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APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1971

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(92-4)

HEARINGS

BEFORE THE

SUBCOMMITTEE ON FLOOD CONTROL AND INTERNAL DEVELOPMENT

OF THE

COMMITTEE ON PUBLIC WORKS

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

FIRST SESSION

ON

H.R. 5376 and Related Bills

TO EXTEND THE PUBLIC WORKS ACCELERATION ACT, THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965, AND THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

Title III

MARCH 15, 16, 17, 1971

Printed for the use of the Committee on Public Works

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(92–4)

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APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1971

MONDAY, MARCH 15, 1971

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FLOOD CONTROL AND INTERNAL
DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:05 a.m., in room 2251, Rayburn Building, Hon. Robert E. Jones, subcommittee chairman, presiding.

Mr. JONES. The subcommittee will come to order.

This subcommittee received correspondence from the chairman and, at the beginning of the hearing, I would like to clarify one point which might otherwise cause some confusion.

The chairman of the Committee on Public Works stated the functions of the Subcommittee on Flood Control and the Ad Hoc Committee on Appalachia would be combined on this date in a newly constituted Subcommittee on Flood Control and Internal Development.

That, of course, brings us to the identity of the members of the subcommittee which, I am informed by letter from the chairman, will be Mr. Wright of Texas, Mr. Gray of Illinois, Mr. Clark of Pennsylvania, Mr. Johnson of California, Mr. Edmondson of Oklahoma, Mr. Dorn of South Carolina, Mr. Henderson of North Carolina, Mr. Roberts of Texas, Mr. Kee of West Virginia, Mr. Anderson of California, Mr. Roe of New Jersey, Mr. Caffery of Louisiana, Mr. Begich of Alaska and Mr. McCormack of Washington.

The minority members will be Mr. Clausen, who has served as ranking member of the subcommittee for the past several years, Mr. Grover, Mr. Schwengel of Iowa, Mr. Snyder of Kentucky, Mr. Zion of Indiana, Mr. McDonald of Michigan, Mr. Hammerschmidt of Arkansas, Mr. Miller of Ohio, Mr. Mizell of North Carolina, and Mr. Baker of Tennessee.

Today, we begin hearings on bills to extend and amend the Appalachian Regional Development Act of 1965, as amended.

The subcommittee has scheduled these hearings to hear witnesses on this legislation. I will request at the proper time by unanimous consent that the record remain open for a period of days to permit anyone who wishes to present a statement on this legislation for the record of our hearings.

The success that the Appalachian program has demonstrated to a large extent has been in the development of the concept of a regional commission and the way the structure of administering the program was devised in the act of 1965.

I recall that back in 1962, long before this legislation was presented, while I was with President John F. Kennedy on a trip to northern Alabama, he asked me about the kind of structure that could be devised to assure that no investments would be made without taking into account the needs and aspirations of the people at the local level. President Kennedy had been impressed by the needs of Appalachia during his campaign and had been considering the mechanics of providing a program.

After thinking about this question some time, I phoned him to suggest that no project should be considered unless it was initiated at the local level, approved at the State level, and it was compatible with existing programs.

I believe that this feature, which later became part of the law, that requires all projects to originate and be developed at the local level, has been a substantial factor in bringing about the success of this program.

The Commission concept has gained national acclaim and was copied in the legislation creating the authority for the regional commissions under title V of the Economic Development Act. The five regional commissions created under that act would like to have the additional features in the Appalachian program for their own regions.

The mechanism for administering this program has worked so successfully that it has the support of every one of the 13 Governors, every State legislator and, as far as I know, the approval of every Member of Congress from the region.

This support does not spring from any party. The program has gathered its consensus from total public acceptance. That strength of support has been gained since its original enactment and now is firmly universally accepted. The weight of public opinion has given us a directed verdict for continuation of this program.

I will place in the record at this point a copy of the bill, H.R. 5376 and a list of related bills.

(Bill and list referred to follow.)

92D CONGRESS
1ST SESSION

H. R. 5376

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1971

Mr. BLATNIK (for himself, Mr. BOGGS, Mr. JOHNSON of California, Mr. JONES of Alabama, Mr. EDMONDSON, Mr. WRIGHT, Mr. CLARK, Mr. DORN, Mr. HENDERSON, Mr. KEE, Mr. ROE, and Mr. MCFALL) introduced the following bill; which was referred to the Committee on Public Works

A BILL

To extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I— PUBLIC WORKS ACCELERATION ACT

SEC. 101. This title may be cited as the "Public Works Acceleration Act Amendments of 1971".

SEC. 102. The Public Works Acceleration Act (42 U.S.C. 2641 et seq.) is amended as follows:

(1) Clause (1) of section 2 (a) is amended to read as follows: "(1) certain communities and areas in the Nation

are presently burdened by substantial unemployment and underemployment resulting from the economic decline of 1970, and".

(2) Subsection (b) of section 2 is amended to read as follows:

"(b) Congress further finds that Federal assistance to stimulate public works investment in order to increase employment opportunities is most urgently needed in those areas, both urban and rural, suffering persistent or substantial unemployment or underemployment."

(3) Subsection (a) of section 3 is amended to read as follows:

"(a) For the purposes of this section, the term 'eligible area' means—

"(1) those areas designated by the Secretary of Commerce as 'redevelopment areas' for the purpose of the Public Works and Economic Development Act of 1965, and those areas designated by such Secretary under section 102 of such Act.

"(2) those areas which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least six of the preceding twelve months."

(4) The last sentence of subsection (c) of section 3 is amended to read as follows: "Notwithstanding any pro-

vision of such law requiring the Federal contribution to the State or local government involved to be less than a fixed portion of the cost of a project, grants-in-aid may be made under authority of this section which bring the total of all Federal contributions to such project up to 80 per centum of the cost of such project."

(5) Subsection (d) of section 3 is amended to read as follows:

"(d) There is hereby authorized to be appropriated for the fiscal years beginning after June 30, 1970, not to exceed $2,000,000,000, to be allocated by the President in accordance with subsection (b) of this section."

(6) Subsection (e) of section 3 is amended by adding at the end thereof the following: "In prescribing such rules, regulations, and procedures, the President shall require that priority be given to projects for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; and sewage, sewage treatment, and sewer facilities) for which there is an urgent and vital public need."

(7) Subsection (h) of section 3 is amended to read as follows:

"(h) The criteria to be used by the Secretary of Labor in determining areas of substantial unemployment for the purposes of paragraph (2) of subsection (a) of this section

shall be the criteria established in section 8.3 of title 29 of the Code of Federal Regulations as in effect March 2, 1971."

(8) Subsection (a) of section 4 is amended to read as follows:

"(a) No part of any allocation made by the President under this Act shall be made available during any fiscal year to any State or local government for any public works project if the proposed or planned total expenditure (exclusive of Federal funds) of such State or local government during such fiscal year for all its capital improvement projects is decreased."

(9) By adding at the end thereof the following:

"SEC. 7. An eligible area under this Act shall retain such designation for so long as it continues to meet the unemployment criteria applicable to it but in no event shall such designation be terminated prior to one year after the date of designation.

"SEC. 8. Federal financial assistance under this Act shall be in addition to, and not in lieu of, Federal financial assistance authorized by any other provision of law."

SEC. 103. (a) Clause (ii) of the last sentence of paragraph (4) of subsection (b) of section 202 of the Housing Amendments of 1955 is amended by striking out "section 9" and inserting in lieu thereof "section 3".

(b) Section 202 (e) of the Housing Amendments of

1955 is amended by striking out "section 9" and inserting in lieu thereof "section 3", and by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

TITLE II—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 201. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

SEC. 202. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 203. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 204. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

SEC. 205. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 206. Subsection (d) of section 509 of the Public

Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $255,000,000."

SEC. 207. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended by inserting immediately after "1971," the following: "and $500,000 for the two-fiscal-year period ending June 30, 1973,".

TITLE III—APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1971

SEC. 301. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

SEC. 302. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $1,900,000 for the two-fiscal-year period ending June 30, 1973. Not to exceed $475,000 of the authorization for any such two-year period shall be available for the expenses of the Federal Cochairman, his alternate, and his staff."

SEC. 303. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1973".

SEC. 304. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended by striking out "and $170,000,000 for the fiscal year ending June 30, 1973." and inserting in lieu thereof the following: "$175,000,000 for the fiscal year ending June 30, 1973; $175,000,000 for the fiscal year ending June 30, 1974; and $175,000,000 for the fiscal year ending June 30, 1975."

SEC. 305. Section 205 (b) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by striking out "and 1971" and inserting in lieu thereof the following: "1971, 1972, and 1973".

SEC. 306. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended by striking out "and not to exceed $268,500,000 for the two-fiscal-year period ending June 30, 1971, to carry out this Act, of which amount" and inserting in lieu thereof the following: "not to exceed $268,500,000 for the two-fiscal-year period ending June 30, 1971, and not to exceed $268,500,000 for the two-fiscal-year period ending

June 30, 1973, to carry out this Act, of which amount for any such two-fiscal-year period".

SEC. 307. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking out "1971." and inserting in lieu thereof "1973."

Bills pending before the Committee on Appalachian Regional Development Act of 1965 Amendments

Bill number and authors	*Title*
H.R. 5376, by Mr. Blatnik (for himself, Mr. Boggs, Mr. Johnson of California, Mr. Jones of Alabama, Mr. Edmondson, Mr. Wright, Mr. Clark, Mr. Dorn, Mr. Henderson, Mr. Kee, Mr. Roe, and Mr. McFall).	Title III—Appalachian Regional Development Act Amendments of 1971 (to extend the Public Works Acceleration Act, the Public Works and Economic Development Act of 1965, and the Appalachian Regional Development Act of 1965).
H.R. 4810, by Mr. Blatnik (for himself, Mr. Boggs, Mr. Johnson of California, Mr. Jones of Alabama, Mr. Edmondson, Mr. Wright, Mr. Clark, Mr. Dorn, Mr. Henderson, Mr. Kee, Mr. Roe, and Mr. McFall).	Title III—Appalachian Regional Development Act Amendments of 1971 (to provide both short term and long term assistance to areas of high unemployment through the extension of certain provisions of law).
H.R. 4565, by Mr. Kee (for himself, Mr. Clark). (Senate companion: S. 575 as introduced. S. 575 passed Senate with amendments on March 11, 1971).	To authorize funds to carry out the purposes of the Appalachian Regional Development Act of 1965, as amended.
H.R. 4555, by Mr. Harsha (for himself, Mr. Fish, Mr. Mizell, and Mr. Carter).	---------- Do.
H.R. 3280, by Mr. Evins of Tennessee	---------- Do.
H.R. 4092, by Mr. Carter	---------- Do.
H.R. 4744, by Mr. Miller of Ohio	---------- Do.
H.R. 5071, by Mr. Taylor	---------- Do.
H.R. 5951, by Mr. Fulton of Pennsylvania	---------- Do.
H.R. 319, by Mr. Perkins	(Same title as those listed with asterisk but not identical to them.)
H.R. 2367, by Mr. Pirnie of New York	To amend the Appalachian Regional Development Act of 1965 to include in the Appalachian region all of the Appalachian mountain system.

Mr. JONES. We have with us today recently confirmed Federal Cochairman Donald W. Whitehead. Mr. Whitehead, however, is not new to the Appalachian program. He has been with the Commission in the capacity of general counsel for over a year.

Congratulations, Mr. Whitehead, on your new appointment.

Accompanying Mr. Whitehead is his very capable predecessor in that office, Mr. John B. Waters, Jr. I might add that the Appalachian Regional Commission has been very fortunate in having extremely capable Federal Cochairmen as evidenced by your immediate predecessor, Mr. Waters, and former Federal Cochairmen Pat Fleming and Mr. John Sweeney.

In writing the report in 1969 on page 8 of the amended bill, amending the Appalachian bill, we had this to say:

> The success which this program has enjoyed must be attributed to the involvement and the commitment of the Appalachian government and the states they represent.
>
> The Committee wishes to note, however, that substantial credit must be attributed to the leadership of John Sweeney who served as the Federal Cochairman, in that position from March, 1965 to March, 1967.
>
> Mr. Joe Fleming held that position from March, 1967, to February of 1969.
>
> The Committee is confident that the Federal Cochairman appointed by President Nixon, John B. Waters, Jr., will continue that tradition of leadership.

I will say to the committee I know of no one who has been more faithful, diligent, and professionally directed than John Waters as Federal Cochairman—nor more accomplished.

We are pleased to have you here with us today, Mr. Waters.

Mr. Whitehead, if you would be kind enough to introduce your associates.

Mr. CLAUSEN. Mr. Chairman, may I interject for the record?

Mr. JONES. Let him introduce his people and then you can speak.

STATEMENT OF HON. DONALD W. WHITEHEAD, FEDERAL CO-CHAIRMAN, APPALACHIAN REGIONAL COMMISSION; ACCOMPANIED BY HON. JOHN B. WATERS, JR., FORMER FEDERAL COCHAIRMAN; RALPH R. WIDNER, EXECUTIVE DIRECTOR; ROBERT L. McCLOSKEY, GENERAL COUNSEL; GARY L. CURRAN, SPECIAL ASSISTANT TO THE FEDERAL COCHAIRMAN; AND BRINLEY J. LEWIS, BUDGET OFFICER

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

I am accompanied this morning not only by my distinguished immediate predecessor, Mr. John Waters of Tennessee, but also two members of my personal staff, Mr. Brinley Lewis, my budget officer, and Mr. Gary L. Curran, my special assistant.

In addition, we have Mr. Ralph Widner, executive director, Mr. Robert L. McCloskey, our general counsel.

Mr. JOHNSON. Mr. Clausen?

Mr. CLAUSEN. Mr. Chairman, I would have two requests:

I see Mr. Miller from Ohio is here and it was my understanding that you had an opening statement that you wanted to make, Mr. Miller.

In the interest of time, if that be the case, why not insert it in the record at this point and then in my own instance, I have an opening statement that I would like to have incorporated into the record at this point, along with a copy of a speech that I had given in California a number of years ago on land use concepts of past, present, and future.

I would like to have that as part of my opening statement.

Mr. JONES. Mr. Miller, would you like to address the committee?

Mr. MILLER. I would like to insert my remarks into the record.

Mr. JONES. Without objection, and as I said, I would at the proper time give unanimous consent that the Chair could receive statements and they will be printed in the appropriated point in the record.

I know, too, that some of you are going to have statements from your constitutents who are not able to attend the meeting but would like to make statements and they will be received from any member and placed into the record as long as they are germane to the subject matter which is being considered.

The prepared statement of the Hon. Don H. Clausen, together with his remarks in the Congressional Record, will be placed in the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. DON H. CLAUSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, it has long been my conviction that developing rural economies is the best and surest way to revitalize and diversify America. It is for this reason that I have long been a supporter of the Appalachian program.

As both local official and Member of Congress, I have observed many national programs. In my opinion, the Appalachian effort, which this Committee is in

large measure responsible for, represents a healthy departure from the usual Washington type of program.

In it, for the first time, we recognized the need and provided the means for all levels and agencies of government, as well as the private sector, to work together in a coordinated and cooperative effort to stimulate and promote economic development.

Experience to date confirms that this method of dealing with the problems associated with poverty and unemployment is the surest way of harnessing the resources necessary for solving the problems of rural America.

The Appalachian approach has worked not only because it is comprehensive in scope and purpose but also because it has encouraged local leadership and local action, thus assuring effective participation in the program.

At this time, when revenue-sharing is, at long last, being meaningfully considered by the Congress, the Appalachian program stands as a shining example of what can be accomplished when a creative partnership exists which fosters and stimulates governmental enterprise.

Personally, I have long felt that the concept of Appalachia—which includes growth center development, highway construction, vocational training, airport improvements, water quality controls and other similar programs aimed at improving the economies of rural areas—might well serve as a pattern for the Nation as a whole.

While I am in accord with President Nixon's hopes for revenue-sharing, it seems to me that the expertise and patterns that we have developed in the Appalachia program may well point the way towards assuring a better and fuller life for rural Americans.

Mr. Chairman, some time ago I had the privilege of addressing the Western Regional Conference of the National Association of Counties. My assigned subject was "Land Use Concepts: Past, Present and Future." Because of its bearing on our deliberations here today, I ask that my address be made a part of the record of these proceedings.

[From the Congressional Record, Tuesday, March 11, 1969]

LAND USE CONCEPTS: PAST, PRESENT, AND FUTURE

(Hon. Don H. Clausen, of California)

Mr. DON H. CLAUSEN. Mr. Speaker, in January of this year, I had the privilege of addressing the Western Regional Conference of the National Association of Counties at Disneyland in California.

My assigned subject was "Land Use Concepts: Past, Present and Future." Since the speech, I have had a number of requests for its content and further been encouraged to bring it to the attention of my colleagues in the House and Senate. Therefore, I take this means of doing so, by placing the speech in the CONGRESSIONAL RECORD as requested by NACO and others interested in advancing these concepts:

LAND USE CONCEPTS: PAST, PRESENT, AND FUTURE

(Address by the Honorable Don. H. Clausen, First Congressional District, California)

As one who was born and raised on a farm up in Humboldt County, and who served on the Del Norte County Board of Supervisors for 7 years, and who now represents a predominantly rural area in the Congress—this matter of land use is no stranger to me. I have lived with it all of my life—as have most if not all, of you.

It is a subject for which I have great personal enthusiasm—and, as Ralph Waldo Emerson once said: "Nothing great was ever achieved without enthusiasm."

If that is true, and I believe it is, then certainly the prospects for greatness in developing a dynamic, realistic and effective land use policy for the future may be just around the corner!

I say this because I personally view our present land use patterns in this country as one of America's most serious and complex domestic problems facing us today.

What we as a Nation and we, as county-oriented officials and planners, come up with in the way of concepts and program recommendations in the immediate

future—may well depend on the well-being of our people and the ultimate fate of our Nation in the long run.

In my judgment, land use transcends every materialistic value held by man—because it affects people! As a matter of fact, it affects *all* people whether they live in the high-rise apartments of Manhattan—a small potato farm in Idaho, or the tree farms of California, Oregon and Washington.

By way of an example, let's take a look at 1968 from a slightly different perspective than that most often used to assess a given calendar year.

As far as I'm concerned, 1968 was a *bad* year for cities—and it was a *bad* year for the countryside.

Counting problems in every aspect of urban life crowded the front pages and highlighted the growing paradox of space age accomplishments and domestic failures.

City congestion, monumental airport and traffic tie-ups—while only part of the overall story—herald the compelling and urgent need for further in-depth analysis of our entire system of land use.

In non-metropolitan areas, the problems are different to be sure, but equally as serious.

Like all problem areas, any discussion of land use in this country should have a "point of departure." Essentially, I believe there are four such points regarding land use on which we can all agree:

1. First, is the shocking and totally unrealistic fact—that 70% of our total population in America now resides on only 1% of the land.

2. Second, there is the plain and simple truth—that our major metropolitan centers in this country have grown too overcrowded, too overly centralized and totally unmanageable.

3. Third, that rural economies and rural communities alike—are in desperate need of revitalization.

4. Fourth and most challenging and exciting of all, we have the technological capability to completely re-direct the future economic and population growth patterns in the up-coming decade—all that is required is the properly coordinated and enlightened leadership of organizations like NACO.

We who are most vitally and directly concerned with county government, know only too well what effect the mass migration to the big cities has had on Rural America over the past 20 years.

We have seen the vast authority and rich resources that once resided at county level, slowly fade away to the State capitols and to Washington. We have witnessed an erosion also of our rural economies with too many small communities turned into virtual "ghost towns," too many farms fold, too many small businesses fail, and too many young people head for the big cities in search of "greener pastures," thus creating a "brain drain" from Rural America.

Regrettably, however, many of those who left Rural America for the big cities, found no "pastures" at all. Instead, they found a scarcity of jobs, polluted air, strange tasting water, and terrible overcrowding in their newly-found "concrete jungles."

By and large these people were totally unprepared for big city life—yet financially unable to get out. These are the victims of what we now call the "urban crisis."

As you know, we have heard much about urban decay and urban renewal—but I'm a little perplexed and disturbed over the lack of any equivalent concern for rural decay and rural renewal.

For nearly 6 years now, I have attempted to serve as a "sounding board" in the Congress for the problems of Rural America. As Such, I have continually, and in the loudest voice possible, tried to get this message across:

1. First, that nearly half of the poor people and fully half of the inadequate housing in this country are to be found in non-metropolitan areas.

2. Second, that Federal "money programs" of the past have failed to cope with either the urban or rural problems effectively.

3. Third, that "Countryside USA" offers the best hope and the most solid promise of resolving nearly 75% of America's domestic problems.

4. And fourth, that the time has arrived to unleash a positive program of fiscal and institutional decentralization in this country before it is too late.

You know what the situation is on our campuses today. Many of our college and university educational institutions have simply grown too large. As a result, the individual student becomes lost in a "sea of humanity."

Young people today, I contend, are seeking identity—they want to be recognized. And the struggle to be recognized as an individual is becoming almost unbearable.

Whether we wish to accept it or not, people are now rebelling against bigness, against overcrowding, and against becoming a faceless computerized society.

So, what are we talking about in terms of land use patterns for the future? In the final analysis, proper land use planning is the only way we can guarantee a quality of environment for future living in America.

One of the problems that we are all paying the price for today, has been the lack of sufficient attention to sound land use planning in the past.

In my judgment, land use planning is nothing more or less than *creating the atmosphere for economic growth.* I believe we in the West must now move in the direction of establishing the kind of land use pattern that will guarantee, through proper zoning, sufficient "open space" to advance the "country living" environment that is so traditionally imbedded in Western values.

A student of American democracy, Alexis de Tocqueville said that "the sufferings that are endured patiently as being inevitable, become intolerable the moment it appears there might be an escape."

I believe that "moment" is rapidly arriving in the big cities and I submit that it's time we start planning and moving toward providing an "escape route" for these people—back to Rural America!

Once again, however, a familiar pattern has developed regarding land use—a pattern that has become all too common in this century. I refer, of course, to the practice of waiting until a problem becomes an emergency before *seriously* trying to resolve it.

The urban and rural crises in America have, indeed, reached emergency proportions!

The challenge now, as I see it, is to correct the mistakes of the past and move forward together to create what I call a *"total environment for future living"!*

To do this, many coordinated efforts will be required to reverse and redirect the imbalance in our population distribution and to create in this country a balanced, coordinated, and integrated transportation system that will promote and enhance economic growth.

In addition, we must intensify our efforts to balance the formula that now exists for revenue allocations through comprehensive tax revisions at every level of government—Federal, state and local! A system that, in my judgment, has become grossly inadequate, unfair, and unsound.

We must have a more realistic and more effective method of finance in this country if we ever hope to solve the many staggering domestic problems that now face us.

As some of you know, I try to deal in "concepts" at the Federal level because I believe the "nuts and bolts" of any Federal program in your behalf should be put together out here where government is much closer to the people.

One of the concepts I have advanced in the Congress is a plan that has become known as the "Clausen Reverse Migration Bill." Without belaboring you with the details, let me summarize this concept briefly.

Many Federal programs and legislative proposals have been advanced to "revitalize Rural America" and to ease pressures in the big cities. Most of these are highly commendable and laudable initiatives, except that, too often, the results have been either disappointing failures or total disasters.

Too often, as you well know, the Federal government has relied on dumping taxpayers' money directly on so-called "citizens' organizations" having no relationship or connection at all with local government or the electorate of a given area.

And too often, funds neded to satisfy program goals have either been held back or squandered on administration, staff salaries, or public relations projects.

In addition, too many of these programs were implemented on the basis of Congressional or Departmental studies and hearings—rather than the findings and recommendations of local government relating to local needs.

The bill that I introduced late in the 90th and the first introduced by me in the 91st Congress has as its purpose a new approach with maximum emphasis on coordination between the various political sub-divisions at all levels of government.

Basically, the intent of the bill is to "to provide for a study of the *need* for increased expenditures for public works in smaller urban areas as a means of reversing the migratory trend toward large metropolitan areas".

Key provisions of this legislation are:

1. It calls for a coordinated effort between the Secretary of Commerce and the governors of each state to determine local needs for increased public projects.

2. It recognizes that the "problems and needs of various regions, States, areas and places within the Nation vary widely."

3. And third, it calls for an extensive survey of rural areas by local authorities to determine those "urban places within the State whose economic growth would best be promoted by increased expenditures for public projects."

Hopefully, this legislation and similar legislation will represent a "new dawn" in Federal program planning. Quite frankly, we in the Congress need your help in calling a halt to National programs that apply to only a few locations or to only specific problems that exist.

Domestic Federal programs, of the future *especially* those affecting land use, can and must be "tailored" and flexible to meet specific needs in specific places—not the sweeping, all-inclusive variety of the past that only tend to squander taxpayers hard-earned money, and disillusion those who need help the most.

In addition, you people are going to have to be brought more into the planning and coordination of these programs if they are ever going to be responsive to the people's needs.

No discussion of land use (or more specifically—multiple land use) would be complete in my judgment, without mentioning transportation and the role it is playing and will yet play in regard to land use.

We all know that historically, the Growth of the West—depends on transportation and with proper advanced planning and coordination, we can, avoid some of the transportation pitfalls that are now plagueing the East.

A balanced and coordinated land, sea, and air transportation system will open up new economic horizons, once these vast open spaced areas are made more accessible. This will set in motion the kinds of reverse migration that will permit a building-up and revitalizing of those smaller communities with a larger capacity for growth.

This will broaden both your economic and your tax base and at the same time, provide some semblance of relief from the enormous problems and pressures so prevalent in metropolitan areas. This is what prompts me to suggest "the key to our urban ills is to Build Rural America". We, in the West, must take the lead. We have the opportunity and indeed, the responsibility to "show the way".

In addition to transportation system development, the same long-range planning of Regional Water Resource development must take place.

Gentlemen, with the Jumbo jets scheduled for operations in 1970 and Super-Sonic Transports a few years thereafter, we must face up to the shocking fact that our surface transportation routings of today may well be obsolete for the '70s.

Air buses of both the rotary and fixed wing configuration will be unloading from 300 to 700 passengers into your airport terminals every day. Yet, today's airports are totally unprepared to handle either the present load or the influx that we know is coming.

In 1967, I delievered a speech to my colleagues on the floor of the House entitled "The Growing Crisis of the Lack of Airports". I said at that time: "The National airport plan is outdated before it is completed" and went on to outline a basic blueprint to meet the crisis that I have labeled "A Coordinated National Plan of Integrated Airport Systems".

One of the points I suggested in that speech was that "every State and county should develop an intrastate system of airports for aircraft flying principally between cities within a given State."

How, you may be asking, does this tie-in with land use? For many years I have advocated locating airstrips and air commuter centers contiguous to highways. Lands for these facilities should be acquired at the same time lands are acquired for highway purposes.

I cannot stress too strongly the vital importance of including airport site selection criteria in your future planning. I'm sure you have all heard of the current controversy involving general aviation. But, don't let anyone kid you—what this country really needs is more runways, not more regulations!

All of us here today are vitally concerned about what is going to be required to meet future transportation demands. And, while many believe that high-speed

trains may be the ultimate solution, I believe we just have to think bigger. And again, I look to aviation and new innovations in helicopters and STOL-type aircraft to play a vital future role in short range commuter transportation.

SUMMARY

It's virtually impossible for anyone to outline a specific, detailed guide or handbook on land use that will apply to all of our counties. The multitude of diverse factors that govern land use criteria are not conducive to being stereotyped or catalogued.

We do believe, however, that there are certain guidelines and standards that can be made to apply to land use and I have attempted to outline a few of them here today.

While we do, in fact, have many complex problems regarding land use and have made some pretty costly mistakes in the past—I cannot help but believe that working together, we can and must change direction.

You people know better than anyone else what the problems are that plague county government. America desperately needs your knowledge and your expertise in getting this Nation back on the right track again.

We in the Congress are prepared to do everything possible to assist you but I'm personally convinced that no one is better qualified to deal with county problems than you who are directly involved in county government.

And, I just happen to believe that if the Federal government will give you the tools and the authority—you can do a far better job of solving county problems than Washington has thus far been able to do!

Today, America stands at the cross-roads. We, as a Nation, can either continue down the time-worn path of centralization that has given us most of the domestic problems we face today—or, we can choose the fork in the road that will lead toward the kind of balance that I have been talking about here today.

New cities and "satellite cities" can and must be built. And, I believe far more attention must be devoted to the *human* needs that exist and new threaten to erode the entire social fabric on which all nations depend.

Human resources, after all, are still the mainspring to progress and greatness in this troubled world and we cannot afford to lose sight of this fact.

America became the richest, the most advanced, and the best governed country on earth because of its people. And, land use planning, in a large sense, can greatly help people develop their own personal plans for the future.

This reminds me of a story I once heard about a fellow who was trying to put a jigsaw puzzle together. All he knew about the puzzle was that on one side was an unknown foreign country and on the other side the picture of a man. After studying the puzzle for some time, he wisely concluded that if he could properly put the *man* together—he could thereby put the *country* together.

As NACO has already so eloquently stated: "We need to put America back together again at the local government level, and the county structure which encompasses all the people of the area is the logical place to accomplish this".

Needless to say, as a member of the "County Government Fraternity", I find myself in complete agreement with the stated purpose and goals of what the National Association of Counties is working so hard to accomplish and you can count on my continued support in the Congress.

In closing, may I once again commend you on this outstanding Regional Land Use Conference. I feel highly honored to have been asked to address you here today and perhaps, in some small way, contribute to strengthening county government in America.

A balanced population pattern, a balanced method of finance, a balanced transportation system, a balance in revenue allocations, and a more balanced distribution of responsibility and authority within each of our political subdivisions of our Federal system of Government in America, and, a balanced multiple land use policy that will enhance economic growth and create a total environment for future living.

CONCLUSION

If we are going to meet the ultimate goal of making America more livable, there must be more attention paid to land use in the immediate future. To create that "total environment for living" that I spoke of, then we are going to have to take advantage of some of that unused "open space" that still abounds in Rural America.

All that is required is comprehensive and coordinated land use planning and financing. All of us serving as partners in the Federal system must continually communicate and coordinate on our respective efforts as it applies to land use. In addition, we must be flexible and not hesitate to reevaluate and update our land use policies and patterns as future trends dictate.

Make no mistake about it! Countryside USA is still the "great backbone of America." Country living, as I see it, is that "escape" to which de Tocqueville alluded and I believe that millions of big-city dwellers would literally give their "eye teeth" to get out where the air is clean, where there is no serious overcrowding, and where people are still people—not so many robots mechanically going about the daily routine of merely surviving.

Mr. JONES. The fully prepared statement of Hon. Clarence E. Miller of Ohio will be placed into the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. CLARENCE E. MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. Chairman: Although I was somewhat surprised at the sudden restructuring of this committee and its membership, I nevertheless feel we are still here for the same purpose and such changes will in no way detract from the importance of these hearings this week. As a representative of an Appalachian district, I am pleased to have this opportunity to relate our experience in Ohio with the best program yet devised for our area—the Appalachian Regional Development Program.

This innovative approach to the delivery of basic and essential services to the people of an area which has been bypassed by national economic growth and progress has won almost universal support at all levels of government. Just last week our colleagues gave its extension overwhelming support. The 13 Appalachian Governors have given the program an unqualified and unanimous endorsement. Not only has the program been highly successful in assisting the states and communities in providing local citizens with vital public facilities and services, but it stands a shining example of "new federalism." I believe this partnership between the federal government and state governments is consistent with our desire and efforts to return responsibility and decision-making authority to the state and local people.

We, in Ohio's Tenth Congressional District, are particularly enthusiastic about the Appalachia program and look forward to its continued application and investment in our area.

Mr. Chairman, I have prepared additional remarks outlining our experience with the Appalachian program in Ohio. I ask that these remarks outlining our experience with the Appalachian program in Ohio. I ask that these remarks be inserted into the record to reflect the importance of this outstanding program in Ohio.

STATEMENT BY CONGRESSMAN CLARENCE E. MILLER

This Committee now begins hearings on a program which has been more effective in meeting the problems of the people in rural areas than any other Federal effort in at least several decades.

I refer to the Appalachian Regional Development Act and I speak not only as a member of this Committee but as a Representative from a district in Ohio which has experienced firsthand the benefits which have flowed from that Act.

I direct the attention of my colleagues in Congress and the members of the Administration to the only successful working model I know of, a strategy for balanced urban and rural growth and of an organization capable of developing such a Federal-State-local strategy—the Appalachian Regional Development program and its unique Federal-State Commission.

I do believe adequate study and evaluation of the Appalachian experience has been taken by the Administration. I urge that closer attention be given to that experience because there are great lessons to be learned—lessons which can be applied to other parts of this nation.

The Appalachian program is successful because it grows out of plans drawn by the people at the grass roots. The local people have the advantage of preparing those plans in full awareness of how many dollars are available to im-

plement them and within a broad framework of principles adopted by the states and the Federal representative on the Appalachian Regional Commission.

This means that the hard decisions about priorities used for the scarce dollars available must be made by local people and by the states, not by some bureaucrat in Washington. This is a plan under which national interests are also met through the participation of the Federal agencies and the vote of the Federal Cochairman.

Allow me to use my own district as an example. We have formed three multi-county development districts responsible for preparing plans to develop their area. We have a local health council. We have local educational organizations. These are the groups that prepare the local plans.

But the state has its responsibilities, too. After all, it is responsible for building highways and provides funds for many health, educational and other services. We must have a state plan that combines local hopes and state commitments. We have that under Appalachia.

Today we have plans for transportation, health, education, and economic development in southeastern Ohio which have been rapidly and efficiently translated into action.

I described some of these achievements to the Senate Committee just last month.

Much of my District has been isolated from the economic activity occurring in other parts of Ohio and nearby areas. Appalachian Development Highway Corridor "D" is being built through the heart of our district to eliminate that isolation. When the highway is finished, we will be on one of the main arteries linking the St. Louis and Cincinnati areas to Washington and Baltimore, and we expect to reap many economic benefits as a result.

We are getting ready for the expected impact which that highway will have by attempting to upgrade the abilities of our work force through improved health and education.

We have built two major area vocational and technical centers in Southeastern Ohio with the help of Appalachian funds. The new Tri-County Joint Vocational High School and Technical Institute at Nelsonville, Ohio, has been in operation for two years. Student response has been so enthusiastic that we now find that the facility is not large enough. The school was planned for 300 11th and 12th grade students. The first year, 450 were enrolled and the second year, 600. Applicants have come from all parts of Appalachian Ohio and neighboring West Virginia.

The demand for entrance to the post-high school Technical Institute has been just as great. Instead of the expected 100 applicants in the first year we had 265 full-time and 150 part-time students enrolled. And this year there are 541 full-time students.

Perhaps we can appreciate the enormous success of this new center when I point out that it was the first facility of its kind in the entire state.

Of the 225 students from outside the tri-county school district, we have students from 68 of Ohio's 88 counties and four West Virginia counties.

We have a comprehensive program for adults during the evenings. Over 950 adults have taken advantage of the courses during the two years the center has been open. Because of the demands of the students, the curriculum has been steadily expanded so that we now have courses in practical nursing, forestry, business and management, in addition to all the other courses originally planned for the center.

At the Technical Institute, associate degrees are offered in electrical engineering, data processing and computer technology, secretarial occupations, industrial engineering, mechanical engineering, accounting, environmental health. The forestry course is the first such two-year course in the State of Ohio. I might add that the school has just been named one of the nation's ten outstanding vocational and technical educational institutions by the U.S. Office of Education.

As I pointed out, the Nelsonville vocational education center was the first to open in our area and has served as a model for others in the State. Since then, a second one has opened in our district, the Muskingum Vocational Technical School in Zanesville. That facility will train students from 11 school districts and technical training will be available for students from five counties.

These centers are playing a key role in our development plans for the area.

For example, the Appalachian Regional Commission has just funded at the Nelsonville School, a new Human Resources Development Center which will

assist the area in designing a comprehensive program for correcting many of our manpower problems.

So far, we have identified 15 separate manpower needs in the area and soon we hope to be undertaking programs in those fields. These include programs to improve the educational skills of adults; upgrade job capabilities of many of our unemployed people; education and training programs for employed workers in order to enable them to advance in their jobs; a new approach to pre-professional education for high school youth; new services for pre-school children so that they can compete on an equal footing when they enter the school system; new health and nutrition services for students in our schools; new health manpower training programs; and a new program for the mentally handicapped.

Emphasis on improving health conditions has been just as great. There are many communities in our area where there are no doctors younger than 55. We are facing a very real and serious problem with the shortage of medical manpower. The only doctor in one of our counties has made plans to relocate. It has been difficult to recruit physicians into many of our communities because of the lack of adequate facilities.

However, in seven counties of Southeastern Ohio with a population of nearly 213,000 people, local leadership united in an Ohio Valley Health Foundation supported with Appalachian funds over the last three years has been demonstrating a new approach to making available adequate health services to the people of the area. With a large measure of help under the Appalachian Program, eight hospitals have been renovated, constructed or are nearing completion along with facilities for extended care and outreach. Thus, with Appalachian assistance, modern facilities are being provided not only to serve the people in our section of the State, but also to provide modern medical services to those across the river in West Virginia. These are truly region-serving facilities. With ARC assistance we are providing the type of facilities and service so necessary and vital to attract physicians.

Great strides have been made in providing speech, hearing, and visual screening programs for children. With help from the Appalachian Program, a mental retardation program is underway. Both the retardation and the screening programs are designed to detect incapacities among children before they reach the stage where costlier remedial treatment is necessary or, unfortunately, where even such protracted care comes too late.

Since 1968—less than three years ago—the Appalachian Program has provided approximately $8.6 million for improving health conditions in our area.

Such experiences in our district have persuaded me that, under the Appalachian Act, we have found a way to unite the different levels of government into a new kind of partnership under which we can develop coordinated approaches to local problems.

It would be tragic to stop these efforts just as they are getting started; if anything they should be encouraged and expanded.

I would also urge this Committee to seriously consider improving the flexibility of the Commission to deal with the many environmental problems which plague our Region. We are an area which in the past has suffered great damage from coal mining and mine acid drainage, from logging, from industrial and municipal pollution of our waterways, and from air pollution.

I believe the Commission has demonstrated an unusual capability and commitment to work with the States and localities in developing comprehensive approaches to many problems.

In short, Mr. Chairman, we have here a model for the nation. That model should be strengthened. Not only that it should be allowed to finish the job it started.

I personally agree with the 13 Governors of the Appalachian States when they say we can report "Mission Accomplished" if this program is extended to complete its tasks.

Mr. JONES. Mr. Whitehead, you may proceed.

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

It is a pleasure for me to appear before the committee this morning for the first time to report on progress made under the Appalachian Regional Development Act of 1965. It has been 6 years since the Appalachian Regional Development Act was enacted on March 9, 1965. While it has been only 2 weeks since I was confirmed as Federal Co-

chairman of the Appalachian Regional Commission, I had the pleasure of serving as General Counsel during the last year.

It is my hope and intention to try to carry forward the distinguished record of my predecessors and to work closely with you and the other members of this committee to try to accomplish the goals and objectives which the Congress had the wisdom to establish 6 years ago.

I would like to take a few minutes to summarize principal accomplishments of the Commission and the tasks which remain.

When the previous Federal Cochairman was appointed, he received a directive from the President to undertake an evaluation of the Appalachian program both in concept and in administration. With the complete cooperation and, indeed, initiative of the Governors of the Appalachian States, such an evaluation was undertaken.

I am pleased to make this report today on the basis of that evaluation which, while still underway, is providing valuable data and insights as to the program's accomplishments.

From this extensive examination and from my previous vantage point as General Counsel, I concur with my predecessor's conclusions that the judgments of this committee and the Congress 6 years ago and in subsequent amendments to the act are basically sound. By that I mean that the programs authorized by the Appalachian Regional Development Act—coupled with other State and Federal efforts—are addressed to the most immediate and profound obstacles to diversified economic growth in the region.

A statistical review of accomplishments through the Appalachian program is impressive. As of December 31, 1970—

Nearly 500 miles of Appalachian development highways were completed and another 367 miles were under construction. Of the 2,571 miles of the system requiring construction, 2,507 miles are in some stage of route location, preliminary design, right-of-way acquisition, or construction.

Well over 260 vocational and technical training centers have been approved by the Commission and, as of last June, 155 of them were in operation. The impact on the region has been profound. In 1965, only 20 percent of our regional manpower needs were being met by our vocational and technical schools. Today, over 40 percent of our needs are being served by the new vocational and technical system.

Throughout the region, improvements are being made to health services. In selected sections of the region, comprehensive networks of health services are being developed. Fifty-one new health services were inaugurated in fiscal year 1970 alone. We have good reason to believe that some of our health programs are among the best in the country.

The Appalachian Housing Fund, approved by Congress in 1967, has helped to initiate $98 million in construction of low- and moderate-income housing. This represents over 7,000 new units of housing.

Work has been completed on 28 mine area reclamation projects, including 16 mine fire extinguishment projects, six mine subsidence projects, and six surface reclamation projects. Another 16 are underway, and there are 13 additional projects awaiting contract.

Communities with potential for growth and improvement are improving their public facilities. Under section 214 supplemental grant programs, and other sections of this program, the Commission has approved: 233 health facilities, 260 vocational and technical schools, 157 higher education facilities, 185 water pollution control facilities, 85 libraries, 49 airports, 37 grants for school equipment, and 71 other public improvements.

These accomplishments represent an awesome response by the participating State and local jurisdictions to the opportunities afforded by the Appalachian Act. This list of accomplishments represents an enormous commitment of time, energy, and very scarce money on the part of the State and local governments.

But, this numerical review of the program does not indicate the primary impact of the Appalachian program. It does not on its face record the new sense of hope and optimism which these investments have brought to many areas of the region.

It does not record the enormously improved capacity of the State and local governments—particularly through the development district programs—to respond to the needs and concerns of people; and it does not record the economic impact of these investments.

The Appalachian program was conceived not as a roadbuilding program, or as a schoolbuilding program, or as a reclamation program, but as a concerted and coordinated effort to meet these and other basic needs of the region to build a self-sustaining economy.

The concluding sentence of the preamble to the Appalachian Act states:

> As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

What was written as a goal in 1965 is a growing reality in 1971.

All along the Appalachian Development Highway System and the Interstate System, new development projects are in being or underway. New industrial parks, educational complexes, housing, health services, and manufacturing plants are being developed. Over 1,000 new manufacturing facilities have been located along these new arteries of transportation—a direct confirmation of the judgment that an adequate transportation network was essential to development of the region.

The unemployment gap between Appalachia and the United States has steadily closed since 1962. By 1969, the gap was only 0.4 percent greater than the Nation. Our most recent surveys of major Appalachian labor markets indicate that Appalachia is holding its own reasonably well and our rates of unemployment have increased less than some other areas of the country. This is substantial progress for a region that has traditionally seen its unemployment rates rise faster and sooner than in the rest of the United States.

This does not account for the estimated 500,000 persons who could work, but are not looking for work because they believe jobs are unavailable, nor does the overall figure indicate the still serious problems in many parts of the region. As you know, these persons are not counted in the official unemployment statistics.

In the past, the region's economy has responded rather severely to downturns in national economic activity. If our current sample of labor market areas in Appalachia is accurate, however, the region is holding its own fairly well in the present economy—unemployment rates have not increased as rapidly as elsewhere in the Nation. This reflects the economic balance and diversity which is beginning to develop.

I do not wish to mislead the committee. Some of the lowered unemployment rate can be attributed to outmigration of unemployed labor from Appalachia. But that is not the sole explanation. An improved rate of employment growth in the region has become evident. Since 1965, well over 500,000 new jobs have been added to the Appalachian economy. During the last fiscal year, Appalachia's rate of employment growth slightly exceeded that of the Nation.

Of course, the picture varies considerably from one part of the region to another. The unemployment rate in eastern Kentucky is still twice that of the Nation—it was three times the U.S. rate in 1962—and average per capita income in the region is less than half that of the United States. But even in the Appalachian heartland of eastern Kentucky and West Virginia and Virginia and Tennessee, there is now cause for hope.

There has been an increase of 115,000 jobs in this area. Employment has increased by 20.7 percent since 1965, compared to 18 percent in the United States. New manufacturing employment, particularly in sectors which had never located in this area before, accounts for much of this increase.

The region can support its present population, but income levels must rise and new opportunities be created if we are to hold succeeding generations at home. A substantial measure of the economic improvement in the region can be related to the efforts made under this program and to the new confidence in the future which has become a major force in the region.

I believe it is essential to the future of the region that the basic commitments manifested in the Appalachian Act be honored—that the tasks be completed. Particularly, it is critical that the Development Network Highway be completed, and that the truly remarkable efforts which have been started to improve the basic levels of health and education in the region be carried forward.

As you know, the Appalachian program has been identified as one of the existing programs which will be included under the rural community development special revenue-sharing program. The President last Wednesday transmitted to the Congress his message concerning rural development revenue sharing. In that message he noted that the grassroots planning process which has proved itself under the Appalachian Regional Commission would be carried forward into rural and urban revenue sharing, and that revenue sharing, in superseding the EDA, title V, and Appalachian Regional Commissions, would incorporate the coordinated development approach that has made them successful.

Effective January 1, 1972, funds would be made available to the State through the revenue-sharing bills to accomplish all of the purposes currently funded by the Commission. Meanwhile, in order to

assure the Commission's continued operation until such time as the Congress has had an opportunity to act on the special revenue-sharing proposals, the administration has proposed legislation to extend the program's authority through fiscal 1972.

The work which has been done to date is a credit to you, Mr. Chairman, and to the other distinguished members of the Public Works Committees who have nurtured this program. This program has provided inspiration for much of the detail of the revenue-sharing program. It's accomplishments should reassure those who are skeptical that State and local governments can and will develop the capacity to effectively and responsibly react to the problems of our times. It has also laid the organizational groundwork through the Commission, the State governments, local development districts, health councils, and other groups to support the development and progress of the Appalachian region for many years to come. Thank you.

Mr. JONES. Thank you very much, Mr. Whitehead.

We will now hear from Mr. John Waters, Jr., former Federal cochairman.

Again let me invite you and tell you how pleased we are to have you, sir.

Mr. WATERS. Thank you, Mr. Chairman.

I don't have a statement. I do want to take this opportunity to thank you, sir, and the other members of this committee for the kindness you extended to me while I was Federal cochairman.

I see a lot of people that I intend to recognize and consider as my friends on this committee, even though I am now returned to the ranks of a private citizen.

I would like to make just one or two comments, Mr. Chairman, basically to agree with some of the things that you have said in your opening statement.

I think that this Commission has recognized the need, at the local level, and has applied the public dollars to solve those problems and to attack the tremendous economic and social problems in appalachia.

I would like to agree with you further that one of the things I think I have learned that I carry back home with me now as a private citizen is I am absolutely convinced that good planning must be from the people up to the Government, and it cannot be from the Government down to the people.

I think this is demonstrated in the Appalachian Commission.

One other thought I would like to leave is that I am disturbed that there is the idea abroad and in this country in some quarters that the construction of public facilities is not aiding the poor of this country.

This disturbs me greatly, Mr. Chairman. I think that this is perhaps one of the few ways we can give any lasting assistance to the poor people.

I think this has been proved in Appalachia many times, that if we are going to solve health needs we have to have hospitals. We have to have medical care.

If we are going to educate the people, the poor people, the disadvantaged, we have got to have vocational educational schools.

All of these are public facilities. We could go on and on, but I think this is the only way that this Government can make a lasting

contribution and give lasting assistance, and I think this has been done in the Appalachian Commission.

One other thought I would like to leave is that I am also convinced that the only way in this country we can develop the rural areas of this country is through the multicounty organization, by allowing these small counties and small cities to combine together in an organization of their public officials and their citizens to cooperate with the Federal Government, with the State government, pool their resources and bring about their development.

This may have been all I have learned in 2 years as Federal cochairman and with the Government, Mr. Chairman, but I feel very strongly about these four ideas and I wanted to take this opportunity to pass them on to you.

Thank you very much, sir.

Mr. JONES. Thank you, Mr. Waters.

Any questions?

Mr. Johnson.

Mr. JOHNSON. No questions.

Mr. JONES. Mr. Clark?

Mr. CLARK. No questions.

Mr. JONES. Mr. Clausen?

Mr. CLAUSEN. I don't have any questions.

I think both gentlemen have presented their case and it is somewhat consistent with what I believe most of the members of the committee have agreed on since the inception of the program.

Mr. JONES. Mr. Schwengel.

Mr. SCHWENGEL. I didn't hear your entire testimony, but I did read your statement.

Several questions occur. I notice you have 260 vocational technical training centers that were approved and 155 are in operation.

Mr. WHITEHEAD. That is right.

Mr. SCHWENGEL. Have you been in operation long enough to find out how many graduates a year are expected to graduate?

Mr. WHITEHEAD. Yes, sir; the results are very impressive, Mr. Schwengel.

As my statement notes, when we began we were only furnishing in Appalachia 20 percent of the need for vocational and technical training.

Now, with just 155 schools we have opened so far we have doubled that and are now furnishing 40 percent of our needs. As a matter of fact, our goal has almost been met. At least it is within sight.

We wanted to supply classrooms for half of the graduates from high schools so that they could go to vocational and technical schools. This was on the theory that the national average is that half of the high school graduates go on to college.

We are within sight of accomplishing that goal. We now have 140,000 students in vocational and technical training in the region.

It has been one of our proudest achievements.

Mr. SCHWENGEL. As a former educator, and I might say that I have taught school for 7 years, I am intrigued with the figures but I want to pursue them because this is an area where we need to note, and with proper emphasis not to let it get out of hand like some of our junior colleges in the Midwest.

They have forgotten about their job training responsibilities and technical training, and so on, and have gone into the broad liberal arts area. I am not opposed to that in some of these schools.

In this area, the people need some of these humanities as well, but when the job training factor suffers as a result, that is when we had better take a second look.

Now, two more questions occur:

These vocational schools, are they education in high school and beyond high school?

Mr. WHITEHEAD. Yes, they are both.

Mr. SCHWENGEL. So some could be classified as junior colleges, is that not so?

Mr. WHITEHEAD. That is correct.

Mr. SCHWENGEL. Now, what about the people, the students who are there?

Is this just for the young students or can the elderly, or older citizen who needs to retrain where jobs are available, can they come?

Mr. WHITEHEAD. Yes, we provide training for possible jobs, secondary education for older folks, and for adults.

In one of our schools we have a 70-year-old gentleman, and he is a lapidarist. So, yes, we have a broad range.

I am very pleased that you are making these points, Mr. Schwengel, because the accomplishments we feel we have made in this area relate not only to the expanded facilities that we have been able to construct but also by the new emphasis we have been able to give to vocational and technical training in the region.

We have actually, dramatically influenced the criteria, the curriculum. In 1962, about 62 percent of Appalachia's vocational students were training for occupations making up only 5 percent of the job market; that is the boys basically studying agricultural courses and the girls home economics.

The Commission adopted the policy that the schools, to be assisted with Appalachian funds, have curriculum tailored to the needs, to actual employment needs. We wanted a job-relevant training course.

Now, 80 percent of all students in Appalachian assistance schools were training for occupations making up only 5 percent of the job region's increased enrollment in health occoupations; 52 percent in technical education, and 52 percent in trade and industry.

It is not just the fact that we have expanded the number of seats in the classroom. We are doing something about making that training more productive.

Mr. SCHWENGEL. Are most, as far as you can see now, of the graduates staying in that community with the jobs or are they going outside?

Mr. WHITEHEAD. I could not make that claim. I do not recall the exact figures, but it is true that a great many of the graduates of these schools are having presently to leave the region to find employment.

This is a chicken-and-egg operation. We cannot expect industry to come into the region until we provide a skilled labor force, but even though we are training many who have to go to Cleveland and Chicago and Detroit to find employment, we think that when they get there, they are trained to be productive citizens rather than applicants for the welfare rolls.

In that sense, we think we are making a contribution to the Nation as a whole as well as enhancing the region's prospects for attracting new industry.

Mr. SCHWENGEL. I think this is a good point to be noted here, and this is not a reason to criticize the program because that is the natural result of education anywhere, but we ought to get the right to go anywhere for any job. This points up the inequities across the country and the need for this job training or manpower training and maybe a more coordinated program than we have ever had before to tackle this problem.

If we had the qualified people today, I am told, to fill the jobs that are available, the unemployment rate would go down almost 1 percent.

Now, let me say that that is a significant contribution to the economy and it might even go further down.

I hail you for your accent to this program.

I think also so often there is talk of the cost. It is not a cost. It is an investment in human life.

It is an investment, indeed, in America and the more of this we can do to prepare our people for the kind of jobs that will be available in technical aid, then the better off we are.

I am intrigued with this report and I commend you, gentlemen.

Thank you, Mr. Chairman.

Mr. JONES. Mr. Clausen.

Mr. CLAUSEN. The line of questioning the gentleman from Iowa prompts me to ask you a series of questions or maybe wrapped up in one question.

This committee, I am now talking about the Public Works Committee in its entirety, has been dealing with the question of rural revitalization as a means of attempting to stabilize the population.

Certainly all of you gentlemen have had an opportunity to evaluate some of the experiences that you have had in the Appalachian region as a result of increased training programs, with emphasis on the vocational technical training facilities.

Do you have anything in the way of statistics that could demonstrate a stabilization of the population pattern and if not, what in your judgment is required to add to the stabilization of the population in these areas that you do not have in the way of tools now?

Mr. WHITEHEAD. A very excellent question, Mr. Clausen, and it goes right to the heart of what we are doing.

Feeling as you do, about the critical importance of this matter, I have asked our executive director, Mr. Widner to prepare for us a summary economic report which is very brief, but which I think very dramatically points out some pertinent facts that ought to be considered by this committee.

I will ask Mr. Widner to comment on this.

Mr. JONES. At the conclusion of the interrogatories propounded to Mr. Waters and Mr. Whitehead, I am going to put this in the record and then have Mr. Widner summarize the principal contents of this report.

I think it is necessary and it goes right to the question you are raising.

Are there further questions?

Mr. MIZELL. Mr. Chairman, if I may, first let me say that I am Congressman Mizell from North Carolina.

Mr. JONES. You were introduced before you came in.

Mr. MIZELL. In North Carolina we have benefited greatly from the wisdom of this committee and the work of the many who developed this program. It has been highly successful in our area.

We are certainly grateful to you and to the others that have put in the work for it.

I just had two questions here, really.

Mr. Whitehead, you mentioned the fact that even though you have been able, through technical and vocational training, to provide training for the young people basically and others as well, in these areas, you are still losing them to outside areas because you are not able to attract enough industry in the area to hold them.

In your opinion do you think that the time is ripe to offer some special incentives to industry, through tax incentives and tax write-offs for job training, to induce them to move into the rural America?

Mr. WHITEHEAD. It is not necessary under this particular program, Mr. Mizell.

I think that other agencies and other programs of the Government are designed to do that job and I don't see it as one of our direct responsibilities.

Mr. SCHWENGEL. Will the gentleman yield at this point?

Mr. MIZELL. Yes.

Mr. SCHWENGEL. One of the shortcomings of many of these programs is that we may not go far enough in education.

The question I want to ask you is prompted by a book that I read recently and reread and reread again. It is called "American Challenge" by Servan-Schreiber, the great philosopher whose warning in the book is that American management is going to take over Europe unless they get with it.

There is a lot in this book where he explains the reason, and the reason is that we train people for management.

I wonder oftentimes, and I have leveled this question in Iowa where we have a tremendous development of 16 great area junior colleges and technical training schools, and that is this: Are you doing anything to help train people for management?

I notice the tremendous turnover in small business especially, people that fail and the studies that have been made indicate people fail in business because they just do not know basic business principles.

I wonder if you might not explore—and I know the new Administrator of Small Business is exploring the idea of having some kind of an extension course for small business so they can ward off any hazard. Oftentimes it is not money that is a problem, but poor management.

My question goes to the point of management: Are you doing anything in management training?

Mr. WHITEHEAD. Not enough, Mr. Schwengel. We are doing some things.

I think now it might be appropriate for me to ask Mr. Widner to comment briefly to you on our vocational educational courses and our youth leadership program, both of which he has inspired.

Mr. WIDNER. Mr. Schwengel, we have several ways of getting at the management problem, but as Mr. Whitehead has indicated, it is not enough.

We have courses in the vocational educational schools in management in Ohio.

One of the schools has actually constructed a motel adjacent to the school and they train students how to manage a motel.

We have other courses in managing various white collar operations, and so on. There are some courses for training for men in blue collar jobs.

In addition, because of the out-migration of our young people between 19 and 24, 2 years ago we started a youth leadership program in which we apprentice bright youngsters from the Appalachian schools to various leaders in the community—the mayors, bankers, lawyers, anyone who is a private or a public leader in the community so that they can learn the techniques of leadership and management directly from community leaders.

We hope in the process they will also learn that the problem of Appalachia is not insoluble; that there is a future in our region and that they do not have to go to Chicago to find it, but will stay there and help build the future we are talking about.

We have about 60,000 young people who have been touched by that program in 2 years.

Mr. MIZELL. Mr. Chairman, if I might pursue the thought that I had in mind a little further with Mr. Whitehead.

Regardless of whether we do it under Appalachia or whether we do it under job training or whichever procedure we might select to follow, what do you think we need do that would be an inducement for industry to move into rural America, to give them a greater incentive to move in?

Mr. WHITEHEAD. I think, although there are many problems that are common to all rural areas of this nature, there are distinctive differences in those problems and I think that as the chairman pointed out in his opening remarks, perhaps the answer is to give the local people the resources, the opportunity and the means to determine themselves how those needs must best be met, what incentives, fiscal or otherwise are necessary, what resources are a prerequisite to attracting industry.

In other words, give the States and local communities of this Nation the means and the opportunity to make that kind of a decision and compete with all the other local communities and States of the Nation, as would be possible under the President's revenue sharing proposals.

Mr. MIZELL. But you recognize there is a need to lure industry into these areas.

Mr. WHITEHEAD. I do, unquestionably.

Mr. MIZELL. If I might proceed for one moment further with our private citizen Mr. John Waters whose job with Appalachia I too admire, as the gentleman is aware, I notice that in your remarks that you said your experience with Appalachia has led you to believe it is time we permit multicounty units in rural America to band together to develop those regions.

If revenue sharing should become a reality for rural America, do you then believe that the best procedure to follow would be to break the States into regions so they might band together to develop?

Mr. WATERS. Mr. Mizell, I think whatever method we use to get funds to rural Americans, and certainly we must, but we must have some sort of a mechanism; and the only one I know of is to allow these counties to group together.

Now, I am not talking about another layer of government or anything like that. I am talking about just allowing counties to group and pool some resources.

Mr. MIZELL. As they have done under Appalachia.

Mr. WATERS. Yes; and so that they can make the decisions that we have found out in the past the Federal Government just can't make effectively.

You cannot build a vocational educational school in every small county. Where are you going to build it? How many counties is it going to serve?

You cannot build a full-service hospital in every county. If you did, it would be substandard and it would not have the medical manpower.

Maybe what you need in county A is a hospital and in county B a good highway to get to that hospital from county B.

These things can be solved, I think, by multicounty organizations.

We know that they can and had somebody told me this a few years ago, I would not have believed it because, in my home county, we did not like the next county because we played them each year in football and we just did not like them. We would fight at any opportunity, but now we have discovered that we just cannot exist that way. We have to recognize that they are going to have some people or some facilities that can help us and vice versa.

We have learned that we can live together better and cooperate.

I think the multicounty organization has proven this and we must have them.

Mr. MIZELL. Just one other question.

Assuming then that the States would be broken down into regions, do you think it would be helpful for each of these regions to know this year how much funding it will receive next year?

Do you think it is important that they know as soon as possible how many funds are coming into that area in order that they might better plan?

Mr. WATERS. Yes, sir; I do. I think any planning that is not tied with some sore of budget process tends to be, to a certain extent, a waste of time and is not effective.

If it can be tied to a budget process of some sort or at least a knowledge of what is going to be available, it is much more effective and it is necessary; yes, sir; I do.

Mr. MIZELL. Mr. Whitehead, from your statement I gather that you think, because of the great advances that have been made, that the funds for Appalachia at least should be protected for these regions by the extending of the program until another way of getting revenue to them is provided?

Mr. WHITEHEAD. Exactly.

Mr. MIZELL. Thank you, Mr. Chairman.

Mr. JONES. Mr. Mizell, I think on Wednesday we will have testimony from the various commissions which will clearly demonstrate just what Mr. Waters was talking about, how they erased this prejudice of county to county, city to city, and how they have gone from making accumulation of total community efforts and I think we will have some excellent witnesses on the proposition that you just raised.

Mr. MIZELL. Thank you, Mr. Chairman.

Mr. JONES. I would like to make this observation, too, Mr. Schwengel, in the educational program such as vocational education. It is not only to project those educational programs to advance the community of a hope for industry, but a lost industry which may have to be replaced with a different industry; and then you want to make the training program adaptable.

For instance, in a lot of our Appalachian counties we are losing the textile industries. In the hopes of replacing those sources of income for the people, we have to go out and try to gain new industry.

Now, to make the manpower training program responsive to the new industries, that is what we are talking about in Appalachia. I think that it had that concept from its inception.

In my own area, it has been a highly successful program. For instance, we have had industries to locate in my area requiring electronic training programs which were entirely different from what Mr. Widner pointed out. These training-education programs worked through the industry and these academic schedule and training programs in the school had been suited to the future requirements of the incoming industry.

Mr. Johnson?

Mr. JOHNSON. I would like to just make one general statement here in behalf of the Appalachian program.

Having been a member of this committee since is inception, I have noted each time we have considered this, especially since last year, that what is stated here today in Mr. Whitehead's statement and what Mr. Waters has brought to our attention, I think this would be one of the better programs of all that have been tried.

In traveling around Appalachia, having seen the effects of this, I think it is something we should continue.

I do not know of another way that we can further benefit the area of Appalachia than to continue this program as we know it today. I think it has proven itself.

Every witness before this committee last year, the witnesses who were before the committee when it was first put together in 1965, all testified in favor of it. They were back here and supported its extension. I am certain the legislation we have before us now will be perfected by the subcommittee and adopted by the full committee and the House.

I do not think that this program has anything to hide. I think it has proven itself and I am very glad to hear you gentlemen come here and make that statement today because that has been by personal observation also.

I wish we could have an Appalachian program up and down the mountainous region that I represent in California. I am a strong supporter of the program that is now in effect.

I think the Appalachian program can stand on its own two feet and come before the Congress and be supported.

Mr. CLAUSEN. Is Mr. Widner now going to summarize in response to my question?

Mr. JONES. Yes. I would like to have a summary economic report, Appalachian region, be made an exhibit of the testimony by Mr. Widner.

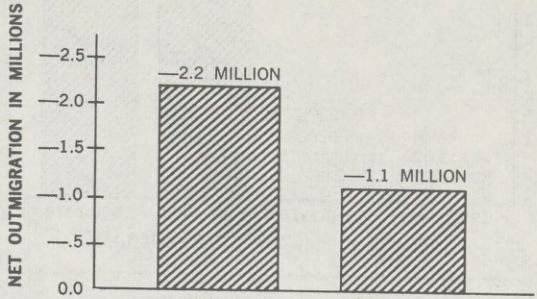
(The summary economic report, Appalachian region, follows.)

POPULATION

WHAT HAPPENED TO OUTMIGRATION?

FIGURE 1: NET OUTMIGRATION FROM APPALACHIA DURING THE DECADES 1950-1960 AND 1960-1970

Source: Table 1

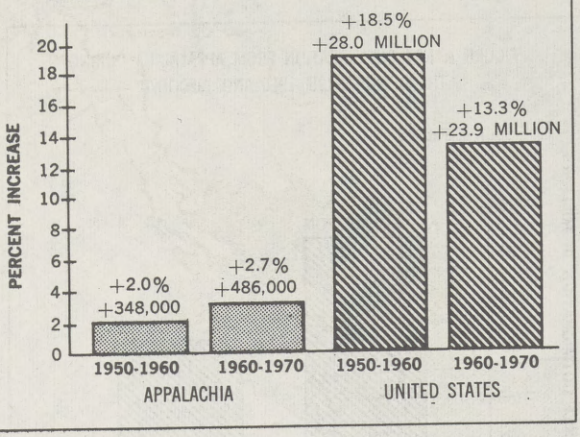


- Net outmigration from the region during the decade 1960-1970 was approximately half of what it was during the previous ten years---1.1 million as compared with 2.2 million in 1950-1960.

