

84  
L 11/2  
N 72/5/970-7

1043

9114  
L 11/2  
N 72/5/970-7

# NOMINATION

GOVERNMENT  
Storage

## DOCUMENTS

OCT 9 1970

THE LIBRARY  
KANSAS STATE UNIVERSITY

A11600 688578

HEARING  
BEFORE THE  
COMMITTEE ON  
LABOR AND PUBLIC WELFARE  
UNITED STATES SENATE  
NINETY-FIRST CONGRESS  
SECOND SESSION  
ON  
MALCOLM R. LOVELL, JR., OF MICHIGAN, TO BE AN  
ASSISTANT SECRETARY OF LABOR

SEPTEMBER 18, 1970

Printed for the use of the Committee on Labor and Public Welfare



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1970

50-558 O

COMMITTEE ON LABOR AND PUBLIC WELFARE

RALPH YARBOROUGH, Texas, *Chairman*

JENNINGS RANDOLPH, West Virginia  
HARRISON A. WILLIAMS, Jr., New Jersey  
CLAIBORNE PELL, Rhode Island  
EDWARD M. KENNEDY, Massachusetts  
GAYLORD NELSON, Wisconsin  
WALTER F. MONDALE, Minnesota  
THOMAS F. EAGLETON, Missouri  
ALAN CRANSTON, California  
HAROLD E. HUGHES, Iowa

JACOB K. JAVITS, New York  
WINSTON L. PROUTY, Vermont  
PETER H. DOMINICK, Colorado  
GEORGE MURPHY, California  
RICHARD S. SCHWEIKER, Pennsylvania  
WILLIAM B. SAXBE, Ohio  
RALPH TYLER SMITH, Illinois

ROBERT O. HARRIS, *Staff Director*

\_\_\_\_\_, *General Counsel*

ROY H. MILLENSON, *Minority Staff Director*

EUGENE MITTELMAN, *Minority Counsel*

(II)

## NOMINATION

---

FRIDAY, SEPTEMBER 18, 1970

U.S. SENATE,  
COMMITTEE ON LABOR AND PUBLIC WELFARE,  
Washington, D.C.

The committee met at 9:10 a.m., pursuant to notice, in room 4232, New Senate Office Building, Hon. Ralph W. Yarborough (chairman of the full committee) presiding.

Present: Senators Yarborough, Williams of New Jersey, Pell, Cranston, Hughes, and Javits.

The CHAIRMAN. The Senate Labor and Public Welfare Committee will come to order, in open hearing, on a nomination to be Assistant Secretary of Labor, the Honorable Malcolm R. Lovell, Jr., of Michigan.

We have, Mr. Lovell, your biographical sketch. It is quite impressive. You were with the intelligence group in China, in the Navy during World War II, discharged as a lieutenant, with citations from Secretary of the Navy, and graduated from the Harvard Business School, master's degree in business administration, after attending Brown University, and Lawrenceville School in New Jersey; manager of employees services for American Motors Co. from 1958 to 1962, after having served on the firm's national labor bargaining committee from 1958 to 1961.

Prior to that, from 1946 to 1958, he was in management capacities with the Ford Motor Co., a member of the Michigan State Labor Mediation Board from February of 1963 through September 1964, chairman in 1963, became special assistant to the Governor, and first director of the Michigan Economic Opportunity Office, director of the Michigan Employment Security Commission, appointed 1965, reappointed in 1967, for a 2-year term, and joined the U.S. Department of Labor after 6 months from the Urban Coalition in Washington, D.C., as Executive Director for Manpower with Urban Coalition, and nominated by President Nixon to be Assistant Secretary of Labor for Manpower on July 6, 1970. You have been Deputy Assistant Secretary for Manpower and Manpower Administrator since June of 1969.

I direct that the entire biographical sketch—I have summarized it—will be printed in full in the record.

(The biographical sketch referred to follows:)

MALCOLM R. LOVELL, JR., ASSISTANT SECRETARY OF LABOR  
FOR MANPOWER DESIGNEE

Malcolm R. Lovell, Jr., was nominated by President Nixon as Assistant Secretary of Labor for Manpower on July 6, 1970. He has been Deputy Assistant Secretary for Manpower and Manpower Administrator since June, 1969.

He joined the U.S. Department of Labor after six months with the Urban Coalition in Washington, D.C., as its Executive Associate for Manpower.

Mr. Lovell was Director of the Michigan Employment Security Commission, appointed by Governor Romney in 1965, and reappointed to a second two-year term in 1967.

Before becoming director, he was a Special Assistant to Governor Romney and the first Director of the Michigan Economic Opportunity Office. He served in this capacity from September 1964, until he became director of the Employment Security Commission.

Mr. Lovell also served as a member of the Michigan State Labor Mediation Board from February 1963 through September 1964, becoming its chairman in 1963.

He was Manager of Employee Services for American Motors Company from 1958 to 1962. He served on the firm's National Labor Bargaining Committee in 1958 and 1961. From 1946 to 1958 he was in management capacities with the Ford Motor Company.

Mr. Lovell was graduated from the Harvard Business School with a Master's degree in Business Administration in 1964. He attended Brown University and the Lawrenceville School in New Jersey.

He served in the Navy during World War II with an intelligence group in China. He was discharged as a lieutenant and received a Secretary of Navy letter of Citation and the Hung Hua decoration from the Nationalist Chinese government.

Born January 1, 1921, in Greenwich, Conn., he is married to the former Beatrice Sweney of Concord, Mass. There are four daughters in the family.

While in Michigan, he served on the following boards and commissions:

Wayne State University, Lecturer for the Institute of Labor and Industrial Relations.

Michigan Human Resources Council, Member of Executive Committee.

Michigan Commission on Aging.

Detroit Board of Education, Vocational Education Advisory Committee.

State Advisory Board of Mental Health.

State Board of Education, Advisory Committee on Vocational Education.

State of Michigan, Manpower Development Commission, Chairman.

Governor's Commission on Youth.

Mayor's Committee for Human Resources Development, Detroit.

The CHAIRMAN. And before we reach you for introduction, accompanied by the distinguished Senator from your State, Mr. Lovell, I direct attention to the statute under which this office was created, Assistant Secretary of Labor, being the United States Code, title 29, section 553, with the duties, and also Secretary's Order No. 14-69, March 14, 1969, reorganization to manpower administration, delegation of authority and assignment of responsibilities for manpower programs.

I order these all printed in the record.

(The documents referred to follow:)

#### EXCERPT FROM U.S. CODE, TITLE 29, SECTION 553

##### § 553. Assistant Secretaries; appointment; duties

There are established in the Department of Labor four offices of Assistant Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall perform such duties as may be prescribed by the Secretary of Labor or required by law.

