollment of a veteran-student in flight training, on-the-job, or on-farm training.

Apprenticeship and other on-the-job training should be provided for veterans who have no aptitude, inclination, desire, or opportunity to continue their education and training through educational institutions. The National Association of State Approval Agencies in its annual conference, assembled in San Francisco, Calif., August 14 to 17, 1966, urgently requested the Congress of the United States to enact appropriate legislation to provide apprenticeship and other on-the-job training assistance for post-Korean conflict veterans. A copy of the resolution is attached.

There is a serious shortage of qualified pilots in the commercial airline industry. Flight training for present-day veterans is needed in order to qualify pilots and to help relieve this shortage. A resolution was passed by the National Association of State Approving Agencies at its national conference in San Francisco requesting the Congress of the United States to enact legislation to provide flight training for veterans. A copy of this resolution is attached.

On-the-farm training is needed because of the impending world shortage of food. Agricultural surpluses no longer exist and it is evident that more efficient agricultural methods must be used in the future in order to provide needed agricultural products. These have been a noticeable increase in the drafting into the Armed Forces of young men who are partially established in agricultural occupations. When they return to civilian life they will need to be trained in the rapidly increasing technological advances in agriculture.

Section 3. This increases the allowances for educational assistance to amounts proportional to benefits available under the War Orphans Educational Assistance Act.

These increases are necessary because of the increased costs of education and living expenses. The increased amounts would still be less than the amounts provided for Korean conflict veterans when considered with respect to what they will buy today.

The limit of \$310 per month total allowance for on-the-job training seems to be less than present salary rates would justify. This figure should be at least \$450 per month based on the following analysis.

In the State of South Carolina apprentices receive approximately \$400 per month during the last progression, and our State possibly would be in the lower echelon.

This may be a little bit misleading because the last progression in apprenticeship is normally 6 months in the fourth year whereas they would only get 3 months, so that could be a little bit misleading, Senator.

Senator YARBOROUGH. But I think the payment of \$310 a month allowance for on-the-job training is too low. We have already had testimony that under the Manpower Training Act trainees receive more than \$310 a month. Should they receive less than they could receive if they got under the Manpower Training Act?

Mr. BUSBEE. That is correct. This is not in the testimony but it was something I came up with in my own State. I had no way of knowing

what the several States would need, so that would be something that I thought would be appropriate for South Carolina.

Senator YARBOROUGH. I direct the staff to work up an amendment on that.

Mr. BUSBEE. Section 4 sets out the requirements for approval of the new courses. These requirements proved to be effective under previous legislation.

Section 5 restores to schools the right to receive \$1 per month per veteran-student to help defray the expenses of preparing and submitting reports and certifications on such student. Educational institutions should be reimbursed for the cost of making required reports to the Veterans' Administration. A copy of the National Association of State Approval Agencies resolution regarding this matter is attached.

Sir, I submit to you that the resolutions attached be made a part of the record.

Senator YARBOROUGH. All of the three resolutions of the National Association of State Approval Agencies annual conference, San Francisco, Calif., August 14 to 17, 1966, the three attached resolutions are ordered printed at this point as part of the record.

(The resolutions referred to follow:)

THREE RESOLUTIONS OF THE NATIONAL ASSOCIATION OF STATE APPROVAL AGENCY
ANNUAL CONFERENCE—SAN FRANCISCO, CALIF., AUGUST 14-17, 1966

RESOLUTION

Whereas apprenticeship and other On-the-Job Training were provided for Veterans of World War II and the Korean Conflict, and

Whereas the "Veterans Readjustment Benefits Act of 1966" does not provide for Apprenticeship and other On-the-Job Training, and

Whereas apprenticeship and other On-the-Job Training would provide training opportunities in the locality of the veterans' home, and

Whereas apprenticeship and other On-the-Job Training would provide veterans an opportunity to further vocational training received while serving in the Armed Forces of the United States, and

Whereas apprenticeship and other On-the-Job Training would provide employment for veterans in the position for which they would be trained, and

Whereas some veterans do not have the aptitude, inclination or desire to continue their education and training through educational institutions: Now therefore, be it

Resolved, That the National Association of State Approval Agencies, in annual conference assembled in San Francisco, California, August 14 through 17, 1966, urgently requests the Congress of the United States at an early date to enact appropriate legislation to provide Apprenticeship and other On-the-Job Training assistance for Post-Korean Conflict Veterans; be it further

Resolved, That copies of this Resolution be sent to Chairmen of the appropriate Congressional Committees, to each member of said Committees, and to other interested groups and individuals.

RESOLUTION

Whereas flight training is not adequately provided for in Title 38, U.S. Code, and

Whereas the National emergency dictates an immediate need for trained personnel in aviation, and

Whereas the unprecedented demand for trained aviation personnel is not being met at present, and

Whereas veterans of military service constitute a reservoir which can be drawn on to fill the need of the aviation industry: Now, therefore, be it

Resolved, The National Association of State Approval Agencies in National Conference assembled in San Francisco, California, August 14-17, 1966, respectfully request that the Congress of the United States enact legislation to provide for flight training for veterans under Title 38, U.S. Code; be it further

Resolved, That a copy of this resolution be forwarded to each member of the Senate Sub-Committee on Veterans Affairs, to each member of the House Committee on Veterans Affairs, and to the Senate and House Majority Leaders.

RESOLUTION

Whereas the influx of veterans under the Veterans Readjustment Benefits Act of 1966 places an additional burden on educational institutions, over and above that resulting from the enrollment of non-veterans, and

Whereas educational institutions are held liable for over-payments under the above named law, unless such over payment is recovered from the veterans, and

Whereas it is impossible under the present monthly reporting procedure for institutions of higher learning, particularly, to know when a veteran reduces or increases his academic load, and

Whereas the provision for payment to institutions of \$1.00 for submission for necessary forms relative to enrollment, instruction and reporting is no longer paid under Title 38, U.S. Code or the Veterans Readjustment Benefits Act of 1966, and

Whereas past history of costs for submission of necessary forms has, in fact, been found to be more than the \$1.00 allowed, and

Whereas procedures under Title 38 and the Veterans Readjustment Benefits Act of 1966 relative to enrollment, instruction and reporting are inadequate and need to be remedied: Now therefore, be it.

Resolved by the National Association of State Approval Agencies in Conference assembled in San Francisco, California, August 14 through 17, 1966, That:

The Veterans Administration be requested to reinstate the payment of \$1.00 to schools for submission of necessary forms and reports as was done under previous laws; be it further

Resolved, That a copy of this resolution be forwarded to the Administration of Veterans Affairs and to each member of the State Subcommittee on Veterans Affairs and the House Committee on Veterans Affairs.

Senator YARBOROUGH. Thank you, Mr. Busbee, for your statement. It is a very good one.