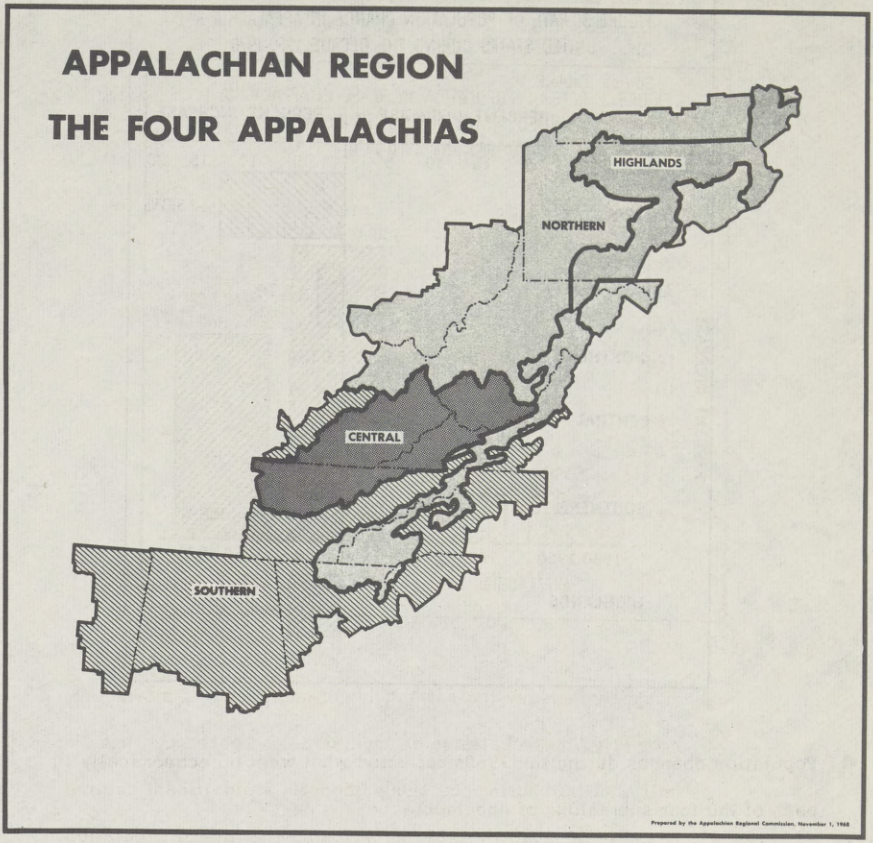
HOW MUCH DID THE POPULATION GROW
AND
HOW DID THE GROWTH COMPARE WITH
THAT IN THE U.S. AS A WHOLE?

FIGURE 2: RATE OF POPULATION INCREASE IN APPALACHIA AND UNITED STATES DURING THE DECADES 1950-1960 AND 1960-1970

Source: Table 1



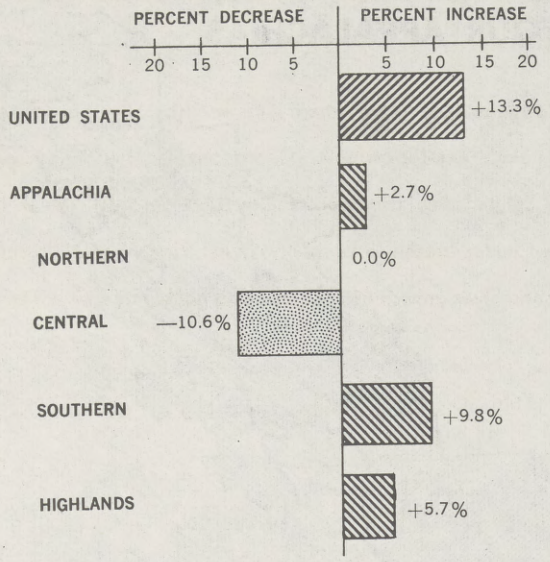
- Primarily because the net outflow of migrants was slowed so markedly, the population of Appalachia increased by almost half a million during the 1960s, despite a significant decline in the regional birth rate. As a result, the rate of population growth in the region was higher than it had been during the previous decade---2.7 percent as compared with 2.0 percent. Despite this increased rate, population growth in the region still lagged behind the U.S., which experienced a 13.3 percent growth rate during the 1960s. It should be noted, however, that the U.S. growth rate was declining (down from 18.5 percent during the 1950s) while the regional rate was increasing.


APPALACHIAN REGION
THE FOUR APPALACHIAS
HIGHLANDS
NORTHERN
CENTRAL
SOUTHERN
Prepared by the Appalachian Regional Commission, November 1, 1968

WHERE DID CHANGES OCCUR?

FIGURE 3: RATE OF POPULATION CHANGE IN APPALACHIA AND UNITED STATES DURING THE DECADE 1960-1970

Source: Table 2



- Population changes during the 1960s reflected what went on economically in each of the four subregions of Appalachia.

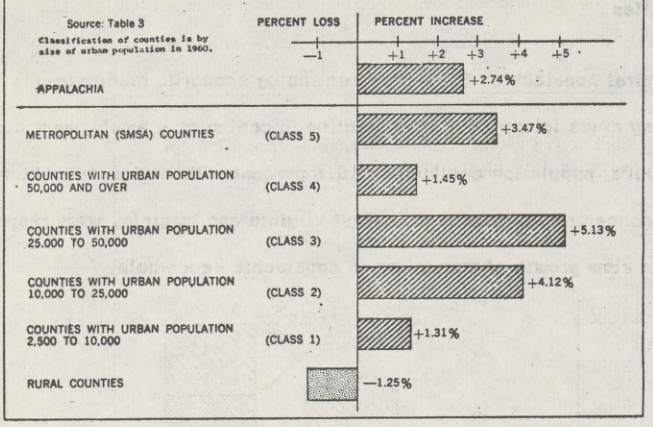
  Northern Appalachia experienced readjustments in its specialized industrial sectors (steel, heavy machinery, coal and railroads) and moved toward a more diversified base; its total population remained static. Heavy outmigration was due in part to the attraction of growing metropolitan centers surrounding the region on three sides in an arc from Cincinnati around to Washington, D.C.

There were increases in Southern Appalachia (up almost 10 percent) and the Highlands (up 5.7 percent)---in the former because a rapid industrial expansion more than offset the decline in agricultural employment, in the latter primarily because of expansion in industry and in recreational activities.

In Central Appalachia, there were continuing economic readjustments in many areas following a sharp decline in coal mining employment during the 1950s; population declined by 10.6 percent. These losses, which were concentrated in Kentucky, West Virginia and Virginia, were responsible for the slow growth of population in Appalachia as a whole.

WHAT TYPES OF COUNTIES GREW MOST RAPIDLY?

FIGURE 4: RATE OF POPULATION CHANGE IN APPALACHIAN COUNTIES CLASSIFIED BY SIZE OF URBAN POPULATION, 1960-1970



- Between 1960 and 1970, the rate of population growth was higher in the moderately urban counties (those having urban populations of 10,000 to 50,000) than in the metropolitan counties. Counties with small urban populations (2,500 to 10,000) grew only slightly, and rural counties experienced a net loss of 1.25 percent.

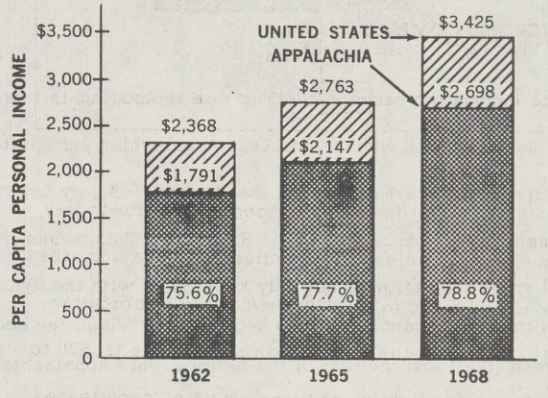
INCOME

HOW MUCH DID INCOME INCREASE?

One of the most reliable methods for determining what is happening to the economic health of a region is to find out what is happening to per capita personal income.

FIGURE 5: PER CAPITA PERSONAL INCOME IN APPALACHIA AND UNITED STATES, 1962-1968

Source: Table 4



- Per capita personal income in Appalachia was 50 percent higher in 1968 than it was in 1959---$2,698 as compared with $1,791. (Comparable income figures are not yet available for 1969 and 1970.) This improvement in per capita income was the result of two factors:

- Total personal income in the region increased from $32.1 billion in 1962 to $39.0 billion in 1965 and on to $49.0 billion in 1968, a total increase of nearly $17 billion during the six-year period, and

- The population of the region did not increase as rapidly as the national rate, primarily because of continued outmigration (see page 2).

In other words, in Appalachia a considerably bigger pie was distributed to an only slightly larger number of people.

HOW DID THIS INCREASE COMPARE WITH THE U.S.?

- Per capita income increased at a faster rate in Appalachia than it did in the U.S. as a whole. In 1962, Appalachian per capita income represented 75.6 percent of that for the U.S.; by 1968, it had risen to 78.8 percent of the U.S. figure. This means that in recent years the region is not only keeping up with the dynamic growth in the U.S. economy---it is beginning to bridge the economic gap between itself and the rest of the nation. This Appalachian feat becomes all the more remarkable when we remember that much of the region's economy was underdeveloped at the beginning of the decade, and that during that same decade, in the world as a whole, the gap between highly developed and underdeveloped economies became wider, not smaller. Recent history seems to indicate that although

most underdeveloped areas are experiencing economic growth, they are unable to keep pace with the prodigious expansion taking place in the economies that have a head start in terms of sophisticated technology and management. Appalachia appears to be a happy exception to this pattern.

DID THE RATE OF INCREASE
PICK UP AFTER 1965?

- The increase in per capita annual personal income in Appalachia was greater during the first three years of the Appalachian program than it was during the immediately preceding three-year period---a $551 increase from 1965-1968 as compared with $356 during the earlier period 1962-1965.

  Probably the most important single reason for this improved rate of growth after 1965 was the upturn in the whole U.S. economy, which had been sluggish during the late 1950s and early 1960s. It picked up momentum later in the decade, affecting income and prosperity in Appalachia along with the rest of the county.

  But here again it is important to remember that, during the 1965-1968 period, the rate of increase was greater in Appachia than in the U.S. as a whole, Appalachian income rising from 77.7 percent of the U.S. figure in 1965 to 78.8 percent in 1968, an increase of 1.1 percentage points.

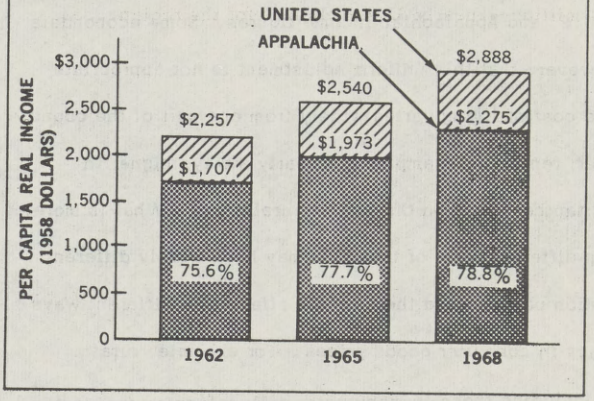
This improvement may not seem large when expressed in these terms. But when we translate the 1.1 percentage points into dollars, we find that they are very significant indeed. As shown in Figure 5, Appalachian per capita income in 1965 was $2,147; by 1968 it had risen to $2,698, an increase of $551. But this $551 increase was made up of two parts---an increase that occurred in step with income growth in the whole country, and a second increase that was specifically Appalachian. Or put another way, if Appalachian per capita income had remained at 77.7 percent of the U.S. figure (as it was in 1965), by 1968 the region's per capita income would have been only $2,658 instead of the $2,698 that was actually achieved. In other words, during 1968 alone, there was an average of $40 extra income for every man, woman and child in Appalachia, or an annual income bonus of $731 million---nearly $3/4 billion---for the region.

DID REAL INCOME INCREASE TOO?

Since inflation was a fact of economic life during the 1960s, any discussion of per capita income must take into account the changes which took place in the cost of living. It is, after all, not the dollars in the pay envelope which are most significant, but rather what those dollars will buy in the way of goods and services---what economists call real income--- which tells us whether people are actually living better or worse than they were before.

FIGURE 6: PER CAPITA REAL INCOME IN APPALACHIA AND UNITED STATES, 1959-1968
PER CAPITA INCOME EXPRESSED IN 1958 DOLLARS TO REFLECT CHANGES IN THE COST OF CONSUMER GOODS

Source: Table 5



- After income figures are adjusted for inflation, annual per capita real income in Appalachia was $568 greater in 1968 than it was in 1962---$2,275 as compared with $1,707 (expressed in 1958 dollars). More than half ($302) of this increase occurred after 1965.

HOW DID APPALACHIAN REAL INCOME FARE AS COMPARED WITH THE U.S?

- Per capita real income increased more in Appalachia than it did in the U.S. as a whole---up from 77.7 percent of the U.S. figure in 1962 to 78.8 percent in 1968. These percentages remain the same as those described in the income portion of this article because inflation was a nationwide phenomenon, and adjustments for the cost of living were therefore applied uniformly to both U.S. and Appalachian income figures. Some economists feel, however, that this uniform adjustment is not appropriate since the cost of living varies widely from one part of the country to another; rents, for example, are nearly always higher in metropolitan centers than they are in rural areas. What is more, people in different parts of the U.S. may have widely different consumption patterns and therefore be affected in different ways by changes in consumer goods prices. For example, rural people, including those in many parts of Appalachia, frequently make their own clothing and grow much of their own food. To

the extent that they continue to do so, any increases in their money income would not be as deeply eroded by increases in the prices of "store-bought" goods, and the increase in their real income may therefore be greater than that described in this article.

We need to know more about how price levels vary in different parts of the county, how different groups of people spend their incomes and how these spending patterns change when people have more dollars in their pockets. When we do, we will be able to draw more accurate conclusions about how income and inflation really affect the way people live in Appalachia.

EMPLOYMENT AND UNEMPLOYMENT

IS EMPLOYMENT IN APPALACHIA GROWING AS FAST AS IN THE UNITED STATES AS A WHOLE?

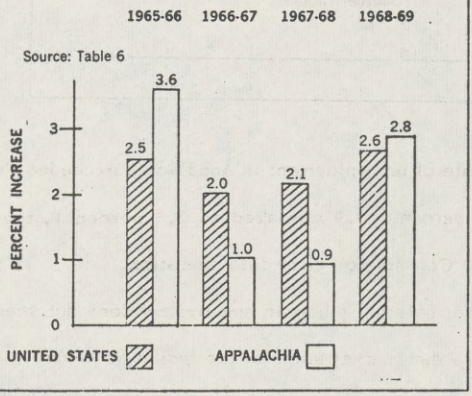
● In the period between 1965 and 1969, total employment in Appalachia increased by over 500,000 jobs, or 8.6 percent, in comparison with a national increase of 9.6 percent.

EMPLOYMENT IN APPALACHIA AND THE UNITED STATES

	1965	1969	Increase	Rate of Increase
Appalachia	6,075,061	6,600,030	524,969	+8.6%
United States	71,088,000	77,902,000	6,814,000	+9.6%

Based on state and regional estimates from State Bureaus of Employment Security and national estimates from Bureau of Labor Statistics.

FIGURE 8: ANNUAL RATE OF CHANGE IN EMPLOYMENT IN APPALACHIA AND UNITED STATES, 1965-1969

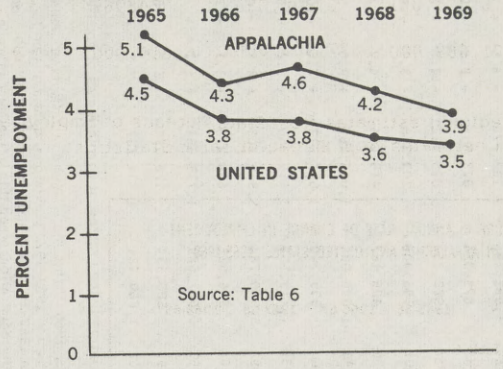


● Appalachia is making some progress toward catching up to the nation in the field of employment, as evidenced by annual trends. From

1968 to 1969, the rate of growth in employment in the region for the first time in three years exceeded the national average, although only by a fraction of a percent (2.8 percent for Appalachia in contrast to 2.6 for the United States).

HOW DO REGIONAL AND NATIONAL UNEMPLOYMENT RATES COMPARE?

FIGURE 9: CHANGES IN UNEMPLOYMENT RATE IN APPALACHIA AND UNITED STATES, 1965-1969



- In 1969 the rate of unemployment in Appalachia exceeded that of the nation by only 0.4 percent (3.9 compared to 3.5 percent), the smallest difference since the Commission came into operation.

- Even the recent national slump in employment does not seem to have affected major labor market areas of the region as severely as those of the nation (see Table 7).

TABLE 1: POPULATION AND NET MIGRATION TRENDS 1950, 1960 AND 1970
UNITED STATES, APPALACHIAN REGION AND THE APPALACHIAN PORTION OF EACH STATE

	Census of Population 1950 [1]	Census of Population 1960 [1]	Census of Population 1970 [1]	Percent Change 1950-60	Percent Change 1960-70	Net Migration 1950-60	Net Migration 1960-70 [2]	Net Migration Rate 1950-60	Net Migration Rate 1960-70
United States	151,325,798	179,323,175	203,184,772	+18.5	+13.3	N.A. [3]	N.A. [3]	N.A. [3]	N.A. [3]
Appalachian Region	17,378,110	17,726,567	18,212,232	+ 2.0	+ 2.7	-2,201,899	-1,069,600	-12.7	- 6.0
Appalachian Portion of:									
Alabama	1,860,829	1,982,286	2,137,278	+ 6.5	+ 7.8	-205,723	-72,800	-11.1	- 3.7
Georgia	619,766	675,024	813,596	+ 8.9	+20.5	-65,722	+55,800	-10.6	+ 8.3
Kentucky	1,072,750	922,152	875,922	-14.0	- 5.0	-340,759	-146,900	-31.8	-15.9
Maryland	189,701	195,808	209,349	+ 3.2	+ 6.9	-14,751	-2,100	- 7.8	- 1.1
Mississippi	426,076	406,187	418,644	- 4.7	+ 3.1	-90,324	-34,700	-21.2	- 8.5
New York	917,490	1,000,064	1,056,367	+ 9.0	+ 5.6	-35,050	-34,300	- 3.8	- 3.4
North Carolina	881,560	939,740	1,037,212	+ 6.6	+10.4	-84,691	-5,300	- 9.6	- 0.6
Ohio	1,035,058	1,119,555	1,129,350	+ 8.2	+ 0.9	-46,387	-75,700	- 4.5	- 6.8
Pennsylvania	5,784,652	5,930,784	5,930,303	+ 2.5	- 0.0	-538,715	-370,300	- 9.3	- 6.2
South Carolina	523,265	586,523	656,219	+12.1	+11.9	-40,593	-4,100	- 7.8	- 0.7
Tennessee	1,529,762	1,607,689	1,733,661	+ 5.1	+ 7.8	-174,658	-46,000	-11.4	- 2.9
Virginia	531,649	500,334	470,094	- 5.8	- 6.0	-117,815	-73,400	-22.2	-14.7
West Virginia	2,005,552	1,860,421	1,744,237	- 7.2	- 6.2	-446,711	-259,800	-22.3	-14.0

[1] Census of Population figures represent population as of April 1 of census year.

[2] Net migration for 1960-1970 is estimated on the basis of actual 1960-68 resident births and deaths and 1969-1970 provisional data adjusted for residence by regional allocation. The 1960-1970 birth data used for the net migration estimate are not adjusted for underregistration; when this adjustment is made, net outmigration for the region as a whole would be increased by about 30,000, resulting in a net outmigration for 1960-1970 of approximately 1.1 million.

[3] Not applicable.

Updated and revised 3/10/71

TABLE 2: POPULATION CHANGE IN APPALACHIA AND U.S., 1960-1970

	POPULATION 1960 [1]	POPULATION 1970 [1]	POPULATION CHANGE 1960-1970 Number	Percent	PERCENT OF APPALACHIAN POPULATION 1960	1970
U.S.	179,323,175	203,184,772	23,861,597	+13.3%	-	-
APPALACHIA	17,726,567	18,212,232	485,665	+ 2.7	100.0%	100.0%
NORTHERN	8,792,797	8,796,326	3,529	+ 0.0	49.6	48.3
CENTRAL	1,539,578	1,375,698	-163,880	-10.6	8.7	7.6
SOUTHERN	5,511,092	6,050,545	539,453	+ 9.8	31.1	33.2
HIGHLANDS	1,883,100	1,989,663	106,563	+ 5.7	10.6	10.9

[1] Census of Population, 1960 and 1970.

Updated and revised 3/10/71

TABLE 3: 1960-1970 POPULATION CHANGE IN APPALACHIAN COUNTIES CLASSIFIED BY SIZE OF URBAN POPULATION

CLASSIFICATION OF COUNTIES BY SIZE OF URBAN POPULATION IN 1960		TOTAL POPULATION		POPULATION CHANGE 1960 - 1970	
CLASS	SIZE OF URBAN POPULATION	1960[1]	1970[1]	NUMBER	PERCENT
5	Metropolitan (SMSA)[2]	7,316,659	7,570,433	+253,774	+3.47%
4	Over 50,000	1,584,095	1,607,070	+ 22,975	+1.45
3	25,000-50,000	1,682,388	1,768,727	+ 86,339	+5.13
2	10,000-25,000	2,543,318	2,648,209	+104,891	+4.12
1	2,500-10,000	2,936,934	2,975,471	+ 38,537	+1.31
0	Less than 2,500 (RURAL)	1,663,173	1,642,322	- 20,851	-1.25
APPALACHIA		17,726,567	18,212,232	+485,665	+2.74

[1] Census of Population, 1960 and 1970

[2] Metropolitan counties are those which are all or part of Standard Metropolitan Statistical Areas (SMSAs). SMSAs are metropolitan areas (designated by the Office of Management and Budget) which include either:
(a) one city of at least 50,000 population, or
(b) two cities (with contiguous boundaries) which have a combined population of at least 50,000 and which constitute a single community for general economic and social purposes. The smaller of these two cities must have a population of at least 15,000.

Updated and revised 3/10/71

TABLE 4: PER CAPITA PERSONAL INCOME
IN THE UNITED STATES AND APPALACHIA 1959-1968[1/]

	1959		1962		1965		1966		1967		1968	
	Income	Percent of U.S.	Income	Percent of U.S.	Income	Percent of U.S.	Income	Percent of U.S.	Income	Percent of U.S.	Income	Percent of U.S.
UNITED STATES	$2,161	100.0	$2,368	100.0	$2,763	100.0	$2,965	100.0	$3,161	100.0	$3,425	100.0
APPALACHIA	1,663	77.0	1,791	75.6	2,147	77.7	2,323	78.3	2,480	78.5	2,698	78.8
NORTHERN	1,919	88.8	2,040	86.1	2,428	87.9	2,614	88.1	2,797	88.5	3,023	88.3
CENTRAL	1,048	48.5	1,128	47.6	1,385	50.1	1,500	50.6	1,636	51.8	1,811	52.9
SOUTHERN	1,491	69.0	1,653	69.8	2,002	72.5	2,183	73.6	2,303	72.9	2,523	73.7
HIGHLANDS	1,463	67.7	1,574	66.4	1,878	68.0	2,039	68.7	2,204	69.7	2,405	70.2

1/ Per capita personal income is computed by dividing total personal income estimates (from the Office of Business Economics, Department of Commerce) by population estimates (obtained by interpolation based on the 1960 and 1970 Censuses of Population).

Updated and revised 3/10/71

TABLE 5: PER CAPITA REAL INCOME
(PER CAPITA INCOME ADJUSTED FOR INFLATION)
IN THE UNITED STATES AND APPALACHIA 1959-1968[1/]

	1959		1962		1965		1966		1967		1968	
	Purchasing Power	Percent of U.S.	Purchasing Power	Percent of U.S.	Purchasing Power	Percent of U.S.	Purchasing Power	Percent of U.S.	Purchasing Power	Percent of U.S.	Purchasing Power	Percent of U.S.
UNITED STATES	$2,133	100.0	$2,257	100.0	$2,540	100.0	$2,662	100.0	$2,766	100.0	$2,888	100.0
APPALACHIA	1,642	77.0	1,707	75.6	1,973	77.7	2,085	78.3	2,170	78.5	2,275	78.8
NORTHERN	1,894	88.8	1,945	86.1	2,232	87.9	2,347	88.1	2,447	88.5	2,549	88.3
CENTRAL	1,035	48.5	1,075	47.6	1,273	50.1	1,347	50.6	1,431	51.8	1,527	52.9
SOUTHERN	1,472	69.0	1,576	69.8	1,841	72.5	1,960	73.6	2,015	72.9	2,127	73.7
HIGHLANDS	1,444	67.7	1,500	66.4	1,726	68.0	1,830	68.7	1,928	67.9	2,028	70 2

1/ Per capita purchasing power is per capita income from Table 4 expressed in 1958 dollars to reflect changes in the cost of consumer goods. Personal Consumption Deflators used to make this adjustment were furnished by the Office of Business Economics, Department of Commerce.

Updated and revised 3/10/71

TABLE 6

TRENDS IN APPALACHIAN UNEMPLOYMENT RATES
AND ANNUAL RATES OF CHANGE IN TOTAL WORK FORCE AND EMPLOYMENT, 1965 - 1969 [1/]

	Unemployment Rate					Work Force Annual Rate of Change				Employment Annual Rate of Change			
	1965	1966	1967	1968	1969	1965-66	1966-67	1967-68	1968-69	1965-66	1966-67	1967-68	1968-69
United States	4.5%	3.8%	3.8%	3.6%	3.5%	+1.8%	+2.1%	+1.8%	+2.5%	+2.5%	+2.0%	+2.1%	+2.6%
Appalachia Region	5.1	4.3	4.6	4.2	3.9	+2.8	+1.3	+0.7	+2.3	+3.6	+1.0	+0.9	+2.8
Appalachian Portion of:													
Alabama	4.5	4.2	4.5	4.4	3.8	+4.3	+1.7	- 0.4	+1.9	+ 4.6	+1.6	0.5	+ 2.5
Georgia	5.0	4.2	4.8	4.2	3.8	+5.6	+3.2	+2.5	+3.0	+16.9	+2.5	+ 3.2	+ 3.5
Kentucky	10.5	9.6	9.1	8.7	7.5	+0.5	+1.3	- 1.8	+6.4	+ 1.5	+1.9	- 1.1	+ 7.7
Maryland	5.7	4.6	5.2	5.8	5.3	+4.6	+5.3	- 1.4	+0.4	+ 5.7	+4.6	- 2.0	+ 0.9
Mississippi	5.8	4.5	4.8	5.2	3.4	+3.0	+1.0	+1.1	+ 3.3	+ 4.4	+0.7	+ 0.7	+ 5.3
New York	4.3	3.5	3.7	3.7	4.0	+3.5	+1.5	- 1.0	+0.9	+ 2.9	+1.3	- 1.0	+ 0.6
North Carolina	4.4	3.6	3.9	3.3	3.0	+3.0	+1.7	+2.1	+2.8	+ 3.8	+1.9	+ 2.8	+ 3.1
Ohio	5.6	4.9	5.2	4.6	4.5	+2.4	+0.5	+0.4	+1.5	+ 3.4	+0.1	+ 1.1	+ 1.7
Pennsylvania	4.4	3.6	4.0	3.4	3.0	+2.2	+1.2	+1.0	+1.9	+ 3.1	+0.8	+ 1.2	+ 2.5
South Carolina	3.9	2.9	3.7	3.4	3.0	+5.4	- 0.3	+2.3	+3.8	+ 6.5	-1.1	+ 2.6	+ 4.3
Tennessee	4.2	3.7	4.4	4.0	3.7	+4.2	+2.6	+1.1	+3.8	+ 4.8	+1.8	+ 1.5	+ 4.1
Virginia	5.4	4.4	4.9	4.9	4.8	-0.0	+2.0	+0.2	+1.7	+ 1.0	+1.5	+ 0.2	+ 1.8
West Virginia	7.9	6.6	6.3	6.2	5.5	+1.3	- 0.1	+0.5	+1.7	+ 1.9	+0.2	+ 0.5	+ 2.5

[1/] State and regional estimates from State Bureaus of Employment Security.
National estimates from Bureau of Labor Statistics, U.S. Department of Labor.

Updated and revised 3/10/71

TABLE 7: WORK FORCE, EMPLOYMENT AND UNEMPLOYMENT
IN MAJOR APPALACHIAN LABOR MARKET AREAS
1969 AND 1970

Major Labor Market Areas	Work Force (in thousands)		Employment (in thousands)		Unemployment (in thousands)		Unemployment Rate	
	1969	1970	1969	1970	1969	1970	1969	1970
Total: U.S. (150 areas)	55,292.6	55,398.8	53,507.5	52,951.2	1,785.3	2,447.6	3.2%	4.4%
Total: Appalachia (16 areas)	2,748.5	2,769.2	2,662.0	2,657.6	86.6	111.6	3.1	4.0
Birmingham, Ala.	299.0	305.0	288.5	292.9	10.5	12.1	3.5	4.0
Binghamton, N.Y.	124.2	124.0	119.8	118.6	4.4	5.4	3.5	4.3
Asheville, N.C.	64.3	64.8	62.8	62.6	1.6	2.2	2.4	3.4
Steubenville-Weirton, Ohio	64.0	64.1	62.1	62.0	2.0	2.2	3.1	3.4
Altoona, Pa.	54.8	55.8	53.0	53.5	1.8	2.3	3.2	4.1
Erie, Pa.	111.6	114.2	108.3	110.0	3.3	4.2	3.0	3.7
Johnstown, Pa.	93.8	95.7	89.6	90.6	4.2	5.1	4.5	5.3
Pittsburgh, Pa.	973.9	974.6	949.4	940.3	24.4	34.3	2.5	3.5
Scranton, Pa.	99.6	101.5	95.6	96.0	4.1	5.5	4.1	5.4
Wilkes-Barre-Hazelton, Pa.	140.1	143.3	134.8	135.9	5.3	7.4	3.8	5.2
Greenville, S.C.	142.8	145.3	139.0	140.2	3.8	5.1	2.6	3.5
Chattanooga, Tenn.	147.6	146.0	143.4	140.4	4.2	5.6	2.8	3.8
Knoxville, Tenn.	172.6	173.6	168.0	167.9	4.7	5.7	2.7	3.3
Charleston, W. Va.	94.8	93.2	90.7	88.4	4.0	4.7	4.2	5.0
Huntington-Ashland, W. Va.	97.3	98.7	92.2	92.3	5.1	6.4	5.2	6.5
Wheeling, W. Va.	68.3	69.5	64.9	66.1	3.4	3.4	5.0	4.9

1969 and 1970 figures are 10-month averages, January through October.
1970 figures are preliminary figures.
Employment and unemployment figures may not add to total work force due to rounding.
Source: Area Trends in Employment and Unemployment, Manpower Administration, U.S. Dept. of Labor.

Updated and revised 3/10/71 .

Mr. WIDNER. Mr. Clausen, your long interest in the subject, I think, and some of the arguments you have made in the past are borne out by what is beginning to happen.

If you can think of a region made up largely of a very dispersed population, but a very dense one, with very small communities, what we are beginning to see is a tapering off of the outmigration, about half as much in the last decade as in the previous one, and a changing of the population distribution within local areas.

There are people beginning to settle in closer to the small communities. The small communities are growing, but the outlying areas are tending to empty out a little bit.

The more isolated homesteads are emptying out. We find a very curious thing happening in Appalachia. The big, metropolitan areas are not the fastest growing areas any more. Our faster growing areas are the 25,000 to 30,000 range.

You can go all the way up through the spine of Appalachia and see this happening in town after town.

There are smaller sized communities like Tupelo, Miss., that are doing extremely well. It does not mean the people are moving right into town. They may be 5 miles out of town in a large subdivison, but by and large they are coming off the land of the submarginal farms they used to work and are working in manufacturing plants in the town. Whenever we talk about it, we think of new industrial employment. We find that is not the whole problem.

In Appalachia, a third of our labor force is in manufacturing, compared to a fourth nationally.

Where we are weak is in services, and it is very hard in a small community to support a hardware store, barbershop or hardware appliance store if you do not have enough people locally to be served by the store. It is not a profitable operation.

The people cannot support a full heirarchy of services. As a result, they tend to go down in favor of some town 10 miles away that is larger and has a full set of services. We tried to find a way to solve that problem. We have been working with the bankers and variety of other sources of capital in Appalachia to see if we can pool enough investment capital to create a full range of services in selected places within each one of these multicounty districts.

We now have our first licensed small business investment corporation in one of these districts. It is going to try it in Tennessee.

We have 74 banks in West Virginia that pooled their capital to build housing. In this way, by pooling the resources of capital together among many small communities, we can create something that is competitive to what you find in a bank in a middle-sized city. In that way, you build up a heirarchy of service. You provide access to all the people in the surrounding areas so they get service.

Some towns are going to be the logical educational center. Others, the wholesale centers, and within the district, we can provide a full range of services with these things planned carefully with each of these things in the area.

We think out of this experience we have learned that rural America can be revitalized providing you recognize the need for restructuring the means we use to provide services.

Mr. CLAUSEN. I am more than happy to have that kind of a response, because as we give consideration to a restructuring of our Federal system, it has to take into account, and this is something we discussed in depth, it has to take into account those problems unique to a given area and I am more than pleased to see there is more and more attention given to, as the gentleman said earlier, the inputs from the grassroots up, rather than from the top down.

I have seen programs succeed and I have seen them fail and those that have, and the great success stories have been those that had their roots firmly entrenched in local communities and local people's problems and then we link then together with the kind of institutions that are necessary to help them acquire the education, development, and expand their ability to engage in enterprises, the most important of which is the transportation systems.

I am pleased to have your response and I am glad the chairman has put that copy into the record.

Mr. JONES. Mr. Dorn?

Mr. DORN. No questions, Mr. Chairman, except that I want to reiterate what my colleague, Mr. Johnson, has said. I have never seen a program in my 23 years in Congress that has had such absolute and universal support of the people. It has been a magnificent program.

Thank you, Mr. Chairman.

Mr. JONES. Mr. Clausen?

Mr. CLAUSEN. Yes.

What are we doing about the educating of people to clean up around their homes and, in effect, eradicate some of the problems that are associated with slum areas?

As I think my mother always used to say, you can excuse poverty, but you cannot excuse filth. At some point, if we are going to have the quality of life in this country, there has to be a tremendous amount of attention and effort given to possibly the kind of educational program that tells them that they can do something about pollution; they can do something about slums if they will clean up their own backyards.

Is there something going on along this line as far as your program is concerned?

Mr. WHITEHEAD. Yes; there is, Mr. Clausen. It involves more than education, more positive and affirmative direct action.

This has been a problem of particular concern to my predecessor, Mr. Waters, and I would like to ask him, for that reason, to respond to you.

Mr. WATERS. I will be happy to.

I certainly agree with your comments, Mr. Clausen, and I have lived in Appalachia all my life. One of the great things that distresses me so much is the junked car situation, the poor sanitary garbage situation and the need for sanitary landfills and garbage removal.

We have had the staff working on this time and time again and Mr. Whitehead has a summary statement here that has been prepared by the staff with some ideas and some problems.

I was just told this morning when I came into Washington to come to the office to go up here, that in Knoxville, Tenn., which is 25 miles from my home, there is one junk car for every 21 persons that live in the area.

This is typical of all the Appalachian problems because you get a lot of them and yet they are scattered.

We took a tour last June. The President told us to get out and look, and so I chartered a bus and we went through six Appalachian States.

I had a staff member on there, and I said when we left South Carolina and coming into North Carolina, I asked one of the staff members, I said, any time you are out of sight of a junk car, just holler.

Well, he never hollered. We were always at the side of a junk car, sometimes two and three. The expense to get these junked vehicles to a central place where you can use this terribly expensive equipment that you can recycle them some way or another, is very great. I do not know what the solution is.

Personally, I like the idea that somebody on the staff over there came up with, and that is that Appalachians are great people for bounties and we are looking into a system now to give a bounty on these junked cars if you get them into some kind of a central location.

I think these people that will come in on Saturday afternoons and maybe even on Sunday, occasionally, and pull one of these old vehicles out of the creek or from the side of the hill and take it somewhere and get a bounty on it. I think that they can do that much more cheaply than we, in Washington, can plan some great program with all the engineers and equipment that you have to assemble to get this kind of thing done.

But I can't be positive that is the answer either.

Mr. MIZELL. On the junked cars, are they on old roads?

Mr. JONES. They are on good roads also.

Mr. Johnson?

Mr. JOHNSON. Mr. Waters and Mr. Whitehead, have you people taken a look at the new ways of disposing of these cars? They tell me they can burn a car out for $2.50 or perhaps $2.25, but certainly not more than $2.50 and then move it into one or these processing plants where they will be able to recycle it and make a profit.

I think that is the answer, but maybe we better put a fee on the car when it is sold and put it in the bank and have it there for the cleanup, the proper pickup, and disposal of the vehicles.

These facilities I have looked at are very, very expensive, the type that they have to dispose of these cars. I am certain that research and development will soon have it. I was amazed that they could handle a car and burn it out for $2.50 a unit and then have it ready for disposal in one of these plants where they can actually recycle, reclaim the metal and make a profit out of it.

Mr. WHITEHEAD. Yes, Mr. Johnson; we have taken a look at both types of technology that are available today. The shredders which produce No. 1 quality scrap and the bailers which produce No. 2 quality scrap, and also some of the mobile flatteners that make it possible to attack the heart of the problem which, as Mr. Waters indicates, is the high cost of transporting the hulk to the processing area and eventually the steel plant.

I would like to simply add that there are two aspects of this problem.

There is first recapturing, picking up, and reclaiming, the abandoned cars.

The other aspect of the problem is to do something so that we don't continue to abandon them and continue to create a problem in the future.

We are also investigating methods and financial incentives to attack this aspect of the problem.

I have asked the staff, knowing of the interest of the chairman and some of the members, particularly of this problem. I have asked the staff to prepare a paper on the entire problem of abandoned automobiles in Appalachia, and with your permission, Mr. Chairman, I would like to submit it for the record.

Mr. JONES. Without objection, it will be received and printed in the record at this point.

(The document referred to follows:)

JUNK CARS: A SUMMARY STATEMENT

THE PROBLEM

Large numbers of junk cars can be found in the Region's streams, road sides, rural residential front yards, mine sites and city streets. At present there is little or no impetus to collect or salvage these abandoned cars, and few incentives exist to prevent owners from abandoning their cars.

PRINCIPAL FACTORS

(A) Demand for recovered scrap metal is insufficient to make the recovery of abandoned cars worthwhile. Such an undertaking would add considerably, under the present market system, to scrap processors' production costs. The greatest cost involved is that of collecting the abandoned cars. Some incentive and/or subsidy most likely at the collection stage, may be needed to effect widespread recovery of abandoned cars.

(B) At the same time steps should be taken to discourage owners from abandoning more cars. Regulations may have to be imposed in order to provide a combination of incentives and disincentives to assure that old cars would not be abandoned. Included in such a program could be, for example, an inventory tax on auto wreckers to prevent the accumulation of too many automobile hulks in their yards. Other provisions could include a $15 bounty for all cars, and changes in legal restrictions regarding titling, and impoundment.

(C) The Commission staff has provided the staff of the Committee with more detailed information.

JUNK CAR DISPOSAL

Introduction

There are two distinct aspects to the junk car problem: first, the collection and disposal of those junk cars already abandoned, and second, the prevention of the continued flow of abandoned and junk cars. The flow of junked cars begins with the last owner who either: brings the car to an auto wrecker or to a scrap processor, or simply abandons it. The auto wrecker is the second link in this chain. Although he seeks junked cars primarily for their spare parts, thus building up an inventory of abandoned hulks, if the price of scrap is sufficiently high he may deliver some of these hulks to a scrap processor. This he will do, however, only when the price he can obtain for such hulks covers the cost of transporting them to the scrap processor. While scrap processors sometimes pay for auto hulks they also receive many free, i.e., as noted above, some last owners instead of abandoning their cars, deliver them directly to scrap processors.

The two principal types of scrap processing are shredding plants, which produce scrap bundles equivalent to number one quality scrap; and baling plants which produce number two bundles of scrap metal.

The primary consumers of this processed scrap are steel producers. Their selection and use of either shredded or baled scrap depends on the type of steel being produced and the standard qualifications for the end product. The amount of scrap use in steel making depends on the quality of the scrap, the

demand for the products made from scrap, such as reinforcing rods for construction, and the trade-offs for the steel company of using scrap against iron and steel from other sources in which is has a fixed interest.

Technology and processes involved

To prepare the metal from abandoned cars for use as scrap metal, first the cars must be stripped. This requires removal from the hulk of as much of the nonferrous metal material, combustible material and other nonmetallic parts as possible. The thoroughness of the stripping job greatly influences the quality of the scrap eventually produced from the stripped cars. If done properly, it will require much hand labor.

Stripped hulks are delivered to a processing plant to be made into usable scrap. In order to considerably reduce transportation costs mobile flatteners can be brought to a site where there is a concentration of stripped hulks. Once the engine, transmission, seats, gas tank, and tires have been removed from the cars, these flatteners can reduce the volume of the hulks so that 25 to 30 flattened cars can be transported in one truckload to the scrap processing plant. Before the stripped hulks, and in some cases nonstripped hulks, are delivered to the processor, they are sometimes taken to an incinerator, where the combustible material is burned. This is but another step to improve the quality of the final scrapped product. Thus, the hulks that are finally delivered to the scrap processor may have been stripped, incinerated or flattened, or some combination thereof, or they may not have been treated at all.

Two basic processes are used to transform the delivered hulks into usable scrap. The first of these is a baling process which compresses the auto hulks into bundles of scrap, called number two bundles, that weigh between one-half and one ton apiece. The size and quality of these bundles varies, depending on the size of the hulks and the degree to which they have been stripped. There is so little consistency in content and quality of the number two bundles that they are not used for steel making processes with rigid specifications. The principal concern in such instances is the unpredictably high copper and tin content of number two bundles.

The second, and more recently developed process for producing scrap, involves the use of a shredder which hammers and tears the bulks into small fragments. The ferrous and nonferrous fragments are then separated magnetically, and the iron and steel scrap that results is comparable in quality to primary industrial scrap.

There are mobile versions of both the baling and the shredding units. The mobile balers do a job comparable to that of the stationary units. Existing mobile shredders cannot shred the auto frame and thus are not as efficient as the stationary units which consume the frame. It is known though, that the manufacturers of mobile shredders are attempting to develop a unit that is as effective as the stationary units.

Economics of shredding and baling operations

Several economic characteristics for the shredding and baling process are shown in Table 1. Given appropriate market circumstances, both processes can be profitable; however, there is greater flexibility of use, as well as higher value of the scrap product of the shredding process. The processing cost of a shredder, excluding return on investment, and without paying for the hulk but including depreciation and local taxes and subtracting $1.50 per hulk for the value of the non-ferrous metals recovered, are considerably greater than that for a baling operation.

In order to realize a return of 12 percent discounted cash flow after Federal income tax on a ten-year plant life and paying an average price of $15.40 for the hulks of cars, the shredder processors would have to sell their scrap for more than 50% of the baling process—depending on the plant size.

These estimates are quite generous, e.g., the underlying assumptions are such that any error is on the high side. Thus, since the larger shredding producers can sell their scrap for $30–$40 per ton (current market), because of the high quality of the product, they are quite profitable. Such processors can afford to pay up to $15, or so, per auto hulk. The smaller producers would not realize profit if they had to pay $15 per hulk; but many of these small producers do not pay for their hulks, since these are delivered to their door for spare parts, which also increases their revenue.

TABLE 1.—SELECTED ECONOMIC DATA FOR AUTO SCRAP PROCESSING

Capacity tons per year	Processing cost per ton	Sale price of scrap	Total plant investment
Shredding plants: [1]			
25,000	$14.00	$36.00	$600,000
50,000	8.00	29.00	870,000
100,000	5.00	24.00	1,100,000
200,000	4.00	22.00	5,000,000
Baling plants: [2]			
10,000	20.00	37.00	282,000
25,000	7.00	22.00	520,000
50,000	3.00	16.00	740,000
100,000			
200,000 [3]			

[1] For the shredding plants: 30-day supply of hulks, excluding working capital.
[2] For the baling plants: 60-day supply of hulks, excluding working capital.
[3] Plants this large handle industrial scrap and not just junk cars.

Cost estimates presented for the baling process are not strictly comparable to—nor are they as precise as—those for the shredding process. It is assumed here that the auto wreckers received the whole car from the last owner in which case they obtained more revenue from the spare parts salvaged. It is also assumed that they paid $10 per hulk for these cars in some instances. The processing costs shown in Table 1 assume the auto wrecker pays nothing for the hulk and strips the car of its spare parts. The estimates of the price per ton at which the baled scrap must be sold in order to realize a profit (same assumptions as noted above for shredding plants) include a purchase cost of $10 per hulk. This also assumes that number two scrap bundles produced are of high quality, requiring much hand labor for stripping the auto hulk. The average selling price for a number two bundle of scrap is $8 to $10 per ton less than the price of shredded scrap, largely because of quality considerations This is largely due to the fact that number two bundles include much miscellaneous material and non-ferrous metals. In addition, the standard density of number two bundles is 75 pounds per cubic foot minimum with a great variance, while the average density of shredded scrap is 70 pounds per cubic foot.

The principle disadvantage of the use of number two bundles in steel production, is the high content of nonferrous metals. There is no way to remove nonferrous metals, namely tin and copper, from the steel batch, except to dilute the batch with melted pig iron or number one scrap. This involves pouring off some of the spoiled mix, and usually it is not worth the trouble or the expense. Steel companies claim that for scrap used in carbon steels, that the copper content must be less than .15 percent. The average number two bundle has a copper content averaging .48 percent, with a range from zero to 2.5 percent. Shredded scrap, on the other hand, averages from .22 to 25 percent copper, with a maximum of .48 percent.

Shredded scrap, or number one scrap, is also used by the foundry industry in producing castings. Number two bundles are unsuitable for this process since they do not fit through the openings of the furnaces. Number two bundles can be used, however, in the production of certain steel products such as concrete reinforcing rods, for which the metallurgical specifications are quite low. This does provide a steady, although somewhat small, market for number two bundles.

Since the shredder improves tremendously the quality of the scrap produced, demand, and consequently prices have increased considerably. Since the introduction of the first shredder in 1961, the number of these processing plants has risen to 89. The capacity of the first plant was 200,000 tons per year; the current capacity of the shredding industry is 4.5 million tons per year. The consumption (production) of number two bundles during this period has declined from 7 million tons to less than 4 million tons at present.

Portable flatteners

Devised in 1966–67, these portable auto bulk flatteners permit the concentration of hulks in wreckers yards to be flattened and consolidated. The flattening crew removes the engine, transmission, seat, gas tank, tires of the abandoned cars and flattens them so that 25 to 30 hulks can be hauled per truckload. This compares very favorably with the six to seven car capacity of nonflattened cars, and transportation costs have consequently been proportionally decreased.

Abandoned cars in the region

A regional survey has not been made to determine the extent to which abandoned cars are located in auto graveyards (parcels of land used for dumping cars and not part of a wrecker or scrap business), along roads, streambeds, unreclaimed mine areas and in the yards of residential areas. However, the Region contains four case study areas, out of a total of 54, used to determine the magnitude of the national junk car disposal problem by the Bureau of Mines in 1965.

Pittsburgh, Pennsylvania, was one of these areas, and it was found that at any one time there were approximately 4,000 cars abandoned or derelict cars on the city's streets or on private residential property within the city.

The Knoxville SMSA (City of Knoxville and remainder of Knox County, Tennessee) was another case study area, and there it was found that approximately 3,900 cars were abandoned in auto graveyards, residential property and in the rural areas. Nearly half of these were located in the City of Knoxville. In the rural areas of Knox County, it was determined that the ratio of abandoned cars to population was 1 : 21. In other words, for every 21 persons, or say five families, there is one abandoned or derelict car indiscriminately junked someplace.

Two other primarily rural areas in the Region were included in this survey. One, Fayette and Green Counties in southwestern Pennsylvania. Auto graveyards in these counties contained 1,570 abandoned cars, and county road employees counted an additional 5,000 abandoned cars in the area. Thus, a total of 6,570 abandoned cars were accumulating in an area within 50 miles of a major steelmaking center, Pittsburgh.

The other rural area comprised of Lewis, Rowan, Elliot and Carter Counties, is located in northwestern Kentucky, immediately west of Ashland, Kentucky. Here it was estimated that the ratio of abandoned cars to population was 1 : 40 and nearly 1,300 cars were scattered through the area. Most of these, 1,000, were estimated to be located on farms or property outside of the small communities.

If these rural and urban areas studied are typical of the Region, then the prevalence of abandoned cars is quite high, especially when compared to most other areas of the Nation.

Constraints

There are several reasons which explain the present workings of the market system with regard to junk cars. A primary economic factor is that the low price paid for hulks provide a negative economic incentive for the recovery of junk cars. In other words, in urban areas, people must pay to have their junk cars towed away resulting in abandonment on the streets as the usual course. In rural areas, where the same conditions exist, cars are abandoned either on rural housing premises or in other areas such as side-of-the-road unreclaimed mined areas, etc. The use of a subsidy to pay for abandoned bulks could remove all reasonable costs within the system. In other words, there would be no excuse for not bringing junk cars to shredders or balers; this would remove the costs of abandonment in urban and rural areas.

Equally important, however, there are many non-economic factors which contribute to the junk car problem. One of these is the resistance by wreckers to reduce the size of their inventories, since they view these as sources of spare parts. Perhaps the most important factor is the motivation which leads people simply to abandon their cars, just for the psychological pleasure of doing so, even though they could perhaps recover $15 for the hulk if brought to a shredder or a wrecker.

Perhaps the most hope in reducing the junk car problem lies in removing any negative economic incentives which exist in the system. This, along with strong enforcement of laws (for example, an inventory tax charge to wreckers of $15 per hulk beyond a certain inventory level), and a subsidy to raise prices for hulks so that wreckers will take them even without salvageable spare parts, would go a long way in helping to solve the problem. There are, however, some technological advances which are helping to alleviate this situation. One of these is the use of trucks in tandem to lift abandoned cars from city streets and unload them for removal. This process is now being used in New York City and, in fact, is sufficiently profitable that in three of the five boroughs, companies are paying the city to be able to do this. Another serious constraint on the recovery of a junk car, are the legal and legislative restrictions regarding titling and impoundment, for example, requiring cars to be kept for 30 days in impoundment lots before proceedings can begin to scrap them.

This is changing, however, in some states at this time. In rural areas, such as many Appalachian areas, the problem of abandoning cars is much more serious, because it is compounded by property rights. Cars dumped on private property or kept by individuals on their own property must remain there, and may not be removed by any public authority unless the owner either requests it specifically, or there are sufficient assurances that owners will not take legal action (trespass, etc.) against the groups removing such cars.

The cost of collecting junk cars is the major expense involved in tackling this problem. If a public group, for example, a county, decides to remove all existing abandoned cars, their principal expense would be collection of all hulks in one central location. Some experience has shown that once this was done, a mobile flattener would be more than willing to flatten and ship all of these hulks to a scrap processor. There has been considerable profit in this venture, for the flattener and/or for the county involved, depending if the revenue was split. This has been done in several areas, and with much of the collection work having been accomplished with volunteer help.

Mr. JOHNSON. In the research program that you have now or the information that you are receiving, is there any round figure that we can use as a cost for picking up this vehicle and getting it into some center for final disposal?

Mr. WHITEHEAD. Yes; I have some cost figures.

We have put together a basic approach examining what it would look like, whether or not we would have something economically feasible, if a bounty of $15 a car were offered. It depends on a number of factors.

Mr. JOHNSON. I am sure it does.

Mr. WHITEHEAD. Naturally enough, process economics first of all depends on whether you are using a shredding process or the bailing process.

The bailing process is the one that simply compresses the hulk after the engine block and the wheels have been removed. This process is the cheapest.

However, it produces the lesser grade product because there are many nonsteel impurities, particularly tin, included in the bale.

The technology of the steel industry has not yet developed to the point where they can economically draw off that tin from the steel-melting pot.

The shredding process is one which breaks the car up and by a series of magnets, separates the steel from other metals and nonmetallic substances.

These are the more expensive machines, but it produces the higher value scrap.

Another factor, of course, is the capacity of the plant itself.

For a processing plant which operates on a shredder basis, the processing costs of a shredder, excluding return on the investment and without paying for the hulk, that is, paying nothing for the hulk, but including depreciation and local taxes, and subtracting $1.50 for the hulk, for the price of the metals recovered, the prices are as follows:

For a plant with a capacity of 25,000 tons, the cost is $13.60 a ton.

For a plant with 50,000-ton capacity, the processing cost is $8.46 a ton, and so on.

These figures are all given in this report. We have concluded that if we did offer a bounty of roughly $15 a hulk, that a plant with a capacity of 10,000 tons a year could realize fair profit when scrap is sold at $36.50 a ton; that for a plant with a capacity of 25,000 tons a

year, such a profit would be realized when scrap is sold at $21.50 a ton.

For a plant with a capacity of 50,000 tons a year, the profit can be realized when scrap is sold for only $16.30 a ton. There are many variables to be considered.

Obviously, this is an area where anyone would have to be prepared to go carefully before making decisions. It depends a great deal on advancing technology in the steel industry, the amount of the capital investment that the community is prepared to make, the type and capacity processing of equipment utilized, and the varying costs of scrap, together with the very critical cost of transporting the hulk to the processing plant, and either the compressed or shredded hulk to the steel plant.

Mr. JONES. Are there further questions?

I am pleased to announce the chairman of our committee, Mr. Blatnik, is visiting with us this morning.

We are very pleased to have you, Mr. Chairman.

We have concluded the witnesses today.

If there are no further questions, I would like to announce on tomorrow, we will have Governor Moore, of West Virginia, who is the State's cochairman of the Appalachian Regional Commission, along with Members of the Congress.

Now, the Chair would like to have unanimous consent that any Member, on reflection or study of the testimony that has been submitted here today, if he has any interrogatories he would like to pursue, if he will place them with the clerk of the subcommittee, we will have them properly presented to the witnesses who have been here today.

With that, our hearing is concluded for the day and the subcommittee will stand in adjournment until tomorow morning at 10 o'clock.

(Whereupon, at 11:15 a.m., the subcommittee was recessed, to reconvene tomorrow, Tuesday, March 16, 1971, at 10 a.m.)

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1971

TUESDAY, MARCH 16, 1971

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FLOOD CONTROL AND INTERNAL
DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 10:10 a.m., in room 2251, Rayburn Building, Hon. Robert E. Jones, subcommittee chairman, presiding.

Mr. JONES. The subcommittee will come to order.

In order to accomodate one of our members, and since the Governor has not arrived, we will be pleased to have our associate and colleague, Roy Taylor of North Carolina, who has been so conspicuous in the works of Appalachia—and let me say that we are pleased to hear from you, Congressman.

STATEMENT OF HON. ROY A. TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. TAYLOR. Thank you, Mr. Chairman.

It happens that one of your subcommittee members, Mr. Johnson, and I are supposed to appear before the Administration Committee in justification of our subcommittee expenditures just a little bit later this morning.

I was not in quite this big a hurry, however.

Now, Mr. Chairman, I would like to express to you and members of this subcommittee for providing hearings on legislation that I introduced and similar legislation introduced by other Congressmen authorizing a 4-year extension of the Appalachian Regional Commission.

In the absence of new legislation, the Commission which has administered the 13-State regional development program during its 6 years of operation, will expire on June 30, 1971.

I have been disturbed by reports that the President's revenue-sharing plan calls for the dismantling of the Appalachian program after 1 more year of operation and the inclusion of the $280 million annual appropriation to the Appalachian program into the President's proposed $1 billion pool for rural development.

The Appalachian program was established by Congress to meet the special needs of the Appalachian region and should not be engulfed in and eliminated by the revenue-sharing plan.

I am convinced that the Appalachian program has made more progress per dollar spent in the district that I represent in Congress than has any other Federal program. The Appalachian program has

already made an impact on economic conditions in Appalachia by attracting industry and tourism, by better roads, airports, and vocational educational facilities.

Outmigration from the Appalachian area has been reduced from 2.2 million between 1950 and 1960 to 1.4 million between 1960 and 1970. We want to stop this outflow of young talent from the Appalachian area and ease the problems of our large cities by providing opportunities for work and a good life available right at home.

Of the 2,571 miles of Appalachian corridor highways authorized, about 20 percent have been completed, another 15 percent is under construction, and 93 percent of it is in some stage of development or planning. To stop this road program now would be folly. The Appalachian program was conceived and approved by Congress as a unique and innovative effort to meet the special needs of the Appalachian region. It is not right and not fair to Appalachia that funds authorized by Congress for this regional program be made a part of a nationwide pool for revenue sharing.

This program is one of the Nation's best examples of teamwork by Federal, State, and local units of government. In my opinion, it is the best administered program in Washington.

Its strength, in part, lies in its adaptability from State to State—each State using it to solve its own problems and to meet its own needs. Improvement programs originate locally and are approved by the Governor of the State and brought by the Governor or his representative to the Appalachian Commission.

The Appalachian program has permitted national goals to be translated into workable programs to meet local needs. It is providing hope and economic uplift to an important section of our Nation, and it deserves the continued support of Congress.

Mr. HARSHA. Will the gentleman yield?

As a matter of fact, isn't it true you do not get a project until the local people decide they want one and it is there the initiative is taken and the incentives for pushing the application further starts right at the grassroots level?

Mr. TAYLOR. The gentleman is 100 percent correct. All the projects originate at the grassroots level. They originate in a county or town where they see they need a new vocational educational facility, a new technical training center, or a new airport or new hospital.

The Appalachian program is brought in to aid other programs in securing this. It originates locally. It is approved by the Governor after study and he brings it to the Appalachian Commission here in Washington.

Just one more statement and I will be through.

It is right now in the center of completing its planned operations and I think it would be just a shame to kill it and stop it at this stage.

Mr. JONES. Mr. Taylor, the Senate has passed a bill that provides for a 4-year extension.

Do you have any notion as to the length of time that you would suggest for the extension?

Mr. TAYLOR. Mr. Chairman, the bill that I introduced, H.R. 5071, is modeled after the bill introduced by Senator Randolph.

It provides for a 4-year extension and I hope that that will be the type of legislation that this committee would see fit to approve.

Mr. JONES. Any further questions?

Mr. CLAUSEN. No questions. I just want to welcome our distinguished chairman of the Parks and Recreation Subcommittee of the Interior Committee before this committee. It is a bit interesting and a bit ironic that the comments he has made are very consistent with points that I have made, Mr. Harsha has made, and other members of the committee have made on this matter of outmigration and trying to reverse the trend and stabilize the population.

It appears as though we are again in full accord. We appreciate very much your contribution.

Mr. TAYLOR. Thank you, Mr. Clausen.

Mr. JONES. Thank you. We are certainly obliged to you, and we know of your great devotion to this legislation and its administration.

Mr. Johnson?

Mr. JOHNSON. I just want to commend Congressman Taylor for his very forthright statement here. I agree with him 100 percent. I think it is one of the best programs that has been in operation as far as I know.

I think the purpose and the intent is being carried out and I think your statement points this up and it should be a continuing program.

I agree with you that 4 years would be an adequate time to extend the program for another 4 years.

Mr. TAYLOR. Thank you, Mr. Johnson.

I might just add that Evans and Novak in their syndicated column stated that the Appalachian program had been the most successful of all the Great Society programs.

Mr. HARSHA. Mr. Chairman, I would like to join the other members of the subcommittee in commending the distinguished gentleman from North Carolina for a very effective and fine statement.

He has a unique comprehension of this program and we have had the benefit of his judgment and continued support since we initiated this program several years ago.

Your judgment weighs very heavily in this subcommittee in its deliberations.

You have made a significant contribution. Let me again commend you.

Mr. JONES. Mr. Dorn?

Mr. DORN. I just want to say to my colleague and neighbor, our districts join for a great number of miles right in the heart of this Appalachian region, and it is really wonderful how your counties are developing and opening up some of the most beautiful scenery in the world.

This program has been the greatest that I have known since being in the Congress. We appreciate your interest in it.

Mr. TAYLOR. Thank you.

Mr. DORN. I want these folks to come down and see your district and see what has been done. It is great down there.

Thank you, Roy.

Mr. KEE. Mr. Chairman?

Mr. JONES. The gentleman from West Virginia.

Mr. KEE. Mr. Chairman, I would like to take this opportunity to go on record in support unanimously with my colleagues on the committee here to commend Mr. Taylor for his excellent presentation. He has been a supporter since we first started.

What you have said boils down to one sentence: It is that this committee has made a commitment to the Federal Government, to the

people of Appalachia, and it is our obligation to continue that commitment.

Mr. TAYLOR. I thank the gentleman and I like the way he expressed that.

I think that our Government has to a certain extent made a commitment to the people there to carry a program and we have just done the job halfway now and I think we should finish it.

Mr. JONES. Thank you very much.

We are obliged to you for your testimony.

Our next witness, and it is my good fortune as chairman to introduce one of our former associates who served here with great honor and distinction. I used to call him my chief justice because I permitted him to advise me legally on what I should do and what I should not do.

He is now serving as Governor of the State of West Virginia and he is also serving as the State's cochairman of the Appalachian Regional Commission.

He is rather unique, in not only the relationship between the State Commission and the administration of the Federal cochairman, but it is equally rewarding an impression to have the State cochairman to be intimate in his dealings with the committees of the Senate and House Public Works Committee in transmitting to them from time to time the total aspirations of the people; how they can scheme and devise methods of making improvements in their communities as we all sought in the original act of 1965.

It is my great pleasure this morning to receive on behalf of the committee the Honorable Arch A. Moore, the Governor of West Virginia.

Governor Moore has with him Mr. John D. Whisman, who is secretary to the State cochairman.

Mr. HARSHA. Mr. Chairman, I would like to join on behalf of you and the minority in welcoming the cochairman.

As you indicated, he has a long and distinguished service in the Congress of the United States and has been a wonderful administrator in the State of West Virginia.

He speaks today not only on behalf of the Governors in the various States involved in Appalachia, but the people involved also.

I think this morning we will get directly from the horse's mouth the reaction of people and the Governors who become involved in this.

I look forward to hearing Governor Moore and want to welcome him again before this committee.

Mr. JONES. Mr. Harsha, you made one error. You said you were speaking for the minority. There is no minority as far as Appalachia is concerned.

Mr. Kee?

Mr. KEE. Mr. Chairman, I would like to join in welcoming my Governor. He appears before this committee and, as a matter of interest, the last time Governor Moore testified I never heard a man appear before this committee who was more knowledgeable and I really will tell you a little something that happened afterward.

After your last appearance before this committee, you remember the West Virginia Chamber of Commerce was going to have a meeting. I made a few remarks about you and when I returned home the

first thing I round out, they accused me of being your campaign manager.

I said a man that has that ability and the knowledge and the know-how that he has, I consider that an honor and pleasure and I am for him all the way.

It's good to have you, Arch.

STATEMENT OF HON. ARCH MOORE, JR., GOVERNOR OF THE STATE OF WEST VIRGINIA; ACCOMPANIED BY JOHN D. WHISMAN, STATES' REGIONAL REPRESENTATIVE, APPALACHIAN COMMISSION

Governor MOORE. Mr. Chairman, I think now you realize and I would hope that in the manner in which this observation is made, perhaps it would not be in the record why I signed the redistricting bill, which was obviously favorable to Congressman Kee in his re-election efforts in the State of West Virginia.

Mr. JONES. We appreciate the fact that your legislature is in session and you came today with great difficulty. We appreciate your being here.

Governor MOORE. Mr. Chairman and members of the committee, a great number of which have added immeasurably to my education in what an effective and competent Member of the House of Representatives should be made up of, and I deeply appreciate the opportunity to appear before your subcommittee this morning, and particularly as it relates to the Appalachian Regional Commission.

I have what might be considered a rather lengthy statement and I would like to emphasize points that go to this program, because I believe, as I have heard the observations made here this morning, we all have a great deal of respect for the Appalachian Regional Commission program, regardless of party designation or regardless of the areas or the complexion politically of the States involved.

Mr. Chairman, I appear before you today on behalf of the Governors of the 13 Appalachian States to urge a 4-year extension of the Appalachian Regional Development Act, whose authorization would otherwise expire on June 30, 1971.

The Governors of the Appalachian States met on February 5 in West Virginia to discuss the future of the Appalachian regional development program. They adopted the following statement:

> In his budget recommendations for Fiscal 1972, the President has proposed the consolidation of a number of programs, including those authorized under the Appalachian Regional Development Act, to form the basis for sharing Federal revenues with the State governments to support rural development revenue-sharing.
>
> We fully support the basic concept of Federal revenue-sharing and we believe the Appalachian program has been one of the finest demonstrations of how States and communities can make more effective use of shared Federal revenues through block grants rather than categorical grants. In addition, we believe that the Appalachian local-State-Federal partnership structure allows a "decision sharing" mechanism which provides benefits in the shared management of many programs in a way not provided by revenue-sharing alone.
>
> Based on this State-Federal experience, we will be pleased to work with the administration in developing specific recommendations for submission to Congress.

The President's budget contemplates an extension of the Appalachian Regional Development Act to permit the continuation of the vital programs authorized under this legislation. We unanimously concur that the Appalachian Act must be extended in order to complete the tasks for which this State-Federal partnership was initially created. We believe that many of these tasks can be finished within four years, and therefore unanimously recommend to the President and Congress that the 4-year extension of the Act be approved.

We recommend a 4-year extension of the Appalachian Regional Commission because the job the Commission set out to accomplish in Appalachia is not yet finished and because we know this program is continuing to demonstrate an approach to problem solving which is greatly needed and can be most beneficially applied throughout the Nation.

The creation of this program in 1965, represented a great commitment to the people—to the people—of this region. The commitment has brought unprecedented action. But the work is not done. Problems which have been generations in the making are now on their way to solution. But we must not stop midway in the job.

We have made a good start; signs of progress are heartening and increasingly evident. This has been one of the most affective programs since its inception. Public dollars are being concentrated effectively on real problems—on priority problems—in the Appalachian program.