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

MAR 14 1969

SECRETARY'S ORDER NO. 14-69

SUBJECT: Reorganization of the Manpower Administration and Delegation of Authority and Assignment of Responsibilities for Manpower Programs

1. Purpose. This Order redelegates to the Assistant Secretary for Manpower the authority vested in the Secretary of Labor for manpower programs, except as herein provided, and establishes the first, second, and in some cases, the third level of the organization structure of the Manpower Administration.
2. Background. Secretary's Order 9-69 directed an immediate study of the organization structure of the Manpower Administration for the purpose of establishing a sound organization and system of management. As a result of this study, a number of major changes in the organization structure of the Manpower Administration has been approved and is set forth below and depicted on the attached organization chart. These changes will lead to the following improvements:
  - a. The top executive management capability of the Manpower Administration will be strengthened by reestablishing the Assistant Secretary for Manpower and the Manpower Administrator as separate positions.
  - b. The Manpower Administrator will be able to assume operating management responsibilities with improved staff support.
  - c. A single direct line of administration is established from the Office of the Manpower Administrator to the regions. This arrangement replaces the multiple lines of administration from the national office to the field that existed under the previous structure.
  - d. Duplication and overlapping authority in the administration of manpower programs at the national level is essentially reduced by combining the U.S. Employment Service and the Bureau of Work-Training Programs.
  - e. The status and effectiveness of the Employment Service function will be enhanced by moving responsibility for this function to a higher position in the Manpower Administration.
  - f. Duplication in the provision of administrative and management support services to program offices is greatly reduced by moving resources and responsibility from the Bureaus to the staff components of the Manpower Administration.

DISTRIBUTION: A, B, C, D

- g. Decentralization of operating authority, responsibility and accountability to the Regional Manpower Administrators and the consolidation of the Manpower Administration field staff under their direction will lead to significant improvements in program operations at the State and local level with the concomitant improvement of service to the public.
3. Office of the Assistant Secretary of Labor for Manpower. There is established in the Department of Labor an Office of the Assistant Secretary of Labor for Manpower headed by an Assistant Secretary who reports to the Secretary. The following special staff elements are established in the Office, and report directly to the Assistant Secretary of Labor for Manpower:
- a. Special Review Staff
  - b. Office of Equal Employment Opportunity
  - c. President's Committee on Manpower
4. Manpower Administration. There is established in the Department of Labor a Manpower Administration headed by a Manpower Administrator who reports to the Assistant Secretary for Manpower. In the absence of the Assistant Secretary, the Manpower Administrator shall act as the Assistant Secretary for Manpower. There is also established in the Manpower Administration a Deputy Manpower Administrator for Employment Security who shall report to the Manpower Administrator.
5. Organization Structure of the Manpower Administration.
- a. Staff Level. The following staff components are established in the Manpower Administration and report directly to the Manpower Administrator:
    - (1) Office of Information comprised of a:
      - Division of Press and Broadcast Media
      - Division of Publications
      - Division of Community Relations
      - Division of Program Resources
    - (2) Office of Manpower Management Data Systems (official substructure to be developed)
    - (3) Office of Financial & Management Systems comprised of an:

- Office of Management Systems
- Office of Comptroller
- (4) Office of Policy, Evaluation and Research comprised of an:
  - Office of Evaluation
  - Office of Planning and Policy Development
  - Office of Manpower Research
  - Office of Special Manpower Programs
- (5) Intergovernmental and Interagency Relations Staff
- b. Program Level. The following program components are established in the Manpower Administration and report to the Office of the Manpower Administrator:
  - (1) Bureau of Apprenticeship and Training
  - (2) U.S. Training and Employment Service comprised of the:
    - Veterans Employment Service
    - Farm Labor and Rural Manpower Service
    - Office of Systems Support
    - Office of Technical Support
    - Office of National Projects
  - (3) Unemployment Insurance Service comprised of an:
    - Office of Federal UI Programs and Training Allowances
    - Office of Operations
    - Office of Program Development and Legislation
    - Office of Actuarial and Financial Services
- c. Field Level. The following field components are established in the Manpower Administration and report to the Office of the Manpower Administrator:

- (1) Office of the Regional Manpower Administrator, Region I, Boston
- (2) Office of the Regional Manpower Administrator, Region II, New York
- (3) Office of the Regional Manpower Administrator, Region III, Philadelphia
- (4) Office of the Regional Manpower Administrator, Region IV, Atlanta
- (5) Office of the Regional Manpower Administrator, Region V, Chicago
- (6) Office of the Regional Manpower Administrator, Region VI, Kansas City
- (7) Office of the Regional Manpower Administrator, Region VII, Dallas
- (8) Office of the Regional Manpower Administrator, Region VIII, San Francisco
- (9) Office of the Manpower Administrator for the District of Columbia

Each regional manpower office is comprised of a:

- Farm Labor and Rural Manpower Service Staff
- U.S. Training and Employment Service Staff
- Unemployment Insurance Service Staff
- Financial and Management Systems Staff

The substructure of the Manpower Administration for D.C. is presently being reviewed.

6. The Bureau of Apprenticeship and Training and the Veterans Employment Service field structures remain unchanged.
7. Abolished Manpower Administration Organizational Components. The following components of the Manpower Administration are hereby abolished:
  - a. The Bureau of Work-Training Programs and its regional offices
  - b. The Bureau of Employment Security and its regional offices

The components and titles of the substructure of these bureaus will remain in existence for purposes of control, reference and program continuity pending the development of integrated substructures in the newly established components of the Manpower Administration. The Assistant Secretary for Manpower is authorized to make temporary reassignments of these components as entities and of individual positions and incumbents until such time as additional substructures are approved and established in the newly established components of the Manpower Administration.

8. Delegations of Authority and Assignment of Responsibilities

- a. The Assistant Secretary for Manpower is hereby delegated authority and assigned responsibility, except as herein-after provided, for carrying out the Department's manpower programs and activities including functions to be performed by the Secretary of Labor under:
- (1) The Wagner-Peyser Act of 1933, as amended.
  - (2) Titles III, IX, XII and relevant sections of Titles VII and XI of the Social Security Act of 1935, as amended, and 5 USC 8501-8525.
  - (3) The Federal Unemployment Tax Act.
  - (4) Title IV of the Servicemen's Readjustment Act of 1944 (38 USC 2010).
  - (5) Executive Order 10366 of June 26, 1952 (amending the Selective Service regulations).
  - (6) The Farm Labor Contractor Registration Act of 1963 (Public Law 88-582), including the issuance of rulings and interpretations and the bringing of legal proceedings under the Act, the determination in each case whether such proceedings are appropriate to be made by the Solicitor of Labor.
  - (7) The Immigration and Nationality Act, as amended (8 USC 1101 et seq.).
  - (8) The Manpower Development and Training Act of 1962, as amended (Public Law 87-415).
  - (9) The trade adjustment assistance provisions of the Trade Expansion Act of 1962 (Public Law 87-794), and Executive Order 11075 of January 18, 1963, as amended, consistent with the provisions of Secretary's Order No. 19-66.
  - (10) The Public Works and Economic Development Act of 1965 (Public Law 89-136), as it relates to the designation of redevelopment areas.