Mr. BUSBEE. The original GI bill, as you know, was the forerunner of many, many educational measures that have been passed by the Congress. Certainly, you and other Members of the Senate, and also the House, of course, certainly have done something for this country that nobody else can ever say that was anything that wasn't perfect.

Senator YARBOROUGH. Thank you very much. The next witness is Mr. Richard A. Fulton. You may proceed, Mr. Fulton.

STATEMENT OF JACK H. JONES, PRESIDENT, JONES COLLEGE, JACKSONVILLE, FLA., PRESENTED BY RICHARD A. FULTON, EXECUTIVE DIRECTOR AND GENERAL COUNSEL, UNITED BUSINESS SCHOOLS ASSOCIATION

Mr. FULTON. Thank you, Senator Yarborough.

Senator YARBOROUGH. Mr. Fulton, I want to thank you for the support of your organization, your organization's very effective support.

Mr. FULTON. That is a statement of Mr. Jack H. Jones, president of Jones College, who could not come here, but he wanted me out of respect to you and your past efforts to personally file this in the hope that you would put it in the record. We did not want to just mail it in.

Senator YARBOROUGH. Mr. Fulton, fine. You are representing him here and you represent these schools officially and have rendered valuable service in aiding the very crucial stages of the negotiations in the past on this legislation.

Mr. FULTON. But he did want me to very briefly comment that while we don't have very specific courses in the area of on-the-job or on-the-farm or flight training, certainly we are respect your judgment in advocating expansion of the bill to include these things. In dealing with businessmen and business generally I am very much aware of the growth of general aviation and the expanding needs in that area.

Finally, that we just did want to comment that we would hope that the Senate will stick to the 1½ to 1 proposal on training, increase the allowance amount basic figure of \$130 a month, and, finally, to note that we hope the \$1-a-month institutional reimbursement would be instituted again.

We point out that, in a similar way, in section 436 of S. 1126 it is proposed that institutions be reimbursed for certain costs of administering the work-study program of title IV C of the Higher Education Act of 1965. Also section 453 of S. 1126 would reimburse institutions for the cost of administering the student loan provisions of the National Defense Education Act.

Finally, we just would hope that the increase in the age of the eligibility of war orphans from 23 to 26 would be carried forward, and we hope for the provision for the special educational benefits to the disadvantaged veteran to permit completion of high school without loss of educational benefits. We feel these merit the committee's attention.

In conclusion, I would just again like to reiterate the respect and admiration that the 1,300 business schools of this country have for the efforts of you on behalf of veterans and your philosophy in advocating this measure, which is a people aid measure instead of an institutional aid measure.

Now, American education needs both. But legislation like this, designed to help people in particular situations, has great flexibility in responding to the needs of people in on-the-job training, on this farm training, flight training, business training. It is defined for people. And we are delighted to support the measure, sir.

Senator YARBOROUGH. I think it very fine what you have, you have quoted from, a recent book, "The Sheepskin Psychosis," where John Keats says:

One fact of American life is that 6 out of every 10 college students discover that the college of their choice is the wrong place for them. They either flunk, transfer, or drop out of it. That has been true for each of the past 40 years.

In the interest of time I will not read the rest. We are printing this in full in the record.

You point out your business college is already qualified under the law, but you didn't stop there, you say these other veterans who qualify for the business college should have their chance in flight training and on-farm training. I appreciate your attitude. The business colleges fought hard. They are a small group but they, too, like the DAV, are one of the valued groups that didn't give up when people said this bill would never pass. They have worked under great difficulty. This has come up under three different Presidents, and it constantly was said that it will never pass, but your group never gave up hope.

Mr. FULTON. Senator, you might be interested in knowing that 20 percent of the students enrolled in accredited business colleges have

come there after having had one or more semesters of college. I don't mean to imply these are "college dropouts" or academic failures, they are not. For some reason they left regular college and chose to finish their education in a business school. We don't say we are competent to educate everybody, but we do feel we have a special competence to educate some people. We have a special place in the educational system. However, we don't want any parochial interest of our own to outweigh our advocacy for general aid to all areas of education.

Senator YARBOROUGH. It has been my experience running an office that if you can get a young lady or a secretary who has a B.A. degree in English and who then goes to business college and takes that business college course and applies it, that she makes the excellent secretary, the best you can get. I have seen a few like that and they are just about the tops in efficiency that you can find.

Mr. FULTON. If we can get the title III student loan program of the National Defense Education Act program opened up for the young ladies to go to accredited business schools, I think it would go a long way in solving the shortage of secretaries.

Senator YARBOROUGH. We have to expand some of these educational programs. The Government should provide for that.

We agree with your approval of the House of Representatives action of increasing the age of eligibility for war orphans and educational benefits to the disadvantaged veterans, to permit the completion of high school without the loss of GI benefits. We also approve, of course, the House increase of the allowances, but we are fighting to get in the bill this full S. 9 with the other types of education, and the 1½ to 1 entitlement.

Thank you very much, Mr. Fulton.

Mr. FULTON. Thank you.

(The prepared statement of Mr. Jones referred to by Mr. Fulton, and a communication from General Tire & Rubber Co. follow:)

PREPARED STATEMENT OF JACK H. JONES, PRESIDENT, JONES COLLEGE,
JACKSONVILLE, FLA.

Mr. Chairman and Members of the Subcommittee, my name is Jack H. Jones. I am President of Jones College, Jacksonville, Florida, an independent, non-profit institution accredited as a Junior College by the Accrediting Commission for Business Schools. For more than a quarter of a century, I have been associated with business education including service as President of the South-eastern Association of Business Colleges.

Also by way of background, I am Past President and former Board member of the United Business Schools Association which is the successor organization to the National Association and Council of Business Schools. UBSA is now the one educational association in which nearly 500 of the quality independent business schools and colleges of the Nation hold membership. The roots of UBSA go back more than 50 years to 1912. However, many member institutions have been in existence for more than a hundred years.

UBSA itself is an affiliate of the *American Council on Education*. At least one administrator in every UBSA school is a member of the *American Vocational Association*.

It is a privilege to appear before you today and express our support for the expansion of the program of veterans' education enacted by the Congress last year in P.L. 89-358. We also wish to express our admiration for Senator Ralph Yarborough whose untiring efforts made this legislation possible. We are delighted to have this opportunity to comment on S. 9 which Senator Yarborough has introduced.

STATEMENT OF POSITION

The United Business Schools Association agrees with and will continue to support any measure which is designed to increase efficiently the educational level of our Nation. We feel that the proposals set forth in S. 9 can make such a contribution.

Certainly the proposals which would authorize veterans to make use of educational allowances for certain types of on-the-job, on-the-farm, and flight training merit the serious consideration of this Subcommittee. However, our ambit of educational competence does not specifically extend to these areas.