Today, I strongly recommend to this committee that it give us, the Governors of the Appalachian region, the authority to finish the tasks in Appalachia that we set out to accomplish. The recent action of the Senate in approving Appalachian extension legislation is most encouraging. As a former member of this House, I look forward hopefully to your consideration and completion of the congressional authorization for the continuation of our program. As one of the Appalachian Governors, I can pledge to you the action for development to justify the confidence of the Congress.

Mr. Chairman, let me strongly emphasize that I am not here simply to ask for Federal aid, or Federal intervention, in Appalachia. The Appalachian regional development program is a partnership program—it demanded a partnership commitment from Governors and State and local leaders as well as from Federal agencies.

That commitment has been met to a much higher degree by the State and local governments of Appalachia than is generally known—it may well be one of the greatest unsung proofs of success of this program which has already been recognized for many other reasons.

At the outset, it was the initiative of the Governors—in direct response to the needs and leadership activities of local people—that brought the Appalachian program into being. The program was proposed to the President and to the Congress by the Council of Appalachian Governors which had already organized itself and had begun to take action to the limit it could do so without Federal participation.

But, in addition to the initiative of the Governors in coming up with a totally new approach to making the Federal system work in terms of our modern problems and opportunities, the commitment was strongly expressed in a pledge to extra effort made prior to the proposal for special organization and action by the Federal establishment.

For instance, the determination that the fundamental priority in treating the crisis problems of Appalachia's people would be to relieve their isolation and to link the area to the commerce and transportation

of the Nation, was a priority in a completely comprehensive plan of regional development formulated and adopted by the Council of Appalachian Governors, even prior to the establishment of the President's Appalachian Regional Commission on April 9, 1963.

More than that, the Governors had pledged themselves to the use of State resources in building the highway system which had been designed through the cooperative work of the State highway departments and the U.S. Bureau of Public Roads.

In 1963, every one of these States faced critical fund shortages for highway construction; severe unmet statewide needs for highway improvements; and a maximum effort burden in carrying forward the aggressive highway programs already in operation in the State, Federal aid, and interstate highway development programs.

In spite of this situation, the Governors pledged to find the extra funds and to increase the productive capability of their beleaguered highway departments, to meet the cost in money and manpower of producing the complete Appalachian development highway system on an accelerated basis.

What has been the record? The Governors and their States have far exceeded that original commitment. In careful consultation with the Congress, the partnership commitment was provided for in the Appalachian Act to provide a 70-percent Federal contribution to the developing highway costs with the States to shoulder the burden of 30 percent of cost.

I am proud to report to you that the record shows that during the entire 6 years of the program, and giving consideration to the participation of all 13 States, the States have contributed fully 50 percent of the cost of these highways. Further, the States have advanced their capabilities to construct highways at a rate considerably in excess of that for which the Federal funds could be made available.

In the nonhighway program categories, the record is just as impressive. The Appalachian Act provides that the non-Federal funds may be as little as 20 percent. However, averaging across the full range of programs, all the States together, and throughout the full 6 years of the program, the non-Federal participation is in excess of 60 percent. In this case, also, the level of non-Federal participation is increasing in the more recent years of the program.

This truly shared program has called forth the best in local and State participation in the development program. There are two significant means to this.

First, it is important to observe that the nature of this program is such as to maximize the effort at all levels in a time when we need the greatest effort possible to solve complex problems. The reasons for this success deserve careful study and the demonstrated principles needed to be applied in Federal programs in all parts of the country.

The second significant meaning is understanding that the Governors and the local leaders have engaged in a continuing commitment in this program which must not now be set aside or allowed to atrophy.

In my State, for instance, our people have passed a $350 million highway construction bond issue. I know that the stimulus of the Appalachian development program helped make this possible. Therefore, our management of the highway construction and our commit-

ments for its continuation are strongly based on the continuing of the overall Appalachian development effort.

This highway system is the key to many of the things we are trying to accomplish in Appalachia. It is the framework upon which we have been building the new educational facilities, the new health facilities, the new industrial parks, new housing, and even new communities which are part of the overall Appalachian regional development plan. Eighty percent of our projects are along the system. It is a satisfying feeling to be able to travel some of these new highway corridors and see the new development, the new facilities, the new activities occurring along them.

The development highway program is progressing rapidly—but the job is yet to be completed. Congress, for good reasons, has not thus far made available annually the full amount of money required to finish the development highway system within 6 years, thereby creating a necessity for an extension of the program in this area.

Today, the authorized Federal funds would only complete about half the development highway system. We require approximately $900 million in Federal funds to complete the system. The States have made their commitments. New safety standards and relocation requirements in the National Highway Act have imposed additional costs. With construction cost inflating at a rate of about 2 percent per year, the longer it takes to build these highways, the more costly they become.

The objective should be to complete the Appalachian Development Highway System simultaneously with the Interstate Highway System as now scheduled in 1977, since the Appalachian highways are designed to complement the Interstate System. The Governors recommend that Congress authorize additional annual contract authority to enable us to complete the Appalachian System by 1977 or 1978.

Since I am aware that the Federal cochairman has submitted for the record of these hearings a complete progress report prepared by the Appalachian Commission, I will not attempt to duplicate the review of the separate programs and achievements. The report adequately presents the record of progress made in the fields of vocational education and health, in the establishment of health demonstration projects and multicounty education cooperative programs, and in the many other project areas of the comprehensive community and area development programs operating with greater and greater success throughout our region.

I would want to call your attention, as you review our Commission's report, to the increasing emphasis by the Commission and by our States, on more and more programs in the human resources field. The Commission's early—and necessary—priority on building some of the basic facilities for development, such as highways, vocational schools, college buildings, and hospitals, is now giving way to our ability to improve the provision of critically needed services.

For instance, in 1969, Congress directed the Commission to serve as a national laboratory in developing pilot programs to meet the needs of infants and very young preschool children in Appalachia.

The Commission has made planning grants to most of the States to develop comprehensive State child development plans. It expects to provide approximately $10 million this fiscal year to begin to implement those plans. It would be disastrous to terminate these efforts

just at the time they are getting underway. We should, at a minimum, attempt to assure that those child development efforts are brought to a sufficient level of maturity that they can continue beyond the withdrawal of commission support. This will take an average of 3 to 4 years.

I cannot overstress the critical importance of the Appalachian Regional Commission in efforts of this kind. For example, the Commission has, on a regional basis, obtained for the States the finest technical personnel in the Nation in the field of child development—personnel that could not be afforded on an individual State basis in many cases.

By sharing these technical experts, we obtain a maximum yield from the public dollars involved and the quality of program that can result is substantially better than if we tackled this problem on an individual basis. Each State is learning from the other States. At the same time, the States are designing their own programs within the broad policies which they have worked out in agreement through the Commission, rather than to respond to narrow, complicated, detailed guidelines established entirely by a single Federal agency.

I think it is noteworthy to point out that the Office of Child Development of the Department of Health, Education, and Welfare has recognized the Commission's unusual capabilities in this respect and has contracted with the Commission to assist in training coordinators for a national technical assistance program for child development, serving all 50 States. Thus, one of the lessons learned in the national laboratory is already being applied throughout the land.

The Commission is also broadening its efforts through the States in cooperation with Federal agencies in the general field of environment. The Commission is now actively engaged in the basic comprehensive planning which will be necessary to relate good conservation practices, in natural resource areas such as water uses and coal mining, to the development purposes which will allow us to set effective public policy and action.

Here the consistent cooperation of the States and the Federal Government is most essential. Although the interstate flow of our rivers and drainage systems is most obvious in interstate implications, the necessity to have consistent State regulation of coal mining practices to allow fair competition among the coal producers of each of the coal States, is no less essential—either in terms of the economic requirements or the environmental necessity.

The Appalachian Governors and many other Governors have frequently described the Appalachian program as the most successful current program in terms of both effective State-Federal partnership in program management, and flexible design of program action to meet specific problems of varying places and conditions.

On this basis, the Governors have also indicated the importance of considering the Appalachian experience in the design of improved national programs to provide the best use of resources to meet critical special problems as well as the continuing needs for adequate balanced national growth and development of the quality of life throughout the Nation.

For consideration of extension of the Appalachian program and its potential application in a national regional development approach, I think it may be most useful to present a brief description of the key

working components of the Appalachian Regional Commission and the Appalachian development program concept.

The Commission has established the following components to carry out the operational management of the program:

The Federal cochairman is the Federal representative appointed by the President and responsible for coordination with Federal agencies and for casting the Federal vote. The Federal cochariman and his office staff are fully supported by Federal funds.

The Governor is the State member, responsible for the State vote on the Commission and for the policy and administration of the program in his own State. No proposal may come to the Commission except from the State.

Each State representative is the appointee of the Governor to act as the State member in full-time Commission activity, including casting the State vote. In addition, the State representative acts as the coordinator of State agencies and has the overall administrator for the Governor of the States development planning and program activity.

The State's cochairman Governor is elected by the Governors to serve a 6-month term, with terms provided for each of the States in succession. In addition, the same Governor serves as chairman of the Conference of Appalachian Governors. CAG provides a mechanism to allow multi-State consideration of States' policy positions and to carry out multi-State cooperation on appropriate matters. The 13 State representatives meet as CAG representatives prior to each Commission meeting.

The State's regional representative is elected by the Governor to serve permanently as the functional equivalent of the Federal cochairman in the absence of the State's cochairman Governor, in carrying out policy administration of the Commission on a continuing basis. He chairs the meetings of the State representatives and he serves as executive director of the Council of Appalachian Governors. The State's regional representative and staff are fully supported by the State's funds.

The State's regional representative position, by the way, was established entirely by the action of the Governors in 1965, on the basis of their use of this office for interstate activity prior to the creation of the Commission. I would like to point out that this office has never been recognized in the Appalachian Act and that it would be most appropriate if such recognition could now be provided. The office has worked most successfully as an essential component of the Commission.

The executive director serves as the general manager of the Commission program under direction by the Commission and, on a day-to-day basis, by the Federal cochairman and the State regional representative. The executive director and Commission staff are supported by 50–50 sharing of State and Federal funds.

The executive committee, consisting of the Federal cochairman and the State's regional representative, voting, and the executive director, nonvoting, is responsible to the Commission for overall policy in the continuing management of the program at the State-Federal or regional level.

Commission decisions are determined by a vote including that of the Federal cochairman, 50 percent, and a majority of the States, 50 percent. Understandably, the Federal cochairman vote has sometimes

been referred to as a veto. Not only has this vote never been used as a veto, but if it is to be considered as a veto, it is one of three. The controlling factors in Commission decisions are as follows:

The Federal cochairman's vote has 50-percent strength in the Commission vote;

A majority of the State's vote taken in the Commission has 50-percent strength;

Only the Governor may initiate a proposal to the Commission and the Governor must approve any Commission action to have effect within his State.

Therefore, setting aside the negative consideration of the term veto, the positive situation is that Commission decisions require a negotiated agreement of the Federal cochairman, a majority of the States, and the Governor of any State thereby affected. The success of the Commission's program has been obtained through this decision process.

In addition to these decision factors, the Commission does not directly implement programs which can be implemented by existing agencies, but provides supplemental authority, funds, and technical assistance to such agencies—State, Federal, or local—for programs which they implement.

Therefore, in addition to the internal Commission decision factors indicated above, each Commission decision must take into consideration the policies of existing operating agencies.

Through the commingling, however, of funds and authority of the Commission with the funds and policies of the operating agencies, a great deal of flexibility is obtained. In effect, this Commission procedural requirement has brought about one of the most important benefits of the Appalachian program approach in that the Commission has become a broker in coordinating and combining elements of various individual fundamental programs to meet problems of broader scope or unique situation.

A relationship to local government and institutions has been effectively provided for in the program partnership.

As recommended by the Governors, the Appalachian Act provided the original authorization for establishment of development districts, as a device to provide the same bridge for coordination between local and State authority, plans, and actions, as the Appalachian Commission provides in the State-Federal partnership.

While these local multicommunity organizations are still evolving in capability, they have already become effective in changing from the impossible to the possible, many needed local actions. Their areas—and their local area development plans—serve, in fact, as the basic building blocks of the regions and of State and regional development program.

The Appalachian Act provides authority and funds for basically three kinds of programs:

Administration, planning, and research for the Commission, States, and development districts;

Special programs of high priority in the region not fundable under other existing Federal authorization—the special highway system, accelerated vocational education programs, demonstration of comprehensive area health service programs, et cetera;

Supplemental grants to extend the percentage of aid now available under any regular Federal program, for priority purposes where the

local capability for funding is probably inadequate to match normal Federal grants.

This approach is not competitive with the revenue sharing idea. In the absence of revenue sharing, the flexible funding to States through regional programs provides a consistent substitute. If revenue sharing is enacted, the regional programs provide a completely compatible and very essential vehicle for State-Federal cooperation in program development.

The strategy of the Appalachian program, devised jointly by the Federal, State, and local participants, has been simply to evaluate investments and action to choose those most likely to develop needed growth or change in concern for identified priority problems or opportunities of a specific region.

In Appalachia, this strategy has centered largely on actions concentrated on building a rural and urban service environment to allow achievement of twin objectives:

(1) Providing services to help people develop themselves for opportunity wherever it exists; and

(2) Providing facilities and services to develop opportunity within each significantly sized area.

Interstate cooperation. This brings me to a major point. We will hear the question: Why do we need combinations of States? Why cannot each of the States individually do these things on its own?

Obviously, there are many things which the States can do on their own, providing they are given the financial resources necessary to do the job. But individual States also need more effective means for working with adjoining States in developing solutions to problems which ignore State boundaries.

For example, New York State under the Appalachian program has built a network of 16 vocational and technical schools in its southern tier. Rather than for Pennsylvania to duplicate such facilities, New York and Pennsylvania have agreed that students from Pennsylvania may attend the Appalachian-assisted schools in New York.

Cumberland, Md., is developing as an important new health center. Interstate cooperation between West Virginia, Pennsylvania, and Maryland is being worked out for an effective health plan to be developed for that multi-State area served by Cumberland.

The collapse, several years ago, of the Silver Bridge between Point Pleasant, W. Va., and Gallipolis, Ohio, required the very active role which the Commission played in bringing together the two States and the Federal agencies in expediting the construction of a new bridge across the Ohio River so that commuters could once again get back and forth to their jobs. The bridge was built in half the time normally required.

In the Huntington area of West Virginia, many facilities serve parts of three States: Ohio, Kentucky, and West Virginia. We are now particularly concerned with the problem of air service because of the tragic crash which occurred at the Tri-State Airport some months back. The Commission is playing a vitally important role in working with the States and the localities on finding solutions to the air service problems in that area.

Parts of eastern Kentucky depend upon facilities as far away as Knoxville, Tenn., to provide many of their necessary services. Just a few months ago, the Health Planning Council in southeastern Ken-

tucky approved Appalachian financial assistance to Children's Hospital in Knoxville, Tenn., so that children in eastern Kentucky could benefit.

One development district embraces counties in Virginia and Tennessee. The Tennessee counties have contributed to the cost of developing an industrial park assisted with Appalachian funds across the State line in Virginia, recognizing that people travel back and forth to work with little regard for the State boundary.

Major issues develop when highways cross State boundaries. One of the most difficult to solve has been the junction of the boundaries of Virginia, Kentucky, and Tennessee in the Cumberland Gap area.

An Appalachian development highway must be constructed and the Commission is working with the States in attempting to find a solution which will minimize any environmental defacement of that uniquely historical opening in the mountains.

One of the Appalachian health demonstration areas embraces parts of Georgia and Tennessee. An Appalachian-funded local health council has been established to plan health services in that bi-State area, and the health council in Alabama is now joining in to make it a tri-State health area.

Just the week before last, North Carolina and South Carolina requested the Commission to provide some assistance in developing recommendations for cost sharing on a reservoir that would be located in North Carolina, but which will primarily benefit South Carolina.

By Executive order, the vocational schools in Kentucky are open to Appalachian students across the State line in West Virginia and Virginia, and a similar Executive order in North Carolina opens similar schools to Appalachian students from other States.

I could go on and on, Mr. Chairman, and recite how the States have been able to help each other through this unusual mechanism, but these examples will suffice for now.

All of this points up the need, Mr. Chairman, for continuing the Appalachian experience—both for its action and its benefit as an example for the Nation.

The Governors enthusiastically support, revenue sharing and modernization of Federal grants. However, fiscal reform by itself will not do the whole job. We need practical organizational arrangements to allow the States to work directly with the Federal Government and with each other to carry out carefully considered strength for national and regional growth.

The Appalachian experiment has worked as a venture in partnership administration. Our States sit at the Commission table each month and debate, with the President's representative, the best policy or approach for a given problem in Appalachia. Through our State's office, we are able to regularize our interstate cooperation and our multi-State or regional policy arrangements.

We have developed an atmosphere of intergovernmental cooperation which you will find nowhere else in the United States. Through it, we have in action the most successful program to meet the needs of people.

This is the precious part of the Appalachian experience which we seriously want to sustain. It would be tragic if we allowed this structural improvement in the Federal system to die.

We ask you to extend the authority for this program. We join you in extending the commitment to make it work.

Let's start off by making the observation in that regard, Mr. Chairman, that there has been 34 Governors that have, at one time or another. represented the 13 States making up the Appalachian Regional Commission area.

These Governors have been the broad spectrum of liberal to conservative. These Governors have touched basically both of our great political institutions, Democrat or Republican, and there has not been in one instance a single Governor, regardless of where he fits into the context of that description, that has not given his overwhelming support to and become a strong advocate of the concept which the Congress put together with the aid of this committee back in 1963.

That in itself is rather unique among the men of public life because there is always the opportunity to disagree with some facet or some small segment of a program, however meritorious it is.

I would reemphasize that in the life of this program, 34 Governors, not a one has subtracted his wholehearted endorsement of the Appalachian Regional Commission program.

I appear before you today in behalf of all the Governors of the Appalachian States and sincerely urge a 4-year extension of this program, which all of you are well aware, expires on June 30, 1971.

The Governors of the Appalachian States met on February 5 in the State of West Virginia to discuss the future of the ARC program and they adopted the following statement, which I would like to read and submit for the record.

Essentally, the statement, verbatim, is this: that in his budget recommendations for fiscal 1972, the President had proposed a consolidation of a number of programs, including those authorized under the Appalachian Regional Development Act, to form the basis for Federal sharing of revenues with the States to support rural development revenue sharing.

As Governors, we went on record to say we support the basic concept of revenue sharing and we believe the Appalachian program has been one of the finest demonstrations of how States and communities can make more effective use of shared Federal revenues through bloc grants.

In addition, we believe the Federal-State-local partnership structure allows a decision sharing mechanism which provides benefits in the management of programs in a way not provided by revenue sharing alone.

Based on this State-Federal experience, we have been pleased to work with the administration in developing some of the recommendations submitted to the Congress.

We unanimously, and these are 13 Governors, concur that the Appalachian Act, in order to complete the task for which this State-Federal partnership was conceived; we believe that many of these tasks can be finished within 4 years and therefore unanimously recommend to the President and the Congress a 4-year extention of the act be approved.

Mr. Chairman, that statement was agreed to by the 13 Governors immediately previous to learning that the administration had recommended a single 1-year extension of the act.

There has been a reaffirmation, unanimously, that we feel a 4-year extension of the act is necessary for it to complete its work. We have recommended a 4-year extension because of the fact that the job that the Commission set out to accomplish, the job that the Congress set out to accomplish in Appalachia, is not yet finished, because we know the program is continuing to demonstrate an approach to problem solving which is greatly needed and can be most beneficially applied throughout the Nation.

We took a great deal of pride in what the Congress did. We thought it was perhaps really the best example of how, if there was a real interest in the Federal structure, to bring revenues, Federal revenues, out into the country, that the Appalachian regional concept could very well be the mechanism used on a nationwide basis because it had been proven to be so successful.

The creation of the program in 1965 represented a great commitment to the people of the area. The commitment had brought unprecedented action. The people of the area themselves have responded.

For example, my State of West Virginia in 1968 committed themselves to a bonded indebtedness of $350 million with the express purpose of finishing the Appalchian program as it was originally conceived.

Problems which have been generations in the making are now really beginning to be solved, but we can't stop midway in the job.

If we do this, Mr. Chairman, we are going to have bridges you cannot get to, roads that are not usable, let alone some of the fine social structures in terms of health needs, and so on, that have been constructed with the aid of Appalachian Regional Commission funds in Appalachia and they are not going to be readily usable from the standpoint of their accessibility.

We made a good start and there are signs of progress and these signs are heartening and they are increasingly evident.

This has been, in my judgment, one of the most effective programs. Public dollars are being concentrated on the priority problems in the Appalachian program. Today, I strongly recommend to the committee that it give us, the Governors of the Appalachian region, the authority to finish the task in Appalachia.

Mr. Chairman, nobody ever envisioned that this program was going to go on for 25 or 30 years. We felt that in terms of years, the framework actually contemplated, that we may finish the job in a 10-year period of time.

The first dollars moved into the ARC program, as you are aware, on April 15, 1965, and when you match those dollars with the performance, I believe that the States have made, it is and has brought about a dramatic reversal of some of the very, very severe problem areas that have existed in Appalachia.

The most recent action of the Senate in approaching the Appalachian extension legislation is most encouraging to all of us.

As a former Member of this House, I look forward, hopefully, to your consideration and completion of the congressional authorization for the continuation of the program.

As one of the Appalachian Governors, I can pledge to you the action for development to justify the confidence of the Congress, and as a

matter of fact, having sat on that side of the desk for so many years, I can say to you that the States have a greater capacity to move within the framework of the Appalachian program than we now have, in the corresponding authority of the Federal Government to move. We are just sort of chomping at the bit.

We are geared ourselves, and, as you well know, States take a little longer in their authorizing and appropriating processes to discover the funds that are necessary.

We are now ready for a maximum participation in this program and with the dramatic effort that has been made in many of the specific program areas of the Appalachian program, I think there will be a marked difference and a marked improvement upon that record if we can have the life of this program as we originally felt that it was to have been and that it is generally a 10-year program.

At the outset, it was, I think, fair to say the initiative of the Governors in direct response to the needs and leadership activities of local people coming to the Congress that brought this program into being.

The program was proposed to the President and the Congress by the Council of Appalachian Governors, which had begun to take action to the limit that we could do so within the framework of the Federal laws as they then existed.

In addition to the initiative of the Governors in coming up with a suggested approach to this regard in making the Federal system work in terms of immediate response to the problems in being, the commitment was strongly pressed. Now, this program has, in my judgment, permitted us the opportunity as Governors to suggest priorities, to take into consideration with the advice and consent of our congressional delegations, the priorities as they exist in our respective States, and to work in a suggested period of harmony in trying to move to the area involved with the greatest dispatch and with a limited amount of the Federal bureaucracy involved.

Now, these Federal dollars are viewed as an injection into the economics of the areas that are involved. There has been a period of cooperation among States. For example, the program has permitted the State of New York to construct a number of vocational-technical schools. These schools are available to the children of the State of Pennsylvania and there is not any duplication of effort; and these dollars are so hard to come by that if you were to construct a corresponding system of vocational-technical schools of like nature in Pennsylvania as it fronts the borders of New York in the eligible areas, we would be literally wasting Federal dollars or the dollars that would be needed here to bring an effective program into being.

We have cooperated in terms of the needs as they exist concerning problems existing which are multi-State in nature. As a matter of fact, we in West Virginia find ourselves discussing a mutual problem with the States of Kentucky and Ohio.

I can think of one right off the bat. We had a situation in Congressman Kee's district in which there is a very severe problem requiring additional hospital facilities.

The hospital itself is actually located in the State of Kentucky, but the biggest users of the hospital are in the State of West Virginia.

The Appalachian Regional Commission's approach has given us the opportunity to sit as Governors and to mutually use a combination

of Kentucky Hill-Burton funds, West Virginia Hill-Burton funds, and Kentucky ARC funds, and West Virginia ARC funds to bring about the answers to the problems as they have existed.

Now, I could go at some considerable length in terms of either speaking as the chairman of the Appalachian Governors or as the Governor of the only State in which all of its counties are participants and in the Appalachian program but, more importantly, as a former Member of this House of Representatives.

But just simply—I don't know of any program from either side of the desk that I have ever come into contact with that has more directly related to the problems that exist in the area that we wanted to help that has done so much in such a brief period of time.

We have, as the State of West Virginia, a broad participation in this program in terms of the highway section.

We have 423 miles of highways. My highway commissioner will be here to testify and to submit to you the figures concerning the progress that we have made in this regard. We have moved dramatically to open up West Virginia as it relates to Appalachia, to let it breathe economically. We can begin to see some light at the end of the tunnel in terms of our economics.

As a matter of fact, an interesting note in that regard, while the national unemployment rate has been escalating we, for the first time in the history of our State, have experienced a low rate of unemployment as it relates to the national problem as a whole.

We believe this directly relates to the Appalachian Regional Commission.

You may say, well, how can you inject that as a dramatic answer to the need for the Appalachian Commission. Frankly, when we have an industrial prospect in Appalachia through the mechanism of ARC, we can use access road funds to get the land area that has been heretofore unusable and create an industrial site that creates jobs, that attacks the problem of unemployment and, very frankly, permits, by reason of the creation of the additional job opportunities, an injection of additional revenue into the State of West Virginia to answer part of its problems in terms of education or the broad spectrum of all the problems that government on the State basis is confronted with.

There has been some suggestion that the program here is one of favoritism. I can remember a great debate I had—not a great debate, because I do not think I ever participated with the gentleman from Iowa, and I know Congressman Schwengel will forgive this observation—but the great tactician, H. R. Gross.

H. R., when we brought the Appalachian program to the floor, wanted to know if it was another one of the boondoggles, and if it related to certain specified areas——

Mr. JONES. If you have heard it one time, I have heard it a thousand times.

Governor MOORE (continuing). Of favoritism, and, you know, you never really took H. R. on the floor because you could never win.

What you would do? You would get him off in a corner and sort of try to work on him in the quiet of the House Chamber.

I walked over to H. R. and said:

H. R., this is not any different than the subsidy program we have been putting into agriculture for the last 35 years.

I said:

I am getting a little bit tired of the corn you throw in the way of the Appalachian program on this floor.

I told him it might be some relation to the subsidization that has occurred out there, but I simply say what the Congress set out to do I believe perhaps it is fair that it had in its mind that there would be some extra effort made in this area.

I would hope that it would not take the full characterization of being, let us say, legislative favoritism in this regard.

But more importantly perhaps I guess, for those that think in terms of their area and their geography, it would probably fall prey to that.

I think that you then have to ask yourselves another question: Is it returnable in terms of growth in the area?

Is it answering some of the problems that exist there?

Is it meeting the educational deficiencies and economic deficiencies that have existed in this area of the country?

It scores high points on every one of these, if not 100 percent.

If the Congress set out to do this, I think the Congress should take full credit for the fact that they have accomplished it, but to stop it at this time, Mr. Chairman, regardless of what is suggested as being an answer to the problem in some other regards, the Appalachian Governors have gone on record as saying that, first and foremost in their minds is the extension of the Appalachian Regional Commission Act for a period of 4 years so we might complete within the time frame the job the Congress set out to do, because we, in the States, are prepared to do it and we are geared up, and let other things fall as they may.

The overwhelming and unanimous suggestion of the Appalachian Governors is that first and foremost in their minds is the extension of this program and that we take that position regardless of what others suggested or what other legislative creature is advanced for trying to do the same thing.

There have been some amendments that have been made to the program on the Senate side which we are very interested in.

We recognize the validity of some of them. We wonder whether or not the Congress at this juncture wants to make any deviation in the program. We don't make any advocacy in that regard.

We think what we should do is finish the program within the framework that you have envisioned it, and we desire, of course, to draw to your attention that one of the most severe dollar requirements in this program is the completion of the highway program.

We need in these 13 States $900 million to complete this highway construction program. We are prepared and ready to move in that regard.

The only thing that has restricted the rapid construction at all is the fact that there has not been a sufficient amount of Federal dollars available in consideration of the percentage participation that ARC would undertake.

In that regard, there is one other think I think should be said: We live in a time of constant spiraling of costs. We have run into a tremendous amount of additional cost in the highway program as it is

incorporated in the ARC program simply from the inflationary spiral that has occurred.

More importantly, some of the very facets of the Federal Highway Act and the safety requirements that you built into that act and some other aspects of the Federal Highway Act have severely added to the cost per mile of construction, so that we could conform to what you desired in terms of the type and quality of highway that was to be constructed.

If we had not been permitted to move as aggressively as we have in this regard, what is now a $900 million bill in terms of completion of that highway program, in my judgment, could be several times that amount, which adds emphasis to the need for an extension so that we might be permitted to continue the work we have begun.

Mr. Chairman, I would like to conclude as rapidly as I can. I do not think that you want to sit here and have me give a complete verbatim reading of the rest of my statement.

Mr. JONES. Without objection, it will be printed in the record as though you read it immediately preceding the statements you have made.

Governor MOORE. I will make myself available to you and members of the committee for any questions.

Mr. JONES. Do you, on behalf of the Commission, make any suggestion as to the formula of apportionment of the highway funds?

Governor MOORE. Our situation is such that we feel that what you have before you is a rather austere budget in consideration of this expansionist mood that we are in. You have a $288 million budget request that has come to the Congress within the President's request for the continued funding for a year of ARC.

Actually, our request we felt to be a bare minimum. I am not advocating more money because this has some appropriateness here, but the fact of the matter is that we felt that $318 million was what was needed.

Mr. JONES. That will be the second part of my question.

The first part is: Do you suggest any change in the formula that we have had since 1965 in apportioning of the money and its use to the States?

Governor MOORE. Yes; I do.

If we are going to at all get caught up in terms of our highway obligation to you, we have got to have some additional funds to do it, and we can only do it by a breakout of that percent.

Mr. JONES. But you still do not want to change the formula for the use of the money within the respective States?

Governor MOORE. That is correct.

Mr. JONES. So what you are saying is that under the existing formula as we have under the present law, the greatest cure will be more money.

Governor MOORE. I hate to give an oversimplified answer to the question, but that is correct, sir.

Mr. JONES. Now, on the other programs, the figures that were arrived at under the 1965 act and the amendments, do you think that the other program categories, under 202, 207, 214, should be increased to the proportionate cost of living?

Governor MOORE. Well, Mr. Chairman, if we are going to do the job that you asked us to do, and you have the opportunity to test us,

we are going to submit for you a complete program-by-program recital in the various sections of this act to show you how we have used your money in our respective States.

We are going to show you we have followed to the letter the congressional mandate.

The only reason that any efforts have been subtracted is the fact there has not been a sufficient amount of money to carry it out.

Each year we move in—for example, the last time the Congress moved into the area of extending the life of the Commission and its responsibilities—you added several different categories and directed us to go into it, which we did.

At that time additional money was not put into it so we just inserted that into the equation and made a redistribution, but we carried out the congressional mandate and this was particularly in the field of education and childhood education.

The answer to that question is, while I think the record is commendable for every State that is a participant, our efforts have been somewhat diluted simply because we are working with the same dollars we were working with in 1968.

We have been asked to do several additional things by the Congress, which we have done, but we have accomplished this within the framework of the same dollar amount that we were dealing with at that time.

Mr. JONES. Now, in the field of health efforts, you have probably made a distinguished accomplishment. Do you not think that the funds available under those provisions should be increased?

Governor MOORE. They are going to have to be increased, Mr. Chairman, if we are going to carry out the mandate of the Congress.

Now, we can carry on. I want to be careful here what I say in response.

We can carry on a $100 million program and will carry on a $100 million program; but to do the job, particularly as it relates to the health provisions of this act, attention has to be given to some additional dollar funds.

Mr. JONES. Now, you spoke earlier about bureaucracy.

Since the implementation of the act, we have never to my knowledge or information received any complaint about there being bureaucracy in the administration of the Appalachian Act, either from the States' cochairman or the Federal cochairman.

Have you experienced any difficulties in dealing with the administration in your efforts on behalf of these States?

Governor MOORE. None whatsoever, Mr. Chairman. If the Congress is interested in bringing about a dramatic result, whether it is in this region or in the Nation as a whole, the mechanism that the Congress conceived in terms of the Appalachian Regional Commission in my judgment is the most direct means and route to accomplish this.

Mr. JONES. And you are now satisfied with the mechanism in the scheme of administration of this program?

Governor MOORE. Mr. Chairman, you could not ask for any better relations.

Mr. JONES. And you are not suggesting any change?

Governor MOORE. None, in terms of actuality. I am providing a suggestion, a suggestion in my prepared statement recommending

recognition of our existing States' office in the commission. But this is not a change.

May I say to you, Mr. Chairman, I had the chance or the opportunity to listen at our National Governors' Conference here in Washington to the Secretary of HUD.

He indicated when he moved into the office, he found, for example, to get an urban renewal project approved, it was 36 months in the making and about 48 inches high of paperwork and that they had worked at the job of trying to reduce this in size so they could get the results out into the country.

He was not, in that presentation, as proud of his efforts because he said it still took 18 months to get it approved. But the uniqueness of the ARC program is the immediate impact that you can bring about and the direct result of the infusion of Federal-State dollars to attack the problem area in a minimum amount of time.

I do not have to work up, for example, in this program, through subregions and regions and all sorts of the bureaucratic mechanism before I get somebody that can say yes to me.

I have a man seated there. He is the representative of the President of the United States. If he goes up, fine. If he suggests for a moment by his veto that it is not a meritorious program, we sit down and try to rework it so that it fits within the guidelines of the subject matter as it would relate to any Federal program.

Within the shortest practical period of time we can move to meet any one of these problem areas within the mechanism of ARC as it exists today.

I would caution against any dramatic change in that, Mr. Chairman.

Mr. JONES. You will recall that the inspiration of the addition of the housing section to the Appalachian Act——

Governor MOORE. Mr. Chairman, may I be permitted to interrupt you and present to the committee the distinguished Governor of South Carolina, who has been such a strong advocate of and a supporter of our ARC program?

Mr. JONES. Nice to see you, Mr. Governor.

STATEMENT OF HON. JOHN C. WEST, GOVERNOR OF THE STATE OF SOUTH CAROLINA

Governor WEST. I am delighted to be here in the company of our distinguished chairman of the Appalachian Governors, who so eloquently states the views of all of us, sir.

Mr. JONES. He has been saying good things about what you said about Appalachia.

We are all very pleased.

Governor WEST. It seems to me it is a nonparty consensus, Mr. Chairman.

Mr. JONES. It has been since its inception, but now, under those housing programs we have got the withholding of funds.

I believe it was a Mr. Stanley from West Virginia who came and testified on section 235, how so those funds are now presently being withheld.

Are there any other funds that are being withheld under the categories of eligibility under the act?

Governor MOORE. I do not think so, Mr. Chairman. We have had a somewhat tortuous course on some aspects of the housing fund but if you would ask me to point specifically to another area in which there has been any holdback on participation in any of those funds, I would have to say I am not aware of it at this time, Mr. Chairman.

Mr. JONES. Yesterday, Governor, Mr. Clausen brought up a matter that gave us great concern, and particularly those of us who visited Kentucky and West Virginia and even in my own home county, Jackson County, Ala., the deterioration of the environment. It looked like we were building rural slums.

As you know, we have an accumulation of old automobiles, those things that detract and make an ugly scene. I am going to yield to Mr. Clausen to bring up some of the questions that he raised on yesterday.

Mr. CLAUSEN. First, I want to take, if I might, a moment, Mr. Chairman, to welcome our former colleague and now the Governor of West Virginia, Arch Moore, before this committee.

It is very understandable why they selected you to come and make the presentation because I think you will agree with me, Mr. Chairman, he is the most effective witness we have had so far in presenting his case in support of the Appalachian extension.

The thing that has concerned many of us is what can we do, not only in your own area, that we are dealing with now, but with the Appalachian regional program extension as a vehicle to make government more responsive to the problems in the programs that are implemented to help people.

In this regard, one of the serious problem areas is what do you do with these automobiles that are discarded. There does not seem to be any effective program, at least that we know of, that actually gets to the heart of this thing, to keep them from adding to the slum conditions in some of these areas.

As a matter of fact, there is a tendency for them to become junkyards throughout the countryside.

It would be very helpful if you had some thoughts or ideas on how we might crank this into a recycling program or some way that the Governors could coordinate an effort to make this an example of how to clean up the junk automobiles and, in fact, expand it so some sort of a slum clearance program.

Governor MOORE. Congressman, I don't know whether there is any such thing as mental telepathy, but you could not have found a Governor you could ask that question of more appropriately than the one who is now testifying.

I agree with you completely. If you look at the beautiful landscape and that which is the geography of Appalachia, it has been abused by the people themselves.

In the very area you speak of, of course—this is not to say it has been abused any more than we as individuals abuse it.

Generally, I am not willing to say, but it has been abused and the very question that you asked, it all gets down to the question, Congressman, of money.

In October 1970, in order to meet this problem in the State of West Virginia, I had my department of public safety, which are essentially my State troopers in the State of West Virginia, to make a county-by-

county survey of junked motor vehicles or junkers that were jacked up either on private property or on highway rights-of-way.

It was amazing the numbers that I got back. It really staggers your imagination to think that this number of vehicles were out of commission and were deposited along the highways of our State.

The numbers presently are in excess of 12,000. Now, I am not talking about being in junkyards, per se. I am talking about an individual car.

Mr. CLAUSEN. Out on the landscape.

Governor MOORE. That is right.

I was confronted with the problem of money, as we always are in terms of government, in trying to figure out how to do it, and I used this approach:

I have a number of National Guard units in my State that are construction-type units and construction-oriented. They have heavy equipment. They have a tremendous amount of skill that is used to fit the requirements of whatever the individual guardsman's responsibilities are.

I started a program of systematically removing these junked vehicles.

I have removed 5,100 of them, but it is an even greater problem once I get them concentrated in an area to get them recycled or out into the process.

Now, we have put together a program which we are asking Appalachia to look at. We have made an effort. I use my National Guard on Saturdays and Sundays in their work requirement at times to take these vehicles off our highways.

I ran into a number of unique problems. First of all, the States have some statutory restrictions on how you dispose of a car, the ownership of which is really not known.

I conceived the idea, calling upon my relationship with the chairman of this committee, that there should be a legal waiver.

When you find an abandoned car near a man's house, you go up to the guy and knock on his door. He doesn't know about the car. We have him sign a waiver since it's on his property and 2 days later, we pick it up.

If he will not give you a waiver, we simply serve a notice on him by our law enforcement people that we will be back in a statutory period of time, which happens to be a period of 30 days and pick it up.

This is to protect, of course, the law enforcement people from various actions against them.

By the waiver route, we have obtained on the vehicles we have looked at, waivers on 8,000 of them and we have picked up 5,100.

I have been doing it with nickels and dimes, and it is going to take me an awful long time to rid the scenery of all of them—the very point you make.

But if I can move in this problem in a way that we are asking ARC to look. We are not too sure we have the authority within the framework of the statute unless you gentlemen should mention in your hearings report, for example, an approval to give us any financial help. Let me say, I do not want financial help in retrieving the cars, as that does not bother me. I do not want financial help in locating the car. I

will use the instruments of State government available to me, but I need your help in reducing that car to the smallest size possible so I can get the greatest number of them transported into the recycling process.

I have even gotten to the point where a number of public-minded citizens who are in business that have barge facilities will bring barges into the State and let me deposit in that barge large numbers of these vehicles after I get them compacted.

There are some small number of these crushing machines available in the Nation that are what you might call portable machines that we could accomplish this with.

Mr. JONES. They do have portable machines?

Governor MOORE. Yes; it is produced by a firm in Dallas, Tex.

It is a particular piece of equipment that can be attached to a tandem. It is built on a tandem and can be transported.

Mr. JONES. Are they rentable?

Governor MOORE. No; they sell them to you and the cost is $43,000 per unit, which is very small in terms of cost. If you were to construct a mobile unit to reduce and crush and compact as much as possible, the total cost we estimate to be about $163,000 for each portable unit that you put together.

You need a portable crusher which is a produced item today. They now have a type of vehicle which they call a "petty bug" which will move in on top of the car and pick it up, transport it to the carrier that is going to move it away.

That piece of equipment today is now refined. You know we used to burn out the engine of a junk car. We find some conflict today, because of the environmental question and the corresponding pollution that is caused there that is frowned on.

Now, within the framework of this type of unit that I am talking about, there is a piece of equipment made in this country that can move in, move under that engine, pull it out of that junked car. You do not have any of the problems of burning the unusable portions at all.

It is now refined to the point in terms of the problem of getting the usable parts out of the car as opposed to the junked portions of the car.

You can strip these things so very fast and we have moved to do it. We would like to undertake a pilot program so that I can finish it.

It has been suggested that I can take every junked car in the State of West Virginia and every car in a junk lot—and there are a lot of those, more than 2,500 in one junk lot—which is over and above the 12,000 I talked about that have just been thrown out on the mountain sides, you know.

Within a period of 1 year, I could do it.

Mr. JONES. Do the steel companies take any interest in reclaiming these automobiles?

Governor MOORE. Mr. Chairman, they will give you some aid. They will not give you any value in terms of dollars. They will let you use their facilities for deposit of the junk equipment.

There was the strangest thing, if I may share it with you; when I announced the program I got a call from the junk dealers, and the guy on the telephone was the president of the junk dealers in West Virginia and said, what are you trying to do, put us out of business?

Mr. JONES. That is putting them into the business.

Governor MOORE. I was just saying to them, well, we will just give this to you if you can get it into the recycling process. We will deliver it at no cost to you and essentially, it was additional dollars for them.

What I found out was that the junk dealers actually use property as storage property until they need that particular car and it will sit out there and mar that landscape until the individual that is in that business feels it is time to go out and get Don Clausen's old De Soto and he will go out and get it.

He uses the landscape as a parking place.

Mr. SCHWENGEL. Will the gentleman yield?

Mr. JONES. Yes.

Mr. SCHWENGEL. Since you mentioned Iowa, first of all I was not a member of the Iowa delegation that fought Appalachia. At the time we were initiating the program, I was the ranking member of the subcommittee and working with the chairman and we wrote this whole Appalachian bill and to fit the needs and, based upon testimony from people like you, Governors and people who have had some experience.

I am glad to have this story of success presented so eloquently by my former colleague.

Governor MOORE. Fred, I remember well, because you were the ranking member of that committee at that time and essentially in my statement if you have the opportunity to read it, you will see that I have indicated that this is the birthchild of the Congress working in that regard.

Mr. SCHWENGEL. And working with the members of the majority, we worked out a very fine arrangement.

I think there were 23 amendments, something like that, worked out in the committee. Mr. Kee was on the subcommittee and this made it possible to work more expeditiously; and we set up a proper administrative arrangement and it thrills me to know that a former colleague of mine becomes chairman of the commission we created in one of those amendments to give you the authority to do what you have been doing.

It is a thrill to sit here and listen to something you have created successfully and also you remember we saved the taxpayers in the process over $125 million and since that time I am told that we have saved even more than that.

Governor MOORE. I think, Congressman, you have a right as an individual member of the committee and as a Member of Congress to be proud of this program.

Mr. SCHWENGEL. I commented yesterday about the education through the vocational-educational program you started there and pointed out this is an investment.

We hear talk about the cost of the program and pretty largely this program, and I stated yesterday and state again today that this type of thing is an investment in America.

Governor MOORE. It is, sir; and this is particularly true of my State, because the total answer to the problem that exists in my State is education; and it is a long process, the net result of which would take years without this program which we have been able to accelerate considerably.

Mr. SCHWENGEL. I have another committee to go to and I thank the gentleman for yielding.

Mr. KEE. Mr. Chairman?

Mr. JONES. Mr. Kee, the gentleman from West Virginia.

Mr. KEE. I want to take this opportunity to make the observation that Governor Moore and I are somewhere in my district in West Virginia every weekend. I hear that Governor Moore has really taken the leadership.

Let me tell you that Governor Moore is on the radio constantly, all of our radio stations in all of southern West Virginia, which played a tape that he has made and that tape is to the effect, that if you have an abandoned car, or if you know where there is an abandoned car, or if you have a car and cannot use it, he has mobilized every possible resource and all you do is telephene.

The message is, "Won't you join me in cleaning up West Virginia?"

Arch, I have heard so many people tell me, well, now I know what to do with this junk, or somebody who has left a car on my place and now I know where to call.

I have also seen quite a few of those sore spots, you know, that you are gradually eliminating and I would like for the other Governors and all the other States to listen to your tape and to mobilize their State facilities like you have and get them away and preserve our beauty.

Governor MOORE. Actually, Congressman, in that regard, as you, know that 2,500 junked cars lot is in your district.

Mr. JONES. Mr Clausen?

Mr. CLAUSEN. Governor, I am wondering if you have actually incorporated what I think is one of the most innovative action programs that we have heard before the committee or any other committee in this whole problem of junk cleanup.

Have you incorporated this into a brochure or do you have something that could be cranked into the record here because I think it would be a very valuable addition to the record if we could have what you have initiated in the program.

You started a pilot project. Second, what do you mean by authority and you do not necessarily have to respond now, but if you could add to your testimony what additional authority is needed, if we need to crank it into the legislative package here to facilitate what you are attempting to develop in the way of a positive action program. That I think is one of the major problems facing the Congress and the other political subdivisions of the country.

Do you have this reduced to writing?

Governor MOORE. I can submit it and will be happy, with leave of the chairman, to advance it to you.

I have used what dollars are involved in terms of moving in a public service way; that is, the radio approach to this.

Mr. JONES. Would you be kind enough to supply a memorandum?

Governor MOORE. I would be happpy to.

Mr. JONES. Along that line, which I was going to ask you to do, Governor.

Governor MOORE. Be happy to do so.

(The following was received:)

Supplemental Remarks of the Honorable Arch A. Moore, Jr., Governor of West Virginia

Dealing with problems of junk cars and waste reclamation

The problem of scenic and aesthetic debasement due to the presence of junk and abandoned vehicles is not one unique to West Virginia, indeed this problem is a national tragedy. Much has been said about the problem of junk and abandoned vehicles lining our highways and byways and cluttering our environment, however, despite the verbage that has been rendered little action has been taken to alleviate this problem. Since the invention of the automobile, the nation has chosen to regard this problem as a sign of the times and has avoided dealing with the problem directly. As a result 60 or more years of automobile discards clutter our landscape.

The time has come when the states and the nation must take strong affirmative action to eradicate this cancerous sore which our society has perpetuated upon its environment. I have taken such an affirmative action in West Virginia and I would like to share with you my experiences to date in attempting to establish an orderly program to deal with the removal and disposal of junk and abandoned vehicles from West Virginia's landscape.

While my interest in removing these eyesores from West Virginia's landscape goes back many years, even prior to my service in the United States Congress, it was not until my assuming the governorship of the State in 1969 that I was able to initiate action in this regard. Immediately after assuming the governorship in 1969, I had legislation drafted which would empower the State to enforce the removal of junk and abandoned vehicles from both road right-of-ways and private property. In March of 1970, the West Virginia Legislature enacted this legislation which makes it illegal for a private property owner to have a vehicle immobile for more than 180 days on his property without being subject to penalty. This was a beginning. However, the Legislature did not appropriate funds for the enforcement and administration of this act.

Despite the unavailability of monies to administer this act, I felt that the State could not delay another year its initiation of a program in this area. In October of 1970, I mobilized the resources of existing State agencies into what I believe to be a unique approach to the junk car removal problem. Utilizing manpower from the West Virginia Department of Public Safety, the State Department of Highways, and the West Virginia National Guard, a nine county pilot junk car removal program was initiated. This nine county pilot area was carefully chosen because it was nearest to the steel mills of central Ohio. In operating this pilot program, the State Police were charged with the responsiblity of traveling the counties and locating junk cars, upon locating junk vehicles on private property, the State Trooper approached the landowner with the alternatives of signing a waiver to permit the State to remove the vehicle from his property or if he was not willing to sign the waiver he would be issued with a citation which mandated that the property owner remove the vehicle or vehicles within 180 days or be subject to fine. We found that in most cases this effort received a positive public reaction in that most property owners were willing to sign the waiver permitting the immediate removal of the vehicles from their property, it was necessary to issue citations to only a low percentage of the property owners contacted. This program of strict enforcement also led to considerable activity in private sector of removing and processing the junk vehicles.

Once a waiver had been obtained, the vehicle was marked by the State Trooper and a copy of the waiver was forwarded to the National Guard and the Department of Highways who then went on to the property, removed the vehicle, and brought the vehicles to a central point for temporary storage. Due to the fact that these temporary storage areas presented eyesores in and of themselves, I issued guidelines to the participating agencies that no storage area would be occupied with vehicles for more than a 30-day period.

Once the vehicles were collected at the central storage area, a private operator was contacted to come in and dispose of the vehicles. The enlistment of the participation of private enterprise in this undertaking was not easy as the

current scrap metal market is at an all time low and it is difficult to economically dispose of the junk cars.

By mid-December, due to wide public acceptance of this program, it was necessary to expand it statewide. By March of this year, waivers had been obtained on over 6,000 vehicles and many of these vehicles have by now been brought to storage areas and disposed of. In addition to this effort, it is estimated that between seven and eight thousand vehicles have been disposed of by the private sector on their own initiative due to the State's enforcement and activity in the area of junk car removal.

Thus, our efforts to date have indicated to me that a state through a strong affirmative effort can make an impact on the junk car problem. However, our successes to date have only indicated to me the need to do more and has given me some insight into the resources necessary and the problems associated with initiating a program to totally eradicate this environmental blight.

Now that I have briefed you on the mechanics and successes of our pilot program I would like to share with you some of the insights I have gained into the problems associated with developing a viable program for the total removal of junk and abandoned vehicles from a state and later I will discuss some of the solutions I see to these problems in terms of state and national commitments. First, let me say that any program to collect and dispose of junk vehicles must be accompanied by a strong public education program to develop public acceptance and cooperation. In our case, one of the first hurdles we had to overcome was the belief of our citizenry that they had a God-given right to maintain a stock pile of junk automobiles to serve as a source of parts for the vehicle they currently had in operating condition. This tradition has not been an easy one to overcome but we are slowly doing it.

It is also necessary to undertake a strong program of enforcement to prevent the accumulation of these vehicles on private property. But enforcement must be viewed primarily as a tool for assisting us in the future as it does nothing to deal with those cars which are presently accumulated. We are still faced with the problem of removal and the disposal of those vehicles which are presently cluttering our landscape.

I am firmly convinced that any viable program of junk car removal and disposal will necessitate a heavy involvement of the public sector. Even if we were to mandate through strong enforcement procedures that the vehicle owner remove and dispose of his vehicle adequate facilities for the collection and disposal of these vehicles are not presently available in the private sector and presently the economics of the scrap metal business are not such as to encourage the private sector to increase their capacity without some assistance.

Currently, the only method of totally disposing of these vehicles is through a recycling process which necessitates the vehicle being delivered to a shredder which is normally located in conjunction with an operating steel mill. This shredder does exactly that to the vehicle, it shreds it into small pieces which are then processed to separate the various metals and the non-metal portions of the vehicles and recycle the metals. Due to the fact that only a few steel mills utilize scrap metal in their process there are currently only two such disposal points available to West Virginia. One of these being in Canton, Ohio and the second in Cleveland, Ohio, both a considerable distance from most of West Virginia. In order for the shredder to process a junk vehicle, the engine and transmission must have been removed from the vehicle and the vehicle compressed. This must be accomplished prior to the vehicle's delivery to the shredder. To get the vehicle to the shredder in this condition, the following process must be followed. The vehicles must be collected from widely scattered locations and transported to a central point where an accumulation of vehicles will permit the economics of scale necessary to permit the operation of processing equipment. The minimum of equipment necessary to operate a processing facility is as follows: a basher which compresses vehicle with engine and transmission removed into a six inch thick slab which can be readily transported and processed; two special-built fork lifts for removing the engine and transmission from the vehicle and placing the vehicles in the basher; a tandem tractor for transporting the basher from one site to another; a bulldozer for pulling vehicles from remote areas to a position where they may be loaded for transportation; a low-boy trailer for transporting the equipment from one location to another; two single axle tractors with car carriers for transporting vehicles; three to four flat bed trucks with winches to load and transport the vehicles from remote areas; a pick-up truck to carry miscellaneous tools and maintenance equipment. The

cost of the preceding equipment is in the vicinity of $175,000 to $200,000, a rather sizable investment in capital equipment for the private entrepreneur. All of this equipment is portable and may be moved from site to site to process junk vehicles.

Upon completion of the foregoing processing, the vehicle is ready for shipment to the shredder, which may be accompanied either through trucking or by rail. The cost of this transportation to the shredder is a critical factor in determining the economics of recycling the junk vehicle.

As you can see, it is neither a simple nor inexpensive process to take the junk vehicle from its resting place on a rural hillside, pull it to a highway, transport it to a central processing point, remove the engine and transmission, crush it, ship it to the shredder which may be as many as four hundred miles from the processing point in West Virginia to its final disposal. And now what is the economic return on this elaborate processing? I am sure that there are many of you who would imagine that the return is great due to the fact that we hear much about the continually rising steel prices, however, this is a gross misassumption. The current price for a scrapped vehicle which has undergone this processing and been delivered to the mill is $21 per ton. To put this in even better perspective let me say that the average car which has been stripped of motor and transmission weighs approximately one ton. Viewed in this light it is easy to see why the private operator has a difficult time collecting, processing and shipping a vehicle for $21, not to mention his efforts to amortize a capital equipment investment of in the neighborhood of $200,000 plus the operating cost he has incurred in this process. Our experience to date has shown us that a private entrepreneur can economically operate the processing equipment and ship the vehicles to the shredder and make a small return on his investment if the vehicles are already collected from him at central points along the western most border of our State which is close to the mill. In processing vehicles located further into the State, the additional transportation costs make the entire procedure uneconomical: Herein lies the greatest problem West Virginia has encountered to date.

Let me give you an example:

A private operator possessing all the necessary equipment for bashing and transporting cars started work on 3,200 vehicles that had been collected together at two locations near Bluefield, West Virginia. He brought his equipment to the site and began operations.

After removing 600 of these easily accessible junked cars, he shut down his operations and reported that the removal of the 600 cars had cost him nearly $500. And what is true at this location would be more than doubly true had these 3,200 cars not already been collected at two central location sites.

At the present time, no private operator is willing to process and dispose of vehicles in the interior counties of the State even with the State collecting these vehicles at a central point for processing due to the ineconomy of the operation.

I would maintain that it is vital that any program for eradicating junk vehicles be a joint venture by both the public and private sectors. In this light, I would like to present you with what I feel are the alternatives for eradicating some of the aforementioned problems and for initiating a viable program of junk car removal in not only my State of West Virginia but in the fifty States. First, I feel that a strong national commitment to the eradication of junk vehicles from our environment is necessary. This must be accompanied by a similar commitment from each State. I feel that my State has made such a commitment through the passage of enforceable legislation for junk car removal and through our initial efforts in developing our current pilot program, but I am going even further in this commitment, as it is my intention to introduce in the next regular session of the West Virginia Legislature, legislation which would create a trust fund for the express purpose of conducting junk car removal programs in West Virginia. This trust fund is to be financed through a fee to be collected upon the registration of each new vehicle purchased in the State or brought into the State. However, the State cannot do the job alone. It is going to require a national commitment and federal financial assistance if meaningful programs are to be developed by the States.

I would recommend that federal assistance be made available to the States which would permit them to: (1) purchase the equipment necessary for the operation of a junk vehicle program; (2) subsidize the operating costs of such a program; (3) use funds for the purchase of vehicles from existing scrap

yards, this would permit the further absorption of junk vehicles by the private sector; (4) pay bounties to private operators to collect and dispose of junk cars in areas of states where it is not currently economically feasible to do so; (5) subsidize strong state enforcement programs.

I would, therefore, request that you make available through the Appalachian Regional Commission Program which is currently under your review, monies to permit West Virginia and her sister States in the Appalachian Region to initiate comprehensive programs for the eradication of the abandoned and junk vehicle blight. I feel that the program which could be developed with this assistance in West Virginia and her sister Appalachian States could well serve as models for the development of a national program. I pray your immediate consideration of this request and pledge you the full commitment of the resources available to me in West Virginia should your response be favorable.

Mr. JONES. Would the Commission object if we wrote into section 302 a planning grant to the States for that use?

Governor MOORE. Mr. Chairman, it would be most helpful and would be an excellent note that the Congress would be making.

Again, I would only have just this 5 seconds' worth of caution: If you could also put a little money in there because we are using that 302 funding for very close-structured types of programs now that you have given us authority to go through.

You would help us very much in meeting the problem that you and Congressman Clausen have talked about in terms of this.

We could show you the results on this.

Mr. CLAUSEN. Mr. Chairman, I believe that he is on the way to developing a demonstration project and it would seem to me as a minimum that maybe you want to extend this, but as a minimum we should crank in something authorizing legislation for a demonstration project, particularly for the State of West Virginia, and then if you feel that there are other areas that may be having unique or different problems than you have in this regard, we could also look into that.

Mr. JONES. I do not think the problem is unique to West Virginia. It is unique to the whole rural America, and we can make some progress in a demonstration type of program and try to reduce it to pride and the interest of the people who reside in those areas.

Then we would have done far more than we could by national legislation because we would instill in the people who are the recipients of it, the belief they can do it on their own once they see what can be done to make a model of their rural home, make them burst with pride and be immaculate and clean.

Those are the things I think that are important in trying instead of subsidizing a big Federal program.

Mr. CLAUSEN. He will file a memorandum on the subject, then. I will commit myself to working with you, Mr. Chairman, and counsel, and also with Governor Moore and his staff in providing the kind of language necessary to accomplish this demonstration project approach that you have reference to.

Mr. JONES. I do not want to leave it just to automobiles.

Governor MOORE. No.

Can I expand on that program?

I responded in terms of automobiles because Congressman Clausen's question went directly to the junked-car problem.

Mr. JONES. Some of those people who live in Appalachia do not own automobiles, but you can always see an old combine made there in 1910 sitting in their front yard.

Governor MOORE. There is very much the question here that goes beyond the question of just vehicles.

A program which we are coming to ARC for pilot consideration, and these portable units in moving them into the various areas of the geography and we are going to do it on a county-by-county basis, but let me tell you that we are not only picking up junked cars. We are taking refrigerators, stoves, anything that is out there that again is testimony to a violation of the environment in terms of the way it looks and the aesthetics, let's say, that is being violated as a direct result of marring the landscape with, well, like you say, the old combine, or whatever the case may be.

The program does not limit itself to junk cars that I have undertaken in the State.

It touches all of the matters of these various items that are thrown away—washers, dryers, refrigerators.

I had last summer a rolling rivers campaign and if you ask what a rolling rivers campaign would be, I could not think of any other way to capture somebody's imagination.

I got 2,100 young people to start cleaning streams. Well, let me tell you that I had more automobile tires and more refrigerators and more stoves than your imagination can conceive.

But this program is in steps. I responded to Congressman Clausen's question relating to junkers because it is moved, but the program envisions taking more than just junk automobiles. It takes everything that has been thrown away or is deposited on the roadside or on the landscape.

I would like to expand on that for the record, if I might, for your consideration.

While I have the unhappy habit of putting time frames upon myself as a Governor, if this authority is in this law and you provide the opportunity for ARC to say yes to a pilot project, I think we are further along than any of the other Appalachian States and probably we would be favorably considered.

I will bring you to West Virginia in a year and you can see the difference.

Mr. JONES. In all probability we can do it within the framework of the existing act, but as you suggest, it must be identified further in the report and also in the authorizations identifiable with the amount of money that we would expect to be expended by the States for that specific purpose.

Governor MOORE. Fine, Mr. Chairman.

If I might say that if that is done, I will bring you to West Virginia in a year and the transformation will be amazing to you.

Mr. JONES. Except for one thing, if it is for construction purposes, it will need additional authorization, but it does not require expenditures for construction. I think that we could include it under the law, section 302, section 2 of which reads as follows:

> To make grants to the Commission for investigation, research, studies, technical assistance and demonstration projects and for training programs, but not for construction purposes which will further the purpose of this Act.

Governor MOORE. We have no requirement for construction funds at all, Mr. Chairman.

Mr. JONES. So if it can be done, all we need do is identify in the authorization as being a separate part and give it that integrity and purpose of which we see.

Governor MOORE. No, Mr. Chairman, this thing catches on. As Congressman Kee made the observation, we put on, through the aid of the public service attitude of our radio stations, we put on quite a campaign inviting people that heretofore had a junker or trash of this character in their yards or on the highway, we now are constantly bombarded by people who have these cars wanting us to come and get them.

We have cranked up such a public response to the program. It catches on.

Mr. CLAUSEN. If the Chairman would permit me, this has many ramifications that I think could be applied.

You know the best possible force in the world is someone pointing out some of the problem areas in maybe someone else's backyard. I mean, just to develop and stimulate this question of individual pride.

I have no sympathy with anyone who irresponsibly pollutes the environment. They can be poor. They can be in poverty; but you just cannot continue to let this filth situation have an adverse impact on the environment and people living in a given area.

I have thought for some time, just as we have—for instance these fellows—and we are all polluters—the Bible spells it out pretty fairly, that we are all sinners; but if we have a similar program where we just simply say this fellow is, in fact, making a larger contribution to the total pollution problem than someone else, some of these smokers that go down the highway, I think Mr. Waters yesterday said we ought to have a bounty, go back to the bounty fee.

All right; here is a wrecked car out here. Maybe you should put up a little bounty to resolve that kind of problem.

The same thing applies here. Anyone that is making the major contribution to the pollution problem, somewhere along the line he has to be told it is up to him to clean up his own backyard or own situation.

For too long there has been a tendency on the part of all of us to let someone else blame somebody else for what they themselves are doing.

In other words, it is not the Governor who is not doing enough about pollution. It is the President, the Congressmen, or the Senator. The only way you are going to have any real results in this effort is when each individual assumes his share of the responsibility to clean up his own backyard and be a lesser contributor to the total pollution problem.

Now, we can set up laws in the Congress to accomplish this, but there has to be the public awareness of what they themselves are doing to adversely affect the environment.

Governor MOORE. Congressman, one of the real strange things in marshaling all the various elements of State government, we had the National Guard in this project and fitting it into their time schedule, and they have done a remarkable job for me.

They have such tremendous pieces of equipment. They can move a piece of sophisticated mobile highway equipment and pick up four automobiles in a half hour.

They have the equipment to do it, but that is a tremendously expensive way of doing it, but it can be done.

In bringing together my State highway department, within the Federal Highway Act, you have a junk car provision and we have a State law that is involved, but nobody will pay any attention to it.

Mr. JONES. Did you have any objection from the Bureau of National Guard about the use of their equipment?

Governor MOORE. No; not yet.

Mr. JONES. In other words, you did not ask their consent, did you?

Governor MOORE. I found out during my governorship, Mr. Chairman, if I might say, I feel that what I do is to do the job and if someone tells me "No," I stop, but I do not ask beforehand in some of these areas.

I found out there are a million people who would tell you "No," but in this area, I had a unique experience with my department of public safety, which is my West Virginia State troopers. I have a number of those spread throughout the 55 counties of West Virginia.

I used them to accelerate the program by constructing just simply what we call a waiver of ownership and giving us the right to pick the car up within an hour.

Initially, my department of public safety, which has a tremendous image in my State and they are very, very frankly an outstanding law enforcement unit, they were a little bit gun shy as to what this would do to their public relations image.

They found out when they approached an individual with a waiver in hand that there was a dialog generated between the individual whose house that car happened to be in front of. There was a wholesome relationship. The biggest problem was trying to break off the good relationship that had occurred so they could get on with other jobs.

They are now enthusiastic and I need not tell you that it is a very convincing thing in a way, in West Virginia, to have a West Virigina State policeman knock on your door and say, "What about that junk car out there? Who owns it?"

It has the greatest expeditious effect on getting rid of it as you have ever seen and they have been working for years.

The guy says, as long as you do not go out in the backyard, you're OK. But it had a tremendous effect and it has been wonderful and while this unit of State government was a little bit shy of participating, with urging from the Governor, who happens to be their chief officer, they moved ahead and it has had a tremendous effect.

Mr. CLAUSEN. Mr. Chairman, I cannot resist this.

I am convinced after listening to this testimony that we have somehow got to have the American people know that the only people who are qualified to run for Governor are those that have served in Congress.

Your testimony has just been tremendous. I will tell you right here and now as the ranking member of this particular subcommittee, I am going to commit myself to your 4-year pitch.

Governor MOORE. Thank you very much.

Mr. JONES. Mr. Wright?

Governor MOORE. Pardon me.

We have suggested for your consideration several amendments as it goes simply to the internal administrative mechanism and I ask you to look at those very closely.

They relate to the States' regional representative and various other aspects of the act. I think we have made some constructive suggestions in that regard and I ask you to look at them.

Mr. JONES. They will be received and certainly considered. You and Mr. Whisman, who is accompanying you, have done such a remarkable and outstanding job in working, not only with the Members of the Congress and the Federal cochairman, but bringing about the day-to-day requirements for the Commission in filling the responses to the people in the 13-State area.

Mr. Wright?

Mr. WRIGHT. Thank you, Mr. Chairman.

Governor, you have been very helpful and very informative and persuasive.

I think you have added a very great deal to our deliberations.

I have one question, basically. When we authorized the Appalachian Regional Commission program, we specifically authorized all these intrastructural programs, such as highways, vocational education, health facilities, and so forth.

In doing so, we entertained the hope that, in turn, these would generate activity in the private sector to revive the economy of this region, and to provide jobs.

Do you have any quantitative estimates of how effectively that facet of the program has proceeded?