- (11) The Public Works Acceleration Act of 1962 (Public Law 87-658).
- (12) The trade adjustment assistance provisions of the Automotive Products Trade Act of 1965 (Public Law 89-283).
- (13) National Apprenticeship Act of 1937 (50 Stat. 663; 29 USC 50)
- (14) D.C. Apprenticeship Act (Public Law 79-387).
- (15) Manpower Aspects of the Appalachian Regional Development Act of 1965 (Public Law 89-4).
- (16) Title V, and as provided for in and consistent with the delegation from the Director of the Office of Economic Opportunity, Parts B and D of Title I of the Economic Opportunity Act of 1964, as amended.
- (17) Title VI of the Civil Rights Act of 1964 (Public Law 88-352) except the suspension or termination of financial assistance.
- (18) Executive Order 11141 of February 12, 1964 - Discrimination on the basis of age.
- (19) Executive Order 11000 of February 16, 1962, as related to manpower and contained in Section 2 (a), (d), (e), (g), and (j), Section 3, and Section 4 (a) of the Order except that such authority and responsibility are subject to the over-all supervision and guidance of the Deputy Under Secretary who serves as the Department's Mobilization Planning Coordinator.
- (20) Vocational Rehabilitation Amendments of 1954 (Public Law 83-565).
- (21) Defense Manpower Policy No. 4, Revised, - Placement of Procurement and Facilities in Sections and Areas of High Unemployment.
- (22) Manpower aspects of the Vocational Education Act of 1963 and the Vocational Education Amendments of 1968.
- (23) Executive Order 10582 of December 17, 1954 - Implementing the Buy American Act.
- (24) Executive Order 10651 of January 6, 1956 - Providing for the Screening of the Ready Reserve of the Armed Forces.
- (25) Executive Order 11152 of April 15, 1964 - Establishing the President's Committee on Manpower.

- (26) Public Law 89-690 - Exemplary Rehabilitation Certificates.
  - (27) Part C, Title IV of the Social Security Act, as amended, (Public Law 90-248).
  - (28) Intergovernmental Cooperation Act of 1968 (Public Law 90-577).
  - (29) Executive Order 11422, Cooperative Area Manpower Planning System.
- b. The Solicitor of Labor shall have responsibility for providing legal advice and assistance to all officers of the Department relating to manpower, employment and unemployment insurance laws and Executive Orders.

9. Reservation of Authority, and Exceptions.

a. The following functions are reserved to the Secretary:

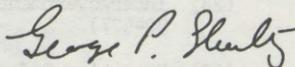
- (1) Submission of reports and recommendations to the President and the Congress concerning the administration of the statutes and Executive Orders listed in paragraph 8a of this Order.
- (2) The determination of conformity and compliance questions.

10. Redelegation of Authority. The Assistant Secretary for Manpower may redelegate such authority as vested in him by this Order.

11. Authority and Directives Affected.

- a. This Order is issued pursuant to the Act of March 4, 1913 (37 Stat. 736; 5 USC 611), Reorganization Plan No. 6 of 1950 (15 F.R. 3174; 64 Stat. 1263, 5 USC Note); Delegation of authorities regarding special impact programs from the Acting Director of Office of Economic Opportunity dated June 17, 1968, and approved by the President June 27, 1968 (33 F.R. 9850); Delegation of authorities from the Acting Director of Office of Economic Opportunity dated August 2, 1968 and approved by the President October 2, 1968 (33 F.R. 15139).
- b. This Order cancels Secretary's Order Nos. 6-68, 22-68 and 9-69.
- c. The delegations in this Order are subject to the provisions of Secretary's Order 13-68.

12. Effective Date. The reorganization of the National Office structure of the Manpower Administration is effective March 17, 1969. The reorganization of the field structure of the Manpower Administration is effective March 24, 1969.

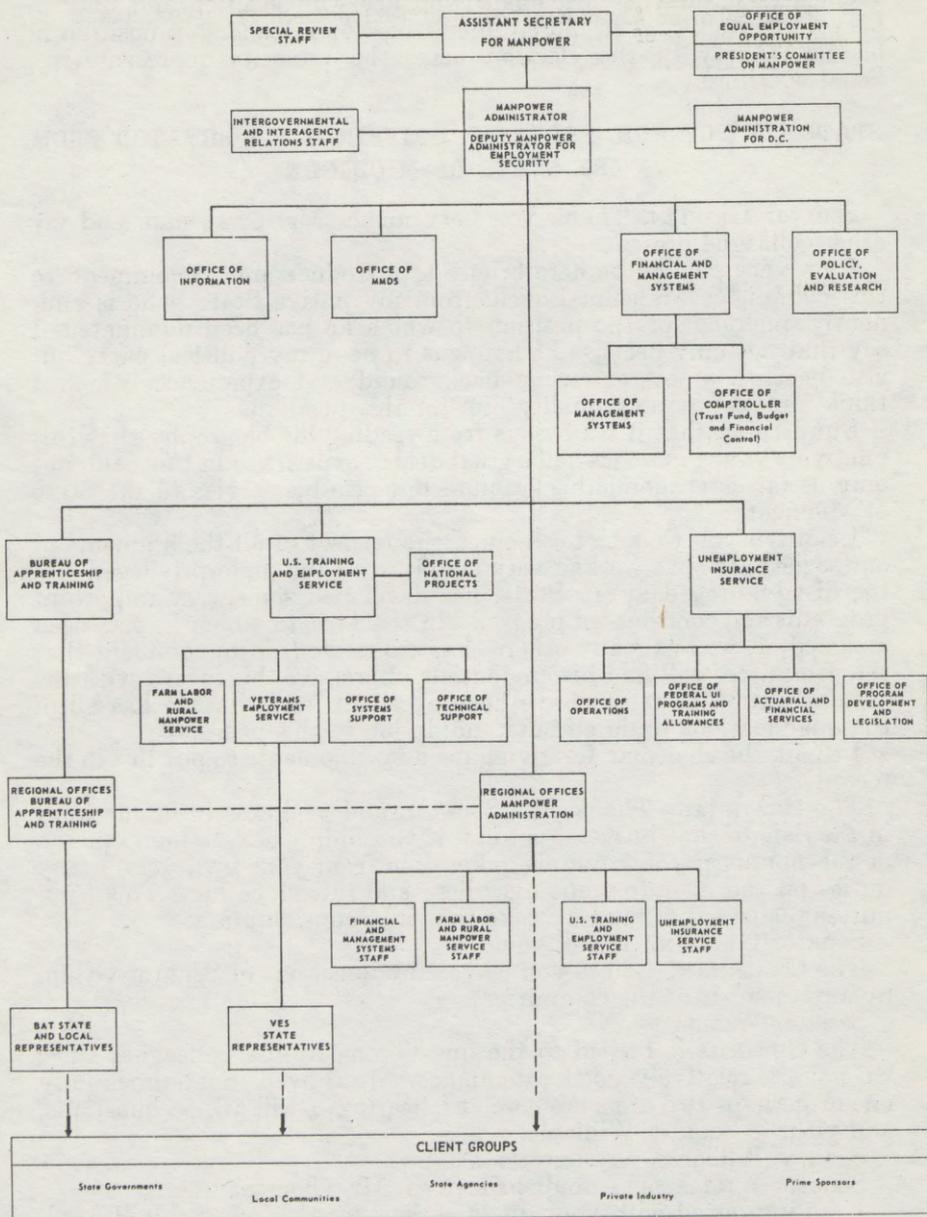


Secretary of Labor

Attachment

March 17, 1969

U.S. DEPARTMENT OF LABOR  
MANPOWER ADMINISTRATION



The CHAIRMAN. I assume you are familiar with them.  
 Now, before we question Mr. Lovell, we will yield to the distinguished Senator from Michigan, who has won election not only in his own State but even more difficult he won a leadership position in his own party in the election here, the minority representative, Senator Griffin.