Therefore we would prefer to limit our specific comments to the following:

1. We urge strongly an expansion of the period of training for veterans to $1\frac{1}{2}$ times the length of service, not to exceed 36 months as set out at page two of the bill.
2. We recommend an increase in the educational allowances for veterans to the \$130, \$155, and \$180 base amounts as set out at page 3 of the bill.
3. We urge enactment of the provision providing the \$1 per month per veteran to educational institutions to defray administrative costs, which was the practice under the Korean G.I. Bill.

HOUSE OF REPRESENTATIVES ACTION

With respect, we note that the House measure, H.R. 2068, has two meritorious provisions which we recommend to the Subcommittee. They are:

1. An increase in the age of eligibility for War Orphans from 23 to 26.
2. Educational Benefits to the disadvantaged veteran would permit the completion of high school without the loss of G.I. benefits which could then be used for postsecondary education.

We are disappointed to learn that the Veterans' Committee of the House has not recommended an expansion of training to $1\frac{1}{2}$ times the length of service. We sincerely hope this Subcommittee will stand firm on this recommendation.

NEED FOR IMPROVED VETERANS' LEGISLATION

The Congress has been most responsive to other facets of the educational needs of the people of this Nation. Such measures as the National Defense Education Act, the Vocational Education Act of 1963, and the Manpower Development and Training Act are indeed major tools to work toward the training of students in other areas of education. However, along with the Administration's proposals of Higher Education, which we endorse, we do feel that the expansion and improvement of Veterans' Training is fully justified, particularly for persons who wish to pursue the non-baccalaureate occupationally oriented curriculum at the postsecondary level such as in a business, trade, or technical school.

It is our sincere belief that veterans constitute an identifiable group that justify fully an expansion and improvement of this specialized legislation which will assist them with the problems of readjustment succeeding their service period. Certainly the oft proclaimed success of the World War II and Korean War "G.I. Bills" substantiate this view.

Conceptually, Federal programs in support of education generally utilize two distinct approaches. They either define the *institution* that will offer the program or they identify the *people* in a socio-economic group that in the opinion of the Congress needs specialized counsel and assistance.

The *institutional* approach has been used in such sweeping legislation as the Vocational Education Act of 1963, the Higher Education Facilities Act of 1963, the Elementary and Secondary School Act of 1965. The Higher Education Act of 1965 similarly falls in this group.

The specific *people in need* approach has been successfully utilized in such programs as:

I. "Under Contract" training.

1. *Vocational Rehabilitation Act* of June 2, 1920, as amended 29 U.S.C. 31 *et seq.*
2. *Manpower Development and Training Act* of 1962; as amended, 42 U.S.C. 2571; P. L. 89-792
3. *Indian Adult Vocational Education*; 25 U.S.C. 309, 452, 823 (c).
4. *Economic Opportunity Act* of 1964, as amended, 42 U.S.C. 2701 *et seq.*; P. L. 89-794

5. *Government Employee's Training Program*; (P.L. 89-554) 5 U.S.C. 4101-4118
6. *Economic Development Administration* (P.L. 89-15) 42 U.S.C. 2583
7. *Vocational Education Act of 1963*; P.L. 88-210; Sec. 8(1)
- II. Student Financial Grants, Loans or Tax Benefits.
 8. *Social Security Student Dependents*; P.L. 89-97; See Sec. 202 (d) (8) (C)
 9. *F.E.C.A. Student Dependents*; P.L. 89-488; See Sec. 10 (M)
 10. *Railroad Retirement Student Dependents*; P.L. 39-700; See Sec. 5(1) (1)
 11. *Civil Service Retirement Student Dependents*; P.L. 89-504; 5 U.S.C. 2251-2268; See Sec. 2251(j) and Sec. 2260, and P.L. 89-554; Sec. 8341.
 12. *War Orphans Educational Assistance*; 38 U.S.C. 1701 *et seq.*
 13. *Veterans Readjustment Benefits Act of 1966*; P.L. 89-358; See Sec. 1652(c)
 14. *Vocational Loans to Indians*; 25 U.S.C. 471
 15. *Vocational Loans to Eskimos*; 25 U.S.C. 479
 16. *National Vocational Student Loan Insurance*; P.L. 89-287
 17. *Income Tax Deduction for Student Dependents*; 26 U.S.C. 151 (e) (4)

Because of an honest lack of understanding of the total flexibility of the "G. I. Bill" approach many well-meaning people believe that all the problems of Veteran readjustment benefits can be accomplished merely by diverting veterans into existing *institutional* Federal education programs. We submit that this does not equitably and expeditiously do the job.

The *institutional* approach, at both the secondary and the postsecondary levels, is rather rigidly structured to conform to classic and formalized educational programs oriented towards a four-year college degree. Only recently has the academic community begun to concern itself in depth with the problems of the *occupationally oriented*, less than four-year, post high school education.

AN OCCUPATIONALLY ORIENTED CURRICULUM

Both Industry and Government have come to realize that there are many jobs that do not require a four-year college education. They also have come to know that many people for a variety of reasons are not interested in a four-year academic program leading to a bachelor's degree.

Just as the technologically unemployed have MDTA, the physically handicapped have Vocational Rehabilitation and the American Indian has Indian Vocational Education, so too, the Veteran should have an expanded, improved, and identifiable program to answer the needs of *all veterans*—not just the four-year college bound veteran. Generally, the latter two programs are highly individualized with great flexibility available to the trainee in the selection of programs of study and type of institution.

Occupationally oriented education is especially appealing to the veteran. His career having been interrupted by military service, he is interested quite often in training for a job.

The Federal Civil Service has increasingly intensified its recruiting activities in seeking business school graduates. This includes graduates to work as Junior Federal Executives and Accounting Technicians as well as Secretaries.⁽¹⁾

The U.S. Civil Service Commission has come to recognize that a "college education" means more than a four-year baccalaureate program. *It also means training in a business school for one or two years!*

In the specifications for Accounting Clerk GS-500 series and Accounting Technician GS-525 series:

"School above the high school level' means an educational institution (e.g., a business or commercial school or college, a junior college or college or university) for which high school graduation or its equivalent is prerequisite." (See TS 85, October, 1964)

Civil Service Handbook X-118 states:

"The educational substitutions have been revised so that two years of post-high school education is fully substitutable for GS-4. This will facilitate re-

⁽¹⁾ See Hon. John H. Dent, "New U.S. Civil Service Standards for Accounting Technicians," *The Balance Sheet*, Vol. XLVI, No. 9 (May 1965) p. 397.

cruitment of graduates of junior colleges and *business and commercial schools.*" (Emphasis added) (See TS 85, October, 1964)

This is only one development in a course of action charted way back in 1962 by Commission Chairman, John W. Macy Jr., recently reappointed by the President, when he said in a speech to the UBSA Convention:

"It is our feeling—and I know you agree with this—that the lack of credit in Civil Service examinations for business school training above the high school level has had two undesirable effects: it has discouraged the less talented and less ambitious students from taking such training since there was no apparent economic advantage to be gained, and it has influenced business school graduates to seek employment outside of Government where their additional training was recognized."