Do you have any number of new industries, for example, which have come into Appalachia since the creation of the program?

Do you have any number of jobs in any State or the whole region that have been created?

Governor MOORE. Congressman Wright, a definitive recital of the corresponding industrial growth in the area directly related to the ARC program is embodied within our report which will be submitted in the highway section for your consideration of the act.

There are several things I can give you direct as a response to your question.

Again, we are in a time in which the national economy is suffering a downturn.

The interesting fact is that for the first time, not in the modern history, but in the history of the Appalachian region, our growth patterns are up. Our rates of unemployment are less in terms of any comparable period in which you relate them to any economic turndown as far as the Federal or overall nationwide economics are concerned.

This is particularly true, and I do not believe that you had shared the meeting this morning at the time when I made the observation about my State of West Virginia.

We are now drawing a diversification of industry, which we never had hopes of in the past.

We never thought we would get an aircraft industry in the State of West Virginia. That is somewhat a compliment again of the opening up of this region and making it accessible. Roads have done that. We have now a broad-based diversification on the way.

We are still heavily coal oriented, as you well know, Jim. We have come right behind that with a great deal of chemicals and steel and we are now moving out into the diversification of our economy to the point where our rise in unemployment has for the year 1970, been

lower than the national rate of unemployment use, which is a fact that, when you relate it to West Virginia in the past, could not have been said.

Mr. WRIGHT. That is an indication that the program is working.

What about the population of the States in the Appalachian region? Have they grown at the same pace as the national population?

Have they grown a little faster or have they suffered a decline?

Governor MOORE. Exclusive, sir, of my State of West Virginia, the southern region which generally is made up of the Appalachian States, have had a somewhat higher population growth with the census statistics for 1970 as opposed to the same growth rate for 1960.

My State of West Virginia lost population, approximately 160,000 people. We now have approximately 1,744,000 people in West Virginia. We were the largest loser as far as the four States that lost population between 1960 and 1970.

I happen to believe, though, that the loss that occurred, and this is not said by way of defense, because 9 of the 10 years of that census period were gone before we assumed the office of Governor, and this is not a defensive operation, but I do believe that the greatest loss occurred in my State in the early years of the 1960's, that we have stabilized our population loss and that we actually now are growing.

Mr. WRIGHT. That is very interesting. I think it is understandable from the standpoint of West Virginia because if we were to characterize that which afflicted the Appalachian region as a disease in the first instance in the beginning, I guess we would have to say that West Virginia had the most advanced case.

Governor MOORE. We were acute; that is right, sir.

Mr. WRIGHT. I am particularly interested in the question of what this is doing with regard to population. I think some States may have reached the point they would be pleased if they just stabilized and did not grow.

Certainly, some cities have reached the point where they would be better off if they did not grow. I am particularly concerned, as I know Don Clausen and some others of us are, with population trends in this country. These trends, if not abated by about 1990, will have 80 percent of all of our people living in four highly congested megalopoli—one on the Great Lakes, one on the gulf coast, and the Atlantic and Pacific coasts. The rest of the country, with maybe 98 percent of the land area will provide homes for only 20 percent of the people.

This is frightening—environmentally, sociologically, criminologically, and any other way you look at it.

I am concerned about the extent to which this program may be helpful in providing countermagnets to reverse this trend which concentrates more and more people into smaller and smaller spaces. Have you found that some of your smaller towns have taken on new life?

Has this beginning of industrialization revived the hopes and spirits of some of the smaller cities in your region? Has it retarded the outflow of students, upon their graduation from high school, into the big cities?

Governor MOORE. Your questions go to the very heart of the human problem that exists in Appalachia.

You asked lastly about the outflow or the outmigration of our young people which are such a vital force if you are going to really accomplish

much in terms of change, in terms of improvement. I find that there is an absolute relationship between the word "opportunity" and whether or not that young person is going to stay.

We feel that we have been able to turn the corner very slightly in that regard, and that a higher percentage of our graduating class from high school today is remaining in West Virginia as opposed to previous years.

We are not yet proud of the fact that we lost a great number, but we are attacking that particular problem and are losing less today than we have in the past.

There is one other fact that I would share with you in talking about the growth.

Now as a State—and I am sure this is true of any State—we have the same problems that you have in the Nation.

Some of the most affluent, some of the most prosperous, areas have a tendency to be able to draw and to receive new opportunities for industrialization or improvements generally of the economic and the social strata of the area.

It has been up to us to try to sell the State as a whole on a 55-county basis. We have made this somewhat attractive by the mechanism of ARC in which we have gone out into some of the less attractive areas—and we have put in, by the combination of tricounty relationships, vocational, technical facilities so that the manpower is there.

That was always the thing we fought in the past.

Mr. WRIGHT. Skilled manpower.

Governor MOORE. Right.

Now, we find there is a tendency when we can show there is manpower, there is a tendency to consider such areas for location. Also, I have a developmental airport program, and I believe in small development airports. This is particularly true, sir, of my State because of the tremendous mountain terrain that exists.

I have been able to move it. I should confess again that I got the National Guard doing their summer construction work when they go to active duty during the summer, and they go to an airport site and I have not got any noise on that question yet, Mr. Chairman.

I have them out there doing it. Anyhow, all of this is an interrelationship, and we have a problem as we do nationwide of people migrating to the most attractive megalopolis structure that exists today.

We have the problem in the States, and we are trying to diffuse opportunities in the States so there can be some growth which can be termed even growth.

I give you this interesting statistic: One in five people unemployed today in West Virginia are people that come back to my State in the last 6 months. They have come back from Detroit and come back from Akron, Ohio; they have come back from a number of different places in the country.

Mr. WRIGHT. That is very interesting to me, and, I think, to the committee. That within the entire region from 1960 to 1970, Appalachia has gained 2.74 percent in population. The most dramatic gains appear to be in those towns of 25,000 to 50,000.

A town that size is not a metropolis. That is a healthy, manageable-sized town. The gain was 5.13 percent in towns of that size, and 4.12 percent in towns from 10,000 to 25,000.

It does appear to me that maybe you have been establishing some countermagnets.

Governor MOORE. In general summation of the observation you make, our problem in the country as a whole is our greatest growth is in and around the cities of tremendous size. In Appalachia, our greatest growth pattern is in our small cities.

Mr. WRIGHT. Very interesting. This is quite true, and it is reflected in this chart on cities over 50,000. The growth there was only 1.45 percent, whereas it was 4.12 percent in cities from 10,000 to 25,000, and 5.13 percent for cities from 25,000 to 50,000.

I think that is a significant phenomenon. Thank you.

Governor MOORE. It is happening in Appalachia and it is happening because of what you have done in this program.

Mr. JONES. I'd like to make one observation to what Mr. Wright has been discussing, the fact that in rural communities of 2,500 and less, we are still losing people. That is making one of the enormous problems for us to stabilize and make stationary that population so that our demographic headaches will not result from those communities that are receiving the people that are leaving the rural areas.

Appalachia hopes to halt that problem.

Governor MOORE. Can I give you one further confirmation to Congressman Wright's observation on industrialization?

In 1970, in West Virginia, we had an industrial investment of $1.7 billion. I only give you a basis of comparison with a highly industrialized, most aggressive State, the State of Ohio, which had $2 billion worth of industrial development.

When you consider our size and the fact we have an overreliance in coal-oriented industries, that type of industrialization figure, in my judgment, is quite amazing.

Mr. WRIGHT. Thank you, Mr. Chairman.

Mr. JONES. Mr. Mizell?

Mr. MIZELL. Let me first say, Governor, that I think your presentation has been one of the finest that I have heard since I have been in the Congress, and, as it relates to the program, we, in North Carolina, are indebted to all of those who have worked to make this program a reality.

We are certainly in favor of continuing it and reserving these funds at least until something better comes along.

I have only one question. Because of your experience in the Congress and now as Governor of West Virginia, the fact has been mentioned that there has been a tremendous effort put into vocational and technical training, and that you have developed some qualified personnel for industry.

But yet, the record shows that industrially you have not been able to grow enough to present adequate opportunities at this point to retain the young people in the area.

Governor MOORE. That is correct.

Mr. MIZELL. Do you think that maybe we are at a point where we should offer some added incentives to industry to move them into rural America—possibly tax writeoffs for plant construction and partnerships in the training of the young people on the job, giving special tax incentives, or any other suggestions that you might have?

Governor MOORE. Congressman, I believe wholeheartedly in the program you suggest. I think if you were to look into the record of the Congress about the year 1960 with the aid of the statisticians at the Library of Congress, I put together a program which touched exactly the very point that you make. Make it some sort of an inducement for, let us say, the free enterprise system to work without Government having to give dollars to induce, use the tax statutes as an inducement for industry to divert itself as far as geography is concerned, and at the same time not have an overabundance of Federal dollars to generate the attractiveness of an area; but make the decision to attract industry so they could not turn it down in terms of the tax statute.

I found out that a good and kind and very tremendously capable friend, Chairman Mills, did not like my suggestion too much in that regard, because I was using the tax statutes as an inducement.

I agree with you completely and you use it in terms of the context of rural America. I think I used it in 1960 in the context of depressed areas because we were talking about it at that time, that there be an accelerated depreciation schedule afforded industry for their capital investment in some of the deficient economic areas of the country. I believed it then. You are thinking in that direction and I applaud you because I believe it is the answer and it is the only way that you are going to create that job opportunity to stabilize the outflow of this population.

If you do it in the manner in which you are talking, you are going to find that you are not going to have to be worried about the quality of industry that moves in, for the simple reason that you will have some substantial industries that will have a nationwide sales organization or an ability to move their product to market that are going to come in to take advantage of an accelerated depreciation schedule for the location in a given area of the geography of our country in terms of the rural areas.

You are right, sir.

Mr. MIZELL. I hope that with the emphasis that is being placed on rural America now, and the realization by urban areas that a lot of the problems of the cities are created because of the migration from the rural areas, and we all realize the two problems have a lot in common.

If you were able to keep the people in rural America, we would eliminate the problem in the cities. I hope that not only with a program like Appalachia but also as we look toward a program for rural America, that this will be taken into consideration.

I appreciate your comments.

Governor MOORE. You know, Congressman—and not wanting to extend it, I realize the problem with the old conception is that we got a lot of small communities that were excited by industry—there was such a need for jobs and job opportunities—they did not look behind the industry to determine its quality for the fact that it was constructing a product that had some public acceptance.

As a matter of fact, by the utilization of Federal dollars we permitted, this is an over simplification in terms of response, but we permitted a guy who had an idea to go out into the depressed areas and sell the idea as an inventor would and, because it held out promise of a job, people were captured by the idea. They never looked beyond the fact it had any public acceptance or would ever create an ongoing job.

You could get it in operation. You would operate for a year, but if nobody bought automatic hamburger-making machines, the 75 to 100 people that were employed were only employed so long as they saturated the market with them and it was at an end.

We have so many of these things we can point to in the country that are the misappropriation, in my judgment, of Federal funds to answer the problem, where we could use the Federal tax statute and merge it with the free enterprise system, meaning that that capital dollar goes where the best opportunity for return and the best advantage for profit are, in consideration of the tax statute.

You are going to find that there will be a diversification of this broad, industrial base if we can just bring that in.

Mr. MIZELL. Thank you.

Thank you, Mr. Chairman.

Mr. JONES. And there is no administrative cost for the use of that money.

Governor MOORE. None whatsoever; no overhead.

As a matter of fact, in the Appalachian Regional Commission, program, Mr. Chairman, that is one of the phenomenal recitals of its success, the total amount that is used for administrative cost in this program.

I am talking about percent. It is one and a half percent and you just do not find that kind of administrative factor in a program today.

Mr. JONES. Governor, we cannot tell you how much we appreciate your being here.

You have made a splendid witness, but I am reminded of an experience that my wife had right after the success of the Apollo XII.

Mrs. von Braun, the mother of Werner von Braun, came to visit him in Huntsville, Ala., while he was still in Huntsville.

She came from Germany, and so my wife was talking to her during the reception and she said, "Well, I know, Mrs. von Braun, that you are the most delighted and happiest mother in the whole world for having such an illustrious son, how much he has been able to accomplish."

She says, "Yes; I guess so, but I did not expect any less." So we did not expect any less from you.

Thank you for being with us.

Governor MOORE. Thank you, Mr. Chairman.

Mr. JONES. Following the testimony of Governor Moore, the wires, telegrams, and statements that have been filed with the chairman by the other Governors of the respective States that are not present today will be placed into the record.

(The statements referred to follow:)

STATEMENT BY HON. NELSON A. ROCKEFELLER, GOVERNOR OF THE STATE OF NEW YORK

Since 1965 through the Appalachian program, a regional planning and development process has been carried out by a Federal-State-Local partnership contributing some of the most urgent programs of economic and social development. Also the program has obviously not yet been completed. It has been a highly significant and positive force during the relatively short period of its existence in assisting the region to develop as a whole, and in aiding the development of New York's Appalachian counties.

The Appalachian Regional Commission has facilitated development of action programs throughout the Region, and has provided a valuable forum for the working out of new approaches to region-wide planning and development.

Recognition that the people of the Region are by far its most important resource has been reflected in the Commission's investment programs for educational, training and health projects to aid the 17 million people of Appalachia. The Appalachian program seeks broader opportunities for people and increased ability in terms of health, education and relevant possible training to capitalize on those opportunities.

The Economic and Social problems of Appalachia have been many long years in the making. The Appalachian Regional Commission has had just six short years, and limited resources to develop and initiate the actions necessary to solve them.

Although it's too early to assess fully the total impact of the Appalachian program on New York State's 14 participating counties, some of the available statistics are encouraging; others indicate that a continuing effort must be made.

Complete data from our State Department of Commerce concerning major plant expansions and contractions in the New York Appalachian Region are available for the years 1963–1970. During 1963 there were 20 major plant expansions and nine major contractions. During 1967, 52 major expansions occurred in the Region—with only four contractions. In 1970, despite the national economic slow down, there were 25 major expansions in the Region as against six major shut-downs. In 1963 the plant expansion represented 3.37 percent of the state total; in 1970, they represented 4.1 percent of the state total, a small but nonetheless significant gain. The major plant expansion reported has been in areas idenified in the State's Appalachian Development Program as having a signficant potential for future growth.

Since New York State's entrance into the program in August of 1965, over 100 projects contributing to the improvement of social and economic conditions in New York's Appalachian counties have been funded under the Act. The total value of these projects is approximately 325 million including 117 million in Federal funds through the Appalachian Regional Commission.

New York has let contracts on 183 miles of the 234 miles of the Appalachian development Corridor T—the Southern Tier Expressway—to be constructed with Appalachian assistance. Fifty-three of these miles are now open to public traffic with an additional 35.7 miles to be opened prior to the end of this year. Final design is nearing completion on the final 51.5 miles. Total estimated cost of Corridor T is now 59.5 million dollars. Additional 173 million dollars in Federal dollars will be required to complete the highway on a 50/50 matching basis.

Our land stabilization and Conservation Program is concentrated in three watersheds and Chautauqua and Cattaraugus counties. Despite the limited Federal funds available for this program, it's completion, in cooperation with other programs available under the Agriculture Stabilization and Conservation Services and the Corps of Engineers is expected to contribute appreciably to reducing siltation, increasing available downstream water supplies and combating erosion.

The Commission has approved a New York State project for the plugging of abandoned oil and gas wells in Allegany State Park with completion of the Corps of Engineers' and Kinzua Dam and associated reservoir, recreation demand in the areas will increase substantially, and this project will enhance the future use of the State Park.

Supplemenal funds for categorical Federal-Aid programs have been allocated to a variety of much needed public works facilities and human resource development projects. These include 16 secondary area occupational centers, 11 sewage treatment facilities, three airport expansions, three library service facilities, eight medical facility expansion projects, two health centers, two mental retardation centers, ten post-secondary and 15 secondary level occupational education equipment projects, three higher educational facilities expansion projects, and one large park and cultural project expected to attract 200,000 annually.

The network of secondary area occupational centers which the Appalachian program has helped make possible is of particular interest. This vocational education program is designed to provide all secondary school students in the Region with services based upon local employment needs. The 14 County Region will be served by a network of 16 schools operated under the multi-school district organization known as the Boards of Cooperation Educational Services. These facilities are also open on a tuition contract basis to students in adjacent areas of Pennsylvania.

All 16 centers have been approved for funding by the Appalachian Regional Commission, with seven in operation, five under construction and four in process of letting contracts. In addition, growing demand has resulted in projects to expand five of these centers, and all of these are in process of letting contracts.

When these schools are in full operation, 100 percent of the secondary school students in the Region will be within commuting distance of a centrally located, fully equipped training facility whose program is attuned to local employment opportunity. The benefits of this program are not restricted to secondary students only. For example some 400 secondary students are in training at the Bellmont Center in Allegany County, while the center is at the same time serving about 600 adults.

The Appalachian program has also aided New York's portion of the Region development viable planning mechanism. Adequate planning is, of course, essential to enable the State and its Commission to make the wisest possible investment of limited funds in order to enhance the private capital in attracting potential of the Region.

The planning mechanism has been developed in connection with the Appalachian program—and with its aid has complemented and been linked to New York's statewide comprehensive planning effort, which emphasizes local participation in development of areawide regional and statewide programs. Presently, Local Development Districts are being created and provided with professional staff to further the efforts to bring the full complement of local, regional and state perspectives to bear on questions of economic and social development.

One million people live in Appalachian New York—and their prospects and those of their children have been enhanced by the accelerated planning and development for economic and social growth which the Appalachian program has made possible. Our experience demonstrates the worth of combining Federal, State and local resources to attack a wide range of social and economic problems.

Fourteen New York counties are now included in the Appalachian Region under the Act. Alternatives A of the President's Upper New York Study Report (House Document No. 91–367) recommends inclusion of 34 additional New York counties in the Appalachian Region on a basis of socio-economic characteristics and orientation.

I urge that these 34 additional counties be included as part of the Appalachian Region in any future action taken by this subcommittee.

It is vital that we maintain the economic and social momentum that has been developed in order to help the Region share fully in the promise of the future.

The maintainence of that momentum will require the support of the continuing Federal Financial resource which have figured so importantly in the promising effort of the last six years. State and local governments face similar crisis; the necessary resources must come from the Federal government for there is no alternative.

The Appalachian Region holds a special position in America and a special effort by the Nation—recognized by the basic 1965 Act—is required to bring this Region fully into the main stream of productive national life.

Accordingly, it is my hope the Nation as a whole will continue its special effort on behalf of Appalachian Development which is in the interest of the Nation as a whole.

STATEMENT OF HON. ROBERT W. SCOTT, GOVERNOR OF THE STATE OF NORTH CAROLINA

Continuation of the Appalachian Program should not be viewed as competition for revenue sharing. Actually the experience gained in this program should become a basis for revenue sharing.

A prerequisite for revenue sharing should be investment planning. Each state has some type of investment plan. These plans should be refined to reflect use of the shared federal revenue to meet defined needs on a priority basis. A workable plan for revenue sharing would be to require each state to submit an investment plan for approval. The federal funds would then be used to meet needs through priorities identified in the plan.

The Appalachian Program has proven that a local-state-federal partnership can be effective. This program has allowed states and communities to make effective use of shared federal revenues and has involved a workable decision-sharing mechanism.

While the Appalachian Program has been very successful, the job is not yet finished. The Appalachian Act must be extended in order to continue work on the tasks for which the Act was initially passed. It is believed that many of the tasks can be completed within four years. Therefore, I strongly endorse a four-year extension of the program.

STATEMENT OF HON. LOUIE B. NUNN, GOVERNOR OF THE STATE OF KENTUCKY

Mr. Chairman, I am the Governor of Kentucky. The eastern section of Kentucky is part of a region which for decades has been regarded as a symbol of backwardness—Appalachia. I represent this region and its sincere desire for development as one of thirteen members of the Appalachian Regional Commission.

The region represented by this Commission, although it still lags behind, has actually shown more rapid improvement in average income and rate of unemployment during the last few years than the rest of the nation. It is my opinion that the Appalachian program, for the most part, is responsible for the tremendous improvements. The Appalachian program is an original. Never before has a regional program incorporating such a large number of states been undertaken. Never before has a government program so successfully exemplified the working partnerships of local, state and federal government. The cause is a good one—the need for development is genuine.

The Appalachian program is not a poverty program. It is a program for economic growth. In Appalachia Kentucky, as is true generally throughout the region, we have established a broad and dual strategy of development. Our twin priority involves, first, providing services to help people develop themselves for opportunity wherever it exists. Secondly, it involves providing facilities and services to develop opportunities within each significantly sized area. While providing opportunities will take longer than developing the people to meet opportunity, it is the one in which major investments must be made. Basic facilities such as highways, water resource development, etc., must be developed.

Guided by our belief in the twin objectives, Kentucky's earliest priorities paralleled investments in the highway system, with a complete system of vocational education facilities to provide training opportunity to every single citizen of the region. The total Appalachian Highway System for Kentucky is presently about 585 miles, of which construction is required on approximately 420 miles. As of December 31, 1970, 103 miles of the system requiring construction has been completed and is open to traffic.

Work on the remaining miles is at various levels of completion, with 44 miles under construction.

The developmental highway system is the very foundation upon which all of our other developmental efforts must be planned. We have experienced delay in our highway construction schedule due to the reduced federal funding level, new safety standards which have required design changes, and changes in basic design standards.

Kentucky's projected share of the total allocated funds for the Appalachian system is $213,672,000. To finish the system, Kentucky will need an additional $104 million.

While it may be necessary to extend the time required for adequate appropriation to complete this regional highway system, it is most essential that we do not lost sight of the fact that the full effectiveness of this system cannot be realized until it is completed as a system. Much has already been accomplished. For example, it is now possible to commute from Hazard, Kentucky, a mountain community with an excess labor supply, to Lexington, where jobs are available. Before 1968, the trip took three and a half hours. Now it takes an hour and a half.

Construction of the schools utilized major state investments, plus available federal aid and the supplementary funds available under the Appalachian program in a joint effort. Through this combination we in Kentucky have funded 38 *new* vocational education facilities in the Appalachian region in the past five years. As of today, 23 of these facilities are open. More than 7 thousand persons, both young and old, in need of training are enrolled in these facilities.

Funds have been sufficient through this year to maintain the two-shift high school program during the day; however, it has not been possible to use the facilities throughout the Appalachian area during the evening hours. Funds are not sufficient to operate all schools on a two-shift basis and to provide additional

training to out-of-school youth and adults. The problem will become more severe during fiscal year 1972. New facilities will be open this fall in Kentucky, both in and outside the Appalachian region.

If any programs are to be offered for out-of-school youth and adults, there will need to be a substantial increase in funds. Congress has not increased vocational funds to the level of authorization and the Kentucky Legislature will not meet until next January. It seems realistic that some of the funds available through the Appalachian program should be used to supplement funds to operate the facilities in the Appalachian region.

Also, in pursuit of our goal to create opportunity for people and develop people for opportunity, we have placed a major strategy priority on investments and programs which will strengthen the urban services of our mountain communities. A major problem in Appalachia is the lack of urban centers large enough to provide a service base for industry already there. Urban service industries help recirculate payrolls and multiply the economic benefits. We also want to make it easier for people to live in the country and work in the city. We are accomplishing this in two ways: creating new towns and rennovating and expanding existing urban communities.

Midland, Kentucky, on Interstate 64 near Morehead, is a new town project made possible because of the prior construction of a Corps of Engineers reservoir and the creation of flood-free land. Actually, it will depend upon the urban services of existing communities, such as Morehead. A second such example is in our plan to create a new residential, commercial, and industrial community at Salyersville in the Licking River Valley. Here the process will involve the creation of a water resource project, along with a total complex of development activities, in such a way that the water resource project itself becomes the power trigger and foundation for the entire development.

A somewhat less dramatic, but perhaps more effective, way of developing urban services in Appalachia Kentucky involves our plans for clusters of communities such as Prestonsburg, Pikeville, and Paintsville in the Big Sandy Valley, or the Middlesboro to London complex of communities in the Cumberland Valley and the Hazard, Whitesburg, Jackson group of communities in the Kentucky River Valley. Each such action is programed to develop adequate urban services for these communities on a joint basis.

Let's take for example the three communities of Pikeville, Prestonsburg, and Paintsville, which together can provide the Big Sandy Valley area with virtually one single town of considerable size with maximum use of the scarce developable land along the valley between the three communities for industrial, commercial, and residential use. Briefly, in the Big Sandy, with a combination of local initiative in the Development District and technical assistance of state government, an overall program of urbanization, housing facilities, and institutional construction and job creation is underway. A regional health program and a regional educational program have been organized; hospitals, health centers, vocational schools, junior colleges, primary and secondary facilities, and new service programs are either now established or are being established. An airport has been constructed in mid-valley and another is being planned in the lower valley. The construction of Pound and Fish Trap Reservoirs has freed much of the valley from floods and made possible much of the development I have indicated. Basic to the entire program is the Appalachian development highway corridor of U.S. 23 on which construction is proceeding. A major industrial park has been established in mid-valley on one of the new flood-free sites. Pikeville, the nation's smallest "Model City," is carrying out a dramatic urban renewal program geared closely to the overall scheme of area development. Finally, new industry service establishments and other activities of private enterprise is beginning to occur in increasing degrees—in an area where no expansion was occurring prior to recent years. Even the coal industry is enjoying a resurgence, and a major new private power facility established in the valley indicates private enterprise opinions on the value of investment here.

As is obvious from the nature of these activities, they are only in small part funded through the Appalachian program. Federal, state, local, and private funds and resources have been utilized. More specifically, in the past five years, $95 million has been spent on vocational education facilities and equipment, educational television, land stabilization, libraries, college science buildings, housing, and hospital and medical facilities. Included in that figure is $61 million in federal lands. I think the point here is that the effectiveness of all of them together has been geared to accelerated action by the workable process of the Appalachian Regional program and our own Kentucky program.

I would like to give just one more example of the potential power in the boost the Appalachian program gives. In the past three years $36 million has been spent in Kentucky's 16-county Health Demonstration Project. That is perhaps not an alarming figure to you. The significance is that a little over one-third of the amount has been non-federal moneys (local and state). Once given the initiative and a boost, the local areas made providing basic health services in a hard-core problem area of Appalachia a top priority. The cooperation factor is not to be overlooked. It constitutes a potent factor of long-range effect in advancing the overall development and progress of the area.

Cooperation and federal and local moneys have brought a regional solid waste system to the Kentucky River Area Development District (8 counties). A similar system is planned for the 5-county Big Sandy Area Development District. It has brought a regional communication system for crime to three area development districts (Kentucky River, Big Sandy, and Fivco). Others are in the planning process.

Because of a regional emergency ambulance and medical care communications system in the Kentucky River and Cumberland Valley Area Development District, 15 ambulances were at the site of the recent mine explosions in Hyden within two hours of the explosion.

As can be seen by the broad range of interests in just the Kentucky Appalachian program, the Regional Appalachian Program is not a special federal program. It offers a way for the several levels of government, for the many agencies of government, and for the private sector to work together and to cooperate in a comprehensive approach. Within the Appalachian approach special action is possible, but each special action is taken in the framework of an overall strategy and there is a practical means by which various interests involved in the action may work together effectively.

The Appalachian program depends primarily upon supplementation of regular programs to do the special kind of job it is best able to do.

The Appalachian approach works not only because it is comprehensive in scope and effective in meeting special objectives, but because it allows responsible action to be taken by those with the greatest capability, and finally, it provides for a natural operation of cooperative management at the most appropriate level for management in our governmental processes.

In the Appalachian program I find the greatest opportunity for state government to take on its full level of responsibility. I find the opportunity to apply the Appalachian idea to the management and mobilization of programs throughout my state and to the fundamental philosophy by which I have organized my administration of state government.

The Appalachian program particularly enables me to do certain things in state government:

1. It allows me to provide overall management for all of the agencies of state government for many—although not all—of the federal programs which operate in our state.

2. It allows me to establish special goals and an overall strategy against which the effectiveness of our state programs can be measured and for which action can be taken.

3. It allows me to differentiate this strategy to meet the developing problems of Kentucky's major areas from the mountainous east to the level delta of the western part of the state.

4. It allows state government to work more effectively not only to assist but to induce the maximum responsible action of the local governments in our state.

5. It has allowed government on the local level to work together in multi-county areas in which they are able to enter into effective partnerships, not only with state and federal governments, but with private interests and city organizations of these areas, in a total attack upon the problems of each specific area.

6. It has allowed special action in which our regular program agencies are enlisted and inspired. The special action taken to meet special problems can be tested against regular procedures in such a way that unworkable innovation can be tried and discarded and workable innovations can be tested and built into the regular ongoing program.

I emphasize that the Appalachian program is workable. In the past three years major efforts have been concentrated on developing state management capabilities. The Appalachian Regional Commission approach has now reached a level of refining the Federal delivery system, having suited the states to accept it. For instance, one of my first actions as Governor was to issue an Executive

Order which established the Kentucky Program Development Office, pulling together all of the planning and program development activities of our state government into one unit attached directly to my office. In this unit, we have been able to provide a practical, working approach to informational planning, program development, coordination, and technical assistance functions which are so important to all agencies of state government and to local governments. These efforts had previously been scattered throughout government.

As a further step toward making this program effective in Kentucky, I also took action which confirmed the establishment of fifteen multi-county development districts in our state. While the idea of these districts was originally established in the Appalachian program, the philosophy of this program was that such districts should be established *by the state* and we have moved in Kentucky in this direction. We are moving ahead to make these districts an effective adjunct to local government throughout our entire state. While I may speak well of the progress that has been made in the Appalachian program, let me constantly stress that we need to take further action to expand and improve this program. In my opinion, it is such a major concept in government that its real significance and effectiveness is just beginning to mature. We are just beginning to know how to use it properly.

In both his inaugural and State of the Union message, President Nixon said, "The time has come to reverse the flow of power to Washington, and start power and resources flowing back to the states." As Governor of Kentucky, I say the best way to do this is through the cooperation of the states.

The Appalachian program is demonstrating an effective way to initiate revenue sharing. Through this program the federal government shares revenue with states and communities based upon effective plans developed jointly by state and local levels of government.

The Appalachian Regional Commission provides a block grant for the state to use in health and education. The basic intent of the Appalachian program is to create a balanced growth for local, regional and national development. This is to be accomplished at three levels: (1) The idea of ARC improves the Federal delivery system, (2) it improves state government's role in decision making, management and planning functions, and (3) improves local government's planning through regional cooperation, sharing of facilities, regional programs, etc.

The Appalachian Regional Commission does not directly implement programs which can be implemented by existing agencies, but provides supplemental authority, funds, and technical assistance to such agencies—(state, federal, or local)—for programs which they implement.

The Commission decisions require a negotiated agreement of the Federal Cochairman, a majority of the states, and the governor of any state thereby affected. The success of the Commission's program has been obtained through this decision process. In this regard the value of the Office of the States' Regional Representative in helping to effect this agreement has been demonstrated again and again. This office which we have funded and sustained as a states' institution should be made a permanent feature of the Commission through this legislation.

Through the commingling of authority and funds of the Commission with the funds and policies of the operating agencies, a great deal of flexibility is obtained. In effect, this Commission procedural requirement has brought about one of the most important benefits of the Appalachian program approach in that the Commission has become a "broker" in coordinating and combining elements of various individual fundamental programs to meet problems of broader scope or unique situation.

My belief in this program is so strong that I feel that it should be expanded to include environmental programs, health planning and human resources. The area should be expanded in its coverage either to cover entire Development Districts or an alternate method would be to expand coverage for the three regions of New York, Philadelphia and Atlanta.

Finally, let me suggest that the value of the Appalachian program lies fully as much in its concept as in the success of its processes applied against any problem. The Appalachian process is the best I have experienced to enable us to work together effectively in our complex public and private relationship. It provides the best way I know of to define real goals, set priorities, and to mobilize for action.

I respectfully urge the continuation and expansion of the Appalachian program. We are having success in our efforts. We want to get on with the job.

STATEMENT OF HON. LINWOOD HOLTON, GOVERNOR OF THE STATE OF VIRGINIA

Mr. Chairman, I wish to join my fellow Appalachian Governors in urging the extension of the Appalachian Regional Development Program. In the period that I have been Governor, I have found no other public program that has more benefited the people of the mountains of Virginia than the Appalachian effort, and I know of no other program that holds the potential for accomplishing still more in their behalf.

I am aware that the question is before us as to whether the Appalachian Program funds should be included in proposals for various forms of revenue sharing. The issue is somewhat misunderstood—and it should not be. Revenue sharing is, just as its name implies, the sharing of dollars. Certainly the adjustment of the proportion of public revenue to allow more equitable funds to the state and local levels is critically needed. However, in addition, the Appalachian concept of local-state-federal partnership organization allows the further sharing of authority, technical knowledge, and decision making. It is a way for the three levels of government to "broker" their best efforts together in dealing with a total range of programs, many of which are not even proposed for inclusion in revenue sharing. Therefore, we need the benefits of both—revenue sharing and the regional mechanism for working together.

Certainly, I believe that at a minimum, the Appalachian Regional Commission and its program must be extended for the four years authorized by the bill recently passed in the Senate. In this period, we can make the judgments as to how best to combine both these concepts into truly creative federalism.

One of the main objectives of the Commission's program was to provide the Region with the public facilities and services essential to the well-being of the people of Appalachia and to the development of a Region which had lagged behind national growth. In Virginia, we are making real progress on that objective. Moreover, the State and local communities are assuming the burden of operating those facilities and maintaining those public services after the Appalachian Program has helped us establish them. We take pride in that record.

Virginia has had a goal for Virginia's Appalachian Program and a strategy for reaching the goal: ". . . to assist the people of the Region in acquiring the training, skills, and health which are needed to participate in, and contribute to, the Nation's economy . . ."

The capstone of our strategy is "to make massive improvements in our state and local educational programs, thereby enabling every individual to participate productively in our society . . ."

Also vital to this strategy is the completion of a modern system of highways in Appalachian Virginia to end the isolation which has been so large a cause of economic and social distress.

We regard the programs and support of the Appalachian Regional Commission as the tools with which we can quicken the pace of achievement of our goal for the people in our mountains. I know they have waited and worked long toward that goal. I grew up in those mountains.

I stated the high emphasis we have placed on education and health. Let me put that into perspective.

Almost two-thirds of the over $68.1 million of direct expenditures in Appalachian Virginia under the Appalachian Development Act since its enactment have gone for highways. These funds have made it possible to create developmental roads which are extremely expensive to build through rugged country but whose payoff in opening that country to commerce is immeasurable.

Of the remaining expenditures, education, particularly vocational and technical education, has been the major area of investment. Of the non-developmental highway funds, over 80 per cent have gone for education and health needs. Vocational-technical schools have been constructed, or are in the planning state, to serve most of the young people and adults who desired training in the Appalachian counties. Sixteen vocational and technical schools have been built and equipped with Appalachian Act assistance. Before long, this aspect of our Program will be completed, but it is not finished yet. Without the Appalachian Program, tens of thousands of our youth would have no opportunity to prepare for the jobs that will bring them a decent leveling, and many older men are women would not have the chance to make up for their earlier lack of skill training.

Appalachian funds have been the key to another educational accomplishment: we have—or soon will have when the last projects are completed—a community college within commuting distance of all the residents of Appalachian Virginia. Those six colleges will prepare our youth for further advanced education or for tasks vital to the development and well-being of the area.

A similar theme is evident in health. We have nearly completed the funding of a network of hospitals throughout Appalachia. I am convinced that without the funds provided to Virginia under Section 214 and Section 202 of the Appalachian Act, construction of these facilities would have been either all but impossible, or they would have been delayed for years. I understand as well as anyone the needs of our expanding metropolitan areas for modern health facilities. They have an urgent need for modernization of inadequate hospitals. We are meeting that need as we have the resources to do so, but without the help of the Appalachian Act, another area of great need would remain unserved. That is intolerable.

We are doing more than building hospitals. Since 1968, seven counties—Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise and the Independent City of Norton—have operated as an area to demonstrate effective ways to provide a largely rural population with comprehensive health services. The demonstration is an arm of the State Department of Health, but it was stimulated and largely supported by the provisions of Section 202 of the Appalachian Act.

There are counties where poverty and remoteness have contributed heavily to the health problems. The acute shortage of physicians, dentists, and other health personnel has impeded relief of these problems. Through the demonstration program, modern hospitals and clinics in outlying areas have been built or are assured of completion. Dental services have been inaugurated to begin saving youngsters from loss of teeth in their teens. Children have been vaccinated against disease, including German measles. Clinics are being conducted for family planning and to provide basic health services to infants and their mothers.

We told the Commission that we needed funds for buildings and to start or expand certain essential health services.

If this help could be provided, we committed the State to picking up the responsibility for the continuation of these basic services and facilities. We are keeping that commitment, but if the overall health program in those counties is to be truly effective, a continuation of the Appalachian Regional Commission support is required, not only for some funds for further development but also for its work in technical assistance and coordination in the complex field of health program development. The benefits of what we are doing in the demonstration health program accrue not only to the people directly served. There are lessons to be learned for the other rural areas of the nation which face problems similar to those we are confronted by in reaching those who need health services.

Just as highways, schools, hospitals, and other public facilities and services are vital to our development strategy, local organizations and leadership are also essential. Without this capacity, the eminently sound concepts of revenue sharing and the delegation of more responsibility and authority to local communities will be hollow ideals.

In Virginia, we have divided the State into planning districts. This has been achieved under State legislation which has been cited as a model for all states and in a manner consistent with the Appalachian development concept. Six of these 22 districts cover our Appalachian counties. They are governed by locally-selected commissions and have their own professional staffs.

The boundaries of these planning districts have been accepted by the Appalachian Regional Commission as "local development districts" under Section 302 of the Appalachian Act. The Commission and other Federal, State, and local funds are used to support the district organizations. The planning district commissions are charged with the responsibility of carrying out comprehensive physical, economic, and social planning for their districts and encompass the developmental plans and programs pursued under the Appalachian Development Act.

The planning district commissions will form the primary administrative units through which Appalachian Development Act funds are channeled into the Region and should take the leading role in formulating proposals for Appalachian-funded programs and projects within their respective districts. Care is being taken to assure that the expenditure plans and projects proposed by the individual planning districts are in accordance with the overall developmental concepts of the Appalachian Region.

I want to relate to you how one of these district organizations is demonstrating the true potential of the district concept.

Local initiative and leadership, supported by public funds from three levels of government, are bringing economic progress to a rural area of Southwestern Virginia.

In order to make possible this improvement in the economy, three local jurisdictions have provided tax revenues to a fourth jurisdiction to help develop a project of benefit to the people of the entire area.

Three Federal agencies worked together with the State agencies and community in a unique demonstration of teamwork on behalf of the people in a corner of Appalachian Virginia, and the people of the area demonstrated their determination throughout, even to the extent of acquiring a surplus bulldozer and beginning land improvements on their own.

The focus of this effort is the Duffield Industrial Center which is being constructed on a tract of 2,000 acres of farm land located along Appalachian Development Highway Corridor B (or U.S. Highway 23). Stretches of Corridor B, a four-lane highway, are completed, and work is under way on other portions. The center is twenty miles from Interstate 81.

The industrial community is also located in the heart of the LENOWISCO Local Development District (comprised of Lee, Scott, and Wise Counties and the Independent City of Norton) which contains 95,000 people who live in a dozen incorporated towns and cities and a multitude of small coal camps.

The site was selected as the location for the development because it is one of the few areas within the LENOWISCO District which has a sufficiently large area of flat land. It is accessible to the area's labor force; has highway and rail access; and has lower development costs than other sites studied. Relatively flat land is a rather scarce commodity in the Appalachian Region, particularly in the coal-mining central portions which include Lee, Scott, and Wise Counties.

The Duffield effort began in March, 1967 when the LENOWISCO Development District designated Duffield as a major industrial growth center as part of a long-range economic development strategy. The project received the support of local leaders as evidenced by the provision of local tax money to help develop the joint project. To date, this support from local tax sources has consisted of $350,750 in capital improvements and $20,000 to cover operating deficits.

The Appalachian Regional Commission and the Economic Development Administration have provided the local development district, LENOWISCO, with administrative funds. Funds for special studies, administrative funds, plus water and sewer grants have been provided by the Economic Development Administration. The Virginia State Division of Planning has provided technical assistance in formulating detailed plans.

The North Fork of the Clinch River has posed a flood threat to the Duffield site. Negotiations had been completed with the Tennessee Valley Authority for a $500,000 rechanneling project to make the site flood free. However, TVA did not receive the necessary appropriations in time and with the approval of Congressional committees, the Appalachian Regional Commission provided $150,000 in order to expedite the rechanneling work by TVA. This represented a dovetailing of effort and effective regionalism.

The first manufacturing plant has now located in the industrial center, employing 65 persons.

Without the Appalachian Program, I suspect that Duffield would still be a dream.

Let me add a final emphasis on the urgent need for rapid completion of the Appalachian Development Highway System. Further projects like Duffield, as well as the overall development of Appalachian Virginia, depend upon the creation of this transportation and communication foundation for development. I might point out that Virginia has completed a larger proportion of the mileage made possible by limited Federal dollars for these highways than any other state. However, all of the states have accelerated their matching funds beyond that which is required and have demonstrated that they can utilize funds far beyond those now available. The pace of future development in this Region will be set by the speed at which we complete the fundamental highway system.

I would like to make one additional recommendation. In the early design of the Appalachian Program—in fact, before the Appalachian Regional Development Act became law in 1965—the member Governors initiated the establishment of an office to represent them in the day-to-day conduct of Commission business. During the ensuing six years, the Office of the Appalachian Regional Representative has become an effective and essential part of the Commission. I feel that it is appropriate that this new Act provide recognition of this office and its role in the Appalachian Program.

One point which should be made clear is that the total Appalachian Program is far more than the Appalachian Commission. The Commission is simply one keystone element in a system of program management units in the executive branch

of the three levels of government. The Commission forms a partnership unit between the President's program management offices and those of the Governors. The development district provides the partnership link between the State agencies and local governments and private groups. It is the entire system which makes complete the Appalachian concept for cooperation and special action. This system is in place. It is working. In a nation which needs examples that work successfully, we cannot afford to suspend or diminish this one.

Let's get on with the work.

Mr. Chairman, I think it is clear why I so strongly advocate the extension of the Appalachian Program.

STATEMENT OF HON. JOHN C. WEST, GOVERNOR OF THE STATE OF SOUTH CAROLINA

As the newest of the 13 Appalachian Governors, I have had an open mind on the value of the Appalachian program, especially in comparison with the national Administration's proposal to phase all present grant Programs, including Appalachia, into a revenue sharing plan.

I met with the Appalachian Governors on February 5, along with representatives of the President and Vice President who presented the details of the President's Program including the elimination of the Appalachian and Coastal Plains Programs.

I am convinced now that the Appalachian and Coastal Plains Programs must be continued. To substitute the revenue sharing proposals as alternatives would be impractical and illusory. To adopt these proposals as substitutes for the successfully working regional concept would constitute a most serious mistake.

First, I wish to reiterate my support of the Resolution adopted by the Appalachian State Governors on 5 February 1971 urging extension of the Commission with particular emphasis on that portion of the Resolution which states:

"We all fully support the basic concept of Federal revenue-sharing, and we believe the Appalachian program has been one of the finest demonstrations of how States and communities can make effective use of shared Federal revenues. In addition, we believe that the Appalachian local-state federal partnership structure allows a 'decision sharing' mechanism which provides benefits in the shared management of many programs in a way not provided by revenue sharing alone."

Second, as a minimum, I wish to endorse the idea that the Appalachian Program, which has proven so eminently successful during the first six years of its existence, be expanded for the four years requested to allow for the effective, efficient and economical completion of the absolutely essential tasks under way and planned under the minimal ten-year Appalachian Program envisaged at the time of its establishment.

Third, it is my view that revenue sharing and the Appalachian management and control concepts are complementary one of the other. These two concepts used in concert will prove highly successful in meeting state and local community needs, but more importantly, in meeting special needs beyond the central community interest and across state lines. The joint concepts could have such a tremendous impact upon the well being and happiness of the underprivileged, that the regional total concept of revenue sharing and Appalachia might well serve as a model Regional approach worthy of adoption on a National scale. A system of Geographical areas, each with similar goals, problems and interests could be set to cover all parts of the nation. The actual drawing of lines should be left to be worked out in the development of the national program, but all communities and all states would be included.

Fourth, I am convinced that the establishment of National goals and priorities in such areas as Health, Education, Transportation, Rural Development, Urban Renewal and Protection of the Environment, is imperative. Quite naturally these national objectives must be further defined in the differing regional alignments, with appropriate Federal, regional and state authorities and responsibility, if the available resources are to be marshalled and judiciously applied to meet the critical problems and needs of a rapidly expanding population, technology and economy.

Fifth, I have been tremendously impressed by the innovative and highly successful programs that have already been employed in the Appalachian Regional Program in alleviating and minimizing the Economic, Health, Education and Social needs of the people of this region, who have not been blessed with the advantages, opportunities and amenities of other areas of this great land.

Sixth, it is abundantly clear that the President's proposal on revenue sharing is a great principle for dealing with the vital needs of local communities and states by providing for funding strength in an equitable manner to all local communities and states, drawing from all revenue sources derived from the people of the entire country. Even so, the great management and innovative strength of the regional programs concept of the Appalachian Region Commission must not be allowed to disappear. Instead, it must be strengthened and even used as a pattern for the future if the best interests of all Americans are to be served.

Upon my election as Governor last November, I began immediately to formulate certain goals for our administration. I also began an immediate inventory of the resources available to help us attain those goals.

Among the goals set, which we have since articulated formally, were elimination of hunger and malnutrition, providing adequate housing, better health care and a better educational opportunity for all citizens.

In evaluating the resources available to our state in reaching for these goals, I spent first hours—and then days—reviewing the Appalachian Program, first with my predecessor, Governor McNair and his staff, and then with the local and regional staffs. I then assessed the demonstrated results of the program with knowledgeable and concerned local citizens.

It is my considered judgment that the Appalachian concept is the best and most workable approach to solving the problems of people—and their governments—that we have considered since the advent of our federal system. Certainly it is the most feasible that I have seen or considered in my 16 years as a state legislator or my prior experience as a university teacher of Political Science.

Such a statement would be extravagant without substantiation or documentation. Here are the reasons:

(1) Problems of people—and their prospective solutions—are today more regional than state. Hunger, inadequate housing, illiteracy, failure of delivery of health care, are present today in every state. These ancient plagues of people are no respecters of State lines. Alone, neither state nor national government has, in the past, nor can in the future, solve these problems.

(2) The Appalachian concept creates a federal-state-local partnership with a now demonstrated capacity to find and initiate innovative solutions to these problems. Each of the participating partners' input is essential. Through this process:

The *Federal Government* can participate through:

(a) the recognition of a regional approach to problems through adequate staff and planning capacity;

(b) basic responsibility for funding;

(c) communication, dissemination and evaluation of program progress throughout the 13-state region.

The *State Government* can provide:

(a) A continuing input of 13 Governors delineating and assigning priority to the problem areas of their respective states. In the normal political process there is a continuous change in chief executives and their staffs (6 are new in 1971 alone). Fresh from the elective process, this input provides an up-dated concern for needs, hopes and aspirations of citizens of a region.

The Appalachian Commission organization not only provides a workable state-federal partnership but a practical way for states to work together. In this regard, the action of our first Appalachian Governors in establishing their own Appalachia Regional Representative as the functional, full time equivalent of the Federal Cochairman, has proven to be a most worthwhile step. I would like to recommend now that it is time we provided recognition for this office as a part of the Commission, in the Act itself.

(b) Leadership in planning and executing innovative solutions to basic problems of state government—and governors—are usually handicapped in initiating new programs or changing old ones by such things as lack of funds. The Appalachian concept gives state governments—and governors—reason to show initiative because it gives them the immediate capacity to implement solutions otherwise not practical or feasible.

Local governments and people

Perhaps the single most important virtue of the Appalachian concept is its massive and effective involvement of local government units and the private sector in solving the problems of people on a local level.

Operation of Appalachia in South Carolina has, for the first time in the 300-year history of our state, formed an effective coalition of all units of local government working with mutual trust and respect and joining with private citizens, groups and organizations to begin a new era of progress for our state.

Appalachia not only has provided a new basis for cooperation between county and city governments, but has sparked the formation of new multi-county regional planning districts which carries down to the individual citizen the opportunity to deal in concert with others on problems of human needs—and solutions—which cross governmental boundaries in most instances.

The Appalachian Program has not only brought together governments, but has been a unifying force by crossing political, social and economic divisions in the private sector with a subsequent benefit not only to the program but to all citizens.

For the first time, private colleges and state universities consider and agree upon priorities and allocation of limited funds for capital construction.

For the first time, medical associations and health planners agree on a massive plan of delivery of health care to all citizens of a given area.

For the first time, industrial and commercial development leaders are working together—on an area-wide basis—to pull together public and private resources to deal together in concert on area development sites, on the community facilities, transportation systems and other services and facilities required to serve such sites, and on training and employment programs required to deal with manpower utilization and job opportunities in such private enterprise development.

We have taken some important steps in South Carolina to modernize State and local government and to utilize the input of Federal program resources in the process. I must point out that, while many of the Federal program inputs are extremely useful in dealing with particular problems, it is true that much of the confusion in government today results from the too restrictive inputs of some of the Federal programs which are either conflicting or inconsistent in basic policy and purpose. However, let me make clear that those of us who have worked at the State and local level of government are greatly aware of the inadequacies and conflicts in our governmental processes at those levels as well.

What we need is a systematic approach which allows us to work together in the three levels of government, to form a unified delivery system to the end that we can bring all of the force and capability of government to bear upon those particular problems and opportunities which hold priority for the people of each different local area.

In South Carolina, we have found it possible to take a number of basic steps in establishing such a system. I count as fundamental to this system the establishment of a Program Management Unit attached to the Office of the Governor and working on the State-wide coordination of all Federal and State programs. The second fundamental step, in establishing this system, has been the creation of a uniform set of multicounty development districts covering the entire State and working directly with the Governor's Office Program Management Unit. This has allowed us a beginning in the business of relating the coordination of State and Federal programs to their needed impact on the local priorities which can be formulated in the plans of each of our local development areas.

As a result of this system—completely modeled upon the Appalachian regional concept and formulated with the assistance of the Appalachian Commission—we have been able to develop a more rational and coherent approach than would otherwise have been possible.

I intend to continue to complete the job in making this system work for maximum benefit in South Carolina. We need more experience in the operation of our State-wide program management and coordination activity and I intend to give this function the full support of the Governor's Office. Each of the local organizations working in the development areas has progressed to a differing degree in their capability to deal with this new approach: to make effective plans and to put them into action in worthwhile programs. I intend to give greater recognition and the full support of state government to their work.

In the progress that has been made in utilizing the multi-State regional approach, as part of this system, South Carolina is one of only three states in the country to have joined two multi-State regions. In addition to Appalachia, we are participating with Georgia and North Carolina in the Coastal Plains Regional Development Program.

Simply because a national regional program has not been available to us as an alternative, we have not been able to incorporate the remainder of our State—

the Central Piedmont Region—into a multi-State regional effort. However, we are incorporating our central counties into our consistent State-wide local development organizations. We will not only be giving those counties every support possible in this fashion, but it is our desire to incorporate these counties into the multi-State regional approach, as well. Whether all of South Carolina should be in one single region, or should be cooperating in perhaps two regions at the multi-State level, is a matter which will require study as the national regional approach is given full consideration. With that option open, however, our desire and our commitment is firm to see all of the counties and communities of South Carolina benefit from inclusion in the excellent system of the regional development concept—based upon the reality of its application in the Appalachian Region.

I have concentrated my comments largely upon the basic policy and organization questions involved here. I am asking Colonel James Whitmire, whom I have appointed to head our State program management and coordination activity, to provide a separate statement outlining in brief detail the nature of some of our actual programs in operation.

Conclusion

The regional approach, as exemplified by the Appalachian Program, is not inconsistent with the Administration's revenue sharing program. In fact, in my judgment, it is the only feasible plan to implement it and to achieve its laudable goals on which we all agree.

This concept answers what is to me a valid criticism of the proposed revenue sharing program, namely, that it gives the Federal Government the responsibility of imposing taxes for revenue over which no control in spending is exercised.

The operating Appalachian record eliminates that basic and valid objection. The federal funds expended are for programs agreed upon and approved by federal, state and local officials, meeting fully the test of responsibility for expenditures.

The federal system will be strengthened by a continuation and expansion of the Appalachian Program. To eliminate this program would be disastrous.

Statement of Hon. George C. Wallace, Governor of the State of Alabama

Since the inception of the Appalachian regional development program and the establishment of the Commission, Alabama has developed a mechanism, in concert with her sister Appalachian States, which has provided for identification of regional goals, State and regional research valuable in project and program election, helpful joint State and Federal review of worthwhile projects, and the establishment of multi-jurisdictional planning and development organizations within each State which are proving their worth in initiating cooperation among local governments. We believe that continuation of this type of partnerships between governments is imperative for proper management of public investments.

Under the Commission approach, the chief executive of each State is charged with overall responsibility for distribution of funds, guided by a development plan which establishes priorities of need and growth potential in various fields of endeavor and localities.

During the period of our participation in the Appalachian program, Alabama and its community governments have maintained and improved their own level of tax efforts. The program has not been used in Alabama as an exercise to supplant the need for local resources and initiative. To the contrary, local governments have been obliged to measured up to the responsibilities because, with Appalachian assistance, they recognized better opportunities of success. Appalachian Alabama now has six multi-county councils of government and planning commissions operating. The continuance of some of these are dependent upon the Appalachian program at the present time. Given more time and some additional assistance, they will all reach a stage of maturity and usefulness which will make them more effective in the program development process.

We respectfully urge a four-year extension of the Appalachian development program and pledge our continued support and participation in it. The job which I and other Appalachian Governors set out to do, in full partnership with each other and with the Federal side of the commission apparatus, has not been fully accomplished. We believe that the record thus far indicates that the goals can be accomplished through the continuation of the program as contemplated. This is as it should be and can continue to be through extension of the Appalachian

Development Act now under consideration. This experience has proved that the delivery of health services, vocational training, improvement of higher education facilities, and the ultimate closing of the economic gap between the Appalachian area and the nation as a whole can be accomplished through the partnership process and extension of the Appalachian program. The continuation of the Appalachian access road program (section 201), the vocational education program (section 211) and the supplemental investment program (section 214) are especially critical to Alabama at this time.

The investment of Appalachian funds, aside from research, highway, and health demonstration investments has resulted in a total facilities investment of $90 million. Many communities and local school districts simply could not have accomplished nearly as much for their citizenry under existing categorized grant programs. The investment of Appalachian funds has resulted in the investment of $35 million funds from other Federal programs, much of which could not have been so utilized because of the fiscal limitations of local governments and educational institutions.

Because of the planning efforts which must go into the road construction process, much of the money thus invested under the section 201 program will prove valueless unless the program is continued. The same is true of the section 202 health program and the allied childhood development efforts.

STATEMENT OF HON. JIMMY CARTER, GOVERNOR OF THE STATE OF GEORGIA

Recently I prepared a statement to the Subcommittee on Public Works of the U.S. Senate, my position remains unchanged in my support of a four-year extension of the Appalachian Regional Commission.

As you know, Congress declared in 1965, that the Appalachian Region of the United States, while being abundant in natural resources, lagged behind the rest of the country in its economic growth, and its people had not shared in the Nation's prosperity. The area had developed unevenly as a result of the economic base for vigorous self-sustaining growth had not materialzed. The intent of the Congress in creating the Appalachian Regional Commission was to alleviate these conditions and work purposefully toward their solution.

Since the formation of the Commission, much has been done to address the problems of: inaccessibility, poor standards of health, soil erosion, mine drainage and fires, housing, vocational education, and construction projects. Solving these specific prob'ems do have a direct bearing on the economic development potential.

The Appalachian Regional Commission has been a pioneering approach using Federal, State and local cooperation. This partnership has been very successful and has demonstrated the expertise of solving the unique problems of this region. Sound planning strategy based on an annual State Investment Plan and established funding criteria for determining priorities in projects, have become the formula for success in this program. The Appalachian program in Georgia has not become a vehicle to circumvent the need for local resources and initative. To the contrary, local governments have measured up to the program and their responsibilities; and through this effort have realized many successful projects. Public dollars under the Appalachian Act are being wisely spent in Georgia.

I would like to point out some of the key problems that would result in Georgia if the Appalachian Program were to be discontinued at this time:

The Appalachian Highway Program is to be one of the key methods of opening the region in Georgia for commerce, health, tourism, and internal development. This highway is incomplete and based on present funds allocated, it cannot be completed. Unless the program is continued the funds that have been already invested will not be fully utilized to their full potential.

Georgia has aggressively pursued the problems of health as a result of assistance made available by the Appalachian program. We have developed a comprehensive program for constructing regional health facilities which tie in with subregional hospital and local health clinics, but the job has not been completed. We now have in operation speech and hearing centers, alcoholic rehabilitation centers, mental retardation centers, health clinics, nursing homes, nursing and paraprofessional training programs related to health and regional hospitals. At the present time, many of these facilities and programs are entirely dependent on continued Appalachian support. Local support for these activities is increasing and it is apparent that the local capability will be a reality in the very near future.

One of the most successful and impressive achievements of the program has been in the area of vocational education. However, in Georgia the program has not been completed. An additional five or six vocational technical schools need to be constructed in order to complete our comprehensive vocational education program in Georgia Appalachia. The record of the Vocational Education Program of the Commission gives supportive evidence that these vocational education goals can be accomplished through the continuation of the program as now contemplated.

The heart of the Appalachian program has been supplemental assistance to communities which do not possess the necessary resources to match federal grant-in-aid offers. The types of projects funded in this category are municipal facilities, airport expansion, libraries, hospitals, nursing homes, and other economically essential projects. If this program were to be discontinued at this time, many communities with the potential for self sustaining growth and development will not realize their true growth potential.

The Appalachian program has demonstrated the capability of doing the job. Now we must allot this program sufficient time to accomplish its mission.

It would be an injustice to Congress, the Appalachian Regional Commission, and more importantly the citizens of Appalachia, to discontinue the program at this time.

In the history of the development of the Appalachian Regional Commission, participating states have established an office to operate in fully carrying out the Federal-State partnership. This office has proven its usefulness and should be recognized in the Act. Specifically, this office should be designated as the Office of the Appalachian Regional Representative, and be of equivalent stature to the Office of Federal Cochairman.

The Appalachian Regional concept has demonstrated in action not in theory a workable mechanism for the coordination of the three levels of government—their resources and activities—to deal at maximum strength and the best combination of programs directly on target to the priority problems of people which differ in each local area. It has taken several years of direct experience to "fine tune" this workable demonstration to a present level of success.

Georgia is also a partner in the Coastal Plains Regional Commission which is authorized under Title V of the Public Works and Economic Development Act of 1965. The degree of success experienced in the Appalachian partnership of Georgia has not yet been achieved in the Coastal Plains area. This is so for two reasons. First, the Coastal Plains Regional Commission has not been in operation as long as the Appalachian Regional Commission and has not had the time to make as great an impact. Secondly, and most importantly, the Title V Commissions have been appropriated only one-fifth of the funds authorized by Congress. Thus, the financial resources so desparately needed to stimulate economic growth and development have not been made available to depressed communities in the Title V regions.

I urge the Congress to continue their support of the Appalachian Regional Commission and the Title V Commissions. Further, I urge that the Title V Commissions have their level of funding increased to the level of Appalachia and that these vital programs be continued for an additional four years.

STATEMENT OF HON. MARVIN MANDEL, GOVERNOR OF THE STATE OF MARYLAND

I would like to address myself specifically in support of Title III—Appalachian Regional Development Act Amendments of 1971 of H.R. 5376, which your subcommittee is considering today. I previously testified in support of a similar bill, S. 575 passed the U.S. Senate March 11, 1971, with certain amendments all of which, including those pertaining to other titles of H.R. 5376, I strongly endorse.

Title III of H.R. 5376 extends the Appalachian Regional Development Act of 1965 for two years, which I fully support—even though I am convinced that at least four years more are required for the Appalachian Regional Commission to accomplish its mission in Appalachia. There are also other differences with regard to the level of funding which, I feel confident, the Congress is best able to judge. However, I recommend the higher figure, primarily because of increasing costs. Therefore, I support the funding level in the bill passed by the Senate.

I would also recommend for your consideration refinements which are included in the bill passed by the Senate. These provide flexibility which the Appalachian Regional Commission is convinced will improve its performance in achieving its

objectives, based on experience gained from the progress already made toward these objectives. In other words, as is usual in such circumstances, progress dictates change.

The first of these applies to Section 214 of the Appalachian Regional Development Act of 1965, which provides funds to supplement federal grant-in-aid programs. The sole purpose of this program is to permit federal contributions in development or development-related projects in a total amount not exceeding 80%, thus enabling poorer communities to participate in federal benefits. Now we are asking that this authority be broadened so that Section 214 money can be used in lieu of the basic federal grant-in-aid money in those instances where the project has been processed and approved but the federal agency cannot fund its share.

Other changes involve grouping of funding authorizations to achieve more flexibility within broader areas. In the human resources area, for example, the authorizations for demonstration health and vocational education facilities are joined to make one overall authorization for this purpose. Similarly, the authorization for natural resources—involving land stabilization, conservation and erosion control; timber development; mining area restoration; and water resources—are combined.

Another refinement which I heartily endorse is designed to overcome the prohibition on the use of the monies authorized for mine area restoration for certain projects. The Lausche Amendment rightly restricted restoration of private held lands to prevent those landowners from "windfall" gains resulting directly from public money. I believe this amendment insures against such gains, but allows restoration of these lands.

I also hope that your committee will support an amendment calling for the establishment of a States' Regional Office and Representative. While the Appalachian States have created and funded such an office, now is the appropriate time to make it statutory. To accomplish this, I propose that Section 101.(a) of the Appalachian Regional Development Act of 1965 be amended to read as follows (the underlined words indicating the sentence being added):

> Section 101.(a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman," appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. *The State members of the Commission may establish the Office, Appalachian Regional Representative, which Office shall discharge, under policy guidelines approved by a majority of the State members, all or any of the responsibilities conferred upon the States in the remainder of this Act.* The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

In addition, I want to take this opportunity to reaffirm my support for this unique federal-state partnership which is so successfully pursuing the goal of lifting the level of economic opportunity for people in Appalachia to that enjoyed by other Americans. My State has many tangible reasons to justify my enthusiasm for this program, and I would like to tell you of a few of them.

During the first five years of Maryland's participation in the Appalachian Regional Development Program, approximately 100 projects contributing to the improvement of social and economic conditions in Maryland's three Appalachian Counties have been funded under the Act. The total cost of these projects is approximately $86.4 million, including some $35.8 million in federal funds through the Appalachian Region Commission.

Of these projects, approximately $45.6 million in total costs are attributable to the development highway system and local access roads, including about $24.3 million in A.R.C. funds. These investments will put Appalachian Maryland strategically on an east-west main stream of commerce.

Total cost of all other projects is about $40.8 million, including $11.5 million in A.R.C. funds. Nearly half of these A.R.C. funds were invested in the improvement of educational facilities. Among fifteen vocational education projects are two area vocational-technical centers and a regional vocational resource center. A new community college campus has been opened. A regional education service agency is in the planning stage.

Environmental projects received a substantial boost also, and have included two water treatment facilities and nine sewerage systems. Other major projects included four health facilities, two airport improvements, two libraries, and a small watershed dam construction.

Thank you for your time and attention.

STATEMENT OF HON. JOHN BELL WILLIAMS, GOVERNOR OF MISSISSIPPI

Mr. Chairman and Distinguished Members of the Subcommittee:

I am pleased to submit this statement in behalf of a four-year extension of the Appalachian Regional Development Program.

I was a Member of the United States House of Representatives at the time the Appalachian Program was initially written into law. I opposed the Program when it was initially considered and passed. Without delineating all of my reasons for opposition, I can tell you now that my position was based on a misconception, or lack of full understanding, of the Program's philosophy. At the outset, I had regarded this Program as merely another "run of the mill" grant-in-aid scheme aimed at garnering political support from a particular geographical section of the country.

After three years of service as Governor of the State of Mississippi, and having had an opportunity to witness this Program in operation first-hand, I readily confess that the premise of my initial opposition to the Program was wholly in error. In fact, it is now my firm belief that the basic concept of the Appalachian Program is by far the most successful means of bringing about a productive and universally acceptable state-federal partnership in our developmental efforts.

Mississippi was the last of the states to be brought into the Program. We had the opportunity—which the other states did not have—to evaluate the effectiveness of this Program in other states over a two-year period and to determine for ourselves whether we desired participation. Having determined, on the basis of this observation, that the Appalachian Program is the most successful of all federal-state development efforts during the past decade, we sought voluntarily to join the Appalachian Commission. We recognize this Program as the only one which, in truth as well as theory, takes its direction from the local level; whereas in contrast, other programs of grant-in-aid to states and municipalities start at the Washington level and filter down to the people.

While we enjoyed the privilege of observing the Program's operations prior to seeking participation, we paid a corresponding penalty of having lost two years' time which could have been used to our advantage in building the foundation for development that the program seeks to achieve.

This is the type of program in which each year's investment and each project's action is so planned that it builds a basis for successful action in the following years. Even in those states which have participated in the Program from its beginning, only now are they beginning to perfect the working mechanisms and to establish systems of development facilities and services to the point where they can foresee the creation of a successful basis for development action within the region itself.