**STATEMENT OF HON. ROBERT P. GRIFFIN, A U.S. SENATOR FROM  
 THE STATE OF MICHIGAN**

Senator GRIFFIN. Thank you very much, Mr. Chairman, and my other colleague present.

I am very glad to be here briefly to introduce and to commend to this committee Malcolm Lovell, from my native State who is eminently qualified for the position to which he has been nominated. I say that not only because he happens to be of my political party but also because of his extensive background and experience, which I think almost uniquely qualify him for this position.

But I think that it is obvious from reading his biography that this relatively young man has had a great deal of experience in this field, not only as far as academic background but also his service to the State of Michigan.

I can tell you that he has gained the respect of all the segments of our society. He has worked very closely with the underprivileged and the disadvantaged in our State, has developed some very important programs and coordinated programs in the area to which he has been assigned, as well as many others that are related. I am confident that the committee will find his credentials impressive, his record with the administration so far to have been excellent, and that he has all of the qualifications to do an outstanding job in this position.

I thank the chairman for giving me a few moments to put this in the record.

The CHAIRMAN. Thank you, Senator, and we know from our work in the Senate that busy as you are, if you didn't have a high opinion of the nominee, you couldn't take time from your own very heavy duties on the floor to come over here and introduce him. This committee realizes that, and we take that into consideration.

Senator GRIFFIN. Thank you.

The CHAIRMAN. Before you leave, any questions of Senator Griffin by any member of the committee?

Senator WILLIAMS. No.

The CHAIRMAN. I yield to the questioning by my colleagues since we have a relatively good attendance, Mr. Lovell. Sometimes only one or perhaps two of us are here at a hearing; I will ask no questions, and yield to Senator Williams.

Senator Williams, any questions?

Senator WILLIAMS. I don't believe so, Mr. Chairman.

I am impressed with your qualifications for this office, Mr. Lovell. You were nominated in July?

STATEMENT OF MALCOLM R. LOVELL, JR., NOMINEE-DESIGNATE  
TO BE ASSISTANT SECRETARY OF LABOR FOR MANPOWER

Mr. LOVELL. Yes, sir.

Senator WILLIAMS. The responsibilities of the office appear much larger today than did in July, don't they?

Mr. LOVELL. They did yesterday.

Senator WILLIAMS. Good luck to you.

The CHAIRMAN. Senator Cranston?

Senator CRANSTON. Mr. Lovell, it has been a pleasure to become acquainted with you during the past many months. I do have several questions I would like to ask you, since you have become quite versed in the Department of Labor's manpower training policies and programs.

I wanted to just review a few policy questions that we will all be dealing with in the coming period.

First, what do you believe are the basic causes of the exclusion of the disadvantaged from the labor market? What is keeping them from getting jobs comparative to other people at the present time?

Mr. LOVELL. I think it is a whole series of events that has taken place. Perhaps one can almost trace its origin to the immigration from the rural areas into the cities. As technology has changed and reduced the demand for help in rural areas, people have been moving into the cities, particularly black and Spanish-speaking people, in very large numbers and because of the various kinds of discrimination in housing and employment that have taken place in this country for many, many years, these people have been forced to live in rather confined areas in central cities, where the educational opportunities, cultural opportunities, and the employment opportunities have been very small.

At the same time these people have been moving into the central city, business has been decentralizing to the outer areas, to the suburbs, and indeed, to some of the more rural areas, so that the job opportunities that have traditionally been available to new immigrants coming into the country were not available to these people. So the combination of these circumstances of racial discrimination, of extreme poverty, and of lack of education, I think, are many of the reasons.

I look with some optimism, in terms of this Nation's ability to cope with these situations.

Senator CRANSTON. What do you feel the Labor Department can do specifically to overcome those handicaps and create needed opportunities?

Mr. LOVELL. Well, I think there are two basic areas: one is to equip disadvantaged people to be able to work, to give them the training, orientation, and services they need in order to enter the labor market. That is one major area.

The second is to work to break down barriers to the entrance of these individuals into the labor market—barriers caused by unrealistic job requirements and by outright discriminatory practices.

Now, we in the Labor Department have been working in terms of eliminating discrimination in the building trades, not only by providing training, but by financing outreach programs, and encouraging apprentice programs which have racial balance.

We have, I think, been quite imaginative in our grant-in-aid agencies; we have some 70,000 people in the employment security system, and we have established for the first time, I think, minority staffing objectives for the State people, over whom we have some responsibility. We have asked them to set goals and objectives for hiring of minorities.

Senator CRANSTON. Do you feel that job creation and job development followed by federally supported public service employment, really is essential if we are going to do something about unemployment in hard-core areas like east Los Angeles, Watts, Oakland, and Reading in my State where unemployment has been traditionally about double that of the rest of the Nation.

Mr. LOVELL. I think as a Nation we have to do two things; one, we have to have a total economy, which has as its objective a full employment philosophy, so that the total efforts of our private and public sector are geared to growth and job creation. Now, I think certainly public service is an area to which I think over the next decade we are going to see major attention turned. I think the needs in the public sector in the areas of health, education, transportation, housing, public housing, are very great, and I think that both in terms of federally supported public jobs, and public jobs that are supported at the local level, there is going to be a tremendous growth. Some of these jobs will provide a stepping stone, others will provide career ladders to the disadvantaged.

Senator CRANSTON. What do you see as the most effective manpower training programs under the Labor Department at the present time and how effective do you feel they are in reaching the unemployed and the underemployed, and helping especially those from the minority groups?

Mr. LOVELL. The JOBS program has put a quarter of a million people to work. Now, we are not completely satisfied that all of the jobs are as good as we would like, but the incomes of the people who participate in this program have risen on an average of about a thousand dollars apiece, so this has been, I think, a very successful effort.

I think our public service careers program, which is comparable to the JOBS program, is also effective, though it is a little too early to make a definite pronouncement about it. But the concept of giving a person a job first, and training him later, I think, will over time prove very valuable and productive.

I think we have a tremendous need to provide additional bilingual training for the Spanish-speaking people, who are not well versed in English, and basic educational training in reading and writing for many of our rural people and many of our urban people who don't read and write adequately. It is almost impossible to compete in American society if you can't read and write and do simple arithmetic, and we have to recognize that there are literally hundreds of thousands of people in this country that can't master these basic skills. So I think that kind of training has to be done. We are a complex society, and we need to provide a continued variety of vocational training opportunities.

We are a work-oriented society. I am convinced that most people in America wish to work, and given a choice they would rather work. In my 20-odd years experience in the manpower field, I have never seen anything to indicate that people would choose not to work if given a choice, so I think a variety of skill training would be successful.

Senator CRANSTON. I am glad that you have come to that conclusion, because I share that.

What do you see as the major deficiency in the present manpower training programs, and what would you do about it?

Mr. LOVELL. I think one of the major problems is the delivery system. We have had a wide variety of growing programs in the past 10 years, and it has been a difficult period to go through. To some degree we have been developing programs and then looking for people to fill them. I think that we have reached the point where we can now deal with the universe of need, and identify individual needs and have a variety of alternatives to bring to bear to meet their needs, whether it is in training, work experience, or ancillary services.