The latest development is the Federal Civil Service program for the recruitment of personnel through the Junior Federal Assistant Examination. Two years of education in a business school fully qualifies for the GS-4 entry rating.

JOBS IN INDUSTRY ALSO

Industry also seeks and needs graduates of an occupationally oriented curriculum. Attached as Exhibit A is a copy of a very recent letter from the General Tire and Rubber Company commenting on the success of men trained for jobs in Data Processing and Business Administration. This letter, dated February 9, 1967, to our national organization, United Business Schools Association, discusses in detail the value of an occupationally oriented curriculum.

It is our view that the solution to problems of veterans readjustment education is best solved by an expansion and improvement of this program which is designed specifically for veterans. Other existing education programs are too narrow in scope or too rigidly structured to effectively aid all veterans.

In his very recent book, *The Sheepskin Psychosis*, (Library of Congress Cat. Card No. 65-12597) John Keats says:

"One fact of American life is that six out of every ten college students discover that the college of their choice is the wrong place for them. They either flunk, transfer, or drop out of it. This has been true for each of the past forty years. Despite changes in the Nation's fortunes, despite changes in the colleges, despite the fact that each incoming freshman class has proved brighter than the last, despite increasing social and parental pressure to go to college, the 'attrition rate' as the colleges call it, has remained exactly the same. It was, and is, 60 percent." p. 152

A veteran with specialized needs should not be forced into a four-year collegiate program which is not what he necessarily needs!

PARITY WITH KOREAN AND WAR ORPHAN PROGRAMS NEEDED

It would seem beyond controversy that the Cold War G.I. Bill should provide for at least the same period of training as did the successful Korean Bill. We feel it is inequitable to present-day veterans that they only receive benefits on a day-for-day basis instead of the 1½ to 1 basis of the Korean Bill.

We hope the Committee will recommend this proposal favorably. Further, we would hope that when the measure goes to conference that it will emerge with this proposal intact.

Similarly the educational allowance should, at a minimum, be increased to at least the level now being paid under the War Orphan program. Certainly if a War Orphan is entitled to \$130 monthly, a Veteran should be.

OCCUPATIONAL EDUCATIONAL COSTS

Any realistic analysis will show that even the base figure of \$130 only partly covers the cost of education in these inflationary times.

Since early 1962, Dr. Kenneth B. Hoyt of the University of Iowa and President-Elect of the American Personnel and Guidance Association has been carrying on research studies in what is called the Specialty Oriented Student Research Program.

This is a comprehensive study of more than 6,000 student who have attended a business, trade, or technical school. His detailed testimony on 1,767 business school students and 1,821 trade-technical school students can be found in the hearings of two Congressional Committees.

1. Hearing, H.R. 6468, 89th Congress, 1st Session, p. 27.

2. Hearing, S. 600, 89th Congress, 1st Session, p. 1082.

In the hope of supplying this Subcommittee with some factual data I quote from Dr. Hoyt's testimony:

"Of the 1,821 trade-technical school students, 55% report their food costs to be less than \$15 per week, and 44% report their housing costs to be less than \$10 per week. Food costs ranged from nothing (someone else was paying them) to over \$40 per week (for some married students) while housing costs ranged from nothing to over \$25 per week. Estimates of total costs (including food, housing, tuition, and recreation) ranged from less than \$500 to over \$3,000 with median estimates being approximately \$1500.

Of the 1,767 business school students, 49% report their food costs to be less than \$15 per week while 45% reported they were living at home and so had no direct food costs. Thirty-two per cent reported their housing costs to be less than \$10 per week while 51% reported no housing costs either because of living at home or in places where they worked for their rooms. Median total cost estimates for males was between \$2000-\$3000 while, for females, \$1000-\$1500 represented median estimates of total costs. If students living at home are excluded, these medians are higher."

INSTITUTIONAL COSTS

The proposal to reimburse educational institutions to defray administrative costs is right in line with similar Administration proposals contained in the Higher Education Amendments of 1967 (S. 1126). The one dollar per month per veteran was an important amendment to the Korean G.I. Bill.

In Sec. 436 of S. 1126 it is proposed that institutions be reimbursed for certain costs of administering the Work-Study program of Title IV-C of the Higher Education Act of 1965 (P. L. 89-329). Also Sec. 453 of S. 1126 would reimburse institutions for the cost of administering the student loan provisions of the National Defense Education Act.

This same philosophy should be applied to the administration of the Cold War G.I. Bill. We hope the Subcommittee will favorably recommend this proposal.

THE EDUCATIONALLY DISADVANTAGED

We respectfully direct the Subcommittee's attention to an important proposal recommended favorably by the House Committee. It would permit veterans to complete high school without loss of veteran educational benefits. This is a meritorious proposal. It would go a long way toward solving the problem of equal educational opportunity.

The relatively low educational attainment of veterans affected by this bill shows clearly the need for this legislation. A Veterans' Administration survey dated May 29, 1959, states:

"At the time of their separation from the Armed services 6 percent had not completed elementary school; 10 percent had completed elementary school, but had had no further schooling; 29 percent had had some high school education but had not graduated; 35 percent had graduated from high school but had had no college training; 8 percent had completed 1, 2, or 3 years of college work; and 12 percent had completed 4 or more years of college."

CONCLUSION

In summary, Mr. Chairman, we strongly recommend that the Subcommittee report out S. 9 favorably with the following provisions:

1. An expansion of the period of training to $1\frac{1}{2}$ times the length of service.
2. An increase in educational allowances to the amounts of \$130, \$155, and \$180.
3. Provision for reimbursement to educational institutions to defray administrative costs at the rate of \$1 per month per veteran.
4. An increase in the age of eligibility of War Orphans from 23 to 26.
5. Provision for special educational benefits to the disadvantaged veteran to permit completion of high school without loss of educational benefits.

Before closing my testimony, I would like to say on behalf of the private business schools of America, that we will rededicate ourselves to do an even better job than we have done in the past in turning out trained personnel who will meet the needs of commerce, industry, Government and national defense.

We also wish to express the appreciation of our group for the privilege of appearing before this Subcommittee.

Respectfully submitted,

JACK H. JONES,
President, Jones College, Jacksonville, Fla.

THE GENERAL TIRE & RUBBER CO.,
Akron, Ohio, February 9, 1967.

MISS JUDITH A. RASKIN,
*United Business Schools Association,
Washington, D.C.*

DEAR MISS RASKIN: We always welcome inquiries such as yours because it gives us a chance to relate to you the many opportunities our company does offer.

Two-year business graduates have many employment possibilities with us. The person with a two-year degree in secretarial science is always welcome on our staff. Our departments find that these secretaries have a better overall knowledge of the duties to be performed. They are better prepared to handle the business machines, to do accounting, work on budgets, welcome visitors, etc. The business school improves their basic skills, offers courses that are not available in high school and makes them overall more aware and valuable to the company. And of course, their degree gives them an edge over the high school graduate at promotion time.