Since the time Mississippi was included in the Appalachian Regional Commission, we have made major investments in the following categories:

68 miles of *Access Roads* that have provided our working people access to their places of employment. These investments total $6,259,437.

Airports, $466,377. This included our Golden Triangle Jet Airport, a multi-county undertaking.

Education, $5,853,236. This figure includes investments in two of our major colleges and universities, vocational-technical schools which serve three of our junior colleges and seven high schools. This program was designed primarily to intercept our young people prior to their dropping out of school and already, the trend is starting to reverse itself.

Health Facilities, $641,608. Invested in the construction of three hospitals and mental health-retardation facilities.

Water Sewer Systems. Eight water and sewer systems have been funded under this program, totaling $1,308,024.

Land Stabilization and Erosion Control, $632,920. Invested to help our farm people, to control the wearing away of their land and to put it into productive shape.

Housing, $318,000 for low and middle income families.

Administration and Research, $273,858.

Multi-Purpose Recreational Facilities, $219,534.

The total of these investments is $16,000,000 for the twenty-county Appalachian Mississippi Area.

One of the studies which has just been completed and which will be up for consideration by the Congress in relation to the authorization for extension of the Appalachian Program, is the extension of the Appalachian Development Highway System with a corridor to serve the people of northern Alabama and northern Mississippi. This is a tremendous geographical and heavily populated area in which no interstate or up-to-date modern highways are available for the transportation services demanded by an emerging commercial development. Our study has shown that the kinds of development potential that exist in the areas of the northeastern part of our State, will provide tremendous traffic on a highway corridor and will, in turn, be dependent upon and greatly stimulated by provisions of a major highway facility. It is most important that the program be continued to encompass this development and to tie the people of this part of the region into the transportation system which is producing such basic and accelerated development in many other parts of the Appalachian Region.

Based on my experience of twenty-one years as a member of the United States House of Representatives and three years of service as Governor of the State of Mississippi, I regard the basic reforms in our governmental processes to be a most urgent need. In spite of the constantly growing demands for new and expanding federal services and programs, I am of the opinion that central government has grown so disproportionately great as to become unwieldly, unmanageable and clumsy. Too many decisions affecting the lives and economic well-being of our citizens are being made entirely too far away from the seat of the problems. In too many instances, local interests and public officials are given little or no voice in the decision making process.

These are some of the specific accomplishments underway or on the ground and beginning to serve our people. Just this year, we have succeeded in establishing some of the fundamental organizational arrangements for which the pay-off is to come in the future. For instance, we have just completed planning for a comprehensive area demonstration health program in which the objective will be to create an adequate system of delivery of health services reaching our people and bridging across the difficulties of access to such services, whether these difficulties result from physical, geographical or economic problems. We are aware that the demonstration health programs in some of the other states, developed prior to our entry into the Appalachian Program, have produced some of the most effective rural health delivery systems in the country.

Probably the most significant single forward step we are now taking, as a result of our participation in the Appalachian Program, is the establishment of a system of multi-county development districts. This will mean that our State government will be able to cooperate more directly and effectively on the grass root level with local government and with local private interests on every aspect of the program which affects growth and development in local areas. We will be able to channel and coordinate the technical assistance available from State as well as federal governments, and which cannot be economically sustained by the small local government typical of our State. We will be able to coordinate the planning of our State services—and with the kind of cooperation we are able to work out through the Appalachian Commission, we will see the coordination of federal program services—to meet more specifically the unique different needs of each of the larger areas of our State. The Office of the States' Regional Representative has become a necessary and effective device for helping to effect a smooth states-federal partnership and I believe the time is appropriate to provide that office with legislative recognition in the act you are now considering.

I wish to express the strong conviction that the Appalachian Program, under its current concept, be allowed to complete the work that has been planned previously, and to allow us to demonstrate further the effectiveness of this program and its partnership process.

TESTIMONY OF HON. JOHN J. GILLIGAN, GOVERNOR OF THE STATE OF OHIO

As a member of Congress in 1965, when the Appalachian Program was introduced in Congress, I voted for the program. I felt it represented a new approach, a new way of looking at the problems of a specific region of the country and then taking action to solve its problems.

I was very interested in the concept of a partnership between the Federal and state governments in developing a program of economic assistance to the depressed Appalachian region of the country and in the local-state-federal partnership provided for to carry out local development action. I felt then that this new approach to "creative federalism" was not only essential to meet special Appalachian problems but might well serve, also as a model system of governmental decision making for ultimate use throughout the nation.

In Ohio, we have long experienced out-migration from our twenty-eight Appalachian counties to our major cities. This has been due primarily to the lack of employment opportunity within the Appalachian region. The Appalachia portion of Ohio represents 11 percent of Ohio's total population—an area of the State that has been economically played out, a victim of economic and social forces beyond its control. Its physical environment was ravaged. Its industry was declining and the only real resource of the region was the spirit of the people.

It has been six years since that vote and over $100 million has been invested by the Federal Government in Ohio to develop the region. These funds stimulated additional State and local expenditures to the extent that over one quarter billion dollars has been invested by the public sector as a direct result of the Appalachian Program.

The effect of this tremendous Federal-State and local investment program in Ohio has resulted in the construction of 19 hospitals and health centers, six vocational schools, 70 miles of developmental highway have been completed or are under construction, numerous water and sewerage facilities, land conservation projects, and the further development of the region's human resources. These are projects which have helped to reverse the downward trend of the region's economy. Without Appalachian funds, it is doubtful that these projects would have been undertaken. The economic impact of the Appalachian Program is readily apparent. Twenty-three of Ohio's 28 Appalachian counties reduced their rate of unemployment between 1965 and 1970 and seven of these counties had reduced their unemployment rate to less than the national average. In fact, 19 of the 28 Ohio Appalachian counties had a growth in their effective buying income higher than the national average.

I truly feel that the programs of the Appalachian Regional Commission are responsible for a major portion of this change.

Now, a new concept of "revenue sharing" is being discussed. As the plan has been conceived, $16 billion will be earmarked by the Federal Government for distribution to State and local governments. Eleven billion dollars of this total will come from the elimination of existing categorical aid programs. Only five billion dollars will be "new" money. One of the programs that the Administration has indicated will be eliminated under this plan is the Appalachian Regional Development Program. This is just one of the development type programs which is being jeopardized in the name of revenue sharing. I do not believe that we at the State and local levels should be asked to eliminate proven programs. I do believe that if programs must be eliminated, they should be those which have been less successful.

In response to suggested elimination of the Appalachian Program, I held a public hearing for local officials in one of Ohio's principal Appalachian communities. The attendance and participation by local officials at this hearing reinforced my belief that this program is having a good effect on Appalachia Ohio. The impact of this program on the lives of these public officials and their constituents is quite apparent. They expressed the spirit of cooperation and their belief in what can be done that is not common among State and local governments. Over and over again, from officials throughout Appalachia Ohio, I was told that the program was offering to the Appalachian resident hope, opportunity, and a chance to cooperate on a regional basis to rebuild the economy.

Later in the same day, I attended an Appalachian Governors' Conference in West Virginia. I was pleased to hear the same feelings expressed by the Governors at this meeting. Is was readily apparent that the program is having the same degree of success in their States.

As a Governor just beginning to grapple with crucial rural and urban area development problems throughout Ohio, it is most encouraging to find a universal

view among Governors that this program works. Not only does it redeem the faith I placed in the program by supporting it as a Congressman, more important, it is encouraging to find one important program really doing the job it was designed to do when, frankly, so many of our programs today are simply failing to meet that test.

The Governors endorse not only the unique state-federal partnership, but the local development district arrangement, the development concept for selecting public investment for projects designed to fit into a comprehensive plan and to produce growth in relation to priority objectives.

This program is beginning to produce a number of bonuses in its impact on governmental organization at federal, state and local level. Its influence in improved interstate activity is beginning to produce specific results in various multistate areas—including the general area of the Ohio River in which my state is directly concerned with a number of multistate interests.

That the program has achieved this level of success after such a short period of time is truly remarkable, for its direction has been towards building the public facilities base that is needed to increase development within the region. In the end, it is the people that benefit from the additional educational opportunities, the better levels of health and health services, and decreasing unemployment. Indications are that economic conditions in Appalachia Ohio are improving.

However, the job is not done. Even with positive signs of an economic recovery, the region still lags behind the nation in growth. Additional public investments must still be made and the Federal and state governments utilizing the Appalachian Regional Commission have a successful mechanism through which to make the investments. My early feeling that this program might provide a model mechanism for governmental decision making and program action which could well be used throughout the nation, is strongly reinforced.

Therefore, I strongly support the Randolph-Cooper Appalachian Bill which will assure the continuance of this vital program—both for its immediate benefit to Appalachia and for its further demonstration of the much needed examples of problem solving processes which can be applied to the massive and critical problems in other parts of the nation.

STATEMENT OF HON. MILTON J. SHAPP, GOVERNOR OF THE STATE OF PENNSYLVANIA

Gentlemen: As Governor of the Commonwealth of Pennsylvania, as a businessman, and as one who has a strong interest in the problem of economic development for many years, I am pleased to join the other twelve Governors of Appalachia in strongly recommending a four-year extension of the Appalachian Regional Development Act. The recent action of the Senate in approving such an extension is most encouraging to me as Governor. To meet the objectives we have set for development in Pennsylvania we need this program.

For twenty years, I have been active in governmental research and development activities at the local, State and federal levels. As a member of the Congressionally-established Public Advisory Committee for the old Area Redevelopment Administration (ADA), I participated directly in the preliminary work of the President's original Appalachian Regional Commission, which developed the first Appalachian legislation. In addition, we worked with task forces in State and federal government in developing the legislative and program definitions for the EDA, the OEO, and other programs.

It has been a privilege for me to continue to observe in action these programs whose internal structure and original concepts I knew in detail.

Mississippi was the last of the states to be brought into the Program. We had the opportunity—which is the other states did not have—to evaluate the effectiveness of this Program in other states over a two-year period and to determine for ourselves whether we desired participation. Having determined, on the basis of this observation, that the Appalachian Program is the most successful of all federal-state development efforts during the past decade, we sought voluntarily to join the Appalachian Commission. We recognize this Program as the only one which, in truth as well as theory, takes its direction from the local level; whereas in contrast, other programs of grant-in-aid to states and municipalities start at the Washington level and filter down to the people.

While we enjoyed the privilege of observing the Program's operations prior to seeking participation, we paid a corresponding penalty of having lost two years' time which could have been used to our advantage in building the foundation for development that the program seeks to achieve.

This is the type of program in which each year's investment and each project's action is so planned that it builds a basis for successful action in the following years. Even in those states which have participated in the Program from its beginning, only now are they beginning to perfect the working mechanisms and to establish systems of development facilities and services to the point where they can foresee the creation of a successful basis for development action within the region itself.

Since the time Mississippi was included in the Appalachian Regional Commission, we have made major investments in the following categories:

68 miles of *Access Roads* that have provided our working people access to their places of employment. These investments total $6,259,437.

Airports $466,377. This included our Golden Triangle Jet Airport, a multi-county undertaking.

Education $5,853,236. This figure includes investments in two of our major colleges and universities, vocational-technical schools which serve three of our junior colleges and seven high schools. This program was designed primarily to intercept our young people prior to their dropping out of school and already, the trend is starting to reverse itself.

Health Facilities $641,608. Invested in the construction of three hospitals and mental health-retardation facilities.

Water Sewer Systems. Eight water and sewer systems have been funded under this program, totaling $1,308,024.

Land Stabilization and Erosion Control $632,920. Invested to help our farm people to control the wearing away of their land and to put it into productive shape.

Housing $318,000 for low and middle income families.

Administration and Research $273,858.

Multi-Purpose Recreational Facilities $219,534.

The total of these investments is $16,000,000 for the twenty-county Appalachian Mississippi Area.

One of the studies which has just been completed and which will be up for consideration by the Congress in relation to the authorization for extension of the Appalachian Program, is the extension of the Appalachian Development Highway System with a corridor to serve the people of northern Alabama and northern Mississippi. This is a tremendous geographical and heavily populated area in which no interstate or up-to-date modern highways are available for the transportation services demanded by an emerging commercial development. Our study has shown that the kinds of development potential that exist in the areas of the northeastern part of our State, will provide tremendous traffic on a highway corridor and will, in turn, be dependent upon and greatly stimulated by provisions of a major highway facility. It is most important that the program be continued to encompass this development and to tie the people of this part of the region into the transportation system which is producing such basic and accelerated development in many other parts of the Appalachian Region.

Based on my experience of twenty-one years as a member of the United States House of Representatives and three years of service as Governor of the State of Mississippi, I regard the basic reforms in our governmental processes to be a most urgent need. In spite of the constantly growing demands for new and expanding federal services and programs, I am of the opinion that central government has grown so disproportionately great as to become unwieldly, unmanageable and clumsy. Too many decisions affecting the lives and economic well-being of our citizens are being made entirely too far away from the seat of the problems. In too many instances, local interests and public officials are given little or no voice in the decision making process.

I do not consider the federal government to be the repository of all wisdom, nor am I convinced that it should have the exclusive prerogative to make all decisions affecting all geographical areas of the country. While it is true that the federal government has emerged as the major revenue collector and chief disbursement agency in our scheme of government, this does not obviate the necessity for state and local governments to participate in making decisions where local interests are concerned. While so-called revenue sharing proposals have been put forward as a means of providing more local self-determination in the disbursement of these monies, I find much disagreement, and a plethora of suggestions, as to how and in what manner this should be accomplished. I have supported the principle of revenue sharing on the premise that the federal government has preempted so many sources of revenue formerly available to the

states and local governments, that they find themselves hard put to finance the necessary functions of their respective governments.

While a desirable and workable revenue sharing program would be helpful to the states and localities in meeting their responsibilities, such a program could not deal with all the factors which are provided in the Appalachian Program concept for inter-governmental cooperation, or for the first assessment of priorities and program actions which would reap the most benefit for people from the investment of the public dollar. I fail to see any real conflict between revenue sharing and the regional development concept. In my opinion, the two can live side by side, with one complementing the other.

These are some of the specific accomplishments underway or on the ground and beginning to serve our people. Just this year, we have succeeded in establishing some of the fundamental organizational arrangements for which the pay-off is to come in the future. For instance, we have just completed planning for a comprehensive area demonstration health program in which the objective will be to create an adequate system of delivery of health services reaching our people and bridging across the difficulties of access to such services, whether these difficulties result from physical, geographical or economic problems. We are aware that the demonstration health programs in some of the other states, developed prior to our entry into the Appalachian Program, have produced some of the most effective rural health delivery systems in the country.

Probably the most significant single forward step we are now taking, as a result of our participation in the Appalachian Program, is the establishment of a system of multi-county development districts. This will mean that our State government will be able to cooperate more directly and effectively on the grass root level with local government and with local private interests on every aspect of the program which affects growth and development in local areas. We will be able to channel and coordinate the technical assistance available from state as well as federal governments, and which cannot be economically sustained by the small local government typical of our State. We will be able to coordinate the planning of our State services—and with the kind of cooperation we are able to work out through the Appalachian Commission, we will see the coordination of federal program services—to meet more specifically the unique different needs of each of the larger areas of our State. The Office of the States' Regional Representative has become a necessary and effective device for helping to effect a smooth states-federal partnership and I believe the time is appropriate to provide that office with legislative recognition in the act you are now considering.

I wish to express the strong conviction that the Appalachian Program, under its current concept, be allowed to complete the work that has been planned previously, and to allow us to demonstrate further the effectiveness of this program and its partnership process.

STATEMENT OF HON. WINFIELD DUNN, GOVERNOR OF THE STATE OF TENNESSEE

I appreciate the opportunity to include this statement in the records of the hearings of this Subcommitee and to make known my strong view in support of the proposed four-year extension of the Appalachian Regional Commission. The recent action of the Senate in approving legislation which would provide the four-year extension authorization is most encouraging.

I have read with care President Nixon's State of the Union address and his budget message to the Congress in relation to the effect of his proposals on the Appalachian Regional Commission and its operation. I have also discussed this matter with Senators Howard Baker and Bill Brock, and Congressman Joe L. Evins, with other Governors in the Appalachian Region, and with the Federal Cochairman of the Commission, Mr. John B. Waters, Jr., who is a fellow Tennessean and a close friend. It is as a result of this inquiry that I make these observations.

First, I am in strong agreement with the course of action outlined by President Nixon for the establishment of a more efficient delivery system for future federal assistance to state and local governments. It is my view that the federal government must move away from complete reliance on federal grant-in-aid instruments and must adopt approaches which seek to strengthen the political structure and enhance the responsiveness of American federalism. This can best be achieved as the President has proposed by the establishment of a combination of federal revenue sharing and general functional block grants along with categorical grants in aid.

While I will thus support with great enthusiasm the general proposal outlined by the President, I am most concerned as to how this would affect the Appalachian Regional Program. As we all know, the Appalachian Regional Commission was established to fulfill a particular purpose—to provide special catch-up assistance to the region in order that this area might compete effectively with the rest of the nation. Therefore, this program is unique among our federal programs. For this reason, and because this program has functioned effectively, I believe that abandonment of the Commission before its task is done would result in the loss of maximum impact of the substantial investment already made and would be a cruel disappointment to the people of our Region.

Since its inception, the Appalachian Regional Development Program has provided nearly $32 million to the State of Tennessee to assist in the construction of approximately 200 public facilities ranging from hospitals and vocational schools to airports and strip mining reclamation. An additional $45 million has been made available for the Appalachian Development Highway System and $4.6 million for local access roads. At this time, approximately 90 miles of the system are either open to traffic or under construction.

STATEMENT OF JOHN D. WHISMAN, STATES' REGIONAL REPRESENTATIVE, REGIONAL COMMISSION

Mr. Chairman, as you know my role is to represent the thirteen Governors on the Appalachian Regional Commission, in a role equivalent to that of the Federal Cochairman, in conducting responsibilities of the several States for the Commission on a continuing basis and with the policy direction of the thirteen Governors.

All thirteen of our Appalachian Governors have testified on behalf of the pending legislation providing for a four-year extension of the Appalachian Regional Program.

Governor Arch A. Moore, States Cochairman of the Commission and Chairman of the Council of Appalachian Governors, presented his statement in person and answered questions of the Committee. His statement included a number of suggestions representing agreement by all the Governors on areas in which the program could most effectively be expanded or improved by amendment to the Act.

At the request of Cochairman Governor Moore, I am providing detailed data in support of the general statement made by Governor Moore, and some of the other Governors, reporting the uniquely high proportion of nonfederal participation which this program has induced.

I am providing a chart for each of the thirteen States, setting forth the dollar volume of the participation of Appalachian Commission funds; and the proportion of other federal funds, States, and localities. Also listed is the total cost of project activities.

The significant thing about these figures is that they indicate that both the States and the localities have provided a nonfederal participation in all program areas at a much higher level than that required by limits of the Federal Act. Before commenting on the figures themselves, I should point out that you will find a few inconsistencies in the figures on the charts and that these inconsistencies reflect an understatement of the State and local participation. The charts are complete and accurate on all figures reported. However, there are considerable costs in most projects which are ineligible for federal funding. In some of the earlier statements of our activity, these project costs were not included in the records from which we have taken these six figures. All federal costs are shown and, obviously, the ineligible costs would all be nonfederal. Therefore, the inadequacy of these figures lies in their under-reporting of the State and local participation.

I will abstract from these tables two sets of figures which most effectively demonstrate the willingness of the States and localities to exceed the normal participation level to a degree that, I am absolutely sure, is not even closely matched in any other program performance.

For instance, in the programs for the vocational schools, sewage disposal systems, and supplementation of local capacity in other federal grant-in-aid programs (Sec's. 211, 212, 214), the Appalachian Act would allow a federal participation of up to 80%, with nonfederal matching of only 20%. One might well expect to find the figure in practice to show nonfederal participation of

slightly over 20%, but I ask you to consider the actual participation levels demonstrated in these figures. The lowest nonfederal participation is at 49.6%; the average is close to 60%, with one State providing 72.1% nonfederal funds. These figures summarize the total participation over the five years of the program and the percentage is higher in the last years.

Summary figures for the total use of federal funds by each State in the program under Section 211, 212, and 214, are shown below, followed by the total project cost and the percentage of nonfederal funds. Figures in 1,000's.

State	Federal funds	Total project cost	Percent of non-Federal funds
Alabama	$49,833	$101,421	50.8
Georgia	36,825	77,492	52.5
Kentucky	36,727	90,253	59.3
Maryland	15,742	54,556	71.2
Mississippi	17,008	34,241	50.3
New York	33,481	119,851	72.1
North Carolina	35,219	85,152	58.7
Ohio	35,661	82,750	57.0
Pennsylvania	120,396	377,833	68.2
South Carolina	29,022	63,732	54.5
Tennessee	62,170	156,481	60.3
Virginia	28,098	61,376	54.2
West Virginia	60,498	119,929	19.6
Total	560,679	1,425,067	60.7

In reviewing the funds expended under the Appalachian Highway Program, through FY 1970, the following total federal cost, total project cost and percentage of State funds utilized, is shown.

The original Federal Act provided an allowance for the States to utilize 70% of federal funds in the Highway Program. This percentage factor was established on the basis of understanding that the States' participation in this highway development would require a major additional commitment at a time when the ability of States to maintain their position in regular highway programs was severely strained. The determination was that it would be an extremely unusual effort for the States to provvide even 30% of funds in this unusual and sizable undertaking. Nevertheless, the record now shows that the States' participation in this effort has been at a rate of 46%—for all States through the five years of the program.

Again this figure understates the State participation, since it does not include a reporting of the fact that several States have advanced 100% State funds in the costs of preliminary engineering and right-of-way acquisition on sections of the highway system for which no construction funds are available within the present federal level of authorization.

State	ARC development highway funds fiscal year 1965 through Dec. 31, 1970 (in thousands)	Total cost of development highways in each State through Dec. 31, 1970 (in thousands)	Percent of State funds
Georgia	$10,884	$19,776	45
Kentucky	116,377	183,987	37
Maryland	23,566	44,214	47
New York	83,730	192,716	57
North Carolina	36,128	65,870	46
Ohio	44,171	81,115	46
Pennsylvania	60,197	122,455	51
Tennessee	44,645	71,842	38
Virginia	42,178	72,386	42
West Virginia	152,126	264,859	46
Total	614,003	1,119,222	46

NOTE.—Attached is a summary table for each State showing Appalachian assisted projects in each State and the amount contributed toward the total cost of those projects by State and local government.

ALABAMA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	-0-	-0-	296,330	792,660	286,020	953,400	1,256,507	6,564,353
1967	-0-	-0-	639,530	1,502,000	-0-	-0-	5,889,869	23,096,294
1968	-0-	-0-	608,323	1,658,573	404,884	2,372,400	4,149,855	20,540,119
1969	-0-	-0-	1,467,316	4,567,616	-0-	-0-	2,844,587	11,260,364
1970	28,389	35,487	2,473,536	5,620,000	-0-	-0-	3,448,212	13,913,760
	28,389	35,487	5,585,035	14,140,849	690,904	3,325,800	17,589,030	75,374,890

Funds Expended 1965-1970 Under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A					
201B	13,416,128		6,814,985		20,231,113
202	6,765,842		1,691,500	8,457,342	8,457,342
203	2,447,977				
205	- 0 -				
207	28,389		7,098	35,487	35,487
211	5,585,035	1,264,427	3,898,148	14,140,849	14,933,509
212	690,904	306,836	1,453,880	3,325,800	3,710,800
214	17,589,030	24,396,351	27,537,974	75,374,890	82,777,000
302A	882,572				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A		
Access Roads Section 201B (Cumul.)	19,530,000	
Health Section 202	3,069,200	n.a.
Vocational Education Section 211	2,373,445	n.a.
Supplemental Grants Section 214	3,485,287	n.a.
Local Development District and Research Section 302 (a)	200,000	n.a.

GEORGIA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Voc. Ed. Section 211 ARC	Voc. Ed. Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	396,330	792,660	165,393	806,646	2,003,871	41,620,860
1967	-0-	-0-	639,530	1,502,000	143,160	477,200	2,917,092	11,494,212
1968	-0-	-0-	608,323	1,658,573	187,233	927,687	2,357,811	10,399,117
1969	114,216	142,770	1,467,316	4,567,616	-0-	-0-	1,727,122	7,245,358
1970	69,480	86,850	2,473,536	5,620,000	-0-	-0-	1,675,347	10,234,396
	183,696	229,620	5,585,035	14,140,849	495,786	2,211,533	10,681,243	53,993,943

Funds Expended 1965 - 1970 Under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	10,884,491		8,891,839	19,776,330	19,776,330
201B	2,489,026		1,709,583	4,198,609	4,198,609
202	8,382,902		1,216,271	9,599,173	9,599,173
203	873,110				
205	- 0 -				
207.	183,696		45,924	229,620	229,620
211	5,585,035	1,264,427	3,898,148	14,140,849	14,628,674
212	495,786	167,670	1,123,077	2,211,533	2,791,533
214	10,681,243	18,630,427	20,951,899	53,993,943	60,072,110
302A	545,127				

ARC Funds Currently Available

	1971	1972
Dev. Highways Section 201A (Cumul.)	14,405,000	18,327,000
Access Roads Section 201B (Cumul.)	3,017,000	
Health Section 202	2,507,200	n.a.
Vocational Education Section 211	1,746,615	n.a.
Supplemental Grants Section 214	3,438,619	n.a.
Local Development District & Research Section 302 (a)	-0-	n.a.

KENTUCKY PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	-0-	-0-	695,520	1,500,000	-0-	-0-	1,515,000	5,230,000
1967	-0-	-0-	1,438,813	3,475,000	-0-	-0-	3,317,899	10,175,246
1968	-0-	-0-	1,539,800	3,396,321	-0-	-0-	2,772,597	16,368,505
1969	99,945	124,932	934,600	1,949,768	-0-	-0-	2,250,022	11,626,600
1970	-0-	-0-	2,100,321	9,962,704	-0-	-0-	2,284,266	15,990,000
	99,945	124,932	6,709,054	20,283,793	-0-	-0-	12,139,784	59,390,351

Funds Expended 1965-1970 under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	116,376,788		67,610,470	183,987,258	183,987,258
201B	2,084,547		1,363,851	3,448,398	3,448,398
202	14,559,017		21,838,983	36,398,000	36,398,000
203	2,005,085				
205	- 0 -				
207	- 0 -				
211	6,709,054	515,755	8,724,096	20,283,793	20,495,054
212	- 0 -				
214	12,139,784	17,362,578	23,268,450	59,390,351	69,758,000
302A	1,061,608				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	143,982,000	179,330,000
Access Roads Section 201B (Cumul.)	3,793,000	
Health Section 202	4,180,200	n.a.
Vocational Education Section 211	1,615,668	n.a.
Supplemental Grants Section 214	3,888,488	n.a.
Local Development District & Research Section 302 (a)	130,000	n.a.

MARYLAND PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	300,000	1,800,000	-0-	-0-	222,810	603,380
1967	-0-	-0-	300,000	1,750,000	104,702	746,592	1,602,397	11,554,976
1968	-0-	-0-	331,820	865,428	3,911	28,000	3,167,955	10,243,849
1969	-0-	-0-	575,600	1,343,034	-0-	-0-	1,197,869	3,703,841
1970	93,040	116,300	1,223,104	3,965,000	-0-	-0-	1,197,869	3,703,841
	93,040	116,300	2,730,524	9,723,462	108,613	774,592	8,058,660	31,620,138

Funds Expended 1965-1970 Under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	23,566,426		20,648,032	44,214,458	44,214,458
201B	758,567		650,719	1,409,286	1,409,286
202	100,000			100,000	100,000
203	248,357				
205	65,400			65,400	65,400
207	93,040		21,800	87,200	87,200
211	2,730,524	300,000	5,441,586	9,723,462	14,272,646
212	108,613	122,366	477,447	1,571,000	1,571,000
214	8,058,660	4,421,989	17,646,872	31,620,138	38,712,800
302A	166,350				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	36,786,000	45,536,000
Access Roads Section 201B (Cumul.)	1,707,000	
Health Section 202		
Vocational Education Section 211	835,855	n.a.
Supplemental Grants Section 214	1,996,114	n.a.
Local Development District & Research Section 302 (a)	65,000	n.a.

MISSISSIPPI PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Voc. Ed. Section 211 ARC	Voc. Ed. Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1967	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1968	-0-	-0-	475,000	1,080,000	-0-	-0-	1,629,556	8,421,547
1969	-0-	-0-	545,461	1,613,072	-0-	-0-	2,627,104	10,194,477
1970	318,800	398,500	876,700	1,605,963	-0-	-0-	2,316,575	6,413,212
	318,800	398,500	1,897,161	4,299,035	-0-	-0-	6,573,235	25,029,236

Funds Expended 1965 - 1970 Under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A					
201B	5,749,522		3,194,112	8,943,634	8,943,634
202	26,402			26,402	26,402
203	709,199				
205	- 0 -				
207	318,800		79,700	398,500	398,500
211	1,897,161	342,152	1,119,860	4,199,035	5,129,035
212	- 0 -				
214	6,573,235	8,195,216	8,903,624	25,029,236	29,111,741
302A	509,214				

ARC Funds Currently Available

	1971	1972
Dev. Highways Section 201A (Cumul.)	9,058,000	
Access Roads Section 201B (Cumul.)	9,058,000	
Health Section 202		
Vocational Education Section 211	1,200,688	n.a.
Supplemental Grants Section 214	2,643,603	n.a.
Local Development District & Research Section 302 (a)	60,000	n.a.

NEW YORK PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	-0-	-0-	448,420	1,666,665	144,410	489,068	2,043,254	7,583,874
1967	-0-	-0-	448,420	2,000,500	-0-	-0-	2,804,719	13,384,909
1968	-0-	-0-	1,138,439	7,684,320	334,976	3,319,000	2,077,630	16,331,862
1969	131,360	164,200	1,271,469	13,604,966	-0-	-0-	1,873,037	22,673,087
1970	-0-	-0-	1,271,469	5,203,875	-0-	-0-	801,634	8,221,672
	131,360	164,200	4,467,557	30,160,326	479,386	3,808,068	9,600,274	68,465,404

Funds Expended 1965-1970 Under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	83,730,000		108,346,124		192,716,124
201B	247,819		261,113	508,932	508,932
202	80,000			80,000	80,000
203	1,611,202				
205	124,875		41,625	166,500	166,500
207	131,360		32,840	164,200	164,200
211	4,467,557	3,400,275	19,411,526	30,160,326	32,160,326
212	479,386	748,066	2,107,901	3,808,068	3,808,068
214	9,600,274	14,785,672	39,923,534	68,465,404	83,883,000
302A	322,546				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	83,730,000	104,158,000
Access Roads Section 201B (Cumul.)	3,011,000	
Health Section 202	1,646,048	n.a.
Vocational Education Section 211	3,675,790	n.a.
Supplemental Grants Section 214	3,675,790	n.a.
Local Development Districts and Research Section 302A	130,000	n.a.

NORTH CAROLINA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	566,660	1,200,248	48,000	160,000	457,970	3,803,000
1967	-0-	-0-	437,500	1,062,724	210,210	700,000	1,375,383	7,115,474
1968	-0-	-0-	921,331	2,828,056	586,405	2,817,700	5,327,109	22,277,124
1969	-0-	-0-	965,019	1,930,037	39,630	202,400	2,563,117	10,338,488
1970	-0-	-0-	1,664,832	4,088,080	-0-	-0-	2,173,275	9,524,254
	-0-	-0-	4,555,342	11,109,145	884,245	3,880,800	11,896,854	53,058,340

Funds Expended 1965 - 1970 Under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	36,128,225		29,741,897		65,870,122
201B	2,115,300		1,333,431	3,448,731	3,448,731
202	5,791,714				5,791,714
203	1,310,162				
205	- 0 -				
207	- 0 -				
211	4,555,342	379,208	4,188,275	11,109,145	12,422,393
212	892,935	8,690	1,346,370	3,880,800	4,058,400
214	11,896,854	17,485,747	19,725,058	53,058,340	68,671,000
302A	493,996				

ARC Funds Currently Available

	1971	1972
Dev. Highways (Cumul.) Section 201A	38,630,000	48,530,000
Access Roads (Cumul.) Section 201B	3,496,000	n.a.
Health Section 202	2,104,800	n.a.
Vocational Ed Section 211	1,597,465	n.a.
Supplemental Grants Section 214	2,911,259	n.a.
Local Development District & Research Section 302 (a)	288,000	n.a.

OHIO PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Voc. Ed. Section 211 ARC	Voc. Ed. Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	541,780	2,641,000	-0-	-0-	484,558	1,494,609
1967	-0-	-0-	541,760	3,652,760	409,504	1,984,000	5,169,902	18,853,038
1968	-0-	-0-	790,400	2,536,926	89,277	662,000	2,315,813	7,730,920
1969	48,800	61,000	878,800	3,990,000	-0-	-0-	2,351,358	9,059,534
1970	64,560	80,700	1,602,432	5,410,520	-0-	-0-	2,386,621	10,407,610
	113,360	141,700	4,355,172	18,231,206	498,781	2,646,000	12,708,252	47,545,711

Funds Expended 1965 - 1970 Under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	44,171,000		36,943,573		81,114,573
201B	2,875,641		4,455,234	7,330,875	7,330,875
202	8,462,456	3,028,261	10,521,467	22,012,184	22,012,184
203	1,332,169				
205	1,510,140		503,379	2,013,519	2,013,519
207	113,360		28,340	141,700	141,700
211	4,355,172	3,315,570	7,178,865	18,258,206	19,608,206
212	498,781	295,019	1,027,000	2,646,000	3,342,000
214	12,708,252	14,488,143	17,923,684	47,545,711	59,799,452
302A	411,255				

ARC Funds Currently Available

	1971	1972
Dev. Highways Section 201A (Cumul.)	44,171,000	55,030,000
Access Roads Section 201B (Cumul.)	3,706,000	
Health Section 202	2,237,300	
Vocational Education Section 211	1,537,590	
Supplemental Grants Section 214	2,917,833	
Local Development District & Research Section 302 (a)	130,000	

PENNSYLVANIA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Mining Section 205 ARC	Mining Section 205 Total Cost	Housing Assistance Section 209 ARC	Housing Assistance Section 209 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	13,230,000	21,450,428	-0-	-0-	-0-	-0-	762,152	2,621,700	3,591,095	19,624,603
1967	2,589,410	3,465,759	-0-	-0-	2,789,507	19,522,546	477,600	1,592,000	7,833,510	55,999,695
1968	2,973,750	3,854,000	25,926	32,408	2,064,500	34,572,696	1,094,291	4,054,500	5,956,000	51,868,077
1969	511,803	682,404	242,143	302,679	2,266,416	27,170,771	-0-	-0-	5,791,354	43,816,125
1970	815,270	1,087,031	480,394	589,662	4,452,857	19,838,393	-0-	-0-	5,503,303	63,959,922
	20,120,233	30,539,622	748,463	924,749	11,573,280	101,104,406	2,334,043	8,268,200	28,675,262	235,268,422

Funds Expended 1965-1970 Under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	60,197,441		62,257,762		122,455,203
201B	8,097,432		12,546,576	20,644,008	20,644,008
202	363,692			363,692	363,692
203	1,744,223				
205	20,120,233		10,419,389	30,539,622	30,539,622
207	748,463		187,116	935,579	935,579
211	11,573,280	12,404,096	76,608,987	101,104,406	104,196,814
212	2,334,043	24,358	5,259,221	8,268,200	9,983,962
214	28,675,262	65,384,955	138,517,410	235,268,422	263,652,000
302A	1,212,849				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	87,804,000	111,666,000
Access Roads Section 201B (Cumul.)	10,479,000	
Health Section 202		
Vocational Education Section 211	4,640,963	n.a.
Supplemental Grants Section 214	6,498,661	n.a.
Local Development District and Research Section 302 (a)	400,000	n.a.

SOUTH CAROLINA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total Cost	Voc. Ed. Section 211 ARC	Voc. Ed. Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	-0-	-0-	-0-	-0-	282,498	1,789,997
1967	-0-	-0-	923,700	3,110,000	156,300	835,000	4,170,618	17,329,880
1968	-0-	-0-	387,500	1,550,000	212,930	658,900	1,992,991	9,098,680
1969	-0-	-0-	757,400	1,600,000	-0-	-0-	1,722,028	8,325,466
1970	-0-	-0-	550,000	1,255,000	-0-	-0-	1,503,223	6,649,757
			2,618,600	7,515,000	1,369,230	1,493,900	9,671,358	43,191,780

Funds Expended 1965 - 1970 Under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A					
201B	6,438,530		5,470,304	11,908,834	11,908,834
202	10,098,571		4,750,095	14,848,666	14,848,666
203	505,724				
205	- 0 -				
207	- 0 -				
211	2,618,600	1,018,800	1,830,600	7,515,000	7,970,000
212	369,230	1,493,900	675,350	1,493,900	1,651,200
214	9,671,358	13,850,324	16,877,018	43,191,780	54,110,491
302A	345,335				

ARC Funds Currently Available

	1971	1972
Dev. Highways Section 201A		
Access Roads Section 201B (Cumul.)	9,431,000	
Health Section 202	3,103,000	n.a.
Vocational Education Section 211	2,096,031	n.a.
Supplemental Grants Section 214	3,008,591	n.a.
Local Development District & Research Section 302 (a)	80,000	n.a.

TENNESSEE PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Section 207 ARC	Housing Section 207 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Section 212 ARC	Sewage Section 212 Total Eligible Cost	Supplemental Grant Section 214 ARC -	Supplemental Grant Section 214 Total Eligible Cost
1966	-0-	-0-	675,000	2,000,000	76,770	255,900	2,327,512	13,602,053
1967	-0-	-0-	383,000	766,000	45,600	152,000	2,464,302	16,632,161
1968	-0-	-0-	527,500	1,055,000	641,918	2,454,329	5,200,529	46,870,602
1969	-0-	-0-	1,472,155	2,944,311	4,500	35,100	2,821,543	24,283,874
1970	72,914	91,142	3,040,798	6,101,597	-0-	-0-	3,040,798	19,438,200
	72,914	91,142	6,098,453	12,866,908	768,788	2,897,329	15,854,684	120,826,890

Funds Expended 1965-1970 under ARC

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	44,645,113		27,197,178		71,842,291
201B	4,690,000		4,498,775		9,188,775
202	20,450			20,450	
203	2,209,382				
205	300,000		100,000	400,000	400,000
207	72,914		18,228	91,142	91,142
211	6,098,453	325,000	4,459,386	12,866,908	14,428,219
212	768,788	100,410	1,514,950	2,897,329	2,897,329
214	15,527,869	39349,025	59,862,308	120,826,890	139,155,000
302A	599,167				

ARC Funds Currently Available

	1971	1972
Dev. Hwy. (Cumul.) Section 201A	45,681,000	56,697,000
Access Roads (Cumul.) Section 201B	4,690,000	
Health Section 202	2,296,900	n.a.
Voc. Edu. Section 211	1,659,538	n.a.
Supplemental Grants Section 214	3,917,409	n.a.
Local Dev. District & Research Section 302 (a)	245,000	n.a.

VIRGINIA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	-0-	-0-	-0-	-0-	92,400	313,000	810,758	4,184,242
1967	-0-	-0-	2,422,016	5,505,098	62,690	536,200	2,320,560	7,674,224
1968	-0-	-0-	1,093,671	3,030,741	155,970	519,900	2,024,880	7,191,375
1969	-0-	-0-	797,500	2,550,000	-0-	-0-	1,979,799	8,634,513
1970	-0-	-0-	1,477,723	4,852,680	-0-	-0-	1,967,464	11,337,154
	-0-	-0-	5,790,910	15,938,519	311,060	1,369,100	9,103,461	39,021,508

Funds Expended 1965-1970 under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	42,177,930		30,208,490		72,386,420
201B	926,175		440,013	1,366,188	1,366,188
202	6,359,982		1,555,285	7,915,267	7,915,267
203	988,808				
205	164,325		54,775	219,100	219,100
207	- 0 -				
211	5,790,910	1,925,131	4,218,802	15,938,519	15,938,519
212	311,060	98,160	468,830	1,369,100	1,369,100
214	9,103,461	10,869,404	12,946,673	39,021,508	44,068,304
302A	544,228				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	42,182,000	46,330,000
Access Roads Section 201B (Cumul.)	2,710,000	n.a.
Health Section 202	1,930,000	n.a.
Vocational Education Section 211	1,426,578	n.a.
Supplemental Grants Section 214	2,518,617	n.a.
Local Development District and Research Section 302 (a)	150,000	n.a.

WEST VIRGINIA PROJECTS FUNDED VIA APPALACHIAN REGIONAL COMMISSION

Fiscal Year	Housing Assistance Section 207 ARC	Housing Assistance Section 207 Total	Vocational Education Section 211 ARC	Vocational Education Section 211 Total Eligible Cost	Sewage Treatment Section 212 ARC	Sewage Treatment Section 212 Total Eligible Cost	Supplemental Grants Section 214 ARC	Supplemental Grants Section 214 Total Eligible Cost
1966	-0-	-0-	-0-	-0-	-0-	-0-	2,684,105	14,408,343
1967	-0-	-0-	930,500	1,998,412	54,000	180,000	5,657,870	28,664,376
1968	-0-	-0-	1,234,800	2,467,600	62,330	207,020	3,064,618	23,912,246
1969	181,500	226,875	1,400,600	3,900,000	-0-	-0-	3,143,082	18,788,469
1970	185,240	231,400	2,007,683	4,715,386	-0-	-0-	2,901,009	13,228,790
	366,740	458,275	5,573,593	13,081,398	116,330	387,020	17,450,684	99,202,224

Funds Expended 1965-1970 Under Appalachian Regional Commission

	ARC	Basic	State & Local	Total Eligible Cost	Total Cost
201A	152,125,654		112,733,152		264,858,806
201B	2,572,359		1,292,800	3,865,159	3,865,159
202	9,581,772		958,177	10,539,949	10,539,949
203	1,610,886				
205	150,000		50,000	200,000	200,000
207	366,740		91,535	458,275	458,275
211	5,573,593	928,106	4,678,083	13,081,398	18,258,998
212	116,330		82,790	387,020	398,240
214	17,450,684	36429,245	42,594,002	99,202,224	101,272,000
302A	477,653				

ARC Funds Currently Available

	1971	1972
Development Highways Section 201A (Cumul.)	198,929,000	244,996,000
Access Roads Section 201B (Cumul.)	5,372,000	
Health Section 202	5,081,000	n.a.
Vocational Education Section 211	3,025,146	n.a.
Supplemental Grants Section 214	3,896,493	n.a.
Local Development District & Research Section 302 (a)	130,000	n.a.

Mr. KEE. Mr. Chairman, I wish to submit for the record a statement on the Appalachian regional development program and in particular the demonstration health project authorized by section 202. This statement has been prepared by Mr. T. P. Hipkens of the Appalachian Regional Hospitals, Inc. Because of a tight schedule, Mr. Hipkens was unable to be here to testify in person but asked that his remarks be incorporated in the record. I would like to say for the record that the Appalachian regional hospital system has been a great force for good in the central Appalachian area. The hospital system has been a cornerstone in the demonstration health program administered by the Appalachian Regional Commission.

I know that my colleagues on the committee will find the remarks of Mr. Hipkens extremely helpful in considering the extension of the Appalachian Regional Development Act.

Mr. JONES. Without objection, the statement referred to will appear in the record at this point.

(Statement referred to follows:)

APPALACHIAN REGIONAL HOSPITALS,
Lexington, Ky., March 11, 1971.

Hon. JAMES KEE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KEE: It is my understanding that the Ad Hoc Subcommittee on Appalachia of the House Public Works Committee will hold hearings on the extension of the Appalachian Act next week. Because I believe very strongly in this legislation and that the programs which it authorizes should be continued, I have prepared a statement which I hope can be included in the record and considered by the Committee. The statement is enclosed.

Needless to say, we appreciate your continued efforts in behalf of the people of the Appalachian Region and know you will do everything you can to see that this highly beneficial program is continued.

Very truly yours,

T. P. HIPKENS,
President.

STATEMENT OF T. P. HIPKENS, PRESIDENT, APPALACHIAN REGIONAL HOSPITALS, INC.

My name T. P. Hipkens. I am President of Appalachian Regional Hospitals, Inc. I wish to submit this statement in support of an extension of the Appalachian Regional Development Act. Particularly, I want to share with this committee our experiences with the Appalachian Health Program.

Were it not for the program's contribution to health care, the non-profit health care system which I represent would not be in existence today.

I hope my message will show you why it is very important to these people that the Appalachian Regional Development Program be extended for another four years.

I am the president and chief executive officer of Appalachian Regional Hospitals, Inc. ARH is a non-profit health care system centered around nine community hospitals, with a total of 1,032 beds. The system serves a mountainous area in Kentucky, Virginia, West Virginia and a segment of Tennessee.

How Appalachian Regional Hospitals came into existence is such a remarkable story of generosity and compassion for mankind that I believe it bears a brief telling.

The story begins in the mid-1950s when the United Mine Workers Welfare and Retirement Fund established 10 hospitals to serve a chain of mountainous coal-mining communities extending from Middlesboro, Ky., 250 miles northeast to Beckley, W. Va. In 1962 the UMW, harassed by various problems, announced that it had decided to sell or close several of the hospitals.

The closing of any of these institutions, in a region of such great need for medical and hospital services, would have been calamitous. The United Presbyterian Church, U.S.A., and the Commonwealth of Kentucky came forward with a program to rescue the ten hospitals.

The result was the creation in 1963 of an independent, non-profit private corporation, with a Board of 30 Trustees, to purchase and operate all 10 of the hospitals. (The hospital at Pikeville, Ky., later was merged with that city's Methodist hospital.) The fledgling corporation acquired the hospitals with the help of a $3.9 million grant and a $4.1 million loan from the federal government.

The grant was made in the summer of 1963 by the United States Area Redevelopment Administration. The loan was provided in June, 1964, by ARA's successor, the Economic Development Administration.

Their reasons were two-fold: (1) To bolster the economy of the Appalachia region by sponsoring a non-profit industry which would provide much needed jobs and payroll wealth; (2) to assure the continuance and further development of high quality medical and hospital services in area where a desperate shortage of such services existed.

Now, seven years since the inception of Appalachian Regional Hospitals, I think the record will show that the federal government made a wise investment which has produced handsome dividends.

Appalachian Regional Hospitals today is undoubtedly the largest private, non-profit health care system in Appalachia. It employs 2500 persons, has a medical staff of 360 physicians and dentists, and spends $29,000,000 a year in delivering comprehensive health services.

Let's look at the dividends derived from the federal government's investment during the seven years of ARH's existence:

1. ARH provides steady jobs for 2500 Appalachia residents and has ploughed into the region's economic bloodstreams more than $60,000,000 in salaries and wages.

2. ARH has raised the quality and quantity of medical and hospital services in Appalachia, and during its seven years has served 230,172 inpatients with 1,738,154 days of hospital care.

3. ARH, in cooperation with federal and state agencies, is developing new patterns of health care delivery which can serve as models for other regions and states.

This, I believe, is the kind of success which the Congress is seeking to achieve through the Appalachian Regional Development program.

ARH started in 1963 without a cent of operating capital of its own. True, the federal government let us have $8 million, but all of this money was spent in the purchase of the 10 hospitals from the United Mine Workers. We had no money for payrolls and other operating expenses. We got along for a while by borrowing, but this source of revenue soon was exhausted. The new corporation's lack of operating capital became critical in the Spring of 1965. A contributing factor was the burden of providing hospital care to a growing load of indigent patients.

Under UMW ownership, the hospitals operated primarily to serve UMW union members and their families and pensioners. When ARH assumed ownership, the hospitals were converted into voluntary community hospitals which meant that they were committed to accept any and everybody, regardless of their ability to pay. In the role of so-called "charity" hospitals, they naturally attracted an influx of indigents.

Our Board of Trustees was on the verge of closing our hospitals when the Appalachian Regional Commission, recognizing that the collapse of ARH would be a calamity to the communities depending upon us for health care and jobs, answered our plea for help.

The Commission, in cooperation with the Office of Economic Opportunity and the states of Kentucky, Virginia and West Virginia, arranged for ARH to obtain a grant of $1.2 million from the Office of Economic Opportunity. We received the check for $1,200,000 on June 8, 1965 and, with a sigh of relief, met our payroll and canceled an emergency plan for phasing out the hospitals.

The Appalachian Regional Commission, while concerned for ARH's contributions to the economy and good health of an important segment of Appalachia citizens, had another reason for helping us. The Commission and the Office of Economic Opportunity had taken the first steps to develop a network of regional health programs throughout Appalachia to serve as demonstration models for other underdeveloped areas in America and other nations. They needed viable health care institutions and agencies, particularly a system of ARH's size, to serve as the nucleus around which to develop the new health programs.

ARH agreed to cooperate wholeheartedly in the demonstration program. We, too, recognized the urgent need to provide better and perhaps different health services, because many people were receiving no medical or hospital care what-

ever, and many of the services being provided were not adequate to the needs of the recipients. Furthermore, there was a great need for responsible and efficient planning which would help the Appalachian region make more effective use of existing health resources as well as the new resources to be created.

With "seed money" from Appalachian Regional Commission, and matched by the hospitals' own contributions, we could start getting something done.

This brings me to the encouraging developments which my health care system has been able to achieve, thanks to the Appalachian Regional Development program and its resources.

We are now expanding our facilities and services, introducing new and better methods of delivering health care, and are even using our centralized management resources and talents to help other communities establish and operate hospitals, health centers and clinics.

The main thrust of these exciting new developments has been in Kentucky in cooperation with the Southeastern Kentucky Regional Health Demonstration Corporation and its planning councils in a 16-county area. We are also developing projects in Virginia and West Virginia in cooperation with planning agencies of those states.

ARH and the people of the communities it serves are indebted to the Appalachian Regional Commission for the following achievements in the last two years:

(a) The establishment of home health care programs in eight communities. Last year these agencies provided excellent medical and nursing care to more than 1,000 patients in their homes.

(b) Establishment of an emergency radio communications network linking four ARH hospitals with eight other hospitals in Southeastern Kentucky. The system connects the hospitals via two-way radio with ambulances and law enforcement agencies, thereby making possible faster medical care for persons stricken by illness or injury at locations far removed from a hospital.

(d) We are building extended care facilities in three Kentucky cities so that patients not ill enough to require a regular hospital bed can be given excellent medical and nursing attention at less cost than in an acute care hospital bed. These extended care facilities will provide 55 additional beds at Middlesboro, 50 extra beds at Harlan, and 40 extra beds at Hazard. The Hazard addition also will include 20 mental health beds.

(e) We are planning for a 60-bed extended care facility at Beckley, W. Va., and a 50-bed extended care facility at Wise, Va., and a 50-bed extended care unit at South Williamson, Kentucky.

(f) Ground will be broken this year for a one-story addition for an emergency care center which will include an intensive care unit and a coronary care unit, at our Middlesboro, Ky. hospital.

(g) We expect soon to begin a second addition at our Hazard, Ky. Health Center, to include a coronary-intensive care unit and other emergency care services.

(h) Coronary care units have been established at our hospitals in Beckley, W. Va. and McDowell, Kentucky.

(i) On the grounds of our Beckley hospital, we have constructed a building for an HEW-financed neighborhood health center which last year treated 2,318 patients.

(j) An ARH Office of Education has been created to conduct a program in continuing education for upgrading the knowledge of physicians and paramedical personnel.

(k) Two training programs for hospital Chaplains have been established—at Beckley, W. Va. and Harlan, Ky.

(l) Modern ambulance services have been placed in operation serving ARH hospitals at Harlan, Hazard and Whiteburg, Ky., in addition to other hospitals in the areas.

ARH is also extending its services to hospitals and health care centers outside the ARH system. We have agreed to operate a 50-bed hospital to be constructed by Morgan County at West Liberty, Ky., and a Community Health Center to be erected at Hindman, Ky.

Just recently, we assumed the management of a clinic at Ary, Ky., and assisted in establishing a clinic at Evarts, Ky. In addition, we are providing special services, such as purchasing and accounting, to hospitals at Montgomery, W.Va.,and Hinton, W. Va., as well as a children's home in Buckhorn, Ky.

The workers of our Home Health agencies constantly bring back stories of these patients' renewed hope and happiness.

One example is the mother of seven children whose ailment was diagnosed as terminal cancer. After an operation, the hospital arranged to keep her indefinitely. But she clamored to return home to her family. Fortunately, the hospital has a Home Health service, which arranged for a nurse aide to care for her while a homemaker helped supervise the family chores. The woman was so happy to be home with her husband and children that her condition seemed to stabilize. From her bed she was able to supervise the children in their house-cleaning and cooking and make sure they did their school homework. Three months after being pronounced a terminal cancer case, the lady was still going strong, but at home with and part of her family.

Then there is the case of the diabetic father who, thanks to Home Health care, can stay with his family and help with the household chores. Another patient, a paralyzed man, is able to walk again, as the result of Home Health care and treatment. I could recount many similar situations.

Cases such as these are not confined to the poor The well-to-do also are benefiting from Home care.

Home Care is just one of the many valuable new health services which are being brought to the residents of Kentucky, Virginia and West Virginia in projects fostered by the Appalachian Regional Development program.

I might point out that what we are doing is consistent with President Nixon's repeated admonitions to improve our health delivery system. In July of 1969 he stated:

"We face a massive crisis in (health care), and unless action is taken both administratively and legislatively to meet that crisis within the next two to three years, we will have a breakdown in the medical care system."

What the ARH system and other hospitals have accomplished is an example of voluntary agencies working hand in hand with government to meet the urgent needs of Americans.

However, we, along with other segments of the health care industry, have so much catching-up to do to create the delivery system needed by the nation, that our own resources are inadequate for the monumental task. ARH's revenues are barely sufficient to support current services. Unlike the profit-making corporation, we are unable to generate surpluses for use in expansion.

Frankly, without the Appalachian Regional Commission and its grants, our hospital system could not have survived, much less developed the additional services and facilities which I have described.

To us, it is inconceivable that the Appalachian Regional Development Program—and all it means in better health care to the 900,000 people in our service area—should be discarded.

In behalf of those people and their right to and need for high quality health services, I respectfully urge extension of the Appalachian Regional Development Program.

Mr. JONES. We are also pleased to have our good friend John Duncan, a former member of our subcommittee, and the Public Works Committee, who has also been identified as being a zealot for the cause of the Appalachian Development Act.

We are pleased to have you, Congressman Duncan.

Mr. CLAUSEN. Mr. Chairman, may I have an opportunity to re-welcome our former colleague and a member of this committee to the witness table because John Duncan's words of wisdom will make a tremendous contribution to our record.

Mr. KEE. Mr. Chairman, I associate myself with the remarks of Mr. Clausen.

Mr. JONES. You may proceed, sir.

STATEMENT OF HON. JOHN J. DUNCAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. DUNCAN. Mr. Chairman, I would like to voice my support for the continuation of funding of the Appalachian Regional Commission.

I am looking at the program from three angles—as a former member of this committee, as a resident of Appalachia, and as a representative of several hundred thousand other residents of Appalachia. In these three roles, I have become cognizant of the improvements the Appalachian program has made to our daily lives.

This committee and our colleagues in the House and the Senate, plus the Governors and other officials from the 13 States of Appalachia, have cooperated to make the Appalachian Regional Commission (ARC) a great success. The legislation that has kept ARC functional was well written here and well carried out in the States.

In my counties, I have watched community spirits develop when there was hope that the Federal Government, through ARC, might assist in building a health facility, nursing home or school where there was none. In fact, during the 6 years I have been in Congress I have participated in the official openings of many public facilities in my district that are now serving thousands of economically deprived, thanks to ARC.

Very important to my people have been grants to assist with health facilities and hospitals, vocational schools, higher education facilities, sewage treatment plants, and libraries. Important, too, are the highway corridors that have been built with a boost from ARC.

ARC is a perfect example of well-spent funds. There is efficiency from Washington right down to the very local level. Appalachian funds are used exactly where they serve the most people and where they do the most good for economically lagging sections.

I urge the continuation of this fine program, as did the Governors of the 13 Appalachian States when they met with President Nixon last July in Louisville, Ky. In fact, these leaders went so far as to propose translating the ARC into a "national program that can provide equal benefit to the Nation as a whole and to each State individually."

We have in ARC a very successful program that every day brings improvement to Appalachia. Let us keep ARC functioning so that more schools, hospitals, and other facilities can be built in our lagging communities. And, let us give the boys and girls of Appalachia a chance to live in an area that is not backward economically and socially.

In addition, Mr. Chairman, I would like to add one other comment about Appalachia.

I was born and raised in one of the four mountain counties in Tennessee and went to school there. I have had some experience and knowledge of the problems, is not only of the mountain counties, as we call it, but also the metropolitan, urban centers.

I know from our own experiences that educational opportunity is perhaps one of the greatest problems that these smaller counties are faced with and particularly in the mountain counties where the average IQ of the boys is about 92, which is vocational school level.

All of the schools are prepping every one of them for college and only about 5 percent are attending and half of them drop out the first year, which shows they are misguided.

Another thing we are lacking in the counties, and I would like to see some consideration given, maybe on a demonstration project, maybe something like that. In some of these small rural counties I know from

experience the good teachers, or most of the good teachers, migrate to the big cities and I can go back to these counties today and see about half of the teachers are not really teachers of quality; and I think it is one of the great problems that these people are faced with.

Some of these teachers should not be teaching in school, but they can get them to go into the rural counties.

Mr. JONES. It does have, under the existing act, under section 302. If they wanted to make an exchange of teachers, they could carry on a demonstration-type project.

Mr. DUNCAN. Exchange of teachers with another system?

Mr. JONES. For instance, teachers could be sent over to there from say Huntsville to Tennessee and make the exchange from point to point.

Mr. DUNCAN. I do not think that would work. I just throw this out bcause it has concerned me.

I live in a large city now, but it does concern me and I think the children are certainly being deprived of some things.

I do not know if that is the answer or not, but I think that Appalachia should direct its attention to it.

Mr. JONES. Certainly is a good point.

Mr. DUNCAN. I know it has been a big problem in my county back in the mountains.

Mr. JONES. Particularly trying to raise enough money to keep the excellent teachers that you have.

Mr. DUNCAN. Until you can reach the day where you have uniform salaries throughout a State, then you are going to have this problem.

I feel sorry for some of the youngsters in some of my schools back on the mountains with the kind of teachers they have.

I went through the same thing myself in a small high school. In fact, the county I was raised in was so small they used to say you were successful if you just got out of it, no matter where you went or what you did.

It has concerned me and I have talked to Senator Baker about it last night and he recognizes this as a great problem, the quality of teachers in the Appalachian smaller school systems.

That is all I have to say, Mr. Chairman.

Mr. JONES. Mr. Mizell?

Mr. MIZELL. Mr. Chairman, I just want to say that John, I appreciate you bringing this to the attention of the subcommittee because while we are fortunate in many areas of the Appalachian region, this is a problem and it is a problem because of the diversity of salary levels in different areas.

I do not have an answer to the problem at this time, but I certainly think it is something we should consider, Mr. Chairman.

Mr. JONES. Thank you, Mr. Duncan.

Mr. DUNCAN. Thank you, Mr. Chairman.

Mr. JONES. The statement of Congressman Tim Lee Carter of Kentucky will be put into the record as though read. He is not able to appear today.

STATEMENT OF TIM LEE CARTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. CARTER. Mr. Chairman, I appreciate having the opportunity to speak before your committee today in favor of legislation for the continuation of the Appalachian Regional Development Act. When this legislation was enacted in 1965, its stated purpose was "to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth."

Appalachia is an area in which there is a need for intensive remedial activity. Because of lagging incomes, substandard educational opportunities, and poor transportation, unemployment in this region continued to rise and the people continued to move from the area. Appalachia consistently lagged behind the rest of the United States in providing both the social services and economic opportunities that were available elsewhere.

However, during the last 6 years, the Appalachian Regional Commission has aided the people of Appalachia in improving their lives and their communities.

I would like to turn your attention for a moment to the advances made by the people of my district, the Fifth District of Kentucky, with funds provided by the Appalachian Regional Commission. Improvements have been made in education, in highway development, and in health care.

In the field of vocational education, the Appalachian Regional Commission has funded the construction of new schools and the expansion of some schools already in existence.

A system of vocational education provides a training for those who are unskilled and thereby gives them the opportunity to earn a living. Without skills, these people are unable to find jobs; and without jobs, they remain economically deprived. The people of Appalachia are willing to pull themselves out of poverty, they are willing to work hard to improve their lot, but they need skills in order to do so. It is through vocational education that we can give them these skills, and it is through Appalachian Regional Commission funding that the fine work accomplished thus far by vocational schools can be perpetuated.

In the last 6 years, the Appalachian Regional Commission has provided approximately $4,967,000 for vocational education in my district. These funds have been used not only to construct 21 new facilities, but also to provide equipment for facilities in 14 counties.

The system of vocational education in my district has been established in such a way that the vocational schools and the extension centers serve students from all areas. Furthermore, the facilities are not limited to daytime use. High school students are taught during the day, extension classes are held in the evening, MDTA programs use the facilities, and the local community colleges also train students in these schools. So you can see that the facilities which have been established through ARC assistance are being put to excellent use.

But teaching skills has not been the only effect of the vocational education system. As a result of the vocational schools in the area, major industry has been attracted and is providing more jobs for the people of this region.

By funding vocational schools, the ARC not only improves the skills of the people and gives them pride in themselves, it also attracts new industry to an area which has traditionally been economically starved. The ARC has begun a cycle which, hopefully, will become a self-perpetuating one. But it has not yet reached that point. We must, therefore, continue to fund the ARC, so that it can continue the programs it has begun.

An additional $100,000 has been provided for the construction of three new libraries in my district: $20,701 for a library in Clinton County, $39,198 for Laurel County, and $45,923 in Pulaski County. An application for ARC funds has been submitted for Bell County as well.

Economic development in Appalachia in general, and my district in particular, has been encouraged through ARC grants for highway development.

The objective of the ARC's highway program is to build highways which will promote economic development and expansion. I believe that ARC funding for highways in my district has done just that. Since the beginning of this program, 132.9 miles of developmental highways have been constructed or are under construction. The major portion of the work done has been in two areas.

The first is Corridor "J," 94 miles long. That portion of Corridor "J" in my district runs from London to the Tennessee State line. A total of $6.8 million of ARC money has been obligated for this corridor. The second is Corridor "F" which, in my district, runs from the Letcher County line to Cumberland Gap, for a total of 38.0 miles. ARC funding for this corridor is $19.1 million.

In addition, four access roads have been constructed with a total of $1.3 million in ARC funds. One access road has been built in Pulaski County, two are located in Harlan County, and one in Leslie County. These roads serve a vital purpose by providing access to hospitals, industrial sites, airports, schools, et cetera.

The rough terrain and low tax base in most communities of Appalachia have meant that efficient transportation was difficult and costly to provide. The resulting isolation of the region has kept its people impoverished. The Appalachian highway system being developed with ARC assistance is providing the people of Appalachia with a means for reaching services, schools, and developing employment opportunities by attracting industry to the area.

But the effects are just beginning to be apparent. The process of constructing a highway system, particularly in the rugged terrain of Appalachia, is a slow one. It is my feeling, therefore, that an extension of the Commission's highway program is a necessity. Highway development is a long-term project, and the Appalachian Regional Commission has been in operation for only 6 years, hardly enough time to have a substantial effect on the economy of the region. It is my feeling that, if the Appalachian highway development program is to have a substantial effect, it must be refunded.

Appalachia is an area characterized by a critical shortage of health manpower as well as health care services. Through the Commission's programs, efforts are being made to develop a better health system to serve the people of the region. Thousands of persons in Appalachia have better health today because of these programs.

Construction grants have been made by the Appalachian Regional Commission for hospitals, nursing homes, or extended care centers in 10 counties in my district. This, of course, has meant that health care services could be offered on a more widespread basis to the people of the region.

In addition to construction grants, ARC funds have been provided for the planning and operation of numerous and varied health projects throughout my area. Mental health-mental retardation projects have been funded in four locations; a day care center for the handicapped and mentally retarded has been established in Whitley County; a solid waste disposal program was begun in Harlan County; and planning has begun for an infant and early childhood program in southeastern Kentucky.

In addition, health education projects have been funded which will not only provide an education for its participants, but will also furnish needed health care to the people of this region.

Ambulance services have been funded, as well as emergency radio networks for numerous hospitals. Finally, funds have been provided for home health service programs in seven counties.

The wide variety of projects funded by the ARC for improved health care has given the people of Appalachia the chance to enjoy a better quality of life. Through the assistance of the Commission, these people will no longer need to settle for substandard health care available only in limited locations. The ARC has given them the opportunity to receive improved health care extended to all areas, and I would hope that we would not now discontinue the source of that opportunity.

The Appalachian Regional Commission has not been just another Federal program. It was initiated through the voluntary efforts of, originally, 10 Appalachian State governments to provide needed administrative and regional cooperation, as well as technical information and assistance for Appalachia as a whole. It would be most unfortunate to terminate this program as it is beginning to attain those goals it was created to reach.

Appalachia is a magnificent region populated by wonderful people. With earnest efforts by all, as well as with assistance offered under the Appalachian program, the Fifth District and the region will become more economically stable and more integrally involved in the overall economy of our great Nation.

We will now hear from other Members of Congress.