We should have a more flexible approach so that the needs of the individual can be dealt with, and also so that manpower can play a more significant role as a countercyclical measure in varying economic times. The manpower mix should vary when unemployment is high from when it is low, because the needs of the Nation differ. When labor is scarce; when the demand for labor is very high, I think we need to concentrate more on improving skill levels and the speed with which people move between jobs, and when times are less good, such as the period we are going through now, more work experience, I think, is required.

Senator CRANSTON. To be a bit more specific, in the context of the so-called new federalism of the administration, how does local control over manpower programs fit in, in your concept?

Mr. LOVELL. Well, we are very enthusiastic about it, and I think that the bill the Senate passed rather overwhelmingly yesterday, which turns over a major responsibility for the initiation and planning of resources for manpower, is certainly a move in the right direction. It is something we have all been talking about for a long time, and I think it is about time to try it.

I think we are getting sophisticated enough now in our control and data systems so that this is not just a question of putting money on the stump and having mayors and Governors spend it without any responsibility on the part of the Department. And we are going to have the responsibility to see that this bill, as passed, is used constructively and that these local groups have the technical capacity to perform adequately.

Senator CRANSTON. To take a specific example, what role do you see for community action agencies in the new federalism?

For example, take the Los Angeles CAA—the EYOA—with which you are quite familiar.

Mr. LOVELL. Yes, I am.

Senator CRANSTON. EYOA has a long history of quite successful involvement in various manpower programs. It has acquired a good deal of expertise and gained the confidence of those it serves, both in the city and in the county out there? Do you feel its role should be expanded?

Mr. LOVELL. Well, let me first address the general question—community action agencies in general. I think our position is that those agencies that can perform competently should have an important role in manpower. I served as chairman of the Michigan Economic Opportunity Agency and organized community action agencies throughout the State of Michigan, I believe in them. I believe that they can perform well, but I also know that some of them don't, and I don't think that if they are not performing well they should be given large sums to build up huge administrative costs and not deliver services to people.

Where they perform well, then I think they should be given responsibility, along with other agencies in the community, the school system, vocational education system, employment services, the OIC's, and others.

In terms of Los Angeles, I think the EYOA has not only had a long history, but a checkered history. There have been very good aspects about it, and there are some aspects which have been very questionable. Until last year they spent many millions of dollars, and it was almost impossible to get a single report from them.

Now, that has changed, but the previous administration did battle with them for years, just to get them to respond. I think it has to be recognized that an agency that is representing the Federal Government, in delivering services, has to recognize some responsibility, because you people hold us responsible, and if the people carrying out our work don't respond to us you are not being served properly.

Senator CRANSTON. Well, that is, of course, correct.

As far as the Los Angeles EYOA is concerned, do you feel that the basic problems have been overcome, and that they are now complying?

Mr. LOVELL. I am optimistic. I think that we have got to develop a better relationship between them and the Federal Government, and we are willing to go halfway if they are willing to go halfway.

Senator CRANSTON. How does the involvement of the poor themselves in running manpower programs fit into the new federalism, in your understanding of it, or your attitude toward it? I am thinking of the famous language, "maximum feasible participation of the poor."

Mr. LOVELL. Well, I don't really look at the poor as a unit. I think it is very unfair to categorize the people who happen to be poor as a homogeneous group. They are very heterogeneous, indeed. The reasons for their poverty are very different, and they vary in intellectual capacity and motivation as much as our middle-class citizens. So I think that those individuals who, when given the opportunity which they have lacked, have demonstrated the capacity to perform and perform well, I think should be given maximum opportunity. To take an individual, just because he is poor, and put him in a position of high responsibility which he can't possibly meet, I think is really self-deception. But I think there are many individuals who can perform, can perform well, and I think they should be given the opportunity to perform in carrying out these programs. I think if the welfare reform bill is passed, family assistance, that many, many jobs will be created for which poor people will have unique qualities. I see the opportunity for participation of poor people as being a very important thing.

But I don't think that we should expect to turn over the administration of all of these programs to people just because they are poor.

Senator CRANSTON. Mr. Chairman, I have a few more questions but I don't want to impose on other members of the committee, so I yield for the moment. I would like to ask some more questions later.

The CHAIRMAN. Well, before I yield to the distinguished senior Senator from New York and the ranking minority member of this committee, who has made great contributions to all of the laws in the past, and most of the progressive laws to go through the Senate, Mr. Secretary, I just want to express my concurrence with your thoughts here. In the first place, you can't turn over the administration of the Government to someone because he is poor and, also, I agree with your statement that just because they are poor they are not mentally slow. I taught school in a one-teacher school, where land was very cheap, but all the children, and they were children of tenant farmers, they were white, and there wasn't a single landowner there. That land is all expensive now, the oil price has brought it up; then it was \$5 an acre, poor sandy land, good only for a scratched out living. Some of those children were slow learners; some of them were as bright as any I have ever seen, all from the same area. Just the fact that they are poor doesn't mean they are mentally slow. I have found that to be a fact in my own personal experience in life, that ability, you find, like the middle class in society, ranging very high.

I yield for questions to the senior Senator from New York.

Senator JAVITS. Thank you very much.

Mr. Lovell, there are two things I would like to ask you. First, is the delay in your confirmation interfering with your work?

Mr. LOVELL. I will be very pleased when the delay ends, Senator. I think I have been able to proceed in the last 3 months. I think that the delay has given cause for rumors, which I think have been unfounded, which have not been helpful.

Senator JAVITS. Well, these rumors have come to your attention?

Mr. LOVELL. Yes, sir.

Senator JAVITS. And to the attention of other government servants with whom you deal, is that correct?

Mr. LOVELL. Yes, sir.

Senator JAVITS. Do you also deal with the business community?

Mr. LOVELL. Yes, sir.

Senator JAVITS. At what level?

Mr. LOVELL. Oh, I deal with vice presidents and presidents, and the National Alliance of Businessmen.

Senator JAVITS. In your relationships with them, have you felt that they knew your status was still unresolved?

Mr. LOVELL. Yes; I think that, yes; certainly they have. I have taken the position, frankly, that I couldn't think of any good reason and, therefore, I was reasonably optimistic. Now, I may have been unreasonably optimistic from that point of view. I know one should never take for granted anything as important as confirmation by the U.S. Senate, and I haven't but I have felt that, in due course, my opportunity to appear would come.

Senator JAVITS. Now, if you are confirmed by the Senate, will you not be the principal Government servant administering the manpower training bill we passed yesterday?

Mr. LOVELL. Yes, sir; I will.

Senator JAVITS. And, notwithstanding the fact that this is not the administration bill, as the administration wanted it, but, rather a

creation of Senator Nelson's and of mine, and others, do you think that you can do all that we intend that you should do within the limits, naturally, of your power to influence events within that measure should it become law?

Mr. LOVELL. Yes, sir.

Senator JAVITS. You are satisfied that you can administer it effectively and intelligently?

Mr. LOVELL. Yes, sir. No question about that.

Senator JAVITS. Now, give us, if you will, something of your philosophy about running a governmental program, not only with the poor, who are here involved, but with minorities, blacks, other minorities, Mexican Americans, and so on.

Do you have any consciousness that they need to be brought into these programs in some special way? In my view, this is the only way that they can establish a fair position in respect to the benefits and be encouraged to undertake adequate participation in proportion to their interest.