A two-year accounting degree will open doors to general accounting, internal auditing, traveling auditor work, payroll and other areas. Once a person is hired, he advances on his own merit. His advanced education combined with hard work should move him quickly into management positions.

Data processing is another area of opportunity for business school graduates. Just this week we hired a gentleman who completed a fine programming course at a local business school. Up to this time he has been a truck driver. This business school training made it possible for him to get into the challenging career of data processing. Advancement into management areas are by no means limited to a few career fields. I could go on at length but I feel this should answer your questions. Business school training has proven its worth.

If I can be of further help, please call on me for it.

Sincerely,

DONALD N. LEHMIER, *Salaried Personnel.*

Senator YARBOROUGH. Mr. Kehoe, you were not one of the witnesses on the list but you requested to make a brief statement.

STATEMENT OF THOMAS J. KEHOE, REGISTERED LOBBYIST

Mr. KEHOE. Yes.

Senator YARBOROUGH. Do you have a brief statement you wish to make?

Mr. KEHOE. I would like to present you with a drawing made by Robert George, who is in active military service today, and also a copy of an original drawing made by Artist William Dolan of the Army Information Service. This [indicating] is by another artist, who was a combat veteran with the Marines in World War II, and he has remained in the service.

Mr. George drew this [indicating] for you, this original picture of General Westmoreland, from a photograph and from general knowledge.

In behalf of the men under his command, may I assure you that this "ole" marine is going to do all he possibly can to follow through and do what you expect him to do.

By the way, the question was asked here this morning with reference to the amount of people who were trained, who became successful. The only program that I have any personal knowledge of was

with the Disabled American Veterans. Under the program I helped to organize that first class, having brought the original contract over from American University. I would say that 99.9 percent of those men are successful. Whether or not they are employed by the Disabled American Veterans or not, I don't know. But you heard one of the boys today testify. I am proud of him.

Senator YARBOROUGH. We have had testimony in the record here and in other GI bill hearings that the average veteran makes a higher grade in college than the nonveteran, and that the average disciplinary problems with nonveteran male students averages 4 and 5 percent of the male student body—of the nonveterans—but of the veteran student body the average percent who had disciplinary problems was less than one-half of 1 percent.

These veterans come back, they have been through hardships, they know what they want, and they go to college and they give new emphasis to college education.

Thank you very much.

Mr. KEHOE. May I say to you that I am not connected with any veterans organization, that I appear as an interested person, in order to help you. I certainly hope that this Senate Recommendation No. 4, Committee on Veterans' Affairs, shall be created as a minor standing committee, and I hope to God that you will be chairman.

Senator YARBOROUGH. Thank you.

This completes the oral testimony on the bill.

We will leave the record open for any additional statements, letters, briefs, memorandum, documents that anyone desires to file until Saturday, March 25.

I thank all of you for your contributions and your aid.

(The following material was subsequently supplied for the record:)

PREPARED STATEMENT OF A. LEO ANDERSON, NATIONAL COMMANDER, AMVETS

Mr. Chairman and Members of the Subcommittee, AMVETS appreciates the invitation of this Subcommittee to express our views concerning the legislative intent of S. 9 as it affects certain phases of Chapter 34 of Title 38 U.S. Code.

We wish to further express AMVETS appreciation to the Subcommittee for giving this legislative proposal, early consideration.

We are in accord with the purposes and intent of S. 9 and have consistently supported similar legislation for a number of years. We continue to believe in full equalization of benefits for Cold War and Vietnam Conflict veterans.

To insure the real comparability of benefits for today's veterans, we believe that some method or formula is becoming absolutely necessary to provide automatic or regular periodic adjustments of educational assistance to these veterans in a dollar amount which will insure their ability to follow and complete courses of education, on-the-job, on-the-farm, and certain flight training afforded World War Two and Korean Conflict veterans.

AMVETS believes that with the available electronic computerized equipment within the Veterans Administration today for the audit of veteran trainee programs proper control and audit of on-the-job, on-the-farm, and certain flight training programs can be such, that these benefits should also be made available to veterans who are interested in and desirous of following such training. It is our belief that the available audit techniques most certainly can preclude the situations which produced criticisms of these programs in the past.

In the ever increasing complexity of our society, the person without either formal higher education or advanced specialized industrial, agricultural or technological training is almost by definition, a "disadvantaged person." In addition, the demand for ever younger Americans in the armed forces, highlighted by the President's recent statements regarding draft changes, indicate that our veterans will have their educational, training, or work careers interrupted at

a time even more crucial to the individual and probably for more prolonged periods.

AMVETS is also acutely aware that the veterans affected by this legislation will be even more than normally at a disadvantage on their release from duty, because more than 50% of American men in their age group will not have been required to serve their Country in the armed forces or interrupt their training, work experience or formal education. These non-veterans will have a "head start" by job skills, by experience and seniority which veterans will find difficult to overcome, if indeed they can ever do so!

For this reason too, AMVETS believes that anything less than absolute equalization of benefits represented in Senate 9 will not keep faith with our veterans.

In the long view, balancing the tangible immediate costs of the Educational Programs for veterans against the already demonstrated benefits to the Nation in every facet and field of social and economic life, AMVETS believes that the benefits will far outweigh the dollar costs involved.

Thank you Mr. Chairman for this opportunity to express our views regarding this vital legislative matter.

PREPARED STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL-CIO is extremely pleased to support S. 9, a bill amending the Cold War Veterans' Readjustment Benefit Act of 1966.

We strongly favored passage of the 1966 legislation and had—in fact—been the first major organization to support the need for a "Cold War GI Bill" in prior years.

In testimony before this subcommittee, February 18, 1965, the AFL-CIO made it clear that we considered passage to be one of the major educational goals of the 89th Congress. This goal was reached on March 3, 1966, when President Johnson signed the legislation into law.

Unfortunately, the 1966 law—as finally enacted—did not include provisions for apprenticeship, on-the-job and on-the-farm training as included in the original "GI Bill" that proved so beneficial to World War II veterans.

The amendments contained in the measure now being considered by this subcommittee would strengthen last year's legislation and correct this serious deficiency. In addition to providing financial assistance to veterans seeking to acquire skills for jobs in industry and agriculture, S. 9 also increases the educational assistance allowance and the time period during which this allowance can be paid while a veteran is in school.

The AFL-CIO is in complete agreement with the need for increasing both the eligibility time period and the actual amount of the allowances. These increases will help to better fulfill the basic purpose of the 1966 law—the restoration of lost educational opportunities to our veterans.