STATEMENT OF HON. WILMER D. MIZELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. MIZELL. Mr. Chairman, I very much appreciate this opportunity to testify before the ad hoc committee on Appalachia and to speak in support of a program whose successes have been among the most concrete and discernible ever achieved under the auspices of the Federal Government.

I am referring, of course, to the program of the Appalachian Regional Commission.

As you know. Mr. Chairman, I have been so favorably impressed with the work of this commission that, together with Mr. Harsha, the distinguished ranking minority member of the Committee on Public Works, I have introduced legislation to extend the authorization for this program for another 4 years beyond its scheduled expiration date of June 30, 1971.

This legislation also provides that the commission's development highway program be continued for an additional year beyond the remainder of the program, or 5 years altogether.

The Appalachian development program's popularity is not confined to any one political philosophy or any narrow section of the country. This popularity has been made quite apparent through the great dedegree of cooperation achieved by the liberal, moderate, and conservative officials who daily work together to make the commission succeed.

That popularity was further and dramatically illustrated last week when the U.S. Senate passed the 4-year extension bill by a vote of 77–3.

Thus, in terms of effectiveness, from which its popularity has sprung, the Appalachian Commission has few peers within the Federal Government structure.

I am sure, Mr. Chairman, that an overall picture of the Commission's great worth will be revealed through testimony from a variety of witnesses scheduled to appear before this subcommittee.

With this in mind, I shall address my remarks to the benefits which the Appalachian Commission has brought to the Fifth Congressional District of North Carolina, which I am privileged to represent in the Congress.

In the past 6 years, the Appalachian Commission has appropriated $4,491,630 for a variety of projects in the seven counties of my district which are a part of the Appalachian region.

Appalachian Commission assistance has been a vital part of the following projects in the Fifth District.

Alleghany County—an access road valued at $15,000 with the Appalachian Commission providing $10,000 of the total.

Ashe County—the Jefferson Sewage Treatment Plant, with a total cost of $202,400, and with the Appalachian Commission providing $167,250 of the total; the Ashe Memorial Hospital, total cost $678,469, ARC providing $125,000.

Davie County—Mocksville Sewage Treatment Plant, total cost $785,000, ARC providing $385,000; project to strengthen instructional programs in high schools under the National Defense Education Act, total cost $6,046, ARC providing total cost.

Forsyth County—Forsyth Technical Institute, total cost of construction $1,333,333, ARC providing $400,000; Kernersville Sewage Treatment Plant, total cost $950,000, ARC providing $118,000; teaching aides program for high schools, total cost $51,316, ARC providing total cost.

Stokes County—Walnut Cove Sewage Treatment Plant, total cost $285,806, ARC providing $228,640; teaching aids program for high schools, total cost $9,254, ARC providing total cost.

Surry County—Surry vocational education facilities, total cost $993,400, ARC providing $483,599; Mount Airy airport improvements,

total cost $249,992, ARC providing $54,722; Elkin airport improvements, total cost $136,400, ARC providing $40,920; Pilot Mountain water system, total cost $204,000, ARC funds applied for in amount of $61,000; Elkin Library, total cost $458,007, ARC providing $110,760; Elkin sewage treatment facilities, total cost $1,320,000, ARC providing $289,600; Hugh Chatham Hospital, total cost $3,500,000, ARC funds applied for in amount of $340,000; teaching aids program in high schools, total cost $14,076, ARC providing total cost.

Yadkin County—Yadkin County vocational education facilities, total cost $813,730, ARC providing $389,440; Yadkin Public Library, total cost $250,000, ARC providing $134,894; Jonesville sewage treatment facilities, total cost $215,000, ARC providing $105,700; teaching aids program for high schools, total cost $4,342, ARC providing total cost.

In addition, there have been the following projects involving five of those counties, which comprise the Northwest Economic Development District. Those projects include: Development of Pilot Mountain State Park, total cost $2,061,623, ARC providing $549,440; Northwest Development District housing study, total cost $24,000, ARC providing total cost; Northwest Development District transportation study, total cost $38,000, ARC providing total cost.

In addition, the following land stabilization, conservation, and erosion control projects have been conducted, with the Appalachian Regional Commission providing the total cost of each project:

Town Fork Creek (Stokes and Forsyth Counties), $158,663; Little Yadkin River (Yadkin County), $45,000; Turner's Creek (Yadkin County), $45,000; Deep Creek (Yadkin County), $35,000; Dutchman's Creek (Davie and Yadkin Counties), $120,503; and Stewart Lovell's Creek (Surry County), $110,465.

Obviously, Mr. Chairman, the great variety of ways in which Appalachian funds are used can be seen as a vast improvement over the rigid categorical grant programs conducted by other Federal agencies.

Locally initiated responses to local needs have met with unparalleled success under this program. Development planning has paid great dividends. The waste and inefficiency that seems to characterize other government programs is extremely difficult to find within the Appalachian Commission structure, which encompasses every level of government—Federal, State, and local.

Not only within my district, but throughout the 29 counties that comprise Appalachian North Carolina, these conclusions have been proven time and time again.

In the past 6 years, Appalachian North Carolina has received more than $75 million from the Appalachian Commission for vital projects of all kinds—$9 million for health care; $6 million for vocational education; $1,300,000 for environmental projects; another $1,300,000 for research dealing with transportation, manpower development, health care, and so forth; $884,000 for sewage and water treatment facilities; and $14,413,000 in supplemental grants to assist local and State governments in providing matching shares for projects that would have been too massive and too costly for those governments to implement alone.

Finally, the Appalachian Commission funded more than $42 million in North Carolina for construction of segments of the Appalachian

Development Highway System, designed to link isolated areas with the Interstate Highway System, and thus, with the broadest avenues of national commerce and trade.

As I said when I introduced the extension bill, with Mr. Harsha, on the House floor, 6 years has been sufficient time to see that a program of this nature can succeed, but not enough time, given the scope of its mandate, to say that it has achieved all the goals it was created to achieve.

I believe the program has at least won the right to be continued, and I urge the members of this subcommittee, and the members of the full Committee on Public Works, and, finally, the Members of Congress to join with me in approving that extension.

As you know, Mr. Chairman, the Appalachian Regional Commission has been identified as one of those existing programs scheduled to be included in the rural community development special revenue sharing program.

I support the President's revenue sharing program, as well as the Appalachian Commission, and there is absolutely no paradox involved in my stand on these two programs.

By sponsoring this legislation to continue the Appalachian Commission, I am simply trying to insure that the great work being done by the Appalachian Commission will not be neglected until such time as revenue sharing becomes a full and effective reality.

The people of Appalachia are predominantly the same rurally-oriented people to whom the President's rural development program is addressed. It is up to us to see to it that these people are not abandoned during this sweeping governmental transition.

Thank you, Mr. Chairman.

STATEMENT OF HON. LA MAR BAKER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. BAKER. Mr. Chairman, members of the subcommittee, I am most pleased to have an opportunity to express my thoughts on the Appalachian Regional Commission to the distinguished committee.

The Appalachian Regional Commission has been more than simply an innovation and experiment. It has, in my judgment, been a model for efficiency and effectiveness and I can say without a doubt that its programs have proven their value in my home district in Tennessee.

The workings of the Appalachian Regional Commission have been complex. This "experiment" in Federal-State-local governmental cooperation consists not of one narrow set of programs, but a comprehensive range of programs designed to systematically solve many of the problems of the region.

I am sure that the members of the committee will agree that, although the Commission cannot and does not take sole credit, or even major credit, for the many improvements now becoming evident in Appalachia, there is little doubt that the regional development program has had a significant effect on what is occurring.

The Appalachian Commission is so designed as to create a "magnet-effect" for other Federal, State, and local expenditures. Since the inception of this program, Tennessee's Third District has received $5.5 million in Appalachian funds for public facilities—but, total

expenditures on projects involving this fine Commission totaled about six times that amount—$33.5 million. This, my distinguished colleagues, is something significant!

Nearly 500 miles of the important developmental highway system has been completed and is open for travel. Air mileage is short in Tennessee's Third District, but we look forward to future participation. The 2,700-mile system will eventually link and complement the Interstate System and open isolated sections of Appalachia to the markets of the East and Midwest.

Well over 260 vocational and technical training centers have been approved by the Commission and more than 150 are already in operation. Of particular interest to me is the Athens State Area Vocational Education facility in McMinn County, Tenn. The Appalachian Regional Commission was instrumental, not only in funding the school with $64,000, but in the coordination of local and State governments and funds.

The impact of vocational education on the Appalachian region has obviously been profound. In 1965, the year the program came into being, only 20 percent of the manpower needs of the region were being met by vocational and technical schools. Today, it is estimated more than 40 percent of the region's manpower needs are being met by the new vocational and technical education system.

Another important component of the Appalachian program is health services. My district has also benefited from the Appalachian Regional Commission's health programs and the people of the Third District are indeed grateful for the wonderful and needed facilities the Appalachian program helped make a reality.

Of particular interest to me is Orange Grove Center for the Retarded in Chattanooga. The Appalachian Commission put $189,406 into this important center and I feel it is an important contribution to the citizens of the Chattanooga area. Many persons associated with national firms having operations in the Chattanooga area request assignment to meet family needs by Orange Grove Center.

I would also like to take a moment to offer a few remarks on local development districts, which are one of the more important aspects of the Commission's work.

Local development districts are the "building blocks" of the Appalachian program. The countries of my district are included in two of these development and planning organizations—the East Tennessee Development District and the Southeast Tennessee Development District.

Local development districts bridge local and State programs in much the same way as the Appalachian Regional Commission bridges State and Federal programs. The Commission represents a genuine partnership between State and Federal governments, and through local development districts local governments are also brought into this important partnership.

Through these "building blocks" the local citizen of Appalachia—the man this program is all about—has a major voice in shaping the development of the region. In some instances, including my own district, the local people have shown enormous governmental cooperation by planning and designing programs which reach over State boundaries. Not only in my district but in many places through-

out the entire region, local development or health council districts serve people in more than one State.

Each development district is governed by a board of directors composed largely of locally elected city and county officials. Persons like mayors, county judges, city council members and aldermanic chairmen, as well as local business and civic leaders serve on these boards of directors. Usually the boards hire executive directors and small staffs to carry out board policy and oversee day-to-day operations.

We find, through the continuing efforts of the Appalachian Regional Commission, a concerted effort on the part of the leadership of cities and counties in the region working toward a solution to common, regionwide problems. These problems, as President Nixon has said many times, can only be solved from the grassroots level—that is with the planning and development beginning with the people in the region and not with the bureaucrats in Washington. I sincerely feel that the programs, structure, and operation of the Appalachian Regional Commission are an important mechanism for problems being solved from the local level and I urge that this distinguished committee decide favorably on the outcome of this, the Appalachian Regional Development Act.

Thank you.

STATEMENT OF HON. JOE L. EVINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE

Mr. EVINS. Mr. Chairman and members of the subcommittee, I am grateful for this opportunity to submit this statement to this distinguished committee in strong support of a 4-year extension of the Appalachian regional development program.

On February 2 last I introduced H.R. 3280, which would authorize a 4-year extension of this useful and necessary program which is just beginning to produce substantial results for the growth and progress of the Appalachian region.

Appalachia is a region apart because of the topography of the land which stretches from New York State through my own State of Tennessee to Alabama—including all or parts of 13 States.

Yet, throughout our history, the flow of commerce has been around the mountains, not through them. Initially the Nation failed to invest substantially in the development of this region. Indeed, the share of Federal investment per person in Appalachia has been far below the national average.

Isolation and lack of communication have held Appalachia back in its rate of growth and progress.

The Appalachian Regional Development Act of 1965—Public Law 89–4, contains the following findings and statement of purpose:

> The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity . . . The Congress recognizes the comprehensive report of the President's appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed.

The 1960 census showed that the region had experienced considerable outmigration, losing 12.7 percent of its total population between 1950 and 1960. There has been some progress in correcting this trend, but still, today, many of those leaving the region in search of new economic opportunity are young, working-age adults.

Outmigration of youth represents the loss of one of the great resources of our area.

The Appalachian Act has incorporated two new concepts:

First, it gives the States a substantial voice in the planning and implementation of Federal programs and joins State, Federal, and local efforts for more effective action.

Second, it directs that generous Federal assistance in resources should be provided in areas where there is a significant potential for future economic growth as determined within the framework of a comprehensive development program.

Both concepts are written into the act. All projects must originate at the State level and must have the approval of the State member on the Appalachian Regional Commission. The program is designed to promote overall development and growth. Congress did not intend it to be purely a public works or welfare program.

The heart of the Appalachian program has been supplemental assistance to communities which do not possess the necessary resources to match Federal grant-in-aid help. Evidence of the necessity of this program is clearly visible in Appalachia.

The hopes that were envisioned for the 13-State region since the enactment in 1965 of the Appalachian Regional Development Act, have, in some measure, been achieved. However, much still remains to be done.

I therefore favor extension of this act for 4 years.

In this connection I would like to suggest that any bill which this committee may recommend should include an amendment to the existing act in connection with the mined land reclamation program.

As you know, this program is provided for in section 205 of the original act and assists local communities in the reclamation of mined areas for economic development purposes—for development of industrial sites, educational facilities, and State and local parks, among other purposes.

This is a worthwhile program since it accomplishes the reclamation of land while, at the same time, providing land suitable for economic development.

I am advised that several excellent projects have been undertaken under this program—reclamation of land for a State park in Pennsylvania, development of school sites in Virginia and West Virginia, and development of an industrial park in Ohio, for example.

However, a problem has developed in connection with the funding of these projects. Under the original act the local contribution is set at 25 percent.

I can best illustrate this problem by citing a situation that has developed in Huntsville and Scott County, Tenn., in the Fourth Congressional District which I am honored to represent in the Congress.

A project has been proposed in this area involving reclamation of 225 acres of land to provide a needed city and county park. This project would also eliminate acid drainage into rivers and streams in the area.

It has been estimated that the project cost is $225,000. However, I am advised that the city and county are unable to meet the requirements of the act for a 25-percent cash contribution to this program. This same situation also obtains in other communities with limited financial resources.

I am advised further that the act has been construed so as to prohibit the consideration of land, engineering, and planning services, services to perform certain phases of the reclamation, and other local contributions, as a part of the local share.

It is my recommendation and suggestion that this committee carefully consider the inclusion in any bill which you may recommend a provision to permit local communities to make such contributions in lieu of cash.

This would involve language directing the Secretary of the Interior to accept, as part of the matching share, the reasonable value of donated land and services.

This will perhaps permit a greater utilization of this section of the act and contribute to improving the quality of the environment while at the same time making available additional lands for economic development purposes.

The unemployment gap between Appalachia and that of the country as a whole has been narrowed and there has been substantial progress for a region that has traditionally seen its unemployment rates rise faster and sooner than in the rest of the United States. But more help is required, especially in these times of an economic recession.

Although it is a fact that the Appalachian developmental highway program is well under way and those portions that have been completed are serving as vital traffic arteries to infuse new life in formerly stagnating areas, more roads are urgently needed. Providing access is perhaps the most important feature of the Appalachian program. Today the authorized Federal funds are sufficient only to complete about one-half of the program. In this connection it should be noted that the States themselves, in order to fulfill the commitment of the Federal Government, have obligated themselves to the extent of their bonding authority, to adequately participate in the construction of roads and highways in order to help open up isolated areas in the Appalachian States.

In like manner, the broad scope of economic development programs for this 397-county region has already proven its great worth. These programs include: construction of a development highway system, construction of access roads, construction and operation of multicounty health projects, construction of vocational educational facilities, technical assistance, and planning loans for low-income housing construction, application of land treatment, and erosion control measures, reclamation of land damaged by past mining practices, support of timber development organizations, research grants, operation of a comprehensive water resources survey, construction of sewage treatment facilities, and the supplementation of a number of existing grant-in-aid programs providing for the acquisition of land, and the construction and equipment of public facilities.

This is a vital, necessary, and essential program—a needed program. This program is just beginning to have substantial impact on the

growth and progress of the Appalachian region. It should be continued. I strongly urge and recommend approval of this bill and its prompt passage.

STATEMENT OF HON. KEN HECHLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. HECHLER. Recently, I introduced a bill to ban the strip mining of coal, which has ruined the topsoil, polluted our streams, ripped out the guts of our hills, and spilled them down ugly gullies. Next week will be the first week of spring, and thousands of people who ordinarily welcome rain are waiting in apprehension and fear of what the spring rains will do in further damage to their lands and homes.

Of course, there are thousands of people employed in the strip mining industry, and their employers have mounted a well-financed advertising campaign which contends that with the stroke of a pen I propose to wipe out an entire industry and take bread from the mouths of those who work in it. At the end of World War II, when we had over 10 million men in the Armed Forces, we didn't say: "Let's continue the war in order to keep these men on the Federal payroll." Instead, we decided to put them to constructive work in the peacetime economy. Likewise, strip mining is war on the environment and we must seek more constructive work for those engaged in that war.

This is one of the reasons why I so strongly support the legislation before this committee to reinstitute the high successful accelerated public works program which operated nearly a decade ago. This program not only will provide useful and constructive work for those who need it, but also benefits the Nation and the communities thereof by furnishing badly needed water systems, waste disposal, and other public works improvements.

This program is clearly an alternative to revenue sharing, in that it will enable States and municipalities, as well as public service districts in unincorporated rural areas, to build badly needed facilities which they do not have the financial capacity to afford. In our fight against water pollution, for example, the people should not be forced to drink contaminated water downstream of a community which does not have the financial capacity to build a modern waste treatment plant. At the time the accelerated public works program of the 1960's was terminated, there were still 79 West Virginia municipalities dumping raw and untreated sewage into the Ohio River and its tributaries.

It is for this reason that I hope this committee writes into the bill a priority for the award of accelerated public works grants which relate to water and sewer systems, and any project which has the effect of reducing air and water pollution or improving the environment.

STATEMENT OF HON. ROBERT H. MOLLOHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MOLLOHAN. Mr. Chairman, when a country's economy becomes stagnant for one reason or another, there is a tendency to cut back. Governments cut back on their expenses to save the taxpayers a burden

they cannot afford. Industries cut back on investment because their resources are required to meet their day-to-day survival.

When this happens, roads that should be built are not built. Schools which should be expanded are cut back. Towns do not make improvements that would otherwise be made. Those who can leave to find better opportunities elsewhere depart. The industries find that competition from other parts of the country and other parts of the world has better plants and better services and better access to markets.

Mr. Chairman, this is part of what happened to Appalachia, but it is not the full story. The effort to forge a network of transportation can be traced back at least to the time of Jefferson. Clay and Webster debated the need for a system of transportation from the eastern seaboard into the interior.

And yet, until the Appalachian Regional Development Act was implemented, there was no approach which embraced the need to develop a strategy for growth and investment on a cooperative basis. Today that cooperative basis exists and it is building the human and material capital resources that the region must have for a healthy society and a healthy economy.

The Appalachian Regional Commission has performed a unique role in its effort, for while a national highway program constructs bands of concrete from coast to coast and States build roads between towns in their States, the commission has helped to construct major highways between the regional centers of Appalachia. A national road system has run from east to west, but it has taken the Appalachian road system to link our cities with those highways and with the major centers of the Midwest and the eastern seaboard.

National education programs have provided money for a national thrust toward better education, but our regional program has given us the very necessary thrust to build a vocational program which could give Appalachia a skilled manpower source. It has taken a regional commission to establish the health demonstration programs that will serve the unique needs of a rural and industrial area. In Appalachia there are some 2 million children under the age of 6 and as many as 50 percent of these children come from families with very low incomes. Without the commission's child development program, we would be making virtually no effort to create an approach to the challenge of giving these children the physical and intellectual development during this most critical stage of a child's growth.

And today, after 6 years of productive growth, the question is not really whether the program should be continued but rather, what changes should be made to make the regional approach more productive. The documentation of past efforts amply demonstrates the need for continuation. Under the Appalachian Regional Commission we have participated in the development of 233 health facilities, 260 vocational and technical schools, 157 institutions of higher learning, 85 libraries and 49 airports. Of vast importance, more than 2,500 miles of highway have been authorized, of which nearly 500 miles have been completed and another 370 miles are under construction.

But today we need to look forward to the needs of Appalachia that require a better approach, to make the changes that experience tells us are necessary. I believe that we should take steps to improve our housing for low- and moderate-income groups. We must recognize

that because of the hilly terrain throughout most of the region, that it costs more to develop the land for housing. We must realize that many of the available building sites do not have direct access to sewer and water facilities. For those reasons we should, in my judgment, expand the purposes of our housing program to include grants for development and off-site improvements such as water and sewer extensions.

Additionally, it is my judgment that we should incorporate some provisions of the Senate bill (S. 575) regarding minimum area restoration into the House legislation. At this time Federal funds cannot be used to acquire the land to be reclaimed and the land must be owned either by Federal, State, or local government bodies before Appalachian funds can be used for reclamation purposes. The Senate amended the act to allow private, nonprofit organizations to own the land and to allow Federal funds to be used to acquire land for reclamation purposes. Additionally, the Senate allows the Secretary of the Interior to provide financial assistance for the control or abatement of mine drainage pollution throughout the region. This is a problem of particular concern to West Virginia.

Another problem that Federal legislation does not contemplate is the high cost of making airport safety improvements in Appalachia. In its hearings the Senate found that only $3 million had been allocated to Appalachian airports, this being made on the basis of population rather than on the basis of actual cost of construction. Certainly the tragic accident at Huntington last fall indicates the need for a new program of airport safety improvements in Appalachia, and I hope the committee would include that in its legislation.

Gentlemen, there has been no program that I know of that has enjoyed the almost universal support of State and Federal officials from Appalachian States as this regional development act. The reason for this, I suspect, is that it realized two things. First, cooperation, planning, and development on a regional basis is absolutely necessary because of mutual economic and topographical problems. Second, no one agency—Federal, State, or local—could be as knowledgeable about what the region needed as could a commission made up of State and Federal officials working with legislation drafted with the help of Federal representatives of the Appalachian region.

At this time, we have made an excellent beginning. Now we must continue along that course.

STATEMENT OF HON. HAMILTON FISH, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. FISH. Mr. Chairman, I greatly appreciate this opportunity to speak on behalf of H.R. 4555, of which I am a cosponsor, and other similar measures, which would authorize the extention of the Appalachian Regional Commission and the Appalachia highway program. Specifically, H.R. 4555 would continue the Appalachian highway program for 5 years and extend other elements of the 13-State regional development program for 4 years. This legislation would authorize an additional $925 million for the 2,671-mile Appalachian highway program and $571 for activities in other fields such as health, educa-

tion, public facilities, mine area restoration, manpower development, housing, and environmental improvement.

It has been almost 6 years since the Appalachian Regional Development Act was enacted in 1965. The Commission has proved itself to be the most successful experiment in Creative federalism that this Nation has ever experienced. It is, unquestionably, a program whose past efforts justify its continuance.

By any measurement, the accomplishments of the Appalachian program are impressive. As of December 31, 1970:

Nearly 500 miles of Appalachian development highways were completed and another 367 miles were under construction. Of the 2,571 miles of the system requiring construction, 2,507 miles are in some stage of route location, preliminary design, right-of-way acquisition, or construction.

Well over 260 vocational and technical training centers have been approved by the Commission and, as of last June, 155 of them were in operation. The impact of the region has been profound. In 1965, only 20 percent of our regional manpower needs were being met by our vocational and technical schools. Today, over 40 percent of our needs are being served by the new vocational and technical system.

Throughout the region, improvements are being made to health services. In selected sections of the region, comprehensive networks of health services are being developed. Fifty-one new health services were inaugurated in fiscal 1970 alone. We have good reason to believe that some of our health programs are among the best in the country.

The Appalachian Housing Fund, approved by Congress in 1967, has helped to initiate $98 million in construction of low- and moderate-income housing. This represents over 7,000 new units of housing.

Work has been completed on 28 mine area reclamation projects, including 16 mine fire extinguishment projects, six mine subsidence projects, and six surface reclamation projects. Another 16 are underway, and there are 13 additional projects awaiting contract.

Communities with potential for growth are improving their public facilities. Under section 214 supplemental grant programs and other sections of the program, the Commission has approved:

> 233 health facilities; 260 vocational and technical schools; 157 higher education facilities; 185 water pollution control facilities; 85 libraries; 49 airports; 37 grants for school equipment; and 71 other public improvements.

But a mere numerical review does not fully indicate the full impact of the Appalachian program. The figures do not adequately record the new sense of hope and optimism which these investments have brought to the residents of the 13-State region. Included among the beneficiaries are residents of my own 28th congressional district in New York State. Three of my counties—Delaware, Otsego and Schoharie—receive assistance under the Appalachian programs. The combined population of these three counties, according to the 1970 census is 125,645. Through cooperation with Appalachian Regional Commission and State officials, they have developed a growth and economic development strategy for the entire region.

Appalachia assistance projects in this area range from vocational education to airport improvements; from a new sewage treatment

plant to a hospital. Appalachian highway assistance has aided in opening up these areas for new industry and trade.

One final word should be said about the relationship of the Appalachia program to revenue sharing. I am proud to be listed among the sponsors of President Nixon's revenue-sharing legislation and have long held to the philosophy that local needs and problems are best solved at the local level. Personally, I can see no conflict between revenue sharing and the Appalachian Regional Commission programs. In fact, as it has operated, the Appalachia program is a model of Federal-State cooperation. State and local decisionmaking have been the watchword.

For example, the supplemental grant program under section 214 of the act has been a primary means for States to exercise judgment and control over the placement and mix of many federally aided public facilities. This very committee has noted that, through this program, the States have for the first time been able to set priorities among Federal grant-in-aid programs so that areas with potential for growth have received those Federal funds which are most needed and most suitable to their plans of development. In a sense, it has been an experience in administering restricted block grants.

The Appalachia program has been an experiment in revenue sharing. This special block grant approach has enabled States and localities to establish their own priorities which also help to close the Federal fiscal gap in Appalachia somewhat.

Mr. Chairman, it would be impossible to overemphasize the hope and encouragement that the Appalachian program holds out for the residents of my district. I can only emphasize my deep personal commitment to its continuation and continued success. I am certain that this committee, in its wisdom, will recommend that Congress extend the life and expand the efforts of the Appalachian Regional Commission.

STATEMENT OF HON. JAMES R. MANN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. MANN. Mr. Chairman, I would like to record my strong support of extension of the Appalachian Regional Commission. Since the inception of the Appalachian regional program in 1965, many fine and unique things have been accomplished. The roads and living environment of this 13-State region have been improved to such an extent that in many of its towns and villages the steady trend toward unemployment and outmigration of the young has been reversed. To be sure, no one can deny that the Appalachian regional program has been a great boon to my own Fourth Congressional District of South Carolina, accomplishing things through induced cooperation among the various States of this region which otherwise would not have been possible. Among these accomplishments are improvements in public health, educational, and environmental facilities.

I am positive that a similar recitation would be forthcoming from the Representatives and Senators from any of the other 13 States covered by the ARC. For the fact of the matter is that this unique program has stimulated State and local governments and private interests to do just the sort of things for themselves which President Nixon would seek to promote through his revenue-sharing plan. Mr. Chair-

man, for this and other reasons, I would deem it a bad day for my region as well as the Nation if such an active and proven effort as the Appalachian regional program would be sacrificed on the alter of an untried scheme like State revenue sharing. We are by no means certain that the States would themselves be willing and able to cooperate on the sort of regionwide basis which has made the Appalachian Regional Commission such a positive and perhaps irreplaceable boon.

For this reason, I support unequivocably the extension of the Appalachian Regional Commission as proposed in the several bills before this committee.

STATEMENT OF HON. GOODLOE E. BYRON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. BYRON. Mr. Chairman, I am asking your subcommittee to act favorably on H.R. 5376, especially section 3 dealing with the Appalachian Regional Commission.

Three of the counties in the Sixth District of Maryland lie in the Appalachian area—these counties are Garrett, Allegany, and Washington. Since its inception in 1965, the Appalachian Regional Commission has been instrumental in bringing programs and assistance to this often hard-pressed area of western Maryland. As of May 1970, the ARC had expended over $8 million in Maryland's three Appalachian counties. But the price tag alone does not give adequate testament to the effectiveness of the ARC and its programs.

The Appalachian Act of 1965 helped build three county junior colleges in these three counties, expanded the national freeway into formerly inaccessible areas, aided hospitals, vocational education, and even assisted in the development of a ski area now used by many skiers from the Baltimore-Washington metropolitan area. The scope and variety of these projects are impressive; the willingness and eagerness of the Appalachian Regional Commission to assist the local planners are also remarkable.

As the honorable Speaker of the House of Representatives said recently, the elected officials at all levels "have given it (Appalachian Regional Commission) unanimous and enthusiastic endorsement." I urge you to do the same.

Mr. JONES. That concludes the witnesses for today.

Tomorrow, we will have a rather lengthy schedule, and there are people here who are from out of town. I hope that we will have punctual attendance and we can accommodate them without holding them over and discommode their travel arrangements.

The committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:20 p.m., the subcommittee was recessed, to reconvene tomorrow, Wednesday, March 17, 1971, at 10 a.m.)

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 1971

WEDNESDAY, MARCH 17, 1971

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FLOOD CONTROL AND INTERNAL
DEVELOPMENT OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The subcommittee met at 9:50 a.m., in room 2251, Rayburn Building, Hon. Robert E. Jones, subcommittee chairman, presiding.

Mr. JONES. The subcommittee will come to order.

I did not have time to accumulate all the members of the subcommittee 10 minutes before time, but I am quite sure that I will not encounter any difficulty sitting a little earlier.

We are pleased to have you, Mr. Perkins.

With your great interest and devotion to this program in Appalachia we are pleased to receive you.

STATEMENT OF HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. PERKINS. Mr. Chairman, let me thank you for the opportunity of appearing before the committee to urge extension of the Appalachian Regional Development Act through the amendments of 1971.

I doubt that anyone who has not traveled extensively in the Appalachian region of this country during the last several years can fully understand the great changes that have taken place.

We are, to the surprise of many and to the pleasure of all, making progress in that important quarter of our country. Much of this progress stems from passage of the Appalachian Regional Development Act.

Not only do we see new highways, new hospital and health facilities, new vocational schools, new public service facilities—we see something that may transcend all of these in importance. We see the revival of hope.

In the days before passage of the act in 1965, many of our people were discouraged. Many thought that Appalachia was left irretrievably behind the rest of the Nation.

It is certainly true that our region has not come all the way up to full prosperity, to full participation in the American mainstream. But there is growing confidence that we can. That confidence, I need not tell you, is the major ingredient of full economic recovery for Appalachia.

I recommend that you bring to the floor of the House a bill providing for the longest extension of the act that you feel is practicable.

Six years ago, the Congress made a commitment to the people of Appalachia that the resources of a great nation would be brought to bear in solving the problems that had afflicted the region for several generations.

I say it is not in the nature of Congress to renege on its commitments, particularly since the programs undertaken under the act are beginning to show concrete results. The promise of ultimate success is brighter than at any time in my recollection.

The act established a workable and effective partnership between the Federal Government and the States—one that has been called a model relationship under the much-sought goal of the "New Federalism." The Governors of the Appalachian States want to make good in this program, and I am sure the Congress is equally interested in its stunning success.

I think we should and must give the Governors of these States the authority to finish the job in Appalachia that we set out to accomplish in 1965.

One of the most important facets of the Appalachian regional development program involved creation of a new highway system to serve the areas long plagued by inaccessibility and isolation.

For various reasons, the Congress has not seen fit to provide—nor the executive branch to recommend—full funding of the highway program. This, of course, forced a delay in the completion date. But while we delayed, inflation and rising construction costs cut deeply into our effective use of the money. Now, the authorized Federal funds are sufficient to complete only about half of the development highway system. We will need approximately $900 million in Federal funds to put the system in full operation. The States are prepared to make their commitments toward this goal. But we must all be mindful that the longer we delay, the more costly will be the damaging spiral of construction costs.

I would certainly hope that we could aim for completion of the development highway system at the same time the completion of the Interstate Highway System is scheduled—1977. They are essentially connected, and should be pressed with the same vigor.

In my own congressional district, the potential impact of the development system could be great, but I do not want to see it trimmed by constructing these roads at less than four-lane widths. We need to make certain funds are provided to insure that the corridors containing U.S. 23 and U.S. 119 from Portsmouth, Ohio, to the top of the mountain above Jenkins, Ky., and from Williamson, W. Va., to Pikeville, Ky., are built to a minimum of four lanes. To do less would be to reduce the effectiveness of the money we have already invested. Kentucky 15 should likewise be four laned. Many other eastern Kentucky roads, secondary as well as major, should benefit from the Appalachian program. Funds should be provided to make all of them vital arteries of prosperity for our people.

Mr. JONES. Mr. Perkins, let me make an inquiry of you. You know, under the Highway Act, we go to 70–30 in 1973.

Mr. PERKINS. Yes.

Mr. JONES. So that is the same formula or the utmost you can possibly receive out of Appalachia.

Are you saying to continue Appalachia as a parallel to the highway program which was enacted last year?

Mr. PERKINS. That is what I am saying, on a 70–30 basis, Mr. Chairman.

Mr. JONES. The Federal Government is 70 percent of the money.

I am talking about when we go to 70–30 under the General Highway Act; the formula changes to 70–30 under the general act which corresponds to what we now have.

Mr. PERKINS. I am well aware of that, but unless we have the funds earmarked specifically for the Appalachian road program in my judgment the growth areas and the other sections that are making progress will run way ahead of the Appalachian area and we will never catch up.

It is my view if we don't really zero in on connection with the Appalachian highway program—in fact, I would like to see the formula, and I know it is impossible to go up as high as 90–10, but the Appalachian highway funding should be at least raised to 80–20.

Mr. JONES. Well, you are not suggesting that we go into a superhighway program such as the Interstates?

Mr. PERKINS. I am not suggesting that, no; but these main arteries that we contemplated as major, we planned for four lanes before the act was ever enacted into law.

Some of them are not four lanes presently which in my judgment, is not good judgment on the part of the States.

I am suggesting that we make ample funds available to four-lane these main artery highways that we contemplated were to be four lanes.

Mr. JONES. But they must be formulated with the overall funds.

Mr. PERKINS. Oh, yes, certainly, they must be formulated.

Mr. JONES. And you are not advocating that we go ahead with the superhighway program in Appalachia to the detriment of the other highway programs?

Mr. PERKINS. No; my statement is in addition to after correlations have taken place.

Vocational education loomed large in our 1965 planning for the revitalization of Appalachia. We set ourselves the task of providing voc ed facilities for at least half of the 11th and 12th grade students in the Appalachian region. At the same time, we sought to upgrade substantially the post-high-school technical training and adult education. Reports from this undertaking have been most encouraging, as you know.

So far, we have funded some 260 vocational education schools to provide opportunities for more than 200,000 11th and 12th grade students in the area. We still need to reach 50,000 more to achieve the 1965 goal. This can be done by a reasonable extension of the act.

Section 202 of the act provides for the development of model programs of comprehensive health services. Twelve of these programs have been established, and I understand another one is under consideration by the Commission.

I am advised by the Commission that an additional 4 years will be needed to complete the programs envisioned under the act. This provides all the more reason for the act's extension.

One of the most encouraging successes of the act has been its ability to get local governmental units to work together. This often required overcoming century-old traditions and psychological barriers.

To date, more than 50 multicounty organizations have been established, and are reported to be working smoothly together.

In the interest of brevity and conserving the committee's time, I will pass over without substantial comment the success of the Appalachian Regional Development Act in the field of educational cooperatives, child development, the environment, and the major contributions made in intergovernmental cooperation between the States themselves.

Mr. Chairman, there are those who will tell you that this entire program should be scrapped in favor of some still undefined system of block grants to the States. It has been said by some of the block-grant advocates that there would be nothing to prevent the Appalachian States from getting together in an interstate compact to pool their grants and carry out programs now operated through the Appalachian Regional Commission.

I say to you that this is wasteful and shortsighted. The Appalachian machinery is already set up and in operation. We know it can complete the job.

This Congress is not going to buy a "pig in a poke," in my judgment; but will insist that we proceed in an orderly, deliberate manner to keep the commitment to the people of Appalachia.

This committee, charged with the oversight responsibility of this act, cannot help being encouraged by accurate reports from this rugged land and these resourceful people.

I urge you to speed this legislation to the floor of the House.

Mr. Chairman, I ask leave to submit for the committee's record statements that have been sent to me by the Fivco Area Development District, Catlettsburg, Ky.; the Community Services Commission of Pikeville, Ky.; and the mayor of Pikeville, Ky., Hon. William C. Hambley.

Let me thank you.

Mr. JONES. Without objection, the other statements that you are submitting will be filed immediately after your statement.

Mr. PERKINS. Thank you very much.

(The statements referred to follow:)

FIVCO AREA DEVELOPMENT DISTRICT,
Catlettsburg, Ky., March 11, 1971.

The Honorable ROBERT JONES,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN JONES: Find enclosed a copy of the resolution which was adopted at a regular meeting of the FIVCO Area Development District Board on February 4, 1971, and concerns the extension of the Appalachian Regional Development Act for four years.

The FIVCO Area Development District is a multi-county organization provided for by the Governor of Kentucky and charged with total development of the counties making up the development district.

Your consideration of the enclosed resolution will be greatly appreciated.

Yours truly,

JAMES R. GARTHEE, Jr.,
Assistant Director.

RESOLUTION NO. 71–1, 1971—A RESOLUTION OF THE FIVCO BOARD OF DIRECTORS, CATLETTSBURG, KY., FOR THE CONTINUATION AND EXPANSION OF THE APPALACHIAN REGIONAL COMMISSION

Whereas, we, the FIVCO Area Development District Board of Directors recognize that it takes a generation for people to reverse the trends which have continued for six generations to deprive them of realizing their full human potential

in Appalachia where many choose to stay and live and where many would return if a full range of opportunity were available; now, therefore, be it

Resolved by the FIVCO Area Development District Board of Directors, That—

Section 1. We urge the President of the United States to reconsider his decision to abolish the Appalachian Regional Commission and urge the Congress to consider carefully and deliberately the future thrust of the Commission or its successor.

Section 2. We submit to you the following reasons why the Nation ought to continue the Appalachian Regional Commission—side by side with "Revenue Sharing"—to improve the Commission and its concept—not abolish it.

1. We suggest that the system we in Appalachia devised to improve our lives is made to serve us and the Nation are evidence for this is the support the Commission has received from thirty-seven governors and governors of the thirteen Appalachia states—men and one woman—of diverse personality, politics, and ambition, representing equally diversed constituencies.

2. The Appalachian Regional Commission concept is often said to be a model for our Federal System and the Nation as we are nearing the twenty-first century. This is unquestionably its most valuable attribute.

This is so because Federal, State, and Local governments actually relate to one another more like the flavors of a layer cake relate one to the others; the trend especially since the Great Depression has been away from a federal structured picture as layer upon layer of government with limited linkages among the layers. The Appalachian Regional Commission is a proven success in bringing about the fuller cooperation of our separate governing bodies and specialized administrations regardless of the areal extent or the specialized purpose of each. The Appalachian concept is pervaded with innovation; the Commission seeks to bring together our governing entities and to fill in the void interstices between specialized programs. Lastly, it strives to bring the diversity of the public sector together with the even greater diversity of private interests. To lay aside the Appalachian Regional Commission at this time is to lay aside a promising part of our American experiment begun nearly two hundred years ago.

3. One of the pillars upon which the Appalachian concept rests is the local development district. Proportionally, more people in Appalachia live in a local governmental jurisdiction of small size than in the rest of the Nation. Our small local governmental units should be preserved and strengthened in their role of providing nearby easy access to the people. These small jurisdictions, to be of service of their people, must have expanded access to the same quantity and quality professional staff skills at the disposal of larger local governmental units through the local development district. The local development district will grow usefulness to the small units of local governments as they put together a capital improvements program and attempt to have projects financed and aided by specialized Federal Programs.

Section 3. This resolution shall be in full force and effect from and after its passage and approval and copy of the same shall be forwarded to the Honorable Richard M. Nixon, President of the United States; the Honorable Louie B. Nunn, Governor of Kentucky; Mr. John B. Waters, Federal Co-chairman, Appalachian Regional Commission; John Whisman, States' Representative, Appalachian Regional Commission; the Honorable John Sherman Cooper, United States Senator; the Honorable Marlow Cook, United States Senator; and to the Honorable Carl D. Perkins, Representative to Congress from the Seventh Congressional District and to the other Representatives to Congress from Kentucky.

G. B. Johnson, Jr., *President.*

Attest:

Howard Queen, *Secretary.*

Adopted by the FIVCO Area Development District Board February 4, 1971.

Resolution of Support of Senate Bill 595 To Extend the Life of the Appalachian Regional Commission

The Appalachian Regional Commission has given new life and hope to the people of Appalachia. Its support of many programs in Pikeville, Pike County, and Eastern Kentucky has been especially helpful, such as supporting the new Methodist Hospital, the new Science Building at Pikeville College, the re-

building of our major Highways Nos. 23–119–460 and KY 80 is under way. The Open Cut Project of Pikeville Model City program is almost ready to begin.

Believing that the great work of the Appalachian Regional Commission has just begun, and is largely unfinished, the Community Services Commission of Pikeville, Kentucky, Model City, do hereby resolve as follows:

1. That the life of the Appalachian Regional Commission should be, and we urge its, extension for a period of four (4) years as proposed in Senate Bill No. 595 introduced by Senators John Sherman Cooper and fifty other Senators, and we urge its passage.

2. That copies of this resolution be sent to Senators John Sherman Cooper and Marlow Cook, and to Congressman Carl D. Perkins, and copy to the press.

Adopted in a duly called meeting, this 11th day of February, 1971, at the Pike County, Kentucky, Court House, by

LON B. ROGERS, *Chairman.*

Attest:

LUCILLE S. SMITH, *Secretary.*

RESOLUTION—IN RE FOUR-LANING OF PIKEVILLE-WILLIAMSON ROAD—U.S. 119

Whereas, the Kentucky State Highway Department has under consideration the development of plans for a new Appalachian Highway paralleling U.S. 119 from Pikeville to Williamson, West Virginia, most of which had been planned as a 2-Lane road; and,

Whereas, many of our members and citizens generally believe that said highway should be planned and built as a 4-lane, divided highway, upon the same standards as US 23 is now being rebuilt in Pike County; now therefore, be it

Resolved by the Community Service Commission of Pikeville, Kentucky, Model Cities, as follows:

1. That we petition the State Highway Department to expand its planning for the Pikeville-Williamson Highway paralleling the present US 119, as a 4-Lane, divided highway, because we believe the industrial development of the area both now and in the future requires it.

2. That copies of this Resolution be sent to the Kentucky Highway Department at Frankfort and Pikeville Regional Office, a copy to the Federal Highway Administrator, and a copy to the press.

Adopted by the Community Service Commission of Pikesville Model Cities, on motion duly made by Quentin Howard, seconded by Betsy Venters, and unanimously passed in regular meeting held in the Pike County Court Room, on Thursday, October 8, 1970.

LON B. ROGERS, *Chairman.*

Attest:

LUCILLE S. SMITH, *Secretary.*

STATEMENT OF HON. WILLIAM C. HAMBLEY, MAYOR OF THE CITY OF PIKEVILLE, KY.

Distinguished Congressmen of Sub-Committee on Flood Control and Internal Development of the House Committee on Public Works.

Mr. Chairman, I am Dr. William C. Hambley, Mayor of Pikeville, Kentucky; Vice Chairman, Board of Directors, Big Sandy Development District; Member, Board of Directors, Big Sandy Community Action Program; Member, Big Sandy Health Planning Council; Member, Board of Directors and Executive Committee Concentrated Employment Program 7th Kentucky Congressional District (22 counties), Member, Appalachian Educational Advisory Committee for Kentucky. Mayor of the Only Model City in Central Appalachia.

From a vantage point of ten years of Participation in Mechanisms for the direction of Federal and State funds to community programs, I should like to convey some of the pertinent observations which may be helpful to you in considering the continued funding of the Appalachian Commission for four more years.

The American system is basically a Free Enterprise system based on initiative to produce and create profits. This philosophy is extended to the Legislative process in the Multitude of Categorical and Special Interest Programs, all requiring local initiation based on local determination of need and ability to

participate. To assure more prudent spending of Federal funds in local programs, planning requirements have been injected. At no time has the Funding of Programs at the Federal level been adequate to satisfy more than a fraction of the requests made through local initiative.

The jungle of proliferation programs has made it apparent to all levels of Government responsibility that the planning requirements must be expanded to relate local programs and projects to a broader base of need and function via local, district, state, region and national goals. Also, that coordination of planning with multi-level priorities for implementation is a base necessity When these efforts transcend political jurisdiction, then Multi-county cooperative agreements and Multi-state Cooperative mechanisms must be devised. Since the local jurisdictions are creatures of the various State Legislatures and Constitutions, a great restrictive dependency state exists at the local level.

Congress took a most significant step in this direction when the Appalachian Commission was formed to administer the Appalachian Development Act. This Commission has done an extraordinary work in bringing about cooperation between thirteen State Governments to further development on a regional basis rather than limiting it to Conventional Political Jurisdictions. Their efforts have been most successful in the formation of Multi-county development districts for better planning and coordination of programs and projects which reflect local government and citizens participation in this initiation process. The people of the Big Sandy Valley are participating in more effective mechanisms of community development under the umbrella of the Appalachian Commission and the Act than in the past sixty years combined. The Development Highway System is the first to serve the area adequately and must be completed on schedule or submerge local initiative and expectations beneath a disastrous cynicism. This highway system was the first priority for every level of participation.

The Appalachian Act has been the most effective mechanism to stimulate local citizens and their public officials to work to gather to plan and cooperate in development processes and to translate these needs to the State and Federal Governments, so that a more rational coordination of Funding at all levels could be directed to a priority system established locally but directed to state and national goals.

The Model Cities concept for urban development on a comprehensive basis is greatly enhanced by the Appalachian Regional Commission when our Model Cities plan is oriented to district and regional development. These two mechanisms, Model Cities and the Appalachian Regional Commission working together, one urban, the other rural and regional, constitute the best mechanism for sharing federal resources with local governments yet devised. These mechanisms preserve the planning requirements for development to be directed to expanding goals and reward local initiative so vital to any successful use of federal funds in local efforts. There is still a need to consolidate many programs into more effective instruments for development.

A prime example of the generation of local effort by the participation of the Appalachian Regional Commission is the Pikeville Public Hospital toward which the Commission funded 29.5% of a $7,000,000 project while the local share was 44% or $3,000,000.

The Commission has been the Coordinating Agency for most of our vocational facilities and health programs throughout our region. Their service has been invaluable in coordinating local applications and research for federal and state assistance spanning the whole spectrum of federal programs. Without this service local officials dissipate all their energies thrashing about in the high federal bureaucracy.

The people whom I represent overwhelmingly support the Appalachian Regional Commission in its approach to Community Development through development districts and regional orientations. We strongly recommend the Enactment of Amendments of 1971 to the Appalachian Development Act to continue the funding of this program for four more years.

Mr. JONES. Our first witness is Mr. Miles C. Stanley, president of West Virginia Labor Federation, AFL–CIO, Charleston, W. Va., and Mr. Stanley has appeared before the committee on previous hearings.

Mr. Kee?

Mr. KEE. Mr. Chairman, I would like to join you and members of our committee in extending an extremely warm welcome to Mr. Miles Stanley.

Miles Stanley was with the American Federation of Labor–CIO way back when this program was originally drafted.

He has been with it and has been before the committee and is extremely knowledgeable.

Miles, we are indeed happy to have you with us.

STATEMENT OF MILES C. STANLEY, CHAIRMAN, AFL–CIO APPALACHIAN COUNCIL, AND PRESIDENT, WEST VIRGINIA LABOR FEDERATION, AFL–CIO

Mr. STANLEY. Thank you very much, Mr. Kee.

Mr. KEE. I am certain that we will learn something from you today.

Mr. STANLEY. Mr. Chairman, Mr. Kee, and members of the committee, I am president of the West Virginia Labor Federation and chairman of the AFL–CIO Appalachian Council.

I appear here today on behalf of the specific issue under consideration by this subcommittee.

Because one of the members of the House Committee on Public Works is a distinguished West Virginian, representing a district which rests in the very heartland of Appalachia, I am especially pleased to have this opportunity to share with you some of our experiences and our thoughts regarding the extension and expansion of the Appalachian Regional Development Act.

On each prior occasion that this legislation has been before this body for consideration, the AFL–CIO, through its appropriate spokesman, has placed on the record its support for the regional concept in development and more specifically for the Appalachian Regional Development Act. This support is based on the premise that there exists in our country extensive regions with a commonality of problems which inhibit growth and development commensurate with other regions of the country. Appalachia is one of the regions with an abundance of such problems.

It might be appropriate to note that we have been actively involved in endeavoring to identify and solve these problems for more than a decade. In this period, we have seen significant and measurable progress occur. Little or none of this progress would have been possible without the concentration of resources created by various enactments of Congress. Perhaps the most important instrument in the game of economic and social "catch up" has been the Appalachian Regional Development Act. Although other measures have played an important role, the Area Redevelopment Act, Accelerated Public Works (not the economic development) Act, and a multitude of educational support programs and the Manpower Development and Training Act in our view, have all been effectively used to achieve economic and social parity.

We know about the effects of these measures, Mr. Chairman, not by casual observance, but by active involvement. In late 1964, as a further demonstration of our concern, the AFL–CIO established a council of AFL–CIO unions covering the 11 original Appalachian States. I have been privileged to serve as chairman of this council from the outset.

Since that time the council and/or its member organizations have been involved in a multitude of human resource programs touching on the area of manpower training and development, education, housing, and health. All of these efforts have afforded us an opportunity to observe at firsthand both the depth of the problems and the effectiveness of proposed solutions.

One cannot be long involved in this process before realizing the full significance of the first report on Appalachia and subsequent reports which have said in essence:

> The highland isolation must be overcome with modern roads and air facilities. The ribbon-towns must be provided with the amenities of urban life. A substantial effort in education, health facilities, employment services, community apparatus—all the items of social overhead neglected for long decades—must be made.

I know that this committee has studied the excellent reports and other information which has been supplied you by the Commission and its staff, and you are fully aware of the progress being made in achieving the objective. We know that you are impressed as we are by this progress, but that you are also concerned as we are with the size of the task which lies ahead.

In looking at the progress and the problems which remain, one could assume, perhaps, that the Commission has served its purpose. Most of the problems have been identified, a great deal of planning has been done and planning development districts have been generally established. Hundreds of miles of highway have been built with several hundred more planned or under construction. Several hundred public facilities have been built, numerous health projects are in progress and several thousand housing units are in various stages of development.

These are physical improvements which are visible, but they are not the entire story. Just as important is the atmosphere of cooperation and mutual understanding which has developed between the participating States and within the States. Perhaps we in West Virginia, which lies entirely within Appalachia and which for many years has been plagued with sectionalism, are more cognizant of this benefit than other States; in any event, it is our opinion that the act has contributed manifestly toward alleviating the problem.

In view of all of the progress and constructive changes, Mr. Chairman, now is not the time to change either the method or vehicle which has, in our judgment, been successful in bringing about this progress. To the best of our knowledge all of the activity and funding of projects by the Commission have been directed toward stimulating growth and attacking the root problems, mentioned earlier, which have inhibited growth in the past. We have no assurance that this will be the case in the event the current funding method or the current delivery system is changed. There is no way, in our opinion, that such a decision would improve the program and there are many ways in which it could be damaging.

Moving to one of the substantive programs within the Commission, I would like to comment briefly on our experience with the housing assistance provision. Some time ago the AFL–CIO in West Virginia decided that the need for adequate housing was so great that we should use some of our own resources to build housing under the ap-

plicable provisions of the Federal Housing Act. We established a statewide nonprofit corporation and began all necessary preliminary work. We soon discovered that it was a fairly expensive proposition to act as a developer as well as a sponsor. It then became necessary for us to look for additional financial assistance and we received such assistance from the Commission in the form of $20,000 in development loans for two different proposed projects of 100 units each. Unfortunately, to this date, neither of these projects have yet been constructed because of technical and legal problems; but we are confident they will be. Pertinent to this discusion is the fact that without the Commission's help they would not have been developed. In fact, our organization would have been forced to abandon the projects at a considerable financial loss. In a State where more than 30 percent of the housing is substandard, the latter course in our judgment would be a poor alternative.

Another program which has received unprecedented help from the Commission is vocational and technical education. We have a special interest in this field simply because, to use a cliche, the labor force of tomorrow will be comprised of the students of today. In the past 3 years, we have learned through our work in Appalachia, what it means to have an ill-prepared labor force. Through our manpower programs we have placed about 9,000 unemployed and underemployed workers into on-the-job training programs with organized employers. Of this number, approximately 1,500 have received prejob institutional training to bring them up to a labor entry level.

In addition, Mr. Chairman, we have recruited in excess of 13,000 youth for Job Corps and worked with more than 800 youth in Neighborhood Youth Corps programs. Moreover, under an agreement with the Seafarers International Union, we have recruited and screened more than 600 youth from West Virginia alone for entry into a privately funded seamen's training school.

Out of these experiences, we know that most of the individuals mentioned are high school dropouts who never had an opportunity to take vocational or technical training in the formal educational system. The more than 260 vocational education schools the Commission has made possible in the region will go a long way toward revising the almost universal trend of gearing the secondary education system to precollege students.

This lack of basic educational preparation accounts to some extent for the consistently higher than national average unemployment rate which exists in the region. For example, the latest available figures indicate that unemployment of record currently exceeds 8 percent in West Virginia. Obviously, such a high unemployment rate places an inordinate strain on the economy as well as having a disastrous effect on families. Anyone with a personal knowledge of the region would quickly recognize that an inflexible vertical educational system which allows little lateral movement contriubtes to the consistently high unemployment rate.

It would be difficult, Mr. Chairman, for one to assess the impact of the Appalachian highway program on the isolated areas of the region. At this point, we can only estimate the ultimate result of opening up these areas to the flow of people and commerce. Most think it will mean economic and social development; we believe in many in-

stances this will be the case. Of one thing we are sure—without ingress and egress, development will continue to be stymied.

Mr. Chairman, this statement has been purposely very short; however, I will be happy to respond, to the extent of my knowledge, to any questions the committee may have. Or, if you wish, we will supply additional information at a later date.

In conclusion, I would emphasize again that we are in full support of the regional development concept pioneered by the Appalachian Regional Development Act. We believe it should be continued as an effective method of solving the economic and social problems of regions similar to Appalachia.

Thank you very much.

Mr. JONES. Thank you very much, Mr. Stanley. When you appeared before the committee in 1969, you outlined the opportunity that would be available under the various housing laws which were then in operation. As a result, we wrote the section 207, the Appalachian Housing Act, which became part of the purpose of Appalachia. I do hope that your complications will be settled and that it will be continued because we need that example for the improvement of housing to meet the housing requirements of the people in Appalachia.

Mr. Kee?

Mr. KEE. Thank you, Mr. Chairman.

Mr. Stanley, I have no doubt that you agree, but I would like to make this a matter of the legislative history. You agree, do you not, that the Congress of the United States made a commitment to the people in the Appalachian area when this act was passed

Mr. STANLEY. Yes.

Mr KEE. The fact is that if this is not extended in a proper fashion, then the Congress itself is falling down on its commitment to the American people. Do you agree with that?

Mr. STANLEY. Yes, I would, Mr. Kee, to this extent. There has, of course, been much accomplished as I pointed out in my prepared statement. But the job is nowhere near finished.

We have just begun to see some of the effects in social and economic developments that resulted from the initial passage of the act. I would think it would be leaving the job only partially done if they were to withdraw at this time.

Mr. KEE. Fine. The last thing to substantiate what we both completely agree upon is the fact that if this stops, you know if the Congress does not extend it, what will happen in your Appalachian egress and ingress on your highway program, all we will have will be just a few strips of roads, shall we say, that have been constructed or are now under construction without any continuity. In other words, it would be various segments.

We have to continue this in order to provide the financial resources to the State of West Virginia, Federal funds to complete the Appalachian highway program. Do you not agree with this?

Mr. STANLEY. I would agree completely with that. We do not need roads going nowhere, Mr. Kee.

Mr. KEE. Thank you, sir. You have made a wonderful statement.

Mr. STANLEY. Thank you very much.

Mr. KEE. Thank you, Mr. Chairman.

Mr. JONES. Mr. Miller?

Mr. MILLER. I, too, wish to commend Mr. Stanley for a very good statement supporting the Appalachian program. There was one particular item that I would like to clarify.

You spoke on page 4 of your testimony that through our manpower programs we have placed 9,000 unemployed or underemployed workers into the job training programs with organized employers. You go further to say that of this number approximately 1,500 average prejob institutional training to bring them up to a labor entry level.

Would it be possible to elaborate on that a little bit? Would the 1,500 have received their training through vocational educational institutions that were supported by the Appalachian program?

Mr. STANLEY. No; they were not supported directly by the Appalachian program, Mr. Miller.

They are part of what we call a coupled manpower training program that we were running.

Funds came from HEW. We did use the facilities in some cases and I could not say whether they were facilities originally built by the Appalachian Commission or not, but we run these institutional programs with the vocational educational system in an area where we are working usually in a county unit system or a school district.

Whether or not the facilities were actually constructed by Appalachian redevelopment funds, I do not know at this point.

Mr. MILLER. Could you elaborate just a little further on the type of training that they would have received and the type of profession that they would have gone into because of that training?

Mr. STANLEY. Yes; well, frequently, we develop what we call subcontracts with an employer for "x" number of individuals.

Then, under the terms of our contract with the Labor Department, we have gone to the disadvantaged persons to get them and many times these workers, for example, have every little formal education.

Perhaps they cannot read well enough to go directly into the labor market or directly into an on-the-job training position or they need some vocational skills.

We have run programs in almost every type of occupation that one could think about.

One of the outstanding ones we did in Pittsburgh, with the Blau-Knox Corp. as the ultimate employer, was for a machine tool operator.

This was an extremely successful program.

We do it with some of the building trade unions, with bricklayers where we give them institutional training, where they can read a rule and do a little bit of math and this type of thing and then put them on the job with journeymen bricklayers laying bricks.

Most of it is industrial-type employment, however, in fabricating plants of one type or another.

Mr. MILLER. Thank you, Mr. Stanley.

Thank you, Mr. Chairman.

Mr. JONES. Further questions?

Again, we thank you very much, Mr. Stanley.

Mr. STANLEY. Thank you, Mr. Chairman.

One of your comments at the outset that the housing program—perhaps I should clarify that a little.

Our difficulty has not been with the Regional Development Commission.

Our difficulty has been with FHA in getting funds sufficient to build the projects under current costs.

Mr. JONES. That was pointed out to us yesterday when we had Governor Moore testify.

Mr. STANLEY. Thank you very much.

Mr. JONES. You might be interested to know in my home State the AFL–CIO has made a similar proposal that is now under consideration.

Mr. STANLEY. Yes, sir, I have talked with our mutual good friend, Mr. Weeks about that.

Mr. JONES. Our next witness is Mr. Dennis Q. Opheim, Director, Tricounty Appalachian Regional Health Planning Commission, Decatur, Ala., who will be accompanied by Keith D. Blayney, dean, School of Community Allied Health Resources, University of Alabama, Birmingham, Ala.

Monday, a month ago, I had the opportunity to visit with Mr. Opheim to observe his operations which I had been dealing with intimately at a distance.

I can assure the members of the committee I have never seen such an exciting program in the field of health as I saw in going over that plan.

These plans were under a grant from Appalachian funds and one of the first projects of its kind in the 11-State area at that time.

I do believe it is a classic to be utilized by the other areas of Appalachia.

I commend you, gentlemen, for your vision, your foresight and your total involvement in the work you have been engaged in.

It is a pleasure to have you here today.

I am proud to have such fine constituents.

STATEMENT OF DENNIS Q. OPHEIM, DIRECTOR, TRICOUNTY APPALACHIAN REGIONAL HEALTH PLANNING COMMISSION, DECATUR, ALA.; ACCOMPANIED BY KEITH D. BLAYNEY, DEAN, SCHOOL OF COMMUNITY ALLIED HEALTH RESOURCES, UNIVERSITY OF ALABAMA, BIRMINGHAM, ALA.

Mr. OPHEIM. Thank you, Mr. Chairman.

I am Dennis Q. Opheim, Director, Tricounty Appalachian Regional Health Planning Commission, of Decatur, Ala.

It is a privilege and honor to attend the subcommittee hearings on Appalachia in support of legislation to extend the Appalachian Regional Development Act. The Appalachian program has been one of the most successful State-Federal programs in which Alabama has participated. Under this program, 35 of Alabama's 67 counties have been eligible for assistance to provide highways, health facilities, libraries vocational education schools, sewage facilities, and other public improvements. A portion of the legislation which has been most dynamic and beneficial to north Alabama is section 202, which authorizes State health demonstration projects.

Nine of the thirteen Appalachian States have been privileged to identify multicounty health demonstration projects. This was accomplished in Alabama in April of 1968 when three counties in north-central Alabama (Morgan, Lawrence, and Limestone) joined together

in a health planning endeavor. Since that date, much has been accomplished in the tricounty area in north Alabama to improve the delivery of health services.

The organization identified as Alabama's 202 Health Demonstration Project is the Tri-County Appalachian Regional Health Planning Commission, located in Decatur, Ala. The purpose of the Tri-County Appalachian Regional Health Planning Commission is to develop an awareness of health problems for the area, stimulate action to resolve basic health problems, and to initiate and/or activate new programs for meeting the health needs of the area. The delivery of these services emphasizes the existing relationship between the patient, his physician and supporting health personnel involved in the delivery of health services. Our local Health Planning Commission recognizes its responsibility for the coordination of health planning, as an innovator in the health field, and as a stimulator for new approaches in delivering health care.

The success of the health demonstration project in Alabama can be attributed to four distinct elements (1) the opportunity provided local citizens to determine their health priorities based on the most critical health needs for the area; (2) the cooperation of the Alabama development office, through which all health programs and projects are reviewed and promoted; (3) the excellent staff support from the health section of the Appalachian Regional Commission and the regional office of HEW; and (4) the flexibility and responsiveness of the Appalachian health program. Without question, the success of the 202 health program can be attributed to the spirit of cooperation evidenced at the local, State and Federal levels. The Appalachian program, through section 202, has provided the mechanism through which health planning is recognized throughout Appalachia as a dynamic program.

Alabama's 202 health demonstration project since its inception has provided a stimulating environment for assessing, evaluating, and improving the health delivery system within the three counties. As director of Alabama's 202 health demonstration project, it has been a most rewarding experience to see interest and involvement of health providers and consumers to collectively recognize and improve the deficiencies of the existing health system.

Since 1968, because of Appalachian funding, unprecedented strides have taken place in our demonstration area relating to improved and innovative methods of delivering health services. To the State of Alabama it has provided an opportunity for experimentation and innovation by which new methods in delivering health services can be effectively demonstrated.

The health staff of the Appalachian Regional Commission and the regional office of HEW have been rigid task masters. However, as a result of the flexibility of the Appalachian health program all the health demonstration areas were permitted to advance at a more rapid pace than traditional health approaches of other federally funded programs. The requirement of an annual submission of a health development plan stimulated the State demonstration projects to devise some of the most advanced concepts in regional health planning for any area in the country. The implementation of the concepts and ideas in Alabama's 202 health development plan has identified the Appalachian area of Alabama as being a primary innovator in the delivery of health services.

The demonstration health planning agencies in the Appalachian States have shown the feasibility and practicality of innovations in the health field—to include long-range health planning for the next 20 years. The degree of sophistication of health planning in Appalachia is being recognized both regionally and nationally.

The Tri-County Appalachian Regional Health Planning Commission has focused its health planning and program activities in the following broad areas: health manpower; health services; health facilities construction; innovation in the delivery of health services.

Throughout all of Appalachia there exists a critical shortage of health manpower. This is particularly true of Alabama where the ratio of professional and paraprofessional personnel falls drastically below the national adequacy standards.

Recognizing that the area in our three counties was deficient in health manpower, health facilities, and health services, the energies of Alabama's demonstration project were directed, during the first year and a half, to a catchup philosophy.

Our catchup philosophy has resulted in the establishment of the most critically needed health occupational programs at our local junior college. Our futuristic philosophy is based on the premise that there is a drastic need for a change in the traditional method in training and education for health manpower. Currently our efforts are directed to the establishment of a health core curriculum linking the junior colleges of the State with a central training facility at the University of Alabama in Birmingham. Ultimately we seek the development of a model for the education and training of professional and allied health personnel. Such an educational model would have as its ultimate goals: (1) to provide for educational innovation; (2) to integrate diverse health occupational programs and institutions; (3) to promote career progression; (4) to provide better utilization of education institutions; and (5) to increase output of health personnel.

The development of a prototype educational model has vast implications not only for our area but for Appalachia and the Nation as well.

The thrust for the delivery of personal health services has been in public health services, mental health, alcoholism, and dental services. These Appalachian funded projects have provided a source of stimulation not only for our area but for the State of Alabama as well. New methods of delivering health services have been demonstrated, thereby making it possible for the State to adapt many of the innovations which have been proven in our demonstration area, for example, public health services.

The establishment of a tricounty public health service is unique in Alabama and represents the first regional approach in the State for providing health services. It has stimulated investigative studies by the Alabama Health Department in an attempt to regionalize the State according to the model implemented in the tricounty area.

DENTAL HEALTH SERVICES

The Appalachian dental program represents the first attempt in the State of Alabama to provide preventive and restorative dental services to elementary schoolchildren. The significance of this project is the emphasis on dental education, fluoridation of water supplies, and the involvement of private practitioners.