Mr. LOVELL. I think that in these programs, amounting to between \$2 to \$3 billion, which are aimed not only but importantly, to the poor, to the minorities, and the disadvantaged, that one loses credibility if minorities do not play an important role at all levels—the Federal level, the State level and the local level. I think it is far more important to demonstrate one's conviction on these areas through what you do, rather than through what you say. It is very easy to mouth all the sayings, in terms of favoring these kinds of activities, and I guess I have joined with all of us in making sure that my position orally was clear in this regard but I also think we have got to demonstrate what we do, and I hope I will be able to do that. I think I have done that in my prior responsibilities, in terms of seeing that the Federal staffs and the local staffs and the State staffs with whom we have any influence have minority participation.

Senator JAVITS. Do you find yourself personally comfortable with individuals in these groups?

Mr. LOVELL. I find myself extremely comfortable with some, and uncomfortable with others, which is a feeling I have with non-minorities as well.

Senator JAVITS. But you have no difficulty about personal relations?

Mr. LOVELL. I don't feel it.

Senator JAVITS. Have you ever thought of bringing any of them into your Washington office? In other words, where you might run across a person who is really smart, and comes right out of the ranks of the poor, perhaps even a manpower training client.

Mr. LOVELL. Well, we have, of course, a number of people who are members of minorities, and who have been very poor, not too long ago. Now, it is a question of how long that period is between their poverty and their entrance here. I have not brought into our high echelons poor minorities without training. While in Michigan, I consulted with a leader of the welfare mothers frequently. She was a very bright, articulate, strong person, and it was very helpful to me in my understanding of the problems that welfare mothers were running into. We have a new Deputy Director of our U.S. Training Employment Service, who is a well-educated individual, but who comes from the barrios of southern California.

Senator JAVITS. Of course our chairman was saying that he found some children among the poor who were very smart.

Well, thank you, Mr. Lovell. I think you will make a fine Assistant Secretary, and I hope very much that the committee may be able to act favorably on you very shortly.

Mr. LOVELL. Thank you, Senator.

Senator JAVITS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lovell, the distinguished ranking minority member, has pointed out the importance of this job, and I think it is shown, too, by the action in the Senate last night. There is a big authorization in the current manpower bill.

Now, you don't have the appropriation; that is much more difficult, but in authorizing \$2 billion a year, and then a billion and a-half more for public service, three and a-half billion—we have a stringent budget problem, and despite what some people might think from the columns I read, this Congress is not unaware of it. They are out running for reelection, everybody in the House, and a third in the Senate. This is one of the toughest things to overcome, the charge of big appropriations, and that was fought out; despite the political peril involved in voting that way, the Senate is voting this money, thinking it was needed, voted the authorization by a very strong vote.

I have a little statement I use in my office—it is not original—my favorite statement to my staff is, "There is no efficient unmanaged enterprise on this earth, even religion." If it isn't well managed, it won't be efficient.

So I think your broad management experience—first in the State government, one of the more populous States, then in the Federal Government—stands you in good stead in this terrifically difficult job, manpower training and employment of people who have either been unemployable in toto, or with a restricted labor market, who can't get a job; and when there is a surplus of manpower, other people will prove to be more adept at getting the jobs.

I think making these people employable gives you one of the most difficult jobs in that Department. I think you are going to a very able Department. I have served here in the Senate while four different Presidents have served, and Mr. Mitchell was Secretary of Labor, then Goldberg, and Wirtz, and Shultz, and those four, I have had a very happy experience with all of them, and sometimes, the Secretary of Labor's job is a little difficult, but when you look back, when I look back at 13 years, then Secretaries that have had the problems that you read about in the press, problems with Congress, with the Executive, have not been the Secretaries of Labor. We have been very fortunate, I think, in both parties here, in having people far above average as Cabinet members, and I think the distinguished Senator from New York will agree with me. We have been very fortunate in these four Presidents in the men they have picked as Secretaries of Labor.

And you had some further questions, Senator Cranston?

Senator CRANSTON. Yes.

The CHAIRMAN. Senator Cranston, go ahead.

Senator CRANSTON. Would you please explain the Neighborhood Youth Corps phase II programs and how it differs from the phase I programs, and how and why you implemented the changes?

Mr. LOVELL. Yes, sir, we had a number of evaluations of the Neighborhood Youth Corps out-of-school program that suggested it was purely an income transfer, which for youth, seemed an unfortunate thing, since they had their lives ahead of them, and they should spend their time constructively preparing themselves for the future. So we wanted to strengthen the educational training component of this program, and we did that by adding additional funds to it, going from a unit cost of about 2,800 to about 3,400. The stipend was cut somewhat to three-quarters of the MDTA wage for the youth who had no dependents, but for the youth that had dependents we offered the same stipend that any other adult would get, because if they had family responsibilities they should have an amount to carry them out, but if they were living at home and they were 16, 17, and 18 years old, we thought this money could more constructively be used in education and training. There were those that disagreed with us, Senator, but that was the philosophy, to put more money into the basic education, into the training component, and that is the basic difference between the two.

Senator CRANSTON. The effect was the stipend was cut from \$53 to \$39?

Mr. LOVELL. No, it varied from State to State, depending on the MDTA allowances

Senator JAVITS. Would the Senator yield at that point?

This isn't oppositional, but it has always been very interesting to me that Rev. Leon Sullivan, in the OIC, has been able to do what we do in the MDTA without stipend. Could you just, if Senator Cranston will allow—

Senator CRANSTON. Of course.

Senator JAVITS (continuing). Give us some observation on why?

Mr. LOVELL. Well, Leon Sullivan is a very unusual human being in terms of his capacity and he has really engendered an electric spirit in his organization, to a point where people rally around him. All of us are not able to produce such strong feelings.

Now, in addition to that, I think, too, in all fairness, one must say, the OIC's among the disadvantaged people are more apt to take the more highly motivated.

Senator JAVITS. And, also, does it have anything to do with a greater likelihood of a job at the end of the road?

Mr. LOVELL. I don't think there is a greater likelihood of a job at the end of the road in the OIC's and some of the other programs. I do not think that as a nation, now we really are finally committed to making resources and programs available to the disadvantaged. As a nation, we have got to start talking, too, about their responsibility to take advantage of these programs.

Senator JAVITS. Well, now, Senator Cranston, I don't want to pursue this on your time.

Senator CRANSTON. Go ahead.

Senator JAVITS. But if you don't mind, just one more question.

Sometimes one has the feeling that if the United States didn't mandate a stipend you could do as well as the OIC. What do you think about that?

Mr. LOVELL. I think that in order to get adults to take training to move from very low-paying jobs, and to maintain themselves in

this process of upgrading themselves, these stipends are a necessity, Senator.

Now, youth pose an entirely different situation. Part of the problem is that the families many of these youth belong to are so poor that training stipends are an income program for the family rather than youth. Now, I don't think we should do it that way. I think it reduces the status of the parent, I think the family assistance plan, will deal more realistically with the problems of poor families.

Now, if we have that program, and if the family is getting an adequate income to feed, clothe, and house themselves, then I think the problem of stipends to the youth become less important.