Additional expenditures of federal funds required by these increases will be repaid many times over when the better educated and better skilled veterans increase their earning power and their subsequent tax contributions. Equally important, the increased skills of these veterans will serve a vital national need by filling the manpower shortages in our present labor market. The acquiring of these skills, needed by our country, will stand in sharp contrast to what otherwise might result in thousands if semi-skilled and untrained veterans are unable to find gainful employment.

For these reasons, we fully endorse these provisions in S. 9 as being both equitable and in the national interest. We also endorse, for the same reasons, the provisions in this bill referring to on-the-farm training and flight training.

The AFL-CIO would like to emphasize the importance of full-time apprenticeship and other on-the-job training, with particular reference to specific proposals in S. 9.

S. 9 calls for the payment of a training allowance to veterans enrolled in full-time apprenticeship or any other on-the-job training program. This allowance would be \$80 per month for a veteran without dependents, \$95 per month for a veteran with one dependent, and \$115 per month for a veteran with more than one dependent. This training allowance would then be reduced every four months by a percentage directly related to the duration of the apprenticeship

training program. The bill also provides that under so circumstances shall the combined income from wages and allowances exceed \$310 per month.

The AFL-CIO agrees with the concept of reducing assistance from federal funds as the apprentice improves his skills and his own wages. We would suggest, however, that since the wages of most apprentices are adjusted every six months, the federal allowance also should be adjusted at six month—rather than four month—intervals. Such a change in the formula would place the movement of wages and the training allowance amount in a more equitable relationship.

We strongly recommend that the \$310 per month combined ceiling be eliminated from the bill. The sliding scale of wages and allowances provides ample protection against any inequities that would otherwise occur as the wages of the apprentice increase.

To place a ceiling on top of this sliding scale would deprive a large number of veterans from any federal assistance in the last years of apprenticeship training since the final rates in many apprenticeship programs exceed the \$310 monthly ceiling. A cut-off in federal assistance could thus lead to a high dropout rate as these veterans are lured out of training programs by immediately available higher wages in a semi-skilled occupation.

Organized labor has fought hard and long for decent standards and wage rates for apprenticeships. These standards have been obtained through the cooperation of unions and employers with the federal and state governments under our system of apprenticeship registration.

We must point out that we consider section 1778 to be of great importance in protecting the standards of apprenticeship training and on-the-job training in general. The AFL-CIO has not forgotten the many so-called "technical" schools which burst into bloom under the previous GI bill legislation following World War II and Korea. Many of these so-called schools were nothing more than swindle operations where the owners sought to bilk the government of funds and deprive the veteran of his legitimate rights. Others of these schools, while not really crooked fronts, still were ill-equipped, did not provide bona-fide training, and did little more than supply cheap labor to employers who did not comply with the standards and wage rates obtained by registered apprenticeship programs.

The AFL-CIO believes that with two exceptions, section 1778 does provide the criteria necessary to protect the registered standards and wages which the labor movement has obtained over the past decades and which can be protected only if apprenticeship agreements complying with the standards under apprenticeship agreement are negotiated and registered.

Collective bargaining, the Bureau of Apprenticeship Training, and the state apprenticeship committees are doing an effective job in protecting high standards. The AFL-CIO is convinced that the maintenance of these standards is critical to the entire program.

In this connection, however, we would like to point out that section 1778(a)(4), while purporting to safeguard prevailing rates for learners under on-the-job training programs, does not adequately protect the rates required to be paid to apprentices under apprenticeship programs. This section should be revised to make clear that such protection must be provided.

Also section 1778(a)(10) gives credit for previous training and job experience. The AFL-CIO believes that appropriate credit for past service should be given, but we would hope that this section of the bill will not encourage practices that would defeat the purpose of skilled training through apprenticeship. Previous training and job experience must be at a sufficient level to lead to the acquisition of skills which make the worker eligible in a bona-fide way to advanced apprenticeship training.

In conclusion, the AFL-CIO fully supports the efforts of this subcommittee to extend the benefits of the Veterans' Readjustment Benefits Act of 1966 to the future skilled workers of our country. We recognize, as we are sure the members of the subcommittee recognize, that many of our soldiers in Viet Nam—our future veterans—are members of minority groups who may never enter college but who will certainly be seeking to enter the job market. The proposed benefits in this bill are especially applicable to these veterans for these are the men most in need of skilled job training and the economic assistance that must supplement this training.

By providing these veterans with meaningful training we will not only be helping them, but we also will be contributing to our full employment goal and economic progress.

PREPARED STATEMENT OF J. WARREN DAVIES, PRESIDENT, LINCOLN TECHNICAL INSTITUTE, NEWARK, N.J.

I am J. Warren Davies. I am President of the Lincoln Technical Institute, an independent trade and technical school founded in Newark, New Jersey in 1946. Branch schools are located in Philadelphia, Pa.; Baltimore, Md.; Washington, D.C.; Indianapolis, Indiana; Denver, Colorado; Phoenix, Arizona; White Plains, New York; and Des Moines, Iowa. Training programs offered include Automotive Mechanics, Air Conditioning, Refrigeration and Automatic Heating. Where legislation is in effect, the schools are licensed and approved by the individual State Departments of Public Instruction.

In addition, I appear before you as President of the National Association of Trade and Technical Schools. This Association, which I have the honor to represent, was formed two years ago in Chicago, at which time approximately 200 of the major trade and technical institutions of the country were present and heartily endorsed the formation of this organization. It is our purpose to set high educational standards and to achieve recognition from the U.S. Office of Education as a "nationally recognized accrediting agency."

For the most part the schools which I represent are well-established educational institutions which were founded from twenty to more than fifty years ago, and in some cases over more than one hundred years ago. Today there are more than 30,000 teachers employed in the various trade and technical schools which have assets running well over \$1 billion. The independent trade and technical institutions in some cases offer either courses as private enterprises and in other cases as non-profit institutions. They are making a distinct contribution by serving the youth of America and providing trained personnel for commerce, government, industry and national defense.

STATEMENT OF POSITION

The National Association of Trade and Technical Schools made a careful analysis of S. 9. Studies have been made by our National Affairs Committee and our Board of Directors. As a result of these studies and as a result of discussions at a recent meeting, we wish to express our support of S. 9 in general and specifically of certain provisions outlined in the bill.

RECOMMENDATIONS

In the development of our position, we request that special consideration be given to the following recommendations by the Committee, as they are entitled to great weight.

(1) We recommend that the educational assistance allowance be increased even above the figures recommended by the President.

In his message to the Congress of January 21, 1967, the President stated:

"The time has also come to increase the educational assistance allowance under the GI Bill. A single veteran pursuing a full-time course receives \$100 a month to help him finance his education. This amount is less than the \$130 a month paid to the child of a deceased or disabled veteran who may be taking the same courses at the same school.