MENTAL HEALTH SERVICES

The Appalachian funded mental health center has been identified by the Alabama Division of Mental Health Services as an "experimental proving ground" for modification and improvements in the delivery of mental health services.

Appalachian projects in the areas of mental health, mental retardation, and alcoholism have provided the opportunity of developing the optimal services needed for a comprehensive mental health services approach.

In the area of health facilities construction, the attainment of comprehensive health services requires not only the development of new programs not now available but also the strengthening of on-going facilities and services.

The catchup philosophy has been directed to the improvement, expansion, and better utilization of hospital and health facilities and services. An analysis of hospital facilities for our region focused on the lack of basic health services considered essential for providing comprehensive health care. Many of these deficiencies have been eliminated through the submission and approval of Appalachian projects, thereby providing for cardiac-intensive-care services, physical therapy services, emergency services, hospital bed construction, and improved outpatient services.

While much effort is needed to develop innovative programs which will complement the current resources for delivering health care, recognition has also been given to those which enhance the quality of care rendered by existing facilities.

Our futuristic philosophy for health facilities construction is based on the premise that traditional methods of construction are outmoded. As a result new and improved concepts of engineering, architecture, and improved technology are being investigated. Goal achievement of a total system for high quality health care makes it mandatory that health facilities construction be designed to increase the effectiveness of currently available services.

INNOVATIONS

Alabama's 202 health demonstration project has been vitally concerned with the impending crisis in health services for low-income rural Americans.

Health care progress in the United States, like America's population, is concentrated in urban centers. However, the delivery of health services to millions of rural Americans is lagging far behind the rest of the Nation. Unless a system is developed at the earliest possible moment that will contribute to a significant improvement in the delivery of health services in rural areas, catastrophic consequences could easily result within the next 20 years, such as: (1) The health of millions of low-income rural Americans will continue to deteriorate. (2) Migration of people from rural communities to urban areas will worsen. (3) Fewer young physicians will set up practice in rural communities. As older physicians in these areas die, retire, or reduce their practice, the situation will become one of actual community panic, as has already occurred in some rural communities in our area. (4) Supportive allied health personnel such as registered nurses, medical tech-

nologists, radiological technologists will practically disappear from rural communities. (5) Community hospitals in rural areas will be forced to close due to inadequate medical staff and supportive personnel. (6) The Government will be pressured to reverse these conditions but in 20 years they will have become irreversible or too costly to change.

The Tri-County Appalachian Regional Health Planning Commission in Alabama has achieved encouraging results in bringing together local medical, health care, and community leaders working in concert with officials at the University of Alabama in Birmingham to seek solutions of selected health care problems.

The Appalachian program has enabled our local health planning agency to develop an experimental and innovative demonstration model in our most rural county; that is, Lawrence County. The purpose of this model is to develop effective and improved methods of serving the health needs of its rural population.

The Lawrence County health demonstration project represents the most innovative and singularly important cooperative venture between a local community in the tricounty area and the total resources of the University of Alabama in Birmingham.

Among the long-range objectives of this project are: (1) To demonstrate a positive change in the state of health in the population of Lawrence County via implementation of a system which would provide rural families with easy access into the system, and once in the system—providing these families with comprehensive health services.

(2) To demonstrate a positive socio-economic change related to the population as a whole.

(3) To demonstrate a positive change in the pattern of delivery of health care toward a more efficient and effective delivery system to include (1) primary, (2) secondary, and (3) tertiary care.

The significance of the Lawrence County health demonstration project is that changes can be effected in the health delivery system within the context of private practice of medicine. This is consistent with our philosophy that "reorganization is the key to more effective delivery of health services."

Some of the resultant changes to be effected through the implementation of this project are:

(1) The restructuring of medical school curriculum;

(2) The introduction of new categories of more versatile health workers;

(3) Increased emphasis on preventive health care;

(4) More effective utilization of health personnel;

(5) Establishment of a uniform medical records system for health records; and

(6) Development of new curriculum for evolving health occupations as well as restructuring of existing curriculum for ongoing programs.

In summary, the purpose of the Lawrence County demonstration project is to develop and establish an innovative model system for the delivery of comprehensive health services in a rural area, to improve the health and socio-economic status of residents of Lawrence County, Ala.

The philosophy of Alabama's 202 demonstration project, in the first year and a half, has been a "catch-up" approach; however, we realize that this philosophy is not consistent with the dynamic changes evidenced for health care systems of the future. We must direct our efforts toward: More effective utilization of health personnel, facilities and services; the elimination of "fragmentation of services" (a present characteristic of health delivery systems); experimentation with new approaches to the delivery of health care; and what evolution—not revolution is the best approach to improving health care.

We feel that much has been accomplished in Appalachia due to section 202 of the Appalachian Regional Development Act. Though this report only covers advances made in health delivery in Alabama's demonstration area, in certain cases even more extensive progress has been realized in the demonstration areas of other States.

We respectfully suggest that now is not the time to end a program which has momentum and the proven capability of providing direction for improving health services to rural Appalachia as well as the Nation. The scope of these demonstration projects contains vast implications insofar as they serve as a testing area for ideas in health care delivery which could easily show what we must do to provide health services in the future for our exploding population. We urge that this subcommittee give due consideration to the purpose and accomplishments of the Appalachian health demonstration projects, and that the program be extended.

Thank you very much, Mr. Chairman.

Mr. JONES. Thank you very much, Mr. Opheim.

When I was referring earlier to my visit with you and observing the accomplishments that you have made since the inception of your program, I think, members of the committee, that after we concluded our study of this whole proposition, after we pass the bill, that we would like to make a trip down and visit with Mr. Opheim to see at first hand this very exciting program and probably the most profitable thing about it is the fact that the public response to it from every sector of the community has been one of enthusiasm and gratification with it from doctors to business people, every segment of our whole community structure.

I hope that we can have that opportunity.

Doctor, tell them about your work with computers that you are going to utilize on an experimental basis.

Mr. OPHEIM. One of the new projects under consideration is a computerization project which is being developed by a local physician, the idea being that with computers a physician could make better utilization of his time.

Now, this is being done in some of the larger medical centers and so what we have decided to do was to go out and see what is being done, and make some adaptations to our situation locally and see what could be done as far as the computerization of records and also the computerization of health information for our rural areas.

This is an experimental project.

We are hopeful that this project will be funded this year and that we feel it has vast implications for the practice of medicine and the delivery of health care.

It is an experimental project.

We do not know at this point in time whether it will be successful, but we are willing to attempt to find out if it can be made successful to the rural practice of medicine.

Mr. JONES. Mr. Roberts?

Mr. ROBERTS. Thank you, Mr. Chairman.

Mr. Chairman, I think this is the most exciting project I have heard since I have been a Member of Congress.

Now this bothers me. I am always jealous about people who do a much better job than I do in Congress. If the word gets back home I am not sure I can go back home.

But not having any of the Appalachian advantages I am just going to try to do the best I can.

The gentleman from Alabama, of course, is probably the most innovative Member of Congress and I do not hope to keep up with him, but I hope to have something like it and I want to go see it.

I have two other subcommittees running, Mr. Chairman, and I have to leave, but I did want to hear this and I do want to go down there and see this and will be calling on you for help.

I have an abandoned hospital from the Air Force, and I would like to use it for something. This program is just tremendous.

Mr. OPHEIM. Mr. Chairman, accompanying me is Dr. Keith Blayney. Would it be possible for him to speak before this group?

Mr. JONES. Oh, yes; indeed. We are looking forward to it, but I wonder, if there are any further questions of you.

Mr. MIZELL. I was interested in your statement on page 6 as it relates to the health services that are available to rural America.

In your experience with this project, do you think that the best way to try and oblige the health facilities and the health needs of rural America would be to establish within regions, multicounty regions that could work together to provide what is needed within that region, having counties with similar problems in rural America grouped together where they might be able to work together as you have?

Mr. OPHEIM. I feel that the regional approach is the only way that the problem of delivering health service can ever be adequately covered.

Now, as to how large a region, I do not know. We have three counties. Some of the other demonstration areas have nine to 13 counties. But I think the regional approach as far as health planning is the only logical approach.

I think that there is a need for a demonstration area perhaps in each of the Appalachian States, providing the State the opportunity of seeing what can be done with so many dollars, how effective the operation is, how efficient it is.

I think it would be too costly for several demonstrations in health to take place in any one State at the same time.

I think that the experiences which we have had, the success which we have had—and we have had failures as well—but the success could be replicated in other regions throughout the State, and I think this is the purpose of the demonstration project.

One reason why we have had an opportunity to advance rapidly since 1969 is our close identification with the University of Alabama in Birmingham which provides an excellent resource for us at any time that we call on it.

This includes students in the hospital and health administration and also includes the medical center.

This Lawrence County project that you refer to here is a project that was jointly developed by our local physicians from our most rural counties with the University of Alabama, particularly the dean of the medical school.

Mr. MILLER. Do you think that this would also be an incentive to encourage doctors coming out of medical school to move into these areas and set up practice?

Mr. OPHEIM. Yes; we feel that perhaps the reason why physicians do not go out into rural practice is because they are overworked, and the university school of medicine is developing a family practice program in trying to get the medical students interested in rural health care.

We hope that we will have some of these medical students as well as interns and residents going to Lawrence County for part of their training. We hope to make the practice of medicine in a rural county attractive to the students. Right now, it is not attractive; and it is difficult to get them into a rural area.

Mr. MILLER. Well, I certainly appreciate your comments.

Mr. Chairman, I think you are laying the groundwork for solving one of the real acute problems in rural America and that is, trying to get the professionals after they have been trained into these areas to provide the care that is needed; and I, too, when you go home, I would like to go with you, if you will permit me.

Mr. JONES. Mr. Dorn?

Mr. DORN. I just wanted to join my colleagues here in commending you on the record for this exciting program. I know I have communities that have 2,000 or 3,000 people that have no doctors at all.

Certainly, we must develop and maintain and preserve rural America. It is necessary to our basic heritage to preserve your American dream and philosophy. You are certainly moving in the right direction, and I commend you for coming here today and giving us the benefit of your thinking on this.

This Appalachia program is a great program, and, of course, I want to say that we will all follow the leadership of your great Congressman here, Bob Jones.

The whole United States can be grateful to him, I think, for his leadership in the program.

Mr. JONES. We will be pleased to have Dr. Blayney testify now.

Dr. Blayney, you may proceed, sir.

STATEMENT OF KEITH D. BLAYNEY, PH. D., DEAN, SCHOOL OF COMMUNITY AND ALLIED HEALTH RESOURCES, UNIVERSITY OF ALABAMA, BIRMINGHAM, ALA.

Dr. BLAYNEY. Mr. Chairman, members of the committee, ladies and gentlemen, I am Keith D. Blayney, Ph. D., Dean of the School of Community and Allied Health Resources, University of Alabama in Birmingham. I appreciate this opportunity to appear before you to share with you my thoughts regarding the effectiveness of the health demonstration section of the Appalachian Regional Development Act.

It has been my pleasure to observe and participate in the growth of this program since 1967, both through direct experiences and indirectly as a faculty member responsible for helping graduate students

in health services administration analyze the often confusing multitude of Federal health programs. I currently serve as chairman of the Alabama regional medical program's long-range planning committee, and as cochairman of the health research committee for Birmingham's comprehensive health planning agency. I am a member of the National Advisory Allied Health Professions Council, and serve as a consultant to the National Center for Health Services Research and Development. I mention these roles to indicate that I have been privileged to become familiar with a number of Federal health programs, and feel that I have some perspective on how the "202" program measures up.

The Appalachian health demonstration has been a unique, and in my opinion, successful health experiment. I believe that its success has resulted from four interrelated circumstances:

(1) The Appalachian health demonstration was developed as a component of regional economic development. Local people did not view these health demonstrations as poverty programs.

(2) The program is probably the most comprehensive of all Federal health programs. There are really no impediments on what can be done under section 202. The money can be used to build hospitals, nursing homes, or even medical schools if this is what the local area desires, and this is endorsed by the Governor and the Appalachian Regional Commission. In Alabama the first district health service in our State's history was funded with Appalachian funds, in other States such diverse services as stipends for allied health students, the operation of an educational television program, and construction of a summer camp for mentally retarded children have been developed.

(3) Relatively large amounts of money have been made available to "demonstration areas" of manageable size. In fact, the Appalachian health program is the most liberally supported health program per capita population in the history of the Federal Government. Also relatively more planning money has been made available to the "demonstration areas" than in the case of other programs. Thus the identification of area health needs preceded the investment of dollars. There has been a higher degree of professional input into this program from university medical centers, such as the University of Alabama in Birmingham, than in most other Federal health programs.

(4) Perhaps the most important reason for the success of the Appalachian health demonstration is that the program was born and grew essentially outside the Federal health bureaucracy. The fact that appropriation bills under the Appalachian Regional Development Act are heard before the House Public Works Appropriation Subcommittee instead of the Education and Labor Appropriation Subcommittee may, in itself, be highly significant. What I am trying to say is that HEW didn't swallow the program and by treating it "lightly" they may have contributed to its success.

I believe the program should not only be kept alive, but expanded. I reach this conclusion because this would be an extension of past success in a major health delivery experiment. Certainly there are enough examples of failure. Whether this expansion should be into counties contiguous to existing demonstration areas, or should be into entirely new demonstration areas, I do not know.

I do hope, however, that this program will be carefully evaluated and the exact reasons for its success determined. It is my understanding that 3 percent of the health demonstration dollars are available to answer this question. As our Nation faces the question of how best to provide medical care services to all our citizens, we must be able to answer not only the question, "Where in health are we going?" but, "Where in health have we been?" The Appalachian demonstration health program may provide highly significant answers to both questions.

Thank you for your attention and for the privilege of appearing before you. I sincerely appreciate your committee looking into this important issue and will try to answer any questions you may ask.

Mr. JONES. Thank you very much, Dr. Blayney.

Mr. Miller?

Mr. MILLER. Yes, Mr. Chairman.

Thank you, Mr. Opheim and Dr. Blayney.

I wish to commend you both for good statements supporting the Appalachia program, but I also would like to take just a moment if I may, Mr. Chairman, to extend some of the remarks that I heard a few minutes ago.

Bob Jones of your State really has the right idea on health. It was with his support that section 202 of the bill moved us as far along as we are today.

We also have with us today some people from Ohio who are working in the same general type projects that you spoke about here a few minutes ago.

It is good to know that we have such experts as Bob Jones, Congressman from Alabama, to not only instigate the program in the beginning, but being able to move it from where it is now.

I would like to ask one question if I may. You undoubtedly do have some new hospitals planned, under construction, or completed.

Have you found that you are able to use some of the old facilities for extended health care facilities?

Mr. OPHEIM. In our area we have renovated some of the hospital facilities.

We have three out of seven that are county hospitals.

Our primary emphasis has been to upgrade the existing services because there was a lack of physical therapy, cardiac intensive-care emergency, and outpatient.

In most instances we have nursing homes located right beside the hospital. These are privately owned.

Therefore, we have not financed any extended-care facilities as such, because this would be a duplication.

We have emphasized, however, outpatient care rather than hospitalizing the patient, treat them on an outpatient basis. It doesn't cost much that way.

Dr. BLAYNEY. In developing perhaps what Mr. Miller is referring to in developing our health care system, we have paid attention to the various levels of care that is necessary and try not to slip people between the sheets which is very costly and to move them to less expensive levels of care as soon as possible.

This is done a great deal to minimize costs.

Mr. MILLER. This is very good. At least this is in your planning.

But to go a little further out, when we speak of the Appalachian highway that goes through the rural area, we think of the automobile accidents that occur quite some distance from hospitals.

Are you planning or proposing some pads for helicopters so that you could eventually move those people in that are injured and need the services rather hurriedly?

We have it right here at some hospitals in Washington that is used daily.

Mr. OPHEIM. We have developed a comprehensive emergency plan just for our three counties.

At the present time we have not seen fit to have a helicopter as a part of it.

However, located adjacent to one of our counties is Huntsville and they have a facility there and also they could, with a military base there, they could actually provide the personnel, as well.

We hope that as our emergency services plan develops further, that this will be a component of it.

Right now, it is not.

Dr. BLAYNEY. We have also the university training program to train emergency medical technicians to stay in emergency rooms, drive ambulances, and this is funded through the Department of Transportation.

The program will be linked with the tricounty Appalachia program.

One of our graduate students at this moment is writing his masters thesis on the use of helicopter service in the emergency medical care and this will be one of the experimental areas that will be linked with the medical center.

We do have a helicopter pad there and as you know in Alabama at Fort Rucker, most of the training for helicopter pilots takes place there.

We were very cognizant of the potential of this and would like to use the Appalachian tricounty area, to show how this might be linked with the medical center.

Mr. MILLER. Thank you, Mr. Chairman.

Mr. JONES. Mr. Caffery.

Mr. CAFFERY. Mr. Chairman, I think it might be well to commend both of these distinguished witnesses and not only for their testimony, but for the extent to which they and their groups have successfully participated in these programs.

I think it is very important for the life of these programs that the work commenced under these programs be successfully accomplished.

I know of no way that any program can wither on the vine quicker than to find that it, in fact, has not been successful.

Mr. Chairman, I think the work these gentlemen have done in their particular phases of endeavor under this program and the fact that it has obviously been highly successful can act as a very real stimulant, both to this committee and to the Congress, in continuing the very effective programs that have been established in the past under this act and to continue those programs.

I would certainly commend both of you not only for your testimony, but for the success that your programs have shown.

I would like to call to your attention at this time, if I might and, of course, the committee knows this, but to all participating today, our chairman, Congressman Jones of Alabama, has indeed been the originator of these programs and his practical vision in the past and now has been an inspiration not only to the members of the committee, but to the entire Congress to pursue the revitalization of the rural areas of this country which I think all of us feel is a task of monumental importance for the continued social and economic health of the country.

I would, before you, commend our distinguished chairman who has provided us and the Nation with such a high and splendid degree of leadership.

Dr. BLAYNEY. Thank you, Mr. Chairman.

I would like to say it has been a real pleasure to be involved in this program and I think it is one that I have really come to believe in and I just got emotionally involved with.

It is something you look forward to participating in and it has worked and is one of the very few examples of real success in an area that is so vital.

It will be a major issue I think before our Nation's people in terms of the great need to provide health care and especially in the rural areas.

The Congressman's leadership has been something that I guess is a stimulant to all of us and has gotten us emotionally involved and maybe that is the reason we have been able to do some things we that we have.

Mr. JONES. I am very grateful to you, Doctor, and to you, Mr. Caffery.

Mr. CAFFERY. May I make one final remark, Mr. Chairman, before closing, and this has occurred to me.

If we are talking about an overall revitalization of the rural areas of this country then there is no way in describing the progress that we intend to make in these areas to put together a composite picture without bringing in health care and health facilities to make it really work.

Dr. BLAYNEY. And physicians and health manpower to really make it work.

If we can make it possible for a doctor to live in a rural area but to have many advantages such as having access to his colleagues, it might be through computer linkage. They have developed a medical information system by telephone where a doctor in a rural county can consult. If he wants to consult our leading cardiologists at the health center all he has to do is pick up the phone.

Those kinds of things make medical practice in rural life more exciting.

It has been our experience that physicians are moving back to rural areas because they have these kinds of advantages.

I think it is exciting and can be a model for the rest of the Nation.

Mr. OPHEIM. Mr. Congressman, we in Alabama extend an invitation to you to return again and visit us and bring along members of the committee.

We would actually enjoy having you. We would like to bring you together with some of our key people.

Mr. JONES. You know, we sit up here and we look at the walls and we see witnesses and we hear them. They make profound impressions upon us. Otherwise, we wouldn't be people who were dedicated to further public interests as we endeavor to be.

It is rather rewarding when you sit here year in and year out and pass legislation and then later become familiar with the returns of that cause.

We would like to get out and see some of the chickens that have been hatched. We would like to come down very much.

Thank you, gentlemen.

Next, Dr. John M. Chenault, member of board of directors, Tri-County Appalachian Regional Health Planning Commission, Decatur, Ala.

Dr. Chenault has unusual credentials as a leader for improved health care within local, State, and national medical groups. His dedicated and conscientious efforts have been a significant factor in the success of the tricounty health program.

STATEMENT OF DR. JOHN M. CHENAULT, MEMBER OF BOARD OF DIRECTORS, TRICOUNTY APPALACHIAN REGIONAL HEALTH PLANNING COMMISSION, DECATUR, ALA.

Dr. CHENAULT. I am John Chenault, practicing physician in Decatur, Ala., and a member of the board of directors of Alabama's 202 health demonstration project, that is, the Tri-County Appalachian Regional Health Planning Commission.

As many of you know, the health demonstration projects in Appalachia were brought about by the Appalachian Regional Development Act which was originally passed in 1965.

It is a pleasure to appear before this subcommittee to testify in support of the extension of the Appalachian Act.

Alabama is one of nine Appalachian States with a health demonstration project area. I have had an opportunity to participate and plan in the health activities of this organization since its inception in 1968. It has also been my privilege to see the implementation of these health programs by the Tri-County Appalachian Regional Health Planning Commission in Morgan, Lawrence, and Limestone Counties in Alabama. During this time, mainly because of Appalachian funding, unprecedented strides have taken place in our demonstration area in an improved and innovative method of delivering health services.

To the State of Alabama it has provided an opportunity for innovation in the delivery of comprehensive health services by providing an experimental situation or proving ground where new methods in delivering health services have been investigated.

Alabama's health demonstration project has received the support of the State of Alabama, including the Public Health Department, the Office of Comprehensive Planning, the Alabama regional medical program, as well as the medical and health constituency throughout the State.

Locally, it has provided a forum through which both consumers and providers of health services can both plan and implement the types of health programs which they collectively consider to be most

critically needed to improve the health conditions of the area. Our planning commission is a community based operation with all activities originating at the local level. It is composed of 140 citizens who represent a broad range of economic and social strata of the tri-county area.

Three years ago, when we first began talking about a health demonstration project area, we were all in the dark. We could not possibly have conceived of the advances we would be able to make in such a short time. At that point, we were already 2 years behind other States seeking approval as a demonstration site, but the enthusiasm of our people and the awareness of the urgent need to do something about our health problems enabled us to catch up with the other States. Now we believe we are one of the leading health demonstration areas.

Progress is inevitable. As a voluntary health planning commission, we have assumed a great responsibility to our citizens, and I do not believe any member of our group would give up at this stage.

Our long range goals are overwhelming. We are planning ahead for the next 20 years, but long before that time we expect our tricounty area to become a model comprehensive health demonstration center.

We anticipate other areas of the State will be adapting many of the innovations in health care which has been experimentally proved as a part of our demonstration project.

In general, we are emphasizing three major concepts: regional services, comprehensive care, and demonstration of new health services. Our programs include health education, personal preventive services, diagnostic and therapeutic services, rehabilitation services, and communitywide environmental health services.

Our Tri-County Appalachian Regional Health Planning Commission has focused its planning and program activities in the following broad areas: (1) health manpower, (2) health services, (3) health facilities construction, and (4) innovations in the delivering of health services.

HEALTH MANPOWER

(1) The ratio of RN's per 100,000 population in the tricounty area is 184, while that of Alabama and the United States are 241 and 333, respectively. An Appalachian grant in 1969 provided for the establishment of an associate degree nursing program at a local junior college.

With increased emphasis being given to medical records, a medical records technology program was implemented in 1970 with a projected enrollment of 20 students each year.

(2) Recognizing that it is not possible to alleviate all health manpower shortages through an education program in a three-county area, we established a relationship with the University of Alabama in Birmingham, whereby training is provided to local students in various health manpower programs. Presently, approximately 38 students are enrolled in the technical level health program offered by the Regional Technical Institute, University of Alabama in Birmingham. Scholarship funds provided by the Appalachian program make it possible for these students to attend.

(3) Efforts to recruit professional and paraprofessional manpower have been enhanced by the Tri-County Commission's involvement with the Student American Medical Association (SAMA) summer work

project, and by a medical and paramedical student recruitment project administered in conjunction with the University Medical Center in Birmingham.

HEALTH SERVICES

The establishment of a tricounty health service in 1968 is unique in Alabama. For the first time, a regional public health service was established and has served as a model for providing public health services. The success of this project has stimulated investigative studies by the Alabama Health Department in order to regionalize the State according to the model established in the tricounty area.

The services provided by the Tricounty District Health Service include the following: Prenatal, well-baby clinics, immunization, child development, speech and hearing, home visits, school health programs, and so forth.

The tricounty dental health program has emphasized comprehensive dental health care for eligible first-grade children. In each succeeding year, followup care will be given to next grade level children. Within a 5-year period, all children from grades one through five will be recipients of dental care with all public school children receiving dental health education.

Since its implementation in 1970, dental care has been provided to over 1,500 children. Preventive dental services have been closely coordinated with the school systems and public health clinics.

Mental health services prior to Appalachian funding were extremely limited since the staff consisted of only part-time consultants. The Mental Health Center has been identified by the Alabama Division of Mental Health Services as an experimental proving ground for making desirable and permanent changes in the mental health needs of the four-county community.

The newest techniques in behavior modification are being utilized by the staff in care and treatment of clients. So successful have their efforts been that architectural plans have been made for the construction of a comprehensive community mental health center building, to include inpatient facilities for mentally disturbed, alcoholics, and drug addicts.

Appalachian funding has made it possible to enlarge the staff of the alcoholic clinic to meet many of the needs of the alcoholic population of the community. They provide emergency medical services to the acutely chronic alcoholic by detoxification, structuring plans of therapeutic treatment, and providing preventive services through consolidation.

HEALTH FACILITIES CONSTRUCTION

Existing health facilities in the area were completely lacking in basic health services that should be offered by community hospitals. Through Appalachian funding of construction and renovation projects, it has been possible to develop cardiac-intensive-care units, physical therapy services, improved obstetrical and emergency facilities, and acute care beds for each of the three county voluntary hospitals.

Additional construction moneys made it possible for a District Health Services Building to be constructed to house the core staff of the District Health Service. In addition, a satellite health facility will be constructed in one of the three counties.

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Lawrence County project, an ideal Appalachian county in which to test innovations in the delivery of comprehensive health care is Lawrence County in northwest Alabama. The number of health personnel in the county has been rapidly decreasing without replacements. There are only six physicians serving a county of more than 30,000 persons.

The Tricounty Appalachian Regional Health Planning Commission in Alabama has achieved encouraging results in bringing together local medical, public health, and community leaders working in concert with officials at the University of Alabama in Birmingham to seek solutions to the overall health care problems in the county.

Project goals include development and establishment of a model system for delivering comprehensive health care services to a rural community, establishment of evaluation criteria, and identification of an effective financial supporting mechanism. The project was funded by the Appalachian Regional Commission in 1970.

The model has two components of patient contact; first, a family care unit and, second, an outreach team. The outreach teams introduce families to the community health service personnel who initiate the history-taking process and refer the family to the family care unit.

The procedure for delivering primary care is functionally designed to best meet the needs of families within the community. The principles of family practice, including emphasis on outpatient service and preventive health care, will receive first priority.

The University of Alabama School of Medicine is giving full support to the project. The university will assume responsibility of upgrading skills of existing health workers, training of additional health workers, and the recruitment of former medical corpsmen to work as physicians' assistants with the physicians of Lawrence County.

CONCLUSION

The Appalachian program is outstanding because projects and priorities are decided upon by the local people who are aware of the needs as well as the shortcomings of the health care system. The projects gained local support because they were initiated locally. The on-going activities of the Appalachian Regional Commission, with its emphasis on local, State, and Federal partnership, demonstrates the effectiveness of the existing mechanism. This program appears to fulfill the objectives of the present administration's policy insofar as the regional concept pertaining to revenue sharing is concerned.

It is highly recommended that this existing relationship be allowed to continue in operation rather than establish an entirely new administrative mechanism.

I strongly urge the continuing of the health demonstration section of the Appalachian program—that it be continued and strengthened.

Mr. Chairman, I ask permission to place into the record Tricounty Appalachian regional health planning projects.

Mr. JONES. Without objection, so ordered.

(Projects referred to follow:)

TRI-COUNTY APPALACHIAN REGIONAL HEALTH PLANNING PROJECTS

Project	Fiscal year funded	Tri-County	Morgan	Lawrence	Limestone	Local
Allied health education linkage	1968	$37,500				
HRIS	1968	75,819				$48
Mental Health Component Project	1968	224,184				11,546
Tri-County District Health Service (State—149,286)	1968	323,562				7,068
Alabama educational television	1968	17,470				580
Mental health (State—40,275)	1968	134,900				975
Alabama Tri-County Appalachian Regional Health Demonstration Project	1968	132,890				[1] 55,700
Hill-Burton Supplemental Project—Decatur General (Hill-Burton—850,000)	1969		$637,840			371,960
Allied Health Training Program—technical level	1969	183,431				23,158
Renovation and construction—Obstetrics, emergency room and surgery—Lawrence County	1969			$408,386		102,735
Emergency services	1969	112,920				21,980
Alabama Tri-County Appalachian Regional Health Demonstration Project	1969	65,972				[2] 21,990
Allied health education linkage	1969	55,438				
Cardiac intensive care unit—Athens-Limestone	1970				$130,668	102,991
District Health Service Building (Hill-Burton 200,000)	1970		500,000			200,000
HRIS	1970	81,633				
Tri-County District Health Service	1970	519,156				169,601
Mental health	1970	217,612				52,500
Physical therapy—Decatur General	1970		172,250			43,063
Physical therapy—Athens-Limestone	1970				81,980	40,055
Comprehensive alcoholism services	1970	107,243				20,925
Lawrence County Hospital addition	1970			587,858		147,884
Limestone County Health Department Building	1970				309,360	77,340
Feasibility study for a regional health center (13 counties)	1970	48,002				16,034
Division of health related technology—Junior college	1970	64,524				1,336
Construction and renovation—Tennessee Valley Rehabilitation Center	1970	275,865				68,966
Medical information system via telephone—(Mist-Tri)	1970	73,285				3,808
Medical and paramedical student recruitment program	1970	75,005				80
RESCUE for the retarded	1970	273,254				63,892
Innovations in delivering comprehensive health services	1970			758,453		52,000
Alabama Tri-County Appalachian Regional Health Demonstration Project	1970	144,753				([1]) 48,900
Allied health education linkage	1971	44,787				15,000
Tri-County District Health Service	1971	533,725				193,315
Allied Health Training Program—Technical level	1971	165,399				45,870
Mental health	1971	221,549				78,784
Dental Health Component Project	1971	229,871				
Planning grant	1971	167,399				
Total		4,607,149	1,310,090	1,754,697	522,008	[2] 1,933,494

[1] In-kind. [2] Plus $126,590 in-kind.

Tricounty	$4,607,149
Morgan	1,310,090
Lawrence	1,754,697
Limestone	522,008
Total, 202	8,193,944
State	189,561
Hill-Burton	1,150,000
Local	1,933,494
Total funds (does not include in-kind)	11,466,999

Fiscal year 1971—Continuations—Not funded as of Mar. 1, 1971

Cardiac-intensive care:	
Athens-Limestone Hospital	$20,467
Emergency service project	62,218
Total	82,685

Fiscal year 1971 continuation requirements

Funded projects	$1,362,731
Projects not funded as of Mar. 3, 1971	82,685
Total	1,445,416

Fiscal year 1971 allocation

202 funds allocated	$3,069,200
Less continuation requirements	1,445,416
Balance (to be used for new projects and construction overruns)	1,623,784

Fiscal year 1972 202 continuation requirements, July 1, 1971, to Dec. 31, 1971

Project and date:	*202 funds*
Rescure for the retarded, July 1	$284,955
Medical—Paramedical recruitment, July 1	74,010
MIST—TRI, Aug. 1	80,580
Division of health related technology, Aug. 1	62,000
Allied health technical level, Aug. 1	113,000
Innovations in delivering comprehensive health care, Sept. 1	630,700
Comprehensive alcoholism services, July 1	153,854
Allied health education linkage, Sept. 1	44,787
Tricounty District Health Service, Sept. 1	539,685
Mental health, Sept. 1	284,962
Total	2,268,533

Mr. JONES. Our next witness will be Thomas E. Barton, director of the Greenville Education Center, Greenville, S.C.

In 1963 and 1964 in the early stages of discussion on the Appalachian requirements or the requirements of the Appalachian area, the State of South Carolina recognized the fact that vocational education was probably the greatest must in South Carolina and the fact that you all discussed it in the meeting of the 11 Governors' conference time and time again, showed the importance of the educational program. It was impressed on those of us who were in Congress in 1965 when we enacted this legislation that was an imperative must.

It has been an essential part to you and Mr. Dorn who insisted at that time that must be the principal aim of any effort we make to improve the lives of those in Appalachia. We are grateful to you, Mr. Dorn.

Mr. DORN. Mr. Chairman, Mr. Barton was known at Clemson University as "Black Cat" Barton on the Clemson team as a guard, the all-Atlantic Conference, and although we never did quite achieve the ascendancy over the Tide at Tuscaloosa, Mr. Barton set the stage for playing in the Sugar Bowl. Mr. Barton has made a great contribution.

STATEMENT OF THOMAS E. BARTON, JR., DIRECTOR, GREENVILLE EDUCATIONAL CENTER, GREENVILLE, S.C.

Mr. BARTON. Mr. Chairman and committee members, it is certainly an honor for me to be here.

I had a call last week, Wednesday, inviting me to make testimony here today in connection with Appalachia.

You have a prepared brochure that will give you some information about what we have done in Greenville, and certainly we do not give you anything on our long-range plans here, but our long-range plans are based specifically on Appalachia in certain areas.

I think this is a serious matter.

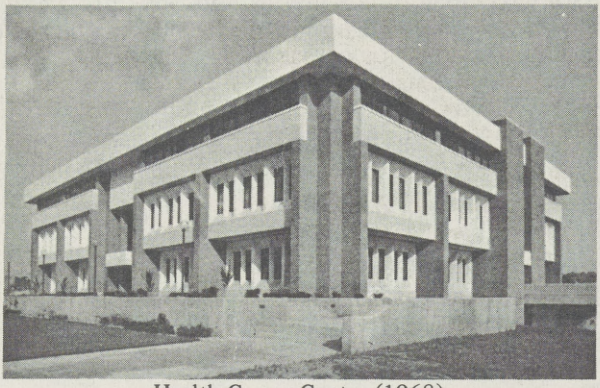
I think it is a matter that I welcome the opportunity when called to appear before this committee to testify to the good that this money has done to South Carolina, especially the upper six counties where we are represented.

I bring before you today this brochure. On the outside you will see two handsome buildings, very attractive.

(The brochure referred to follows:)

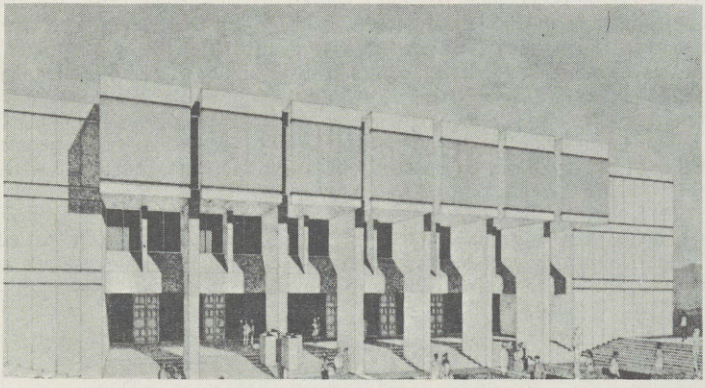
GREENVILLE TECHNICAL EDUCATION CENTER

Greenville, South Carolina



Health Career Center (1968)

What a Difference Appalachia Makes



Library-Classroom Building (1970)

WHAT IS GREENVILLE TEC?

Greenville Technical Education Center is a fully accredited, two-year, post-high school institution that has as its purposes:

1. Providing technical, industrial, business, health career, remedial, and continuing education programs for interested and qualified students, both young and adult.
2. Imparting profitable skills to the untrained and the undertrained.
3. Increasing the knowledge and productivity of those already trained.
4. Offering high-quality, professional instruction in an atmosphere of harmony and learning to all who seek this training and who are desirous of absorbing and using the training available.

Greenville TEC opened its doors in 1962 with 800 students in ten training programs. Last year, Greenville TEC offered over 30 formal training programs and over 14,000 full and part-time students.

Graduates of Greenville TEC increase their per capita income by an average of nearly $2,000 a year, and the training programs have been a major factor in attracting new and diversified industry to the Appalachian region of South Carolina.

WHERE IS GREENVILLE TEC?

Greenville TEC is in the heart of South Carolina Appalachia, on a 128-acre site in Greenville, South Carolina. Greenville is served by an excellent network of roads and interstate highways, that place 500,000 people within commuting distance of Greenville TEC.

WHY IS GREENVILLE TEC?

The Act of the General Assembly of South Carolina in 1961 that began the state's system of technical education centers called for "instruction that shall be designed to prepare individuals for entering into or progressing in employment in industrial and business pursuits, or designed to improve conditions which result in improved citizenship."

The system provides practical, modern, well-paying skills to the people of the area while at the same time makes available to business and industry a well-trained, well-motivated work force.

Greenville TEC was the first center built, now the largest technical education center and the third largest higher education facility in the state, trailing only the University of South Carolina and Clemson University.

WHAT DIFFERENCE DOES APPALACHIA MAKE?

The impact upon Greenville TEC that the Appalachian Regional Development Act of 1964 has had - and is having - is immense.

The measurement of that impact is quickly shown (on page 4) by a breakdown of the financial aid given to Greenville TEC through that program, but it is more difficult to display the absolutely tremendous influence upon the lives of hundreds of people that is taking place through the use of those funds.

Construction funds for two major structures on the campus - the Health Career Center and the Library/Classroom Building - have come from Section 214 of the Act. Funds for operation of six new health career departments have come from Section 202 of the Act. Pending are applications, that would continue those six programs for another year and that would provide much of the funds needed to institute three new health programs in the Fall of 1970.

There is no doubt that without the financial support from Appalachian Regional Commission, neither of the buildings nor any of the nine programs involved could have become reality at this time. The mammoth equipment investment called for by programs in the health field, and the cost of major construction projects effectively precluded either the State of South Carolina or Greenville County from providing sufficient resources.

There is one sobering finding that has made the Appalachian grants far more meaningful than just the dollars involved. South Carolinians at birth have a shorter life expectancy than an individual born in any other state of the Union. This situation can scarcely be improved without allocating vast recources to the problem. The Appalachia grants involved in the Health Career Center construction and operation have given rise to hopes that this situation will be improved. Far more highly skilled and trained people in health and health related fields will be available to come to grips with the critically low levels of health of the people of the area and the state.

The Health Career Center is unique, in that it is the only center in the nation that was conceived, designed and in operation exclusively for training in health careers. It represents the forefront of a national trend to split academic/theoretical and the clinical/practical segments of the training into the respective academic and clinical environments. This separation of the training has many benefits, a major one of which is that it relieves overtaxed hospital facilities of the burden of instruction.

The investment by the Appalachian program in the Library/Classroom

The investment by the Appalachian program in the Library/Classroom Building will do much to enable Greenville TEC to raise even further the standards of excellence in nearly all of the programs. Greenville TEC's library, currently one of the finest technical libraries in the Southeast, has outgrown its present quarters by far. The hub of all top-quality educational institutions is a well-equipped, staffed and stocked library, and the additional library areas in the new building will provide drastically needed space.

What A Difference Appalachia DOES Make!

I. Health Career Center

1. Construction

State and Local–	$400,000	
U. S. Department of Health, Education and Welfare–	660,000	
	660,000	Appalachia Regional Commission
TOTAL	$1,720,000	

2. Operations (1969 - 1970 Phase I)
Six Health Careers
   a. Medical Record Technology
   b. Medical Secretaries
   c. Mental Health Technology
   d. Physical Therapy Assistants
   e. Radiologic Technology
   f. Surgican Technology

State and Local–	$181,880	
	247,589	Appalachia Regional Commission
TOTAL	$429,469	

3. Grants Pending:
   a. Operations (1970 - 1971 Phase II)
      1. Four Programs:
         (a) Inhalation Therapy
         (b) Dietetic Technology
         (c) Licensed Practical Nursing
         (d) Two-Year Nursing Program Planning

State and Local–	$ 37,882	
	244,550	Appalachia Regional Commission
TOTAL	$282,432	

   b. Operations (1970 - 1971 Phase I Continuation)

State and Local–	$ 96,586	
	230,683	Appalachia Regional Commission
TOTAL	$327,269	

II. Library/Classroom Building

1. Construction

State and Local–	$340,000	
Higher Education Facilities Act–	680,000	
	680,000	Appalachia Regional Commission
TOTAL	$1,700,000	

GRAND TOTAL OF APPALACHIA GRANTS: $2,062,822
(1969-1971, Approved and Pending)

The building that you see on the top I was most interested in. The men that appeared prior to when I came today, they were talking about health care.

I think this is a critical area in South Carolina. There is one that we feel like with this Appalachian program, and I'm sure you are not aware of this, but this top building that you see on the outside of this brochure is a very unique structure. It is a building that houses nothing but paramedical programs. It is a building designed specifically for paramedical programs.

It is a building that was paid for by Appalachia, most of the brick and mortar money.

The equipment in this building was paid for by Appalachia, by 80-percent funding.

The present operational budget for this building, which houses some 500 young people in paramedical training programs, is paid for by Appalachia.

The building that you see at the bottom here is another beautiful structure of 120,000 square feet that houses a technical library paid for by Appalachia.

This lower building houses, during the course of a week in Greenville, S.C., approximately 2,800 adults finishing high school; adults, mind you, finishing high school. This, in itself, is a unique program. This building was paid for by Appalachia.

Gentlemen, what I am trying to summarize here and certainly just a few short comments is, I think the most important commodity that we have in South Carolina is our people, our human resources.

I think our pre-capita income in the future will be based on how we develop our human resources and how we will attract industry and how we give these people training in this technological age that we are living in. I do not think we can dodge that issue. I think we are faced with it. These are cold facts.

We cannot continue doing what we are doing there with hundreds of people without the assistance of Appalachia. It is just that simple.

We have got to have this source of funding to continue what we are doing. If we fail to get this source of funding we will have to turn a lot of people back.

We will have to slow down our industrial development process. We will have to slow down our growth in per-capita income and the general economic base of the entire region we live in.

I think then gentlemen, it is your money that goes into this kind of program and as I heard men before me this morning make this same statement, that you are not really sepnding money, you are investing money. This money comes back many, many times and I do not have the time to go into the details and be specific. I know this group of men here understands what I'm talking about.

I think the main thing that I wanted to say is that we are here to tell you that we cannot continue on into the future and do what we have to do without Appalachia and your funding. We can give it all the leadership in the world, but that leadership, gentlemen, without a funding base, just will not work.

Now, we have got to have funds and leadership mixed together to do what we have to do to get our people trained to put them into the hospitals and doctors' offices and dentists' offices and industry and give

these people good substantial jobs that they can earn a living and pay back taxes and help out in economic growth in these things.

This is the catalyst here, that does it. We have got to have it.

In closing, may I say this, that it, too, is an honor for me to recognize Congressman Dorn.

I think all you gentlemen know he is a senior Congressman here and he is about as well known in South Carolina as John C. Calhoun and I am sure you remember him, and I mean that sincerely.

He is an outstanding American and all of us down there are proud of him and proud of the leadership he is giving that State at this level.

Again, in closing, I will remain for a question or two, but it has been an honor to be here. We need Appalachia. I could stay her all day talking about it, but I do not think that is necessary.

I hope I have said something here that will impress you, that will at least keep those funds coming.

Thank you, gentlemen.

Mr. JONES. Thank you. I believe if you keep on talking you will have Mr. Dorn go home with you.

You know, the Calhoun home is there on the campus at Clemson University. We were hoping to get to visit it, but we did not have time.

We assure you that we have the highest esteem for Congressman Dorn, more so than John C. Calhoun, because he is living and the other fellow is gone.

Any questions?

Mr. CAFFERY. Mr. Chairman, I would like first to commend the witness on an excellent presentation, getting down to the nitty-gritty of these programs and exactly what we are doing and the result it is having.

I think, Mr. Chairman, to use your words, that we are looking at some chickens here that have, in fact, hatched, and I think you have done an excellent job.

I was going to ask you one thing. In your opening statement you mentioned that the health career center which is shown on the top of the brochure has about 500 students who are now exclusively engaged in paramedical studies.

Mr. BARTON. That is right.

Mr. CAFFERY. Is this the only institution in the country that is exclusively engaged in this field?

Mr. BARTON. Yes, sir; it is the only institution in the country that is designed like this one.

It is on the campus now of a community college or technical educational program, but it is a very unique program, one where we have had 17 States to visit to see exactly what we are doing because they all have an interest to go back and build this kind of facility that they can train their paramedics, and even visitors from foreign countries.

Mr. CAFFERY. This innovative program you have described has been funded entirely through Appalachian funds?

Mr. BARTON. Yes, yes; 100 percent. Even the operational cost, at the moment, is 100 percent Appalachia.

Mr. CAFFERY. I might mention this to you: The committee some time ago made the trip down into your section and visited your very lovely part of the country. Congressman Dorn acted as not only a very wonderful host, but a very able tour guide for the committee and

showed us what you all had done. I think all of us owe a great debt of gratitude to Congressman Dorn for the development he has brought to your district and for the leadership he has shown on this committee.

Congressman Dorn has very often cited to this committee chapter and verse in showing the worth of the type of program that you are involved in.

We are deeply grateful for your testimony and the Congressman for the leadership he has shown.

Mr. BARTON. Thank you, Mr. Chairman.

It was a pleasure to be here.

Mr. JONES. Not too long ago when we were making up the composition of the Public Works Committee, Mr. Clarence Miller was assigned to the Committee of Public Works.

Since I had been on the committee for 25 years, I have not known a more devoted member, a member who was punctual, who gave constant attention to all its hearings, its operations.

He has participated fully in all of our discussions and undertakings.

It is my pleasure today to ask him to introduce the witness that is representing the State of Ohio.

We have also a ranking member. I made the observation yesterday that we do not have any Democrats or Republicans on this subcommittee because we learn to work together.

I think we have common aims and common undertakings, common wants, common aspirations, and Bill Harsha of Ohio, I commend you for having brought Clarence Miller to the committee.

We sat down in 1965 and wrote the Appalachian Act.

Congressman Harsha was one of the principals in its draftsmanship.

We are pleased that you could be with us, Mr. Miller, to introduce your very distinguished people here today.

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

We do have with us today some very distinguished people from Ohio.

First, we have Mr. Martin Hecht, vice president for the development of Ohio University, Athens, Ohio, who is accompanied by Mr. John Farrington, executive director, Ohio Valley Health Services Foundation, Athens, Ohio, and Mr. Daniel Lloyd, former deputy director, Ohio office of Appalachian and representative to the Appalachian Regional Commission. on the State of Ohio and presently a member of the Ohio Valley Health Services Foundation.

I'm sure that Mr. Farrington will be getting together with Mr. Opheim before they leave Washington.

They are very dedicated people. They have seen the results of the programs that they have guided in the State of Ohio and I have to say that we are might fortunate to have them working there and here to testify.

Mr. Chairman, I see that we have Mr. Donald R. Johnson. Would you stand, Don?

Mr. JONES. Gentlemen, it is a pleasure to welcome you.

STATEMENT OF MARTIN L. HECHT, VICE PRESIDENT FOR DEVELOPMENT, OHIO UNIVERSITY; ACCOMPANIED BY JACK E. FARRINGTON, EXECUTIVE DIRECTOR, OHIO VALLEY HEALTH SERVICES FOUNDATION, INC., AND DANIEL J. LLOYD, DIRECTOR, PROGRAM DEVELOPMENT, OHIO VALLEY HEALTH SERVICES FOUNDATION, INC.

Mr. HECHT. Mr. Chairman and members of the committee, it is a pleasure to appear before you to discuss our experience and observations in southeastern Ohio as to the impact of the Appalachian Regional Development Act. We wish to especially thank our able Congressman from Ohio's 10th District, Clarence E. Miller, for the opportunity of being here today.

The university with which I am affiliated is located geographically in the very center of Ohio's 28 Appalachian counties. Five 2-year branch colleges of the university are situated to the north, east, south and west of the mother institution so that my interests and travels are directed to the major portion of Ohio Appalachia. I traverse the Appalachian development highway, the new interstates and the new 4-lane Federal primary routes repeatedly. In the conduct of university business we meet with all types of local leaders, students, and the salt of our American society, the "just plain ordinary folks." If you will harbor the analogy, on a continuing basis, my job is similar to that of a Congressman covering his home district.

Undoubtedly a change is occurring in Ohio Appalachia. Perhaps only a glimmer now, but nonetheless a change for the better. It manifests itself most importantly, we think, in the attitudes of our people.

Just a few short years ago, our area evidenced most of the danger signs of the socioeconomic indicators. You name it; we either had it or were on the skids toward it. Our people were despairing. As always, there were efforts for self-help by a few, but the general attitude was one of apathy born of several decades of decline. The ineffectiveness of Government to act or react was an integral component of their feeling.

Then along came the Appalachian program. For the first several years nothing of great significance appeared to be happening. To use popular terms, there was a period of "low profile," no exciting "visibility."

This was the time of design and startup at State and local levels. The time of planning, educating, of selling the program. We use the word "selling" advisedly. As those of you who represent most rural areas know, these folks are a proud, conservative, stubborn, beautiful people with inherent pride in their own specialized culture. They had heard pitches before, pitches that faltered when the time came to move from promise to action, of pitches that never materialized. In many of our counties there was a wide feeling of skepticism.

Where do we think we are today? Population estimates and tax duplicates have the indication of becoming more stable, more employment has been generated, access has been greatly improved, education and health facilities have been built and staffed, health programs

are being implemented, sanitary waste and water systems are being provided, conservation practices are underway, housing standards are improving and units are being built, mining areas are being restored, local multicounty development districts are formed and operating, and planning is underway for startups in child development, mining manpower and educational demonstration projects.

Figures disclose that expenditures in the Ohio program, other than the development highway system, encompass some 120 projects costing slightly in excess of $100 million. The cost sharing is approximately 33.5 percent in Appalachia funds, 20 percent in basic Federal program funds and approximately 46.5 percent in local funds. Proposals responding to almost every intent of the act have been submitted and approved.

In mid-1970, the State Office of Appalachia released a partially complete inventory of new or expanded industrial plants in its Appalachian region. The inventory covered from the year 1965 to the time of release. It identified 674 firms, 252 of which were new and 422 expanded. Less than 50 percent complete with figures that dealt with employment and private capital investments, the inventory did total 48,678 new jobs and the investment of over $916 million private dollars.

The State office was not trying to correlate what was happening in the field as credits for the program necessarily; it was more concerned with actually knowing what was occurring and using this knowledge as input for future planning. It is interesting, however, to compare the $100 million total Appalachia project investment versus the $916 million private capital investment, a more than 1-to-9 ratio. It was also interesting to note that in a 15-month period from late 1968 and through 1969, when about one-half the private capital investment plans were announced, that the locations and expansions were pinpointed around the designated Ohio Appalachia growth centers and on or near new four-lane highways, be they Appalachiaways, Interstates, or Federal primaries. All of this is interesting in view of the fact that the designers of the act were hopeful that the expenditure of public funds for capital improvements would induce the investment of private funds for similar purposes.

Of the elements for renaissance mentioned earlier, certainly not all can be attributable, either directly or indirectly, as resultants of the program. Whims within a rising national economy spin off in strange directions. Indeed, our geographic location, once accessible, can be one of our greatest blessings of the future. But one element that is very visible, and one on which we think program success may well hinge, is the provision for and adherence to the concept of a true partnership arrangement for local-State-Federal cooperation.

The Commission has faced facts head on and presented a strategy and design that is logical and understandable. The State, utilizing local input, has further refined and localized this strategy with definite plans and designs. In Ohio, the State development plan for Appalachia and the health demonstration plan received wide distribution into libraries, universities and colleges, and offices of Federal, State, and local government for all to see. Today, the multicounty local development districts have further localized the planning process on the basis of responding to eligible problems that are pertinent to their own specialized needs.

This type of process is almost a direct reversal of normal Federal funding programs. For practically the first time, there appears to be a recognition by Washington that local and State organizations and agencies have the capability and intelligence to carry the ball once it is offered.

Such recognition has not been wasted. Through the development district mechanism, local needs are established locally, prioritized steps necessary to improve situations—based on the growth center principle of concentrating funds into only those localities of potential—are justified and submitted annually to the State for review and approval of both the State and the Commission. The procedure is understood and accepted by the people because it is reasonable and logical.

The program is also successful because it can respond to needs quickly, efficiently, and responsibly. It is successful because it promotes cooperative effort from each of the three levels of government. It is successful not only because it promotes reasonable planning for both the short and long term, but because the planning is implemented. Results can be seen; interest and continuing effort maintained.

We think the future for our area is most encouraging due in part to the developmental stimulation of the Appalachian program and the visionary insight it has created in the people. The outlook for our area is more positive because people are realining their thinking toward those elements which bring about economic development and a self-sustaining economy. We believe the designs for self-sufficiency are better understood; designs for improved governmental management and the regional approach to common problems; designs for capitalizing on industrial development, business opportunities, and recreational potential; and certainly for the first time, the necessity of the many local governments forgetting jurisdictional boundaries and meeting, talking, and working together for unselfish resolutions in developing the full potential of each economic area.

This is the impact we think the Appalachia program has had in our area. We view it as the major funded, workable, solution to our problems. It is enjoying almost total acceptance by our people and results are surfacing. To halt its efforts just as progress is gaining momentum would be a grievous error.

Mr. FARRINGTON. Mr. Chairman, members of the committee, I am pleased to appear before you at this time to discuss with you the proposed title III, H.R. 5376, Appalachia Regional Development Act, amendments of 1971 and to encourage your committee to recommend extension of the act. My remarks will be limited to section 202 of that act. This section deals with one of the most unique and challenging health projects ever undertaken by the Congress of the United States. For the first time the health planner has been provided almost in the form of a block grant, funds to implement the health planner's design for comprehensive health services to a rural sector of the United States.

The Ohio Valley Health Services Foundation, Inc., the organization that I represent is challenged and pleased to have been selected by the Appalachian Regional Commission to test and demonstrate new approaches in an attempt to find some solution to the national problem of providing health care for people who have for generations

been bypassed and denied access to health services and the facilities necessary to provide the personal care they need, and in which health manpower can be trained.

Health care planning is rapidly spreading and gaining local acceptance throughout the Nation. This planning process is partially financed under Public Law 89–749. However, the Appalachia Redevelopment Act and in some areas Model City funds are the only example where the areawide health plan can be implemented with sufficient supplemental funds to demonstate what effective grassroot planning can accomplish. In southeastern Ohio, this process has been dramatic—and the result of this Federal, State, and local partnership is clearly visible in the fine health facilities that are nearing the final stage of construction; in the health manpower that is being trained locally; in the number of children who are being assisted in overcoming identified health problems and disabilities, whole communities that are being assisted in attacking the problems of environmental blight, contaminated water and improper handling of food by vendors; the upgrading of the quality of care in our health facilities, in the adaptation of technology for patient consultation, continuing education of our health providers and areawide communications—and last, but certainly the most important aspect of any service program, the raising expectations and hopes of the people in the future of our great Nation and their well-being as individuals.

As you may know, section 202 of the act, was delayed 2 years in getting off the ground. The health demonstration projects were not funded until the latter part of fiscal year 1968, and some of the newer project areas were not funded until quite recently. For most of us, these past 3 years have been spent in tooling up for the job, by perfecting the planning process, which also includes program design, program implementation, and whenever possible, evaluation and audit—the major accomplishment has been gaining public acceptance of the program. In the case of the latter problem, I would like to emphasize that this has been accomplished—the leadership of an area consisting of 4,000 square miles, sparsely settled with 220,000 people who are thinking regionally. The fear of Federal control and intervention in what they have always regarded their right of self-determination, has been dispelled. Not only do they give fully of their moral leadership to the program, but they have also given fully of their time, local resources, and personal fortunes.

And by implementing the goal of developing a modern, functional, fully equipped, and accredited hospital within 30 minutes or less driving time for all residents of the area. These facilities are situated within the new pattern of highway design which consists of the Appalachia way and access roads. Old, unsafe, obsolete facilities have been closed, renovated, or replaced. All of the hospitals now offer a minimum of essential levels of care, such as: Emergency outpatient services, diagnostic outpatient services, acute inpatient care, and extended care for the nonacute patients. One hospital offers a complete ambulatory outpatient service which is staffed by a group practice of approximately 35 medical specialists. Three additional outpatient centers are in the planning process, and three new group practices of physicians are in the formulative state of development. When completed and organized, these four hospital outpatient centers will be

capable of the next challenge of providing care under an HMO (Health Maintenance Organization) or similar concept. One hospital provides home care services to a complete county and two other hospitals in adjacent counties will inaugurate this vitally needed service this year. More time and financial assistance is needed to bring this demonstration to its full capacity.

In the meantime, all eight of the facilities are beginning to share services; the first major undertaking will start this year in the form of common sharing of medical record data, to assist in better evaluation of patient care on a regional basis and the use of a common language for comparative data. The next step is development of a common system of costing patient care and patient billing. In the meanwhile efforts are being made to share laundry facilities and scarce health manpower.

Outreach, early casefinding, screening, and followup has been initiated throughout the seven-county area. This is the greatest effort of coordinating a health delivery system ever devised in southeast Ohio. To date 46,000 children have been found, screened, and referred for definitive care in the area of speech, hearing, and vision. This program includes all aspects of the public school and health delivery system including the State Department of Health, Crippled Children's Services, and the Ohio University, plus the medical center professionals in Columbus, Ohio.

Our mental retardation evaluation unit is entering its 4th year of operation and is achieving solvency of operations. We believe it will be self-sufficient in another 2 years without ARC support which was our goal and timetable. The unit not only diagnoses the client, but assists in proper placement of the child or adult in special training programs and sheltered workshops to enable the client in achieving his maximum potential, to give him an opportunity to gain a livelihood and become a taxpayer rather than inmate in a State institution when his family is no longer around to care for his needs.

In health manpower our newly established school of practical nursing has already been evaluated as a great success. For a small Appalachia investment, we have garnered a great return in providing our emerging delivery system with highly skilled Applachians who are trained at home and who with 1 year's training are placed in the local manpower market. These girls and boys are given a whole life style and incentive and have passed the State licensing exams with the highest State scores ever achieved.

Other health manpower programs have been developed in the area of mental health technicians, medical laboratory technicians, environmental health technicians, and many more courses will be offered to the area in the proposed health manpower institute which is being planned with a local, Appalachian financed vocational-technical school.

With the advent of the new health facilities, the microwave demonstration and other exciting health programs, new physicians are being attracted to the area. Many more are needed; with this known need, with Appalachia support, and the changes that are taking place in medical education, we are now working with the medical educators at OSU in developing an outreach medical training program for our area in the field of family practice.

These are but a few of the impact programs that are measurable. We hope to introduce this year an areawide maternal care and family planning program, available and accessible to all the high risk women of our area, then enlarge the program to provide for well-baby clinics, and other aspects of child development as it relates to the health of our children.

Without continued financial support over the next few years, the health demonstration cannot succeed. We need additional time and financial assistance to bring these initial ARC investments to full fruition and expectations. If we are granted this time, we can provide for you a model system of health delivery which could be adapted in other rural areas, yet, demonstrates that the Federal-State-local partnership can strengthen our present pluralistic system of health services, building on community pride and ownership.

Mr. HECHT. Mr. Chairman, with all due respect to Alabama, we feel we also have a very fine demonstration program and that Mr. Farrington will have the opportunity to highlight some of the things the Foundation is doing in that regard.

I would like to say we are very fortunate to have people of this kind involved in southeastern Ohio and the Appalachia, Ohio, program. To conserve your time let me say that as an officer of Ohio University we have a commitment to Appalachia, Ohio, to do all we can to assist the area and use the resources of the university to get this accomplished.

I want to thank my Congressman for his kind remarks about the role of the university and I have just been fortunate enough to be in a position where I was involved and I had to keep the commitment of the university, all of which I enjoyed very much. I am also pleased that Congressman Harsha is here because here again, he has been a strong supporter of our program at the university as well as of the Appalachia program.

He has one of our branch colleges in his district and we are hopeful that we can, as a university, continue to do the Appalachian program and be of help to his district. In 1965 when we had the opportunity to join the Appalachian program it took a great deal of doing.

We gathered together over 400 leaders in Appalachia, Ohio, to give testimony to the then Governor Rhodes to indicate to him that the people in that region of Appalachia, Ohio, wanted to be a part of this program. It was a unanimous action and ever since that time the people in the area have been supporting the program.

Most recently we again assembled the leaders of Appalachia, Ohio, to indicate to Governor Gilligan, who is now Governor of Ohio, that the people in this area in our section of the State still wanted to be a part of the Appalachia program. This is an indication that they feel the program is working.

They have been a part of it and for the first time they have been able to share with other counties and other people in developing their own welfare. I think I would like to conclude my remarks by saying there are many unique features about the Appalachia program.

One of the unique features which I think is very important is that it has been able to take people from various counties, various communities in a given region and have brought them together to work together and to set priorities and to share in facilities and services.

I believe anyone who has worked in rural America understands the difficulty of getting the people together from one side of a hill to another or from one county to another and to break down the traditions that have existed for many, many years and to get them together to share and to understand the need for sharing so they could have better services.

I believe the Appalachia program has done this in Appalachia, Ohio. I know it is being done in other Appalachia States and I believe that the people in Appalachian sections are grateful because this has happened because it has provided new opportunities for them to look at themselves and at their problems and to share.

In rural America, everybody cannot have everything in his hometown or in his county. He must share. This, I think, is going to be the success of the Appalachian program and make Appalachia more attractive to people in the urban communities. I do hope the program continues because I believe the emphases are correct.

I believe the national regional goals are exciting and I think from the total program there would be much to be learned by other areas of the country. Because of the uniqueness of the demonstration project I would like at this time to ask Mr. Farrington to speak further about the Foundation's program.

Mr. FARRINGTON. Thank you, Mr. Chairman, and members of the committee.

I am really pleased to talk about the health program in Ohio and as a health planner we have to speak often but I've found two dilemmas as a health planner. One is that you either have to find something new to say or find a new audience, but today I found a third one, to follow Mr. Opheim in Alabama who has such an excellent program and we are working along the same line with different approaches.

But the Ohio Valley Health Service Foundation is a rather unique organization.

This is the organization I represent.

I think this challenge was to test and demonstrate new approaches in an attempt to find some solution to the national problem of providing health care for rural people.

These people for generations have been bypassed by the mainstream of medicine and nonaccess to health services and facilities necessary to provide the personal care they need and the facilities in which to train health manpower locally so we can train Appalachians within our regions and hold our people within our area.

All of this has changed with the Appalachian funds that have now been awarded to our demonstration area.

As you know, comprehensive health planning has been financed partly by the State, is gaining national momentum and acceptance, but the Appalachian program and some funds for model cities are the only funds available where the planner and the planning organization can actually match other basic Federal programs, and so forth, and implement the planners designing for comprehensive service to a rural area.

It is my firm belief that if there is to be a breakthrough in the health delivery system in America, it's going to come through the rural areas and the demonstrations we are doing in Appalachia.

I was going to say something about the grassroot planning, but somebody said that.

We are involved in grassroots planning in the State of Ohio, particularly if it pertains to health.

In southeastern Ohio, this planning process has really been dramatic and this has resulted really from a true partnership in the Federal, State, and local leadership.

It is purely dismal today in southeastern Ohio.

You can see it in the fine health facilities that are created or nearing the final state of completeness throughout the area.

I think this will be a model for rural America inasmuch as that this is the only place you will be finding in the United States that will have modern, functional, accredited hospitals within 30 minutes or less time for all rural residents.

We are also in the process of training health manpower and are working with the medical college at Ohio State University now to develop the outreach, internships to utilize our facilities and to bolster, we hope, the changing attitude of medical educators in really stressing family practice of our new doctors that are coming on the scene.

Mr. JONES. I hate to interrupt you, but when Dr. Blayney was in my office some years ago and talking about this type of program that is now going on in Alabama, after he left I had some misgivings. There is the Government running the program, a trespass on the medical profession.

I thought maybe that was the whole endeavor, but fortunately, that did not occur.

Are you finding that difficult?

Mr. FARRINGTON. Oh, yes. I think it is really remarkable.

When we first talked about the health program in Ohio we spent many, many long hours not only with the local medical societies, but also at the State level and I do not know if anyone is on the committee from West Virginia, but I think you have a white paper written by the West Virginia Clinical Association on our program before we ever designed it.

It has been remarkable how the leadership that has sprung really from our local practitioners and has taken the ball. Not only that, but the interest at the seat of medical learning, they have watched the evolving health facilities and health services in the area. Now they are really stretching themselves to participate in the program, even though they are outside of the area of the demonstration.

I called yesterday for Dr. Keller, who is the dean of medicine at Ohio State University, and he talked to us yesterday about a program, hopefully, by the first of April to really bring this program out into our region.

I am very proud of the leadership our physicians have taken.

They are not reacting. They are in there planning and this is all that they ever wanted.

They did not want someone to plan for them. They want to be part of the process.

Mr. JONES. Thank you, sir.

Mr. FARRINGTON. I think another important aspect is that whole communities now are really attacking the problems of community blight and we also are looking at private water supply and public water supply and also the handling of food by vendors.