Senator JAVITS. Well, now, would you then recommend as part of family assistance plan a change in the law which would give you wide discretion in the use of stipends in the training field?

Mr. LOVELL. Senator, I think at this point in the deliberations on the family assistance plan it would be very inappropriate for me to suggest anything.

Senator CRANSTON. A good answer.

Senator JAVITS. Very well, but as a practical matter, however, right now the stipends are mandatory?

Mr. LOVELL. No, sir. The MDTA law makes it mandatory only in one situation.

Senator JAVITS. Can you write me a letter—I don't want to complicate this record with it—which would give me the stipend situation? Can you do that?

Mr. LOVELL. Yes, Senator.

Senator JAVITS. Thank you.

(The information subsequently supplied follows:)

U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER,  
*Washington, D.C., September 18, 1970.*

The Honorable JACOB K. JAVITS,  
*U.S. Senate,  
Washington, D.C.*

DEAR SENATOR JAVITS: During the Senate Labor Committee's hearing on my confirmation as Assistant Secretary of Labor for Manpower this morning, you requested that I provide you with a letter explaining whether allowances are mandatory in the various manpower programs we administer under the MDTA and EOA.

Of the manpower programs administered under the MDTA and EOA, the payment of allowances is mandatory by statute in only one case. Under MDTA Section 203(k), allowances must be paid to persons referred for part-time training under Section 202(1). These sections are designed to provide training to meet critical skill shortages which may exist in various areas or occupations.

The Secretary of Labor has exercised his authority under MDTA and EOA to provide allowances in the following programs:

Under *MDTA*: (1) institutional training of all kinds (Section 231), (2) supplementary programs in redevelopment areas (Section 241), (3) experimental training for prison inmates (Section 251), and (4) relocation assistance programs (Section 104).

Under *EOA*: (1) Neighborhood Youth Corps, (2) Operation Mainstream, and (3) Job Corps.

Under *MDTA and EOA*: (1) Concentrated Employment Program, (2) Public Service Careers, and (3) Supplemental Training and Employment Program.

I appreciate the courtesy which the Committee extended to me today. Please call me if I may provide further information on the question of allowances.

Sincerely,

MALCOLM R. LOVELL, Jr.,  
*Assistant Secretary-Designate for Manpower.*

Senator CRANSTON. On exactly the point that you were raising, Senator Javits, about flexibility in this matter, as you know, the cut from \$53 to \$39 in Los Angeles caused quite a bit of commotion and resentment.

Mr. LOVELL. Yes, Senator, I do know.

Senator CRANSTON. I just wondered why you felt you couldn't accept the EYOA proposal to keep the per trainee cost at \$3,600, but let them pay the regular \$53 stipend and make up the cost by providing the necessary supportive services, remedial education, and so forth, at a lower cost, if they could do that, which they thought they could, which would have avoided this difficult situation.

Mr. LOVELL. I think the main objection to that is that we were concerned that it was a very real possibility that, not purposely, but because it is a difficult operation, a complex management process, that in fact the payment of the additional wages would detract from the training and education the enrollees received. We said that if the local community wanted to pay the additional wages, we certainly would accept that. But what they are saying, in effect, is that they could perform the training and education with the money we are giving them, but do it at less cost, and I just have not seen that management capacity, sir. If they do, that is fine, but we haven't seen it up to this point.

Senator CRANSTON. Is there some way you can explore that as a general matter? I am not talking about in Los Angeles only, but try to find some way to give this latitude where you feel it could be handled competently to a local sponsor?

Mr. LOVELL. This program is new, and it is highly sophisticated. I don't want to rule out anything, Senator. We are not hard and arbitrary. I think our objectives are the same as yours, and I am sure all of the members of the committee, of trying to get an effective program. We want to look at it carefully. It is too early to evaluate it, but we do want to evaluate it carefully. We have set up an evaluation program, and if we find better ways, and more economic ways, and ways that would be more satisfactory to the community, you may be assured that we will take advantage of them.

Senator CRANSTON. Thank you.

Could you explain the delegation agreement between the Office of Economic Opportunity and the Labor Department, and its effect on manpower training?

What is the OEO's role in this delegation agreement?

Mr. LOVELL. In practice, it has revolved largely around the determination of responsibilities under the CEP program. This delegation agreement has said in effect that the community action agency would be the presumptive sponsor of CEP programs, and the Employment Service would be the agency which carried out the responsibilities.

The question as to what the sponsor did and what the agency carrying out the manpower services did has historically been subject to much debate. But I think in terms of our present relationship with OEO, that this delegation agreement is not causing a problem.

Senator CRANSTON. I would like to shift, finally, for a moment, to a matter of great concern to me in my capacity as chairman of the Vet-

erans' Subcommittee of this full committee. I am receiving more information daily about the problems of returning Vietnam veterans regarding employment. I believe about a half million veterans are currently out of work. Some of the stories about readjustment of Vietnam veterans are quite disturbing and startling. With the millions of veterans who will be leaving service over the next few years, what does the Department propose to do to meet the growing problem of integrating the returning Vietnam veteran into the process, into the society, so that he will be able to get a decent job, or acquire a marketable skill, at a time when we have a tightening labor market?

Mr. LOVELL. Well, I think that the problem of finding jobs for veterans is probably one of the primary responsibilities that our agency has to face today. We are doing a number of things. We have made it clear to the Employment Service and the various suppliers of manpower services that we contract with, that veterans have priority. We are working on another major national program, which I hope the President will announce shortly, to deal with, to encourage jobs for veterans, so these are the efforts that we are making now.

We are working more with the veterans organizations. Our relationships with them, unfortunately, in the past several years, have not been too good, and we have made a personal effort to improve them. We want to work closely with them. I agree with you. It is a very hard problem. We have a special responsibility to veterans today. We have always had, but I think it is more pressing today than it has been.

Senator CRANSTON. Isn't there a clear need for an expansion of the veterans employment service at both the national and State level, and for a greater allocation of the time of local public Employment Service personnel to the veterans' problem?

Mr. LOVELL. Yes. I think that the expansion of the veterans section is not really so important as the total allocation of national resources in the Employment Service as a whole to veterans.

Senator CRANSTON. I would appreciate it if you would take a look at the VES, and what it is capable of doing now, and then communicating back to us at the Veterans' Affairs Subcommittee.

Mr. LOVELL. Yes, surely.

(The information subsequently supplied follows:)

U.S. DEPARTMENT OF LABOR,  
OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER,  
*Washington, D.C., September 18, 1970.*

Hon. ALAN CRANSTON,  
*U.S. Senate,  
Washington, D.C.*

DEAR SENATOR CRANSTON: During the Senate Labor Committee's hearing on my confirmation as Assistant Secretary of Labor for Manpower this morning, you requested that I provide you with a statement on the capacity of the Veterans Employment Service to provide the employment services which are needed by hundreds of thousands of returning Vietnam veterans. The enclosed statement is in response to your request.

I will be happy to provide whatever other information will be helpful to you.

Sincerely,

MALCOLM R. LOVELL, Jr.,  
*Assistant Secretary-Designate for Manpower.*

Enclosure.