"The veteran going to school is usually older and may bear heavier responsibilities. *I recommend an increase in the monthly educational assistance allowance under the GI Bill from \$100 monthly to \$130 for a veteran.*

"In accordance with the present scale of benefits, a married veteran with children receives \$150 a month under the GI Bill, regardless of the number of children he has. To help veterans with families who wish to continue a full-time educational program, *I recommend that the monthly payment be increased by \$10 a month for the second child and \$10 a month for each additional child.*"

We strongly urge enactment of legislation to increase the educational assistance allowance under the new GI Bill. We feel strongly, however, that the \$30 increase recommended by the President for the veteran with no dependents should also be applied to the veteran with one or more dependents. We believe that the rate proposal as outlined in S. 9 represents a sounder approach and we urge its enactment in lieu of the rate provisions outlined by the President in his message to the Congress.

(2) S. 9 provides that the Administrator shall pay to each educational institution, which is required to submit reports and certifications to the Administrator for each veteran enrolled and attending under Chapter 34 of Title 38 of the United States Code, an allowance at the rate of \$1 per month.

This practice of paying the institutions the monthly allowance came into being with the Korean GI Bill. Initially, it was set at \$1.50, but the General Operating Expenses appropriation for the VA reduced it temporarily to \$1. Succeeding legislation placed it on a permanent \$1 monthly rate.

We recommend that educational institutions should be reimbursed for costs of completing these reports and certifications. We are also aware that many changes have been made in reporting and certification requirements of the Veterans Administration since the enactment of the Korean GI Bill. Whether the \$1 monthly allowance payable represents a true cost to the school per month per student, we are unable to document. We do feel that a monthly rate should be payable which is fair to both the Federal Government and the institution required to submit the reports. Otherwise, it may very well be necessary for the institutions to add it to the registration and other fees charged to the student.

NEED FOR LEGISLATION

In conclusion, Mr. Chairman, may I express our deep feeling that strengthening the effectiveness of the Veterans Readjustment Benefits Act of 1966, by increasing the monthly rates of education and training assistance and by reimbursing educational institutions for reports and certifications, would enhance immeasurably the opportunity given the current generation of veterans to further their education and training. We believe strongly that history will repeat itself and that the cost of these programs under this Act will be an investment that is repaid with interest.

I should also like to say on behalf of the private trade and technical schools of America that we have dedicated ourselves to doing a better job than we have ever done in the past so that we can turn out the best trained personnel to meet the needs of commerce, government, industry and national defense.

We thank you for the opportunity to express our views before this committee.

PREPARED STATEMENT OF JOHN F. MORSE, DIRECTOR, COMMISSION ON FEDERAL RELATIONS, AMERICAN COUNCIL ON EDUCATION

There is one provision in S. 9, the bill now before your subcommittee, to which we should like to draw special attention, for we believe it to be of considerable importance. I am taking the liberty of writing you at this time, because in the bill, which was recently passed by the House and referred to a different committee of the Senate, this provision was omitted. I am referring to section 6(b) of S. 9.

When P.L. 89-358 was passed last year, we were naturally concerned that no provision was made to reimburse colleges and universities for required reporting on student status. We were given to understand, however, that the Veterans Administration would so streamline the requirements that reporting would no longer be a burden. We were a bit skeptical, but we did believe that we should wait until we had gathered some experience before asking for reconsideration. Quite candidly, we would far prefer greatly simplified requirements to reimbursement for administrative costs.

Now that we have had close to a year's experience, we have come to the reluctant conclusion that the reporting requirements cannot be sufficiently simplified to remove a rather heavy burden on colleges and universities. The situation in virtually all institutions is well summarized in a letter I received recently from one university.

1. *Certificate of Eligibility*—Enrollment certification by the University is required on the reverse side of the certificate. Verifying the number of credits allowed toward a degree for previous education has been found to consume a substantial portion of staff time. However, this verification would seem to be an essential procedure; and from the standpoint of over-all costs it is probably more economically performed by the University's staff than it could be by the Veterans Administration. The University recommends no change in this procedure, but it is recognized that the cost of this certification is substantial.

2. *Monthly Certification of Attendance*—This form, under the Korean Law, was completed by the staff of the University. In an effort to reduce costs the Government has charged the student with the responsibility of completing it each month, and the educational institutions are to certify

changes of status only. Under the Korean Bill it was necessary for the University to train only the members of its own staff to complete the form. The staff finds that under the new law a substantial number of the veterans on the campus must be instructed by the staff each month. It is estimated that a significant increase in time and cost has resulted from the attempt to put part of the clerical work on the student. The University recommends that the completion of the monthly certification again become the responsibility of the institution rather than requiring the student to complete it.

3. *Notice of Change in Student Status*—The completion of this form which is a responsibility of the University seems to be essentially a duplication of the checking and handling that is already being done in connection with monthly certifications. The Notice of Change in Student Status is completed by the University, and the verification procedure must be repeated when the student brings in his monthly certification. To avoid delays in the reporting of status changes, and consequent overpayments, it has been found impractical to wait for the veteran's appearance to accomplish a simultaneous verification. Use of the Notice of Change in Student Status form should be eliminated upon the adoption of the recommendation in paragraph 2 above.

The suggestions contained in the above comments would, we think, simplify reporting somewhat. Nevertheless, the burden will still be a heavy one. We hope, therefore, that your committee will give consideration to reinstituting the payment to universities of at least \$1.00 per month to help underwrite the costs entailed.

PREPARED STATEMENT OF THE AMERICAN VETERANS COMMITTEE

The American Veterans Committee wishes to express its support of S9, a bill to bring the educational benefits for the Vietnam veterans up to the same level the Korean veterans were granted.

The American Veterans Committee is an organization of veterans. Most of our membership served in World War II, although we also have members from World War I, the Korean Conflict, and now the Vietnam Conflict.

Our motto, ever since our founding 21 years ago, has been "Citizens First, Veterans Second". In practice this means we favor readjustment and rehabilitation assistance but have opposed across-the-board bonuses or general pensions.

Our basic beliefs in the field of veterans benefits are set out in the following extract from our Veterans and Armed Forces Affairs Platform;

"The American Veterans Committee has constantly reiterated, since its founding, its fundamental belief that rehabilitation and integration of veterans into the community is the proper scope and purpose of a veterans program. The achievement of economic security for veterans through sound economic planning for all citizens rather than through special grants or favors to veterans is basic AVC policy.

"(1) Compensation

"For many years, AVC has pointed out the need for a thorough review and reappraisal of this Nation's policies on veterans as follows:

"(1) We oppose bonuses and general pensions as being class legislation and unrelated to the real needs of individual veterans and tending to set veterans apart from their fellow citizens.

In the matter of benefits, two basic standards should be applied.

(a) For death or disability incurred in military service: Are the benefits sufficient to provide a decent standard of living for the veteran, his family or survivors?

(b) For all veterans: Are the benefits so designed as to enable a readjustment from military service to civilian life with a minimum economic loss?"

"Since benefits are a Federal responsibility, uniform standards of administration and compensation should be applied nationally without regard to race, creed, color, sex, or national origin."