## THE VETERANS EMPLOYMENT SERVICE AND SERVICES TO VETERANS THROUGH THE PUBLIC EMPLOYMENT SERVICE

### BACKGROUND

Title IV of the G.I. Bill (Servicemen's Readjustment Act of 1944) and Title VI of the Korean G.I. Bill (Veterans' Readjustment Assistance Act of 1952), as codified by the 85th Congress under Title 38, U.S. Code, provide for maximum employment services to veterans. These statutes affirm the intent of Congress that there shall be an effective job counseling and employment placement service for veterans who shall be provided "the maximum of job opportunity in the field of gainful employment." In carrying out this mandate, the Secretary of Labor has directed that the facilities of the United States Training and Employment Service and its affiliated State employment agencies, with their 2,400 local public employment offices, shall be fully utilized to: Provide an effective employment counseling and job placement service for all veterans; and give priority to qualified veterans in referring workers to job openings and job training courses, and give priority to disabled veterans over other veterans.

In every State and Territory, the local public employment offices provide direct employment assistance for veterans. The Veterans Employment Service of the Department of Labor formulates programs and policies for meeting veterans' employment needs; establishes cooperative relationships with national organizations which are interested in programs for veterans; and provides technical assistance to, and supervision of, its 52 State Veterans Employment Representatives (VER) who are assigned to each State, the District of Columbia, and Puerto Rico. The State VER works closely with the State employment service, as well as other governmental and community organizations which have similar aims, such as veterans groups, committees for employing the handicapped, Chambers of Commerce, Rotary, Kiwanis, and other civic organizations. By law there also is a local VER in each of the Nation's 2,400 public employment offices. His principal responsibility is to assist veterans with especially difficult employment problems, to review the effectiveness of services provided to veterans, and to recommend improvements where needed.

### PRESENT EMPLOYMENT STATUS OF VETERANS

According to the veterans placement policies of the Secretary of Labor, the local public employment offices refer qualified veterans to job openings ahead of nonveterans and disabled veterans before other veterans. In spite of this preference many veterans are experiencing difficulty in locating jobs or job training today. This situation, which largely is due to the recent economic downturn, promises to improve with improving economic conditions. Operating figures from the public employment offices illustrate certain aspects of the veterans employment situation. For example, UCX (Unemployment Compensation for Ex-Servicemen) benefits paid to recently separated veterans in July 1970 was \$18.4 million, more than 2½ times the July 1969 figure. In July and August 1970 the increase in average UCX weekly claims was twice as great as that experienced in the same period the previous year. Difficulty in job finding further is shown in the number of counseling interviews provided veterans through the State employment service in 1970, 368,000 interviews, an increase of about 19,000 over the previous year. Employment counseling for veterans usually is concerned with such important matters as choice of a civilian career field and relating military skills to civilian jobs.

During fiscal year 1970 the 1,962,000 veterans job applications which were filed at the public employment offices represented 36 percent of all males who applied, up from 32 percent the previous year. Although new applications increased, job placements accomplished by the local offices decreased 10 percent, which illustrates the difficulty encountered by the offices in finding the right job for each veteran in the prevailing job market.

### IMPROVEMENTS IN EMPLOYMENT ASSISTANCE TO VETERANS

The Department of Labor's 52 State VERs continually evaluate services to veterans in the public employment offices, including a formal evaluation of each office at least once yearly, and arrange for any needed improvements. In addition, a number of projects of national scope are scheduled for implementation in 1971. The Department of Labor has started production of a film to be shown to recently separated veterans and combat servicemen which deals with the problem of how to

negotiate for employment. The confrontation of a combat veteran with an employer who raises the question about the applicability and use of military experience in a civilian job may place the veteran at a disadvantage unless he has been primed to deal with this kind of question. If the veteran can be given a means of coping with such a challenge, his chances of landing the job will be increased. In fact, with such coaching behind him as the firm will provide, he will approach such a situation with more confidence and less anxiety.

An estimated 50,000 veterans received job training under the Manpower Development and Training Act (MDTA) during fiscal year 1970, but reports from the State Veterans Employment Representatives indicate that more veterans need MDTA training particularly on-the-job training (OJT) than there are training slots available.

The Department of Labor participates actively in Project Transition, which provides civilian skill training for servicemen during their last months of active duty. The Department funded 31 projects under Project Transition in fiscal 1970, covering the MDTA training of 2,661 servicemen on active duty, at a cost to the Department of \$1,821,000. A sharp increase in MDTA Project Transition training is scheduled for fiscal year 1971, when the Department of Labor plans to expend \$4.7 million to train some 15,000 servicemen.

In cooperation with the State VER for Connecticut, the Connecticut State Employment Service is pioneering in a new approach for services to veterans in the four largest public employment offices in the State, where special veterans units have been established in each office. Each of the 4 or 5 man units include an employer relations representative who continuously visits area employers to advise them on skills represented by veteran applicants, and he urges employers to list their job requirements with the local office. Other members of the unit provide individually tailored services to every veteran who visits the local office, including constant review of all job openings to see that any qualified veteran is referred.

Heretofore, veteran workload statistics from the local public employment office have been reported manually, which has limited the quality and quantity of available data. However, the Employment Service Automated Reporting System (ESARS), now being implemented, will provide numerous items of information about every veteran applicant.

To provide for further improvements in assistance to veterans, the Veterans Employment Service has established a Federal-State Work Group which will conduct experimentation throughout the Nation in order to develop guidelines for a model veterans employment program. The Work Group will include in its experimentation a review of the adequacy of services in all types of local employment service offices, in addition to military separation centers and military hospitals.

Senator CRANSTON. I want to thank you for your responses to these questions, and I will assure you of my cooperation in working out the most valid, effective program that we can, a comprehensive program in dealing with all the elements of the problem in California and the Nation. I would appreciate if you would pay particular attention to the matter we discussed yesterday, the East Los Angeles problem, and see if more attention and more money can't be put there in hopes of alleviating rising and very, very severe problems in that particular part of my State.

Mr. LOVELL. I talked to Dr. Aguirre after my conversation with you yesterday. He had already been in touch with your office, and we will be working closely with you and, of course, with the Los Angeles people in this regard.

Senator CRANSTON. Fine. Thank you very much.

Mr. LOVELL. Yes, sir.

The CHAIRMAN. Any further questions of members of the committee?

Senator CRANSTON. No; I have none.

The CHAIRMAN. We hope to take this up next week. Some questions have been asked about the delay in your nomination. Of course, this delay arose from Mr. Schultz. He was called down to the White

House, and your predecessor with him, and that left the Secretaryship open in the Department of Labor; that promotion left the Under Secretaryship and the Solicitor's Office all open.

He was confirmed; then the Under Secretary, and then the Solicitor, and there were far more questions asked of the Under Secretary and the Solicitor, and not necessarily to go into that, you know what it involved, certain cases in the court, having a far longer delay there than in your case, and I don't think you ought to be embarrassed at all about the fact that the Secretary's hearing had to be held first, and the Under Secretary's next, and the Solicitor's next, before yours, despite the great importance of this Assistant Secretaryship for Manpower.

The oral hearing will be recessed, as called with written questions to be submitted by tonight, and then it is in your discretion as to how soon you will respond.

Mr. LOVELL. I will respond immediately, sir.

The CHAIRMAN. Thank you very much.

The hearing is adjourned.

(Whereupon, at 10 a.m., the committee recessed, subject to call of the Chair.)