The American Veterans Committee has, throughout its existence, believed that educational benefits of the so-called "GI Bill" (that is grants for both tuition and living allowances) were a vital part of the process of readjusting the veteran to civilian life which our platform specifically endorses.

The following provisions of our platform also bears directly on the legislation before the Committee:

"(6) G.I. Bill

AVC endorses a G.I. Bill of rights for peacetime draftees and volunteers who have been on extended active duty. It is our belief that such men who enable our country to maintain peace and meet its commitments and responsibilities to our allies are entitled to basic readjustment benefits to enable them to return without distress to civilian life at the end of their service and become useful and productive members of their communities."

The Americans Veterans Committee supported the original S9 when it was before the Congress in 1965 and we were gratified that this "Cold War GI Bill of Rights" was signed into law early in 1966.

We were disappointed that before it passed the House the important on-the-farm, on-the-job, and certain flight training provisions were struck out. We welcome this bill as a means of restoring these important provisions and of raising the educational assistance allowance for veterans attending college. It seems to us that the principle of educational assistance as a readjustment benefit must in effect afford all veterans the opportunity of extending their education without regard to which end of the social and economic scale they are in. Therefore we support a realistic allowance that would permit those veterans without other financial resources to be able to take advantage of the extension in education for these veterans that the original bill intended. Adequate allowances hopefully would permit those who have most to gain, those who might not have contemplated further schooling without a "Cold War GI Bill of Rights."

Further, we wish to reemphasize our support for the "on-the-job" and "on-the-farm" training allowances as an important readjustment benefit, particularly for those who either cannot or are not able to utilize the educational benefits allowance. This is the kind of assistance that is good for the nation as well as for the veteran—to bring these veterans into the economic mainstream of the nation, beside helping them to return to civilian pursuits.

Respectfully submitted by

JOHN S. STILLMAN,

National Chairman, American Veterans Committee.

STATE OF CALIFORNIA—EMPLOYMENT RELATIONS AGENCY,
DEPARTMENT OF INDUSTRIAL RELATIONS,
San Francisco, March 10, 1967.

Hon. RALPH YARBOROUGH,
U.S. Senator,
*Senate Office Building,
Washington, D.C.*

DEAR SENATOR YARBOROUGH: Thank you for your letter of February 15, 1967 to which were attached your statement regarding amendments to the Cold War G.I. Bill of 1967 and a summary of S. 9. I very much appreciate that, if enacted, S. 9 would provide that veterans enrolled in approved courses of apprenticeship or other training on-the-job be entitled to receive allowances of \$80, \$95, and \$115 per month, scaled downward after the first four months. I sincerely hope that these on-the-job training benefits will be authorized so that veterans will be entitled to benefits, just as are those who now enroll in "institutional programs".

In California, because of a high-wage, high-cost-of-living pattern, the \$310 ceiling limitation will rule out most, if not all, veterans. I believe the fixed amount a veteran could receive, according to his marital status or dependency status, is the only ceiling needed, provided that the total amount of the training allowance, together with wages, does not exceed the approved objective rate for a given occupation.

The quarterly adjustment of the training allowance does not coincide with the regular wage adjustments, which come each six months of a training period. As a consequence, the training allowance, under the current legislation, will be adjusted downward at the end of four months, and again at the end of six months, etc.

Thanks again for forwarding the information. Rest assured that we will provide any additional information you might like to have.

Very truly yours,

MARGARET R. O'GRADY,
Director.

NATIONAL BUSINESS AIRCRAFT ASSOCIATION, INC.,
Washington, D.C., April 11, 1967.

Hon. JENNINGS RANDOLPH,
Chairman, Subcommittee on Veterans' Affairs,
U.S. Senate, New Senate Office Building,
Washington, D.C.

MY DEAR MR. CHAIRMAN: The National Business Aircraft Association has been apprised of the Senate Subcommittee on Veterans' Affairs discussion on Bill S. 9 which would provide flight and other training for veterans.

We should like to offer our comments on the desirability of enacting S. 9 into law and express the hope that it will be favorably considered.

The continuing availability of trained pilots is of direct concern to our Association members who operate aircraft for private transportation and employ professional pilots for the purpose. This segment of aviation is perhaps the fastest growing facet of all of civilian aviation and the need for pilots will grow concurrently.

May we refer you to our BUSINESS FLYING Report, Page 14, "Business Aviation Employment" which discusses the problems and estimates future requirements?

We would suggest, as did the other aviation organizations testifying before the Subcommittee, that the Bill be extended to insure that bona fide applicants for flight training receive sufficient financial support and instruction to qualify for a Commercial license, at the minimum.

NBAA further recommends that students who wish to enroll in University courses (as offered by Purdue University) leading to an Airline Transport Rating also be included within the framework of the pending Bill.

While we seek the more experienced pilot for business aviation, we cannot overlook the importance of flight training in its more elementary stages. Prospective professional pilots who do not receive the benefits of military flight training must begin somewhere and many veterans may be encouraged to continue their efforts based on their early success in a primary qualification program.

NBAA, therefore, lends its support for favorable consideration of this Bill.

Very truly yours,

ROBERT B. WARD,
Executive Director.

Enclosure.¹

WISCONSIN STATE LEGISLATURE, MADISON, WIS., RESOLUTION ADOPTED BY BOTH
HOUSES OF THE LEGISLATURE

"SENATE JOINT RESOLUTION 15

"Memorializing the Congress of the United States to enact legislation which would provide on-the-job or apprenticeship training benefits under the 'cold war' GI bill.

"Whereas, our country's honor required Americans to come forth and give their youth and lives in every armed conflict in which this country has been forced to engage; and

"Whereas, Wisconsin is proud of its young men who have sacrificed their youth, health and lives for the perpetuation of our way of life; and

"Whereas, the 89th Congress passed a 'cold war' GI bill providing benefits for those men who wished to pursue higher education, but omitting benefits for those men who want on-the-job or apprenticeship training; and

"Whereas, previous GI bills have provided such training for 43,000 Wisconsin veterans who are now a part of the state's skilled work force; and

"Whereas, a continued exclusion of these men from the 'cold war' GI bill is an injustice to thousands of Wisconsin veterans and is also a serious disservice to the economic and social climate of the state and the nation; and

"Whereas, this situation could have drastic effects on the nation's well-being through future manpower shortages in critically skilled areas; now, therefore, be it

¹ The enclosure referred to above may be found in the files of the subcommittee.

"Resolved by the senate, the assembly concurring, That the legislature of Wisconsin urge the Congress of the United States to provide on-the-job or apprenticeship training benefits under the 'cold war' GI bill; and, be it further

"Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the secretary of the United States Senate, and the chief clerk of the House of Representatives and to each member of the Wisconsin delegation in Congress."

(Whereupon, at 12:30 o'clock p.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.)