We are right now in the process of doing a survey, not a survey, but a public health education program where every private water supply in southeastern Ohio will be tested and people throughout the seven counties will be educated on how to better build their wells or whatever the source is.

Our findings today are that over 60 percent of the private water supply in the area is contaminated with organisms which means that it is a media for other organisms to grow in.

We had a rather unique experience and not very proud of it, but we had seven cases of typhoid in our region which is an almost unheard of disease today.

We hold out through this educational process better assistance to these people in taking care of their own problems.

We had an inquiry from the Public Health Service, the Environmental Panel, that they want the follow up.

Mr. JONES. Do you have frequencies of hepatitis?

Mr. FARRINGTON. Yes, we are not unusual. We have all the diseases of Appalachia.

It is rather endemic. One of the most endemic areas in Ohio and California for encephalitis.

We are working in Lawrence County and financed through Appalachia programs and we hope we might eradicate it and Lawrence County has the high incidence of this.

The environmental section of the Public Health Service wants to pick up our sampling survey of the water and they want to come in.

Mr. JONES. Do you relate it to your geographic surveys, geographical surveys to determine flow and other sources of subterranean water supply?

Mr. FARRINGTON. Not our organization, but this activity is going on in the State and other departments and it is pretty well identified.

But the other aspects of the act is reacting to the problem of the water flow and the sources.

We are more interested in stamping out disease, you know.

But the Public Health Service is interested in all of this.

Mr. JONES. Are you making inventories of sources of known polluters?

Mr. FARRINGTON. You mean the people who are polluting or the source? Like mines and so forth?

Mr. JONES. Yes.

Mr. FARRINGTON. I would like to defer that question to Mr. Lloyd.

Mr. LLOYD. Yes; the State department of health is.

In fact, their standards are all published now for each of the water basins in Ohio and individual communities and individual plants on each of the streams and watershed are identified and given a deadline for correction.

Mr. JONES. Are you having a program of monitoring your streams to see where the source of the pollution is?

Mr. LLOYD. Through the department of health, yes; they do that monitoring.

Mr. FARRINGTON. Also, the department of health is under contract with one of the major industries and they are doing it by electronic monitoring and primarily in the Ohio River and streams that are feeding into the Ohio, they can identify like an industrial plant within a

matter of a few hours by computer exactly the source of contamination that is flowing into the streams that are feeding the Ohio River or the Ohio Basin.

But this is more than just one State program. This is several States that have joined together.

Mr. JONES. Do you have the report for source of pollutants that are dangerous to the Cincinnati area?

Mr. FARRINGTON. The Ohio Department of Health does.

Mr. LLOYD. I believe the department of health, but I am not quite sure.

The Ohio River Basin is part of the department's concern, at least on the Ohio side of the river,

Mr. MILLER. Mr. Chairman, if I may, the Monongahela and Allegheny Rivers come together into Pittsburgh to form the Ohio.

You were talking of the Ohio Valley.

Mr. JONES. Yes; this committee also has the problem of water resource quality development and it was just a curious question in my mind when you talked about the subterranean water supply being a health hazard, what they are doing to monitor streams because you have to get it up there before it gets down below.

Mr. LLOYD. Is it not the Ohio River Commission that is doing that work on a multistate basis in the Ohio Basin?

Mr. JONES. It is the only large experimental station in the United States and that is the reason it was called a Taft situation because Senator Taft during his lifetime was very interested in pollution abatement and it was established there, in fact, it was in the 80th Congress.

It was the forerunner of public interest in the quality of our water.

That station has done more in research and development than any other station we have in the United States.

It is the only one that is of its kind.

Mr. MILLER. Mr. Chairman, if you will yield, I know now what you are talking about and the people of Cincinnati are mighty proud of the Robert A. Taft Sanitary Engineering Center. And I was told you were involved in helping develop this particular project.

Mr. FARRINGTON. I would like to add that our staff, we have a very fine environmentalist, but to go on in the presentation, not only are we building a fine system of hospitals in the area, we are also addressing ourselves to the quality of care that goes on in the institutions.

This year we will develop a whole new data system for medical records that will be used on an areawide basis for comparative purposes for the physicians to determine the direction they should take in upgrading their own standards.

Moving from this and hopefully next year we hope to go into the whole program of computer financial plans for each hospital in common language so we can compare costs and come up with some reasonable recommendations of the cost to the county and address ourselves to really how much should it cost for a patient today to be in the hospital.

We hope through a common financial program to be able to look at the future and the programs that are now being placed before Congress and the health maintenance organization, this sort of thing, that we will be better equipped to face that problem when we are faced with it.

I think one of the most innovative approaches and probably the only real innovative program we have done, this is one of the charges to us by Congress, was to demonstrate and be innovative and we are now working then with two medical schools, two regional programs, the TETV Commission of Ohio, Ohio University, and the TETV network in Columbus in adopting microwave to the health program in America.

We have now the longest microwave linkage in the United States where we use this for television and hopefully we can expand this program next year with closed-circuit television so we can actually represent the patient in Athens, some 75 miles from Columbus and you have a face to face confrontation between the two physicians and the patient without—without moving the patient all the way to Columbus.

This program is again gaining national attention.

We have visitors from abroad and are getting other inquiries as to what we are doing.

The first report of the committee has been published and this will be submitted to the Commission.

Mr. JONES. Are these observations going to be made in living color, now?

Mr. FARRINGTON. Yes; they are two-way audio-video color and the doctor can do everything but touch the patient and the doctor would convey how the patients feel to the doctor at the other end.

This will update our rural physicians, the modern changes, the changes that are taking place in the field of medicine, and then supply the needs of health manpower.

We know we will never be able to get them out to a specialist then of a caliber that should address himself to our patient problems by having to relocate, so we want to use technology to save the time, space and cut down on the movement of the patient from one area to the other.

Mr. JONES. And cut down the cost.

Mr. FARRINGTON. Yes. And we are tying in with the Ohio TV. When you are looking at the microwave not for use by educational systems, but kind of like a multipurpose highway where you can use it for more than one purpose and we feel that the State legislatures are really backing this program.

They can finance the first linkage between Columbus and Athens with a specific recommendation in that this money be used for administration of the health program.

Mr. JONES. You use educational TV stations for that work?

Mr. FARRINGTON. Yes, we have the university which owns certain components.

Mr. JONES. Has Ohio received any money under Appalachia for TV education?

Mr. FARRINGTON. I am sorry.

Mr. JONES. Have you received any money for the TV educational programs?

Mr. FARRINGTON. The only money we have received is through our planning grant and we have received $37,000 to finance the study plus we put $12,500 with it.

We are coming to the Commission this year for more of this equipment.

We proved it is feasible and that we can do it and now we are asking the Commission to carry it one step further and have closed circuits

between hospitals and really demonstrate to the Nation, I think, that this is one of the routes to go.

Mr. JONES. There has been some suggestion that that portion of planning be deleted from the Appalachia region that is providing funds for educational TV and let the States go back under title V of the Education Act of 1963.

Do you suggest the continuation of funds under Appalachia?

Mr. FARRINGTON. I certainly do.

I think one of the uses of microwave and television is so new, even in education, that we haven't really scratched the surface of its potential and we are showing now it is adaptable for other uses other than classroom instruction.

We are putting this in the medical aspect of it.

I think it would be a great mistake to crimp any innovation because of lack of funds.

We are not proposing to use just Applachian funds, but we were going to go after the basic act funds.

Mr. JONES. I am not talking about the Appalachian Act of 1965. I am talking about the Educational Act of 1963.

Mr. HECHT. If I may interrupt for the university, I think the opportunity to demonstrate really comes from Appalachian funding because I think this is the part of the design of the program and the demonstration and innovation aspects are generally not included in the other kind of funding, whether it be at the Federal or the State level.

I know at Ohio University it has been difficult to get funds to demonstrate and to try something new.

It is always a catchup to do something already established. The university does benefit by the Appalachia support of a health demonstration project because through their demonstration we also capture some of the new things that can be done that we can inject in the educational process.

We are very pleased that at least we have the basic facility at the university to work with the medical college up at Ohio State University and eventually with the others.

Our facility is basic through the educational television process. But the innovation and the new ideas and the studies and the challenges of new things and to get more out of the system, I believe will only come through the Appalachian funding.

Mr. FARRINGTON. In other areas of endeavor we are not just building brick and mortar palaces in southeast Ohio, but are addressing ourselves to the children of the region. This is one of the major thrusts of our organization. We cannot be everything to everyone. There is not enough money, facilities, or manpower to do this.

We feel by reaching these children in time to discern chronic disabling conditions, that we might be able to give them better opportunity to grow and prosper, and I hope the growing affluence of the Applachian region will permit us to continue to screen. We have screened over 40,000 children and this has probably been the most expansive, the greatest area in our area of poverty—the school systems, the public health departments, the State department of health are all involved in this.

At the university department of speech and hearing, we have found a great number of children with otoclesis and so forth and there is no money to pay for it for the indigents who come under medicaid.

We are doing such things as correcting otoclesis and muscle imbalances in the eyes, buying hearing aids for the children, the medically indigent, and I am sure the impact on the school system is going to be felt very soon.

We also have a unique program on mental retardation.

Up to date, about 900 alleged mental retardees, we normally test them and say, yes, you are normally retarded and we work in the school system getting special educators in the school.

We do work evaluation and tolerance studies of these children and hopefully through the process, we go to the sheltered workshops and we can bring the mentally retarded people into productive capacity rather than ending up in a State institution.

This is a program, every one of our services programs, as a matter of fact, we have never asked for 100-percent funding on anything we have done. We have demanded local support and have invested about $500,000 in this unit.

This unit has 2 more years to go under the 5-year demonstration. We are down below 50 percent. We started out with 80-percent funding. We feel that within the next 2 years this will be self-supporting and all of our service programs fall into this category.

This was the challenge that was given to us, not just another program.

We are in the area of technical capability that will sustain itself. In our health manpower we are also planning next year with the tri-county vocational school which is Appalachia financed, the Health Manpower Institute, and we hope you will come down and look at this. It took us 2 years, really, to assess the health needs and we came up with one of the most unique projections on health manpower. But we now know what we have.

We also know what we need on a projected basis through 1985 of health manpower, not only in the professional area, but the paramedics. We can realistically set up courses in our schools and colleges that we can train people within the market demand of the area rather than oversupplying some and not supplying others.

We did start programs at the land-grant college and using the clinical facilities of the hospitals. Medical technicians qualify at the social degree level, and this is the only program of any nature in Ohio.

We have programed this for 2 years of subsidy by Appalachia and will be self-sufficient in 2 years.

In our licensed practical nurse courses, an outstanding example of a few bucks giving a great return, is we are graduating 48 Appalachian girls or boys in practical nursing, and we have actually changed the whole life style of some of these children.

I sent Congressman Miller a stack of letters about this thing from the graduates of this course, and they read rather heart rending, the letters, that we had done so much with so little in changing their lives.

These girls and boys have passed at the highest rate of licensure ever in the State of Ohio, and we are very proud of them.

We have the only course of technician, social degree level, for environmental health in the tri-county area.

Mr. Chairman, these are a few of our programs. If you have any questions, I will be glad to respond.

Mr. JONES. Thank you very much.

Are there any questions?

Mr. Lloyd, you may proceed.

Mr. LLOYD. Sir, I just came as a back-up to fill in on questioning with these other gentlemen as it relates to the total Ohio program. I have no prepared remarks.

Mr. JONES. If you would like to supply us with any observations at a subsequent date, we would be pleased to have them and will make it part of the record because I know the experience you have had over the whole range of the program and it would be profitable for us to have this.

Mr. LLOYD. If I may say so, Mr. Hecht, under the written testimony handed in, part I of Mr. Hecht's statement were my remarks. I wrote them for Mr. Hecht so mine is a part of the record already.

Mr. JONES. Well, he touched the pen along with you, did he not?

Mr. LLOYD. Yes, sir.

Mr. JONES. He did not object to what you had to say?

Mr. HECHT. I was very pleased that Mr. Lloyd was available to Appalachia, Ohio, during the change in administration. I am very glad of this because of his knowledge and the great work he did for the State in the Appalachian program and he is now our program director in the Ohio Health Services Foundation.

He does carry with him a wealth of material and knowledge about the Appalachian program, not only covering the national aspects of it, but also the State of Ohio.

I was very appreciative that he could spend the time to help me develop the testimony which you now have.

Mr. CAFFERY. Mr. Chairman, if I might briefly commend these distinguished witnesses on their testimony here. I think that the testimony that the committee has heard here this morning has been unusually enlightening to me, and I am certain to the rest of the committee. It is very comforting to know that the money we have put into these programs is being used in such a manner and under the influence and guidance of witnesses such as these.

I would only further like to thank Congressmen Miller and Harsha for having helped in making available the very excellent testimony of these witnesses.

Mr. HARSHA. Mr. Chairman, first I want to thank the witnesses for being here and to acknowledge their very major contribution to the success of the Appalachian program in Ohio and Ohio University's most formidable part in the program and also congratulate you on having the foresight and judgment to hire Dan Lloyd in his new capacity. I think that he will prove a very valuable asset.

As Martin has indicated, he is very knowledgeable in this field.

Mr. Chairman, in view of the fact that he represented the Governor in the Appalachian program in Ohio as deputy director and he was acquainted with the nuts and bolts on each project and worked with the communities and leaders there, I wonder if you have any suggestions, Dan, as to any changes this committee might consider in the actual functioning of the Appalachian program.

Does it function with a minimum of difficulty and ease, or are there some areas where you might suggest we could streamline the operations of the program?

Mr. LLOYD. One of the big helps in getting action and design and local communities interested in taking their share of facilities to give training, the big part of the act or one of the large sections of the act I should say that has been very helpful in getting things done and brought to the surface quickly is section 211 which can substitute for the Vocational Education Act of 1963, I believe it is, as amended in 1968.

I think there is a suggestion on the part of the Commission now to free up section 214 where it may substitute both in some certain basic acts as well as its supplemental role. This would, I believe, help the designers in a State program to attack some of the problems that they see in their development plan by giving this 214 this extra role, this extra authority so that it is not at times held to the demand of another basic section, another basic priority within a State.

For instance, on Hill-Burton legislation what we can do in constructing maybe some needed health facility, and I just cite this an an example, not as a case, but the State Hill-Burton Advisory Committee has in Ohio, let us say, needs throughout the counties, although our Appalachia, Ohio, county area is 28 counties.

There are a certain amount of Hill-Burton funds. The Advisory Committee has to think of the needs and set the priorities for 60 counties on beyond our 28 Appalachian areas. They can only stretch their Hill-Burton funds so far.

The program could be expedited, I believe, in some way, the Appalachian program, if the capability were given to 214 to use it both as a substitute for the basic section just as 211 is a substitute for the Vocational Act of 1963 as well as its supplemental capacity.

I believe you could plan to bring needed facilities on the ground faster and, of course, with our spiraling inflationary costs where we have seen now in the past 3 years almost 20 percent added to the cost of a facility each year, I think we could speed up the program and get some of the bricks and mortar that we do need in these programs at a lot lesser cost if 214 had this flexibility.

Mr. HARSHA. In the event the committee would see fit to give that flexibility to section 214, then, would it be your suggestion or recommendation that the amount of money provided in 214 would have to necessarily be increased?

Mr. LLOYD. Yes, to some degree.

Mr. HARSHA. Do you have any suggestion?

Mr. LLOYD. But here again when the State gets its bloc of 214 money, whatever it may be, it could answer with the flexibility with the 214 to serve as the basic money to go to its very top priorities each year and at least get them started.

Naturally, you throw in more areas to cover in a section and actually you are asking for more funds within that section.

Mr. HARSHA. Under 214, the supplemental grant, what percentage of the total project is that?

Mr. LLOYD. The 214 has the authority to take the Federal cost of a project to 80 percent, so the amount of 214 in my project depends on what the basic act was.

For instance, under 660, the basic limitation is 30 percent and you could use 50 percent 214 funds if the local ability to pay is no greater than 20 percent.

Under vocational education if a State's limitation is 50 percent for the basic act, then the 214 funds will be 30 percent.

Mr. HARSHA. What I am trying to get at is, if you can get 80 percent of the Hill-Burton can you bring that up to 80 percent under Appalachia, under 214?

Mr. LLOYD. You can.

Mr. HARSHA. So you have got a 50-percent funding out of Appalachia and 30 percent out of Hill-Burton. Now, if you give 214 or Appalachia the flexibility to provide that 30 percent that Hill-Burton provides, then would you still retain the availability of a 80-percent grant under 214 even though you meet the 30-percent basic also?

Mr. LLOYD. Yes. In our remarks here on page 2 in Ohio to date the cost sharing in the program other than the developmental highway program cost sharing has been approximately 33.5 percent in Appalachia funds, 20 percent in the basic Federal act, and 46.5 percent of non-Federal funds, local funds.

We have been, I think, very conscious in Ohio in testing the ability to pay in that regard, to stretch our Appalachian funds as far as we can and still not try to strap financially any applicant through either its ability to raise local bond issues or based on the tax duplicates and their long history of passing issues in the county or, for instance, on nonprofit type applicants to have revenue bonding be so great that it would show as a major cost, for instance, in a hospital patient-day cost.

Mr. HARSHA. Let me ask you this: In your experience with the Appalachian program, and I would address this to all three of you? has there been any opposition to the Appalachian program?

On the other hand, has there been any support for it?

Mr. LLOYD. There has been a great deal of support. The latest was shown in Athens, Ohio, just in February when Governor Gilligan called a hearing before he met with other Appalachian Governors down in West Virginia.

I believe they subsequently came on to Washington to make their presentation. Athens was a centralized area in Appalachia, Ohio. He called a hearing of people interested in the Appalachian Act in a large ballroom down there. I think we had some 400 leaders from 28 counties showing up and voicing 100-percent support.

You are asking about opposition. The opposition that I got in my job in dealing with the 28 counties in Ohio was that we were overlooking many of the people that wanted help.

Mr. HARSHA. As a matter of fact, it was not opposition, it was somebody else who wanted to be included.

Mr. LLOYD. Yes, a question of priorities and dollars.

The Congress was wise in its concept of investing funds only in those areas of potential growth and development and, of course, this is where at the State level you get your biggest gripes from communities that do not have that potential and still wanting to share in the Appalachian funding because they are indeed Appalachian communities.

Mr. HARSHA. If the chairman will permit me to digress, this is a point I want to bring out. We tried to get revenue sharing into these

hearings, but one of our contentions has been that if the Appalachian program is funneled into revenue sharing, the money that has been concentrated in these Appalachian areas, will be given to the State to do it on a State basis. We have no assurance then that those Appalachian counties are going to receive that treatment that they have under the programs that now exist.

Mr. LLOYD. I think the realistic political pressures on a Governor or State planning group would be so great that it would be very unlikely to come about.

For instance, in Ohio, the Appalachian area is about a third of the land mass but has only one-tenth of the State's population. The main population of the State is concentrated in eight big city areas or their environs.

I think the pressures would be so great on the Governor that most of the money under revenue sharing would not come to the rural areas.

Mr. HARSHA. Mr. Hecht, do you find the general acceptance of Appalachia that Mr. Lloyd finds in Ohio?

Mr. HECHT. I wanted to add to one of Dan's remarks.

One of the things that has happened in Appalachia, Ohio, is that there are people getting together and crossing county lines on a regional basis.

A good example is the makeup of the board of trustees of the Ohio Valley Health Services Foundation. In rural areas you do not find a great number of leaders. You have good leaders and they have had to spread themselves very thin. But in the Appalachian program these leaders have come about to support the program and would be directly involved.

Mr. Matthews who is here is on the Foundation board. I am on the Foundation board. And it is made up of lay people as well as professional people. These people are devoting time to make the Appalachian program work. So as individual leaders, there is great support for all aspects of the Appalachian program.

It goes down to what we termed as the grassroots, because there are people who are involved in all kinds of programs, particularly the vocational and technical institutes and in the health services programs.

The turnout at the ballroom at Ohio University to indicate to Governor Gilligan that there is great support for the program is an indication that, for the 5-year period, people have been pleased with what has been taking place and see this as the opportunity.

On the revenue-sharing aspect of it, I also agree with Dan's remarks. I do not think a State, I do not believe any State, is capable because of the political lines that are drawn for representation and the pressures on individual legislators as well as the Governor could ever take a program of this kind and give it the kind of priority and get that kind of support and get it through the State legislature.

While the Appalachian program permits involvement on a regional basis, for instance people between your district and Congressman Miller's district, to get together and do things, it is impossible, I believe, at the moment under the State representation plan.

My personal concern would be great when there was an indication that revenue-sharing plan could substitute for this.

I believe in a regional approach to problems and to these kinds of problems you need national goals and national priorities for the given problem areas.

I like having the idea of the States having the opportunity to develop the plan to accomplish these national goals. I further like the accountability aspect, not only at the State level, but at the national level because when you lose this accountability and place it within a State line, then I do not believe you get the same kind of reaction.

Because of the makeup of Congress and the type of representation that you have, for instance on your committee as well as in Congress, that you are able to give the broad look and take the broad look and provide the dollars to accomplish these national goals and priorities.

I just hope that, and I am not speaking against revenue sharing, but I am also at the same time speaking for the Appalachian concept, and I think it should not be disturbed, and I think it will be if it is substituted.

Mr. FARRINGTON. Sir, just one other affirmative thing in support of the program. As you know, on the planning administration grant, the organizations matched, you know, 75 Federal dollars by 25 local dollars. I think we are the only demonstration project that actually matches dollars, local money, with Federal dollars 100 percent.

You know, there is not a lot of money in our area, but somebody to pick out $5,000 to a county to support our operations, one of my board members out of his own pocket, has given $3,000 a year. I think you will all recall Congressman Tom Jenkins, many years in the House, his wife left a trust of over $1 million to be spent in memorials and so forth. This money has been held by the trustees for a great number of years with many demands on it for different programs, but they could not really find a program to invest any money in.

They have given our health facilities programs in Ohio over $1 million. This is the type of support we are getting. We are very proud in Ohio that out of $9 million Appalachian dollars that come to us, plus roughly $4 million under Hill-Burton, we have generated over $35 million construction projects, and I think in dollars it has only been about 25 percent Appalachia to match the local money and this really shows the people really want something different and they are ready to put their money up to get it.

Mr. DORN. Mr. Chairman, before Mr. Miller starts, I have to go.

I did want to say these witnesses are outstanding and have made a superb contribution to the thinking of the committee, and I want to thank them for sharing with us in Washington, and also thank Congressmen Harsha and Miller, two of the most dedicated Members of Congress for their views.

Mr. JONES. Mr. Miller?

Mr. MILLER. I would like to make two points if I may. One is in a paragraph of the testimony that was prepared by the gentleman which states that in mid-1970 the State Office of Appalachia released a partially completed inventory of new or expanded industrial plants in the Appalachian region.

They identified 674 firms, 252 of which were new and 422 expanded, this meant 48,600 new jobs and an investment of over $916 million private dollars which means to me the program is working. It means that it comes to the very heart of the problem, trying to stop the outmigration from rural area.

Now, we have had the accomplishments, the other side of the coin to some degree, which shows also the continual need.

We have Vinton County, Ohio, which happens to be in my Congressional district, and a relatively small county as far as population is concerned. It has approximately 10,000 people. The fact that we do have a health manpower problem is very evident in that particular county. They had only one doctor in the county.

Recently it was necessary for that doctor to move. Now there is not a doctor in the whole county. This shows the continual need for the Appalachian growth in the area of health facilities.

Many of the highway and vocational-technical school projects are not yet completed.

Mr. HECHT. I would like to follow up the Congressman's statements because it supports the regionalism concept and it supports the reason why the Appalachian Commission should continue to support the Ohio Health Services Foundation because if Vinton County had to solve its own problem, it would never solve it alone.

The counties, such as Vinton County need the support of other counties and people who have expertise who can, in their own way, do a job for them.

I believe we will solve the Vinton County problem which is critical only because we have counties around that are part of this program and will help that county solve its problem and in a unique and different way which they could never themselves develop.

I do not feel through the legislative process that the State of Ohio could solve such a problem.

Mr. MILLER. To indicate one of the efforts that are being made, we presently are sending out some 800 letters from our congressional office to medical students and hope that one may locate in that area.

Mr. Chairman, I would like to thank the gentlemen that are here testifying, Mr. Lloyd, Mr. Hecht, and Mr. Farrington, and I also would ask unanimous consent, if I may, for permission to insert into the record at this time a statement by Dr. Christensen and a statement from the director of the Hocking Conservancy District for the State Department of Education, State of Ohio.

Mr. JONES. It will be received and printed at this point in the record.

(The documents referred to follow:)

RIO GRANDE COLLEGE,
Rio Grande, Ohio, March 12, 1971.

Hon. ROBERT JONES,
Chairman, Ad Hoc Subcommittee on Appalachia,
House of Representatives.

DEAR CONGRESSMAN JONES: If I can believe newspaper reports, it is the intent of the current Administration to eliminate the functions of the Appalachian Regional Council as defined and set forth in the Appalachian Regional Development Act of 1965. I want to register my opposition to any action which would terminate the Appalachian Program. It was my understanding when this Act was passed it was to serve as a model for other regions. As I have observed the Appalachian Regional Council operate I believe that the interests of the region were paramount rather than the individual interests of the 13 States involved in the program.

Here in Ohio, 28 counties in the southeastern section have been designated as part of Appalachia. I have seen the effects of this Acst in three distinct areas: transportation, medical facilities and educational facilities. My contact with the transportation aspect has been casual; however, with the other two areas my relationship has been more direct.

As I understand it, the Appalachia Development Highway was intended ultimately to connect Cincinnati and Baltimore. Corridor D of that highway runs through a portion of Appalachia in Ohio. Even though it has not been completed

(Corridor D), Rio Grande College has felt the effects of this improved transportation facility. What we have lacked in Southeastern Ohio for many years is a good transportation system. What has been true in Southeastern Ohio I imagine is true in many of the other parts of Appalachia. In my estimation, it would be unwise to do anything which would negate the completion of the total highway.

Within seven miles of our campus, a medical facility is being erected which will serve not only that portion of Appalachia which is in Ohio but also West Virginia. Approximately $4.5 million was received from the Appalachian Regional Council for this project. I understand this facility, in conjunction with others that are being built, will serve as models for future medical facilities. The completion of this facility will be a boon to our institution not only from the standpoint of providing improved medical care but also will give us the opportunity of developing paramedical programs with the staff of this medical facility. In anticipation of the completion of this facility, we have initiated a Medical Technical Laboratory Program.

Today, our institution, Rio Grande College, has an adequate and functional physical education center due to the existence of the Appalachian Regional Development Act of 1965. This facility cost us approximately $1 million; however, we would not have been able to build it without a grant from the Appalachian Regional Council. This grant was for $387,082; slightly more than one third of the cost. With the acquisition of this facility, it has been possible for us to initiate a fine physical education program for our students and to provide recreational opportunities for the citizens of this area. The public uses our swimming pool, handball courts, volleyball courts, etc.

I have no selfish motive for writing this letter. I do not anticipate that Rio Grande College will receive any additional sums for the construction of other buildings. The money for the medical facility has been allocated. Most of the Appalachia Development Highway in our corridor has been completed. I write this letter because I am thinking of the other 18 million people who live in Appalachia. I think we would be doing these individuals a disservice by scuttling the Appalachian Regional Development Act of 1965. As I have indicated, I hold no brief for or against a federal sharing program; however, I object strenuously to the removal of a program which has operated so effectively. It would seem to me that the Congress of the United States would want to continue a program as successful as the Appalachian Program.

Sincerely yours,

ALPHUS R. CHRISTENSEN,
President.

STATEMENT OF HOCKING CONSERVANCY DISTRICT

The Hocking Conservancy District is a legal subdivision of the State of Ohio, created for the purpose of conserving, controlling and managing the water resources of the Hocking River Basin. Over three-quarters of the Hocking River water-shed is within the area defined as the Appalachian Region.

The officers of this district are life-long residents of the Hocking valley with first hand knowledge of the many peculiar problems that have been identified with the Appalachian Region. The economy of this region was originally based on its natural resources. We have lived through many economic depressions as the demand for these resources declined or as the natural resources were exhausted. We know at first hand the many difficulties that beset local communities and area leaders as they try to rebuild our economy on a more diversified and hopefully a more substantial base.

The Appalachian Development Act recognized that the special problems of the region have an adverse effect on the economy of the entire nation and provide a way to solve these problems and to promote the economic redevelopment of the entire region by establishing a framework for joint federal, state and local programs to provide the basic facilities needed in the region.

We are convinced the objectives of this legislation were, and still are, fundamentally sound. The Appalachian Regional Commission has provided the framework for an effective partnership between the federal government, the states, local public agencies and private citizens. Much has been accomplished by the Commission in the relatively short time it has been in operation.

Some of the important programs to be undertaken by the Commission are only now emerging from the investigating and planning stage. With some of

these, investigating and planning required more time than originally contemplated. One example, the Comprehensive Report on the Development of Water Resources in Appalachia, prepared by the U.S. Army Corps of Engineers, is only now ready for consideration by the Commission and by the Congress.

The Corps' Report documents a program for developing the water resources of Appalachia to provide flood protection for communities and industrial sites, water storage to augment low stream flows, to provide water for municipal and industrial use and as a base for recreational development. Other programs for land reclamation and to reduce mine acid pollution are in the planning stage. The overall objective is to establish conditions that will attract industries into the region to provide employment for area residents and also to attract workers from the outside.

In our considered opinion, it would be a tragic mistake to terminate the Appalachian program at this time. While much has been accomplished, there is much more to be done.

We are convinced that with a continuation of the federal and state help provided by the Appalachian program, the problems of our area can be solved and our economy rebuilt into a vigorous healthy condition. The rebuilt economy will open up opportunities for employment where people can work and live in a far better environment than can be found in our overcrowded cities.

On behalf of The Hocking Conservancy District and the residents of the Hocking valley, we respectfully request this Committee to approve an extension of the program of the Appalachian Regional Commission for a period of four years for non-highway purposes and for a five year period for highway purposes.

We thank the members of this Committee for this opportunity of presenting this statement for your consideration.

Respectfully,

Board of Directors,
THE HOCKING CONSERVANCY DISTRICT.
R. V. OAKLEY,
President.
ROBERT S. MATHEWS,
Vice President.
RALPH L. POSTON,
Director.

Attest:
D. R. JOHNSON, *Secretary.*

STATEMENT BY DR. BYRL R. SHOEMAKER, DIRECTOR OF VOCATIONAL EDUCATION STATE DEPARTMENT OF EDUCATION, OHIO

Representative Jones and members of the Ad Hoc subcommittee on Appalachia, I am pleased to present the subcommittee my statement to support the continuance of the Appalachian Regional Development Act amendments of 1971. It has been my pleasure to work with the state office related to the Appalachian Regional Commission from the inception of the activities under the Act in the application of the provisions of the Act to the expansion of vocational and technical education within the Appalachian counties in Ohio. Also, I was appointed by former Governor James A. Rhodes to serve as an Ohio representative on the education committee established to advise the Appalachian Regional Commission concerning educational programing under the Act

From the beginning I have been impressed with the concepts underlying the Act and the implementation of these concepts at the federal, state and local levels. The regulations and practices established as a result of the Act have encouraged within the states:

(1) Total planning to bring about economic growth necessary to upgrade opportunities for people within the Appalachian region

(2) A process for choice and decision which placed the responsibility upon the individual state for making investment choices on the basis of those projects and plans which would make the greatest contribution to economic development

(3) Procedures for review of development plans at both the state and commission level to determine that the needs of the Appalachian area would be given careful consideration in keeping with the intent and purposes of the Act.

The Appalachian Regional Development Act has made an assumption that each state is greatly concerned with the welfare of the people in the Appalachian region. It has encouraged an investment concept pointed towards impact for

change rather than an equal spreading of money over the total area in such a manner that it could be lost in the morass of needs without making any impact. Too often persons in position of leadership at the national level have placed emphasis upon temporary measures which leave the real problems untouched.

I have observed the success of efforts from the state level, when given an opportunity to impact upon problems with a multi-faceted approach. The scope of services possible under the Act has enabled the services to be problem oriented rather than individual project oriented. Schools, hospitals, sewers, roads and all functions related to the development of a backward area are items of consideration under the Act. The wisdom of planning for scientific achievements, such as the moon landing which spans the terms of three presidents is very obvious. The landing on the moon projected by President Kennedy became a reality early in the administration of President Nixon. If scientific achievements which are finite and measurable can only result from such planning, how much more important is it that long-range planning be applied to social and economic problems? The massive problems which we face in breaking our welfare cycle and overcoming poverty present social and economic issues which have not been solved in the history of man, yet we approach these problems on a short-term basis, geared largely to changing administration patterns and emphases. The welfare and poverty problems and other social and economic issues must be solved if our nation is to continue, not only our affluent way of life, but our very way of government. Solutions will require: (1) planning over a long period of time, (2) reformation, revitalization and effective utilization of existing agencies at the federal, state and local levels. The Appalachian Regional Development Act encourages the application of these two principles to the problems faced in the Appalachian region.

Since my experience in relationship to the Act has been in the development of vocational education facilities and programs to serve the people in the Appalachian region. I would like to review for you the great contributions that the Appalachian Regional Development Act has made to the expansion of vocational and technical education opportunities to people in the Appalachian region and our plans for providing such services to all youth and adults who live in that Appalachian region. It has been my responsibility to bring together the services of the Vocational Education Act of 1963 and as amended in 1968, state legislation and funding for the development of vocational education, and the assistance available under the Appalachian Regional Development Act to bring about significant developments in vocational and technical education in the Appalachian region. Such developments have required organization, planning, and decisioning on the part of our State Department of Education and cooperation on the part of numerous small school districts in the Appalachian region. The sparse population in the Appalachian region has encouraged the organization of many small school districts which do not have the student base or tax base to provide the kind of resources and services essential for preparation of youth and adults for employment. The dropouts from the high schools, the untrained graduates and unemployed adults often migrate to the major cities within our state and other states and create within those cities massive pockets of poverty filled with unskilled and largely unemployable persons unadjusted to city life, unable to compete in the labor market, and building the burgeoning rolls of the welfare and ADC programs.

With the assistance of Appalachian Regional Development funds, Ohio now has two broad vocational-technical centers, offering high school and adult vocational education programs and two-year post-high associate degree technical education programs. A third center in operation offers vocational education programs for youth and adults. Two additional vocational and technical education centers will open in the fall of 1971. One additional vocational and technical education center and one additional vocational education center are under construction, with one scheduled to open in the fall of 1972 and the other one in the fall of 1973. These are centers which can truly be described as service centers for youth and adults to help people meet their needs for jobs and to help industries and businesses now in the area and those which will consider locating in the area meet their needs for skilled people.

In order to provide the sub-committee with an understanding of the scope of programs and services available to such joint vocational school districts, I would provide the following information in outline form on the Tri-County Joint Vocational and Technical Education Center and the Muskingum Area Joint Vocational and Technical Education Center.

TRI-COUNTY JOINT VOCATIONAL SCHOOL AND TECHNICAL INSTITUTE

a. Number of school districts served---------- 8 districts in 3 counties: Athens County, part of Perry and Hocking Counties.
b. Number of high school students enrolled---------- 680.
c. Number of full-time post-high school technical students enrolled---------- 665.
d. Number of adults presently enrolled---------- 400.
e. Number of adults served during the year---------- 800.
f. Vocational programs offered are:

VOCATIONAL PROGRAMS

Agriculture business and services
Horticulture forestry and conservation
Agriculture equipment and service
High Skill stenography—entry secretary
Business data processing
Account clerk
Horizontal office education
Cooperative office education
Distributive education
Food preparation and food service
Child care and nursing home aide
Auto body and fender repair
Auto mechanics
Cosmetology
Drafting
Machine shop
Sheet metal and welding
Electronics and electricity

TECHNICAL PROGRAMS

Ceramics engineering technology
Data processing & computer technology
Dietary technology
Electrical & electronics engineering technology
Executive secretary
Forestry technology
Industrial engineering technology
Junior accounting
Mechanical engineering technology
Petroleum service management
Recreation and wildlife technology
Retail midmanagement

h. *Special features*

1. Program at the high school level includes programs planned to serve the disadvantaged and handicapped.

2. A remedial reading lab is included in the facility which is presently serving 200 of the 620 youth enrolled with some of the youth enrolling in reading at the second-grade level. This laboratory also serves the adults.

3. No boy or girl who wants to attend the center is restricted from enrolling.

4. The adult program includes a program for hard-core unemployed adults who have been unemployed over a long period of time. This program includes basic education and 70 percent of this group of unemployables who have participated in the program are now employed.

5. A practical nurse training program provided for adults. All of the graduates have been employed, with 60 percent of the graduates obtaining employment in the local area. The last graduating class from this program obtained the highest average class grade of any program in the state during the state licensing examinations.

6. The post-high school technical program includes such unusual programs as technician programs in environmental health and law enforcement training.

7. Funds have been allocated from Appalachian Regional Development to

build a motel training center to serve the growing needs for hotels and motel personnel.

8. A pre-planning proposal has been completed and a planning grant is in the process of allocation from the Appalachian Regional Commission for the development of the Human Resource Center concept at the Tri-County Joint Vocational School site. Such a center will provide for an expanded health training program, rehabilitative and evaluative services in the areas of physical, mental and health, services for the handicapped, services for the unemployed, family development services, and a new concept of pre-professional education. The encouragement of coordinated planning under the Appalachian Regional Development can make possible the most innovative and far-reaching development effort as we work towards the Human Resource Development Center.

MUSKINGUM AREA JOINT VOCATIONAL SCHOOL AND TECHNICAL INSTITUTE

a. Number of school districts served---------- 14 school districts in 3 counties: Muskingum, Guernsey and Noble Counties.
b. Number of high school students enrolled----- 758.
c. Number of two-year post-high school technical students enrolled. 660.
d. Number of adults enrolled---------- 1,671.
e. Number of adults served during the year---- 2,200.
f. The vocational programs offered are as follows:

Auto mechanics
Machine shop trade
Electronics
Auto mechanics, T&I
Welding
Metal fusion & fab.
Building trades
Graphic arts
Drafting
Cosmetology
Practical nursing
Diversified cooperative training
Occupational work experience
Distribution education
Production Agriculture 11 & 12
Agri-business
Horticulture
Agri-mechanics
Chil care
Food service
Clerk-steno
Entry data processing
Account clerk
Office machines
High Skill steno
Co-op Office Education

g. Two-year post-high school technical education programs offered are as follows:

Natural resources conservation
Water pollution
Data processing
Secretarial
Supervisory
Retailing
Child development
Electric
Mechanical
Mental health
Police

h. Special plans and programs:

1. Any high school student 16 years of age and above within the participating districts may enroll in the vocational programs. No young person who has a desire for vocational education is rejected.

2. A satellite center will be established for Guernsey and Noble County to reduce the travel distances. Appalachian Regional Commission funds are planned to assist with this expansion.

3. A special adult basic education program is offered in six satellite centers for 421 adults. Special programs for adults include law enforcement training, fire service training, rescue squad training, supervisory training within industries, income tax instruction for senior citizens, including a program to bus them to school and apprenteceship-related instruction programs.

4. A special project on motivation for the disadvantaged youth and adults, including a program to visit occupations in business and industry.

5. A project to serve the handicapped. This project includes occupational information, visit to and participation in vocational programs and continuing services of special equipment and individual assistance as they enter vocational programs.

6. Appalachian Regional Commission helped this center obtain a dormitory which has proven to be of significant value in the retention of youth in the post-high school technical program.

7. Sixty-two different adult programs are offered.

Funding for approved vocational and technical education projects since the initiation of the Appalachian Regional Development Act are indicated on Chart I.

Chart I illustrates that a total of $18,753,541.00 has been allocated for construction and equipping of facilities for vocational and technical education since 1965. Of this amount $7,712,371.00 were funds from Appalachian Regional Development Act. An additional expenditure of $8,804,152.00 is budgeted with $1,215,750.00 of the total projected for this fiscal year from Appalachian funds.

Chart II lists the counties and school districts included in the joint vocational school districts.

CHART I.—CONSTRUCTION AND EQUIPMENT ALLOCATIONS WITH APPALACHIAN ASSISTANCE

Project	Local	Federal	Appalachia [1]	State bond	Total
Tri-county JVS [2]	$1,153,613.00	$248,787.00	$1,345,000	----------	$2,748,000
Muskingum Area JVS	1,187,271.89	932,900.11	1,875,588	$143,000	4,138,760
Belmont County JVS	1,200,000.00	1,200,000.00	1,468,026	----------	3,723,926
Scioto County JVS	1,415,400.00	1,116,600.00	1,268,000	----------	3,302,855
Washington County JVS	1,520,000.00	1,049,203.00	1,168,557	302,240	4,040,000
Tri-county Motel	160,000.00	52,800.00	587,200	----------	800,000
Total allocated	6,636,284.89	4,600,290.11	7,712,371	445,240	18,753,541
FUNDS BUDGETED [3]					
Hamilton County JVS for Clermont County	1,164,250.00	----------	585,750	1,750,000	3,500,000
Muskingum Area JVS for Guernsey and Noble Counties	569,157.00	563,596.00	380,000	380,000	1,892,753
Scioto County JVS	60,000.00	----------	100,000	120,000	280,000
Jefferson County JVS	1,415,700.00	----------	150,000	1,565,699	3,131,399
Buckeye Valley JVS (Tuscarawas, Hocking, Coshocton and part of Harrison Counties)	2,788,922.00	----------	----------	3,421,208	----------
Total budgeted	5,998,029.00	563,596.00	[4] 1,215,750	7,236,907	8,804,152

[1] Includes 211 and 214 funds.
[2] JVS—Joint Vocational School District.
[3] Hamilton County JVS and Muskingum JVS have the local funds necessary to progress with construction.
[4] An additional $344,642 of Appalachian Act funds are needed if available from other States for fiscal year 1971.

Note: Applications for Appalachian Regional Development Act funds are pending. Scioto County JVS, Jefferson County JVS, and Buckeye Valley JVS need to obtain local funds before applications can be made.

CHART II.—DISTRICTS AND COUNTIES IN JOINT VOCATIONAL SCHOOL DISTRICTS

Tri County Joint Vocational School:	Athens County: Athens C., Nelsonville-York C., Alexander L., Federal-Hocking L., and Trimble L. Hocking County: Logan C., and Starr Washington L. Perry County: New Lexington C., and Southern L.
Muskingum Area Joint Vocational School:	Muskingum County: Zanesville C., East Muskingum L., Franklin L., Maysville L., Tri Valley L., and West Muskingum L. Guernsey County: Cambridge C., Madison L., Rolling Hills L., and Zane Trace L. Noble County: Caldwell E.V., and Noble L. Perry County: Crooksville E.V., and Northern L.
Belmont County Joint Vocational School:	Belmont County: Bellaire C., Martins Ferry C., Barnesville E.V., and Bridgeport E.V. St. Clairsville-Richland L., Shadyside L., and Union L. Harrison County: Cadiz E.V., and Harrison L.
Scioto County Joint Vocational School:	Scioto County: New Boston City, Portsmouth C., Bloom L., Clay L., and Green L. Minford L., Northwest L., Valley L., Washington Twp. L., and Wheelersburg L.
Washington County Joint Vocational School:	Washington County: Belpre C., Marietta C., Fort Frye L., Frontier L., Warren L., and Wolf Creek L.
Hamilton County Joint Vocational School (Appalachia districts only):	Clermont County: Milford E.V., Batavia L., Clermont-Northeastern L., and Goshen L.
Buckeye Joint Vocational School:	Tuscarawas County: Claymont C., Dover C., New Philadelphia C., Newcomerstown E.V., Garaway L., Indian Valley L., Strasburg-Franklin L., and Tuscarawas Valley L. Coshocton County: Coshocton C., Ridgewood L. (contracting), and River View L. (contracting). Harrison County: Conotton Valley-Union L. Holmes County: East Holmes L. (contracting), and West Holmes L. (contracting).

The establishment of joint vocational school districts and the encouragement of vocational education programming under the Appalachian Regional Commission Act and the Vocational Education Act of 1963 as amended in 1968 have encouraged a growth of vocational education in the Appalachian region. The growth of vocational education services in the Appalachian counties to high school youth between 1965 and 1970 can be illustrated as follows:

	1965	1971	Percent growth
Number of classroom units of vocational education, all Appalachian counties	263.10	606.98	131

We can be proud indeed of the contributions the Appalachian Regional Commission Act has made to the development of vocational education services for youth and adults. It is important, however, to point out the present services will cover only a portion of the Appalachian Regional area, and that a continuation of the Act will be necessary if we are to reach the long-range plans established for that section of our state.

The school districts within the Appalachian region have cooperated to form 17 joint vocational school districts and four contract or individual planning districts in addition to those districts that have been funded. Every effort will be made to provide financial assistance from the state and Vocational Education Act funds. The Appalachian Regional area, however, needs the additional assistance of the Appalachain Regional Commission funds to supplement the local funds that can be made available to bring vocational and technical education services to youth and adults. (See Chart I).

The 21 vocational planning districts listed in Chart III cover the entire 138 school districts in the Appalachian counties of Ohio. Eight of the planning districts have been funded. The construction and equipment funds needed for the remaining districts are listed by planning district. Appalachian Act funds are needed to cover 20 to 25% of the costs of construction and equipment needed for vocational education.

Chart IV shows the planning districts listed in Chart III.

We are deeply interested in the broadening of the Appalachian Regional Commission Services to assist with the operational costs of programs through operational funds. The assistance with operation costs as well as construction costs will assist with the development of the Human Resource Center in the planning stage at Tri-County Joint Vocational School, described earlier in this statement.

We must learn to focus services for youth and adults in a manner which will make them available to people on an area or regional basis. The concept of a person with a well body, a sound mind and job skills is essential, not only to the well-being of the individual, but the future of our nation.

The Appalachian Regional Development Act provides a state-federal-local system of services oriented to solutions of problems through a procedure which respects the expertise and interests within the states, but which requires sound planning and focusing of efforts and decisions for investments in keeping with the plan. On the basis with our experience with the Appalachian Regional Development Act, and on the basis of our long-range plans for continued assistance from that Act, I would urge favorable consideration of the proposed Amendments and continuation of that Act.

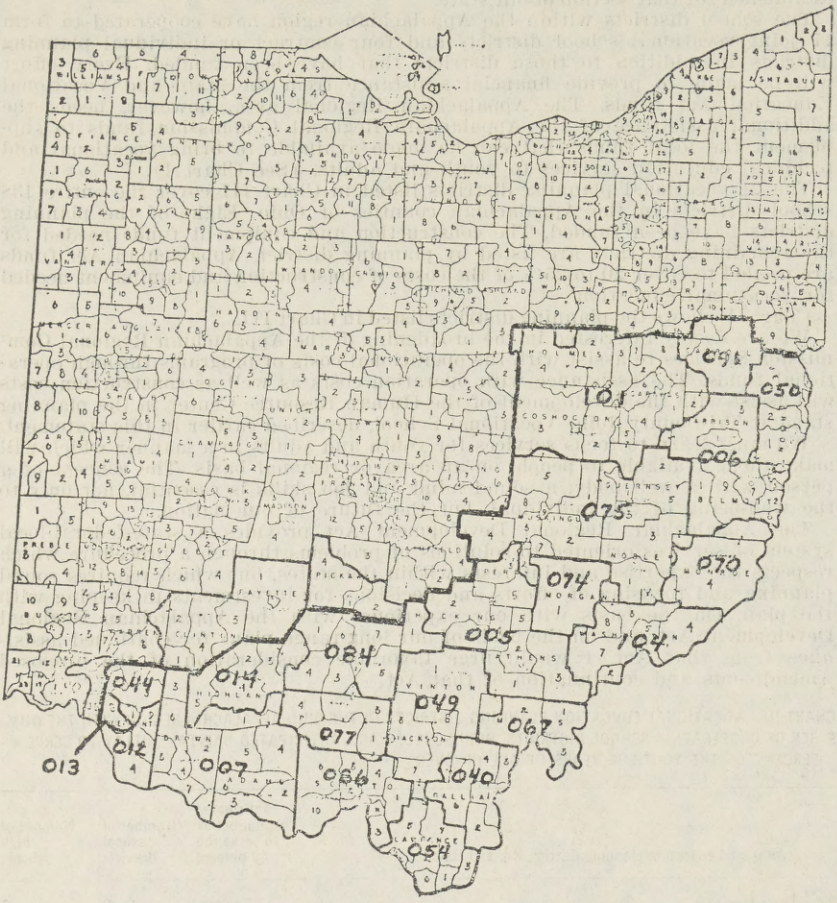
CHART III.—VOCATIONAL EDUCATION PLANNING DISTRICTS IN THE OHIO APPALACHIA REGION WITH THE NUMBER OF COOPERATING SCHOOL DISTRICTS, HIGH SCHOOLS AND ANTICIPATED CAPITAL OUTLAY TO SERVE 40-PERCENT OF THE YOUTH 16 YEARS OF AGE OR OVER

Vocational education planning district, No. and Name	Anticipated capital outlay to serve the 40 percent	Number of school districts	Number of high schools
005—Tricounty JVSD	Funded	9	9
006—Belmont County JVSD	Funded	9	9
007—Southern Hills JVSD	$734,659.00	8	12
012—Clermont County JVSD	2,138,943.00	4	4
013—West Clermont local	370,585.20	1	2
014—South Central JVSD	2,395,441.00	10	10
040—Gallia County JVSD	2,644,088.00	5	5
044—Hamilton County JVSD [1]	Funded	4	4
049—Jackson-Vinton JVSD	2,662,890.00	4	4
050—Jefferson County JVSD	3,131,399.00	5	14
054—Lawrence County JVSD	3,700,000.00	7	7
067—Meigs local	73,500.00	3	3
070—Switzerland of Ohio local	1,889,500.00	1	4
074—Morgan local	Funded	1	1
075—Muskingum area JVSD	Funded	14	14
077—Pike County JVSD	Funded	4	4
084—Pickaway-Ross County JVSD	4,599,964.00	11	11
086—Scioto County JVSD	Funded	10	11
091—Eastern Stark County JVSD	5,506,498.00	8	8
101—Buckeye JVSD	7,342,417.00	14	15
104—Washington County JVSD	Funded	6	6
Total	37,189,884.20	138	157

[1] That portion in Clermont County.

Chart 4

Vocational Education Planning Districts
in the Ohio Appalachia Region



Mr. JONES. Gentlemen, it is a great pleasure and enlightenment for us to have you testify and give us your experiences you have had throughout the years in dealing with the hopes and the aims that are contained in the original act and the amendments to it.

I think if you have been here all day you have heard the expression of members of the committee. You will agree, the ship is in good hands. We have no reason to doubt it with leaders like Mr. Miller and others who are so much engaged in this effort.

It is a pleasure to have had you gentlemen.

Mr. HECHT. Thank you, Mr. Chairman. We are very grateful for the opportunity and very grateful to those of you who are on the committee and members of Congress for the continued support of the Appalachian program.

Thank you.

Mr. JONES. Our next witness is a friend of mine of long standing, Dean Y. Matthews, executive director, Top of Alabama Regional Council of Governments from Huntsville, Ala.

I do not know of any of my acquaintance who has had as much experience as he has had in city management and city planning and has been so closely involved in matters of municipal government administration.

It is a pleasure to have you, Dean.

STATEMENT OF DEAN Y. MATTHEWS, EXECUTIVE DIRECTOR, THE TOP OF ALABAMA REGIONAL COUNCIL OF GOVERNMENTS

Mr. MATTHEWS. Mr. Chairman and distinguished members of this committee, I am Dean Y. Matthews. I serve as director of the Top of Alabama Regional Council of Governments. It is an honor for me to appear at this hearing and tell you about TACOG.

Our organization is a local development district as provided for under section 302(a)(1) of the Appalachian Regional Development Act.

The TARCOG district is composed of five counties in the mountainous northeast corner of Alabama, and includes the city of Huntsville and some 35 smaller communities. Our land area is larger than the State of Delaware and Rhode Island combined. Our present population is approximately 363,000, which is larger than that of the State of Wyoming.

TARCOG was created through local initiative and with the assistance of State and Federal governments, so intergovernmental cooperation is "built-in" to our structure. Virtually all of the communities and the counties within our district are dues-paying members of TARCOG and the mayors and chairmen of the county commissions represent their governments in TARCOG activities. Our 13 member board rotates its monthly meeting place throughout our five counties.

We strongly believe in teamwork and cooperation and coordination with a wide range of participants. There are a dozen committees of TARCOG which contain professionals, minority representatives, as well as elected officials. People cannot participate intelligently without knowledge of our operations. This is achieved through television, newspaper publicity, and a newsletter which we publish. We have also made an inexpensive movie which tells about TARCOG.

In addition to our close ties with State agencies, TARCOG has a variety of other relationships. We are a nonprofit organization. We are also a tributary area development agency of the Tennessee Valley Authority; however, we secure no funds through this arrangement. TARCOG has been designated as the area-wide clearing house by the Governor and the Office of Management and Budget. We have a formal working relationship with other local development districts in north Alabama.

The TARCOG local development district has been staffed for approximately 2 years. We now have a staff of 15 full-time employees, eight of whom are professionals. In addition, we have four students. During the summer, we expect to hire an additional dozen students.

Our first major action was to secure a 5-year work program. With consultant assistance, 125 structured interviews were held throughout the region so we could learn what the problems of our district were

and so we could focus our activities in an orderly manner. We wanted to avoid spending 90 percent of our energy on 10 percent of the problem.

Concurrently, we prepared an initial housing element for TARCOG and for the city of Huntsville. This was done in part with HUD funds. It indicated that there was a need of 8,000 to 10,000 low-income housing units in our district. Clearly, housing was our most important need.

TARCOG is interested in development as well as planning. We, therefore, incorporated a second organization, the Top of Alabama Regional Housing Authority, to implement housing in our rural area. TARHA, as we call it, and their not-for-profit corporation have the authority to use a wide spectrum of housing programs. An application for 2,000 units of public housing has been submitted to HUD, and we are awaiting approval. Meanwhile, TARHA is constructing 17 houses under section 235 of the Housing Act for qualified families. Some units are occupied now.

TARHA relies on private homebuilders to construct all housing units and I can assure you the homebuilding industry is very much in favor of this arrangement.

TARCOG is continuing to give TARHA and others assistance in low- and moderate-income housing. With consultant assistance, we are identifying suitable sites and developing housing market studies. We have assisted others in securing "frontend" funds under section 207 of the Appalachian Development Act to construct moderate-income housing in Albertsville and Scottsboro. At the mayor's request, we have assisted Rainsville in preparing an application for some temporary housing for migrant laborers.

The collection and disposal of solid waste is deemed the second greatest problem in our district. TARCOG worked closely with its member governments, sanitarians, the State and Federal agencies on this. Our objective was to plan and implement a five-county regional solid waste system which would provide mailbox-to-mailbox collection in our rural area and also in urban areas. This is an unprecedented operation, to our knowledge, because it involves a central city of 136,000 persons in addition to five counties. We sought out the best consultant help available for this project; TARCOG believes is using brains.

We have secured the local matching funds for this study by using "in-kind" assistance. Our application will be submitted to the Environmental Protection Agency this month. We contemplate paying for the implementation, in part, through "user fees" which would be sent out on the electric utility bill each month.

Our proposed northeast Alabama solid waste system has considerable support. A joint meeting was held of all the five county commissioners in all five TARCOG counties, and they unanimously endorsed this approach.

TARCOG is a catalyst for expenditing action on needed regional programs. We are not trying to build an empire. Our creation of an independent housing authority and an independent solid waste system indicate this. We are more anxious to see the job gets done than we are to do it ourselves.

Roads are needed in the TARCOG district, not only to strengthen our viable primary and secondary economic growth centers with other regional centers, but to allow rural citizens to reach employment and educational facilities. TARCOG has participated in road studies which show a clear need for a four-lane corridor route to Chattanooga from Huntsville. Also, a preliminary cost-benefit study demonstrates a need for a four-lane route from Scottsboro to Rome, Ga.

The Appalachian access road program has been an outstanding success in our district. A large number of jobs are being created as a result of access roads which serve Monsanto, Goodyear, and the mile-long Revere plant. Many of these roads are under construction and the full economic impact of these roads will increase as time passes.

The ARC youth leadership program of TARCOG is designed to prevent the "brain drain" caused by out-migration of our most capable youth from rural areas. Until the assistance of the Appalachian Regional Commission, the rural areas were practically devoid of programs to give youth a vested interest in the area. We are uncovering ways which this can be accomplished by establishing 12 youth councils throughout the district and encouraging youth involvement in local affairs. These include job fairs, environmental programs, recreational facilities development, conducting surveys, youth participation in government and the like.

The Appalachian Regional Commission offers us technical assistance which is coordinated through the State. We have found them to be top talent, not only in the area of youth leadership, but also in housing, education, early childhood development, geology and resources, economics, government finance, road and highway planning, communication, and in coordination. We rely on them heavily.

The TARCOG district has excellent growth potential. We are working to accelerate this growth not only to bring our portion of Appalachia into the mainstream of American living, but to foster a balanced growth program. The resources of our area include abundant water, economical power, available land, and recreation. People or "human resources" are, of course, our greatest asset. The TARCOG Local Development District is devoting its efforts to fill gaps in our pool of resources with public investments which will be repaid many times over by making our district more attractive to private development.

A human resource program is presently underway in TARCOG with the assistance of two full-time doctoral-level staff members who are designing our plan. By any national standards, the educational system in rural TARCOG is very poor although the State of Alabama dedicates a larger percentage of its income to education than many other States. Our income is low.

We expect to assist our area not by pumping more money into the existing system, but rather to achieve greater cost effectiveness through innovations in education. These may include establishment of a laser link television network for education use; encouragement of youth in the area of vocational technical schooling so they can make a living wherever they may migrate; the use of "team teaching" to gain greater use of scarce teaching talent; the establishment of educational cooperatives as may be warranted. There are other proven ways to achieve greater benefits in rural education. These are under study.

TARCOG's early childhood development program is another local development activity designed to prevent problems rather than to endure them or find a cure. This component of our human resources effort will aim at malnutrition in mothers-to-be and infants. Preventive health problems will also keep welfare rolls from expanding.

Early childhood stimulation is expected to generate higher intelligence in children. This program, again, would not be possible without assistance from the Appalachian Regional Commission and the Social Security Act provisions for day care.

The TARCOG district is a "regional laboratory" just as the Appalachian Regional Commission in a national laboratory. We do not believe in change for the sake of change; however, we are convinced we should take advantage of new technological developments—to test them and apply them to urban and regional problems if they offer promise.

NASA's largest facility, the George C. Marshall Space Flight Center, is located in the top of Alabama region. The earth resources survey program of NASA involves application of aerospace technology to problems affecting our daily lives. Data is presently collected primarily by aircraft, with some supplement from Gemini and Apollo photography.

Beginning in 1972 and 1973, NASA will orbit unmanned earth resources technology satellites (ERTS) and manned SKYLAB earth resources experiments. These, supplemented with aircraft-derived data, will provide a comprehensive and cost effective ability to study the earth.

In order to optimize the data and technology transfer, several NASA centers are working with potential users in public works fields at the present time. Marshall Space Flight Center is working with TARCOG in an attempt to provide data needed in regional planning and action. They will apply their technological experience to analysis of existing and additional aerial photography and other remote sensor data; and they will assist us in direct application of aerospace technology, such as instrumentation, to urgent needs of the region. This will not only be a service to the community, but will also serve to prepare both NASA and users for the more comprehensive operational systems yet to come.

TARCOG is alert to possible resources which may help us achieve our goals of social and economic development. The area's problems are massive, and so we seek massive solutions to bring our district's living standard up to that of the national average. We use a variety of sources of assistance: TVA, NASA, HUD, LEAA, DOT, EDA, BOR, and others. Without the assistance of the Appalachian Regional Commission, our program could not be far reaching.

A regional plan is presently being formulated by TARCOG to guide the orderly growth and development of the district. As part of this, there is a comprehensive water, sewerage, and drainage plan being formulated for our five-county area. This effort will be completed in 2 years and will be useful in making certain all water and sewer improvements are in accordance with regional plans.

TARCOG gives technical assistance to local governments that are limited in technical ability. Applications of assistance are prepared which deal with highway safety, law enforcement assistance, neighbor-

hood facilities, Bureau of Outdoor Recreation, nursing school programs, water and sewer facilities of HUD and FHA, Appalachian Regional Commission, Economic Development Administration, and others.

Let me make one fact clear. TARCOG could not have an effective program and accomplish the activities which I have described without the aid we have been given by the Appalachian Regional Commission. Through ARC, we receive expert technical assistance, valuable coordination with the many Federal agencies on our total development program. The Appalachian Regional Commission holds conferences which keep us informed on the ways and means by which we can best accomplish our goals.

It has been through the efforts of ARC that State government has become more responsive to local and regional needs. Our contact with the Washington office are coordinated through the State and the programs which we undertake represent concurrence by the local governments, by the State, and by ARC. This strategy is the most successful arrangement which I have observed in my 18 years of planning and development.

TARCOG is called on to have input to the State Appalachian plan. The State plan, in turn, affects the investment priorities of the total Appalachian program. Thus, we feel an important part of shaping the very program we will use.

The Appalachian regional development program was an experiment. It no longer is. It has proved itself to be a model which should be used throughout the United States.

Mr. Chairman, this concludes my formal testimony.

I will be happy to attempt to answer any questions which you may have.

Mr. JONES. It is a very fine statement and one I am quite sure that all the members will welcome because there is the need for these programs in all of the 13 States that are involved.

They may vary from place and from time to time, but generally they do generate a universal requirement, and that is what we sought to establish in the 1965 act.

I have seen at first hand your operations and can attest to the things that you filed in the report to the committee.

All of us worked for and supported the Appalachian program and are pleased with the accomplishments. Now, one of the things that has been pointed out to us time and time again is the fact that in these community efforts we have been able to erase the prejudice and the provincialism and the distance of one community against the other.

I cannot think of any area, if somebody had told me 5 years ago that you could get Lawrence County to work with Morgan County and Jackson County to work with Dekalb County, I would say you needed a couch and about 10 psychiatrists, not just one.

But these things are coming to pass. I think it is the approach of the total community effort realizing that if we do not gain support there together, we will never get it going alone.

To me, this is a great accomplishment.

And yesterday we had Governor Moore and one of the most interesting things that he reported to the committee beyond the overall program and in one instance the program he has initiated and carried forward is trying to eliminate these slums in rural Appalachia.

You touched on it by talking about having a garbage collection and proper disposal.

One of the things is to take out of the rural homes in Appalachia these hideous automobiles and junk and trash around the homes. He recited to us that he had used the National Guard. He had used the State troopers, and what an effective effort it had been. They took and counted the number of vehicles and it was over 12,000. He has gotten rid of 5,000 of those vehicles and gotten them out of sight.

Some 3 weeks ago last Monday I drove up into this beautiful valley, as beautiful as any place in the world, the Paint Rock Valley fingers out into a cove, and I would drive out and drive back and I was literally appalled to see this kind of condition.

I went to West Virginia 2 years ago and I came back as depressed as anybody could be without returning from a funeral to have been a witness to seeing, together with Mr. Harsha, and we thought then, well, something has got to be done about this. You have to talk about the quality of life and education, all the other values of improving rural life.

There was not anything more permanent in our minds when we got back than the fact that they live in the surroundings which they did and they are doing something about it.

I hope that your organization will let me send them the plans and the usefulness that Governor Moore has employed over there plus the fact that I hope and I am sure that Mr. Harsha is just as anxious as I am to write in a provision in 302 to have these pilot operations and see what we can do and make a profitable exhibit of the clearing up of those kinds of conditions.

Mr. MATTHEWS. We are certainly open and would welcome any plans and ideas any person has if it will help us create a better environment.

Of course, our overall goal is essentially to keep the rural people where they are and to train them and make them part of the labor force and achieve a balanced growth policy so they will not migrate out to the cities and cause an impaction problem there.

Mr. JONES. I cannot imagine anybody living in squalor and filth ever aspiring to any of the prides it takes to warrant an education or to get a job or anything else. It just seems to me that we are missing one of the most important aspects of our capabilities and our potential under Appalachia, and that is to clean up the slums.

Mr. MATTHEWS. That is correct.

I would like to say, Mr. Chairman, that many of the programs that I have mentioned are just underway and it would appear to me to be in the best interest of the United States to try to continue the Appalachian Act at least 4 more years.

This will really give us a chance to complete our experiments.

Mr. JONES. If the habit of living is going to be under those conditions and circumstances and you get an education, you know and I know that we are going to leave those homes if you cannot walk through the yard without walking around that thrashing machine or old automobile or some old pile of junk which you have to walk around.

Mr. MATTHEWS. That is correct.

Mr. JONES. So it seems to me that we can spend a very little amount of money and make a great gain and certainly an accomplishment by trying to rid our communities of those kinds of conditions.

I think you have started on it when you talk about garbage collection. I think you made a fine statement and a great contribution.

You know, I am going to live in Jackson County as long as I have life left and I am just as anxious to improve my own community. That is, I say, I did not realize that those conditions did exist in my own county. I certainly want to do something and I know you are just as anxious as I am.

Any further questions?

Thank you very much. You have been a very excellent witness.

There is a quorum call and we will recess now until 1:30 this afternoon.

(Whereupon, at 12:45 p.m., a recess was taken until 1:30 p.m., of the same day.)

AFTERNOON SESSION

Mr. JONES. The subcommittee will be in order.

We have our very distinguished colleague as our first witness this afternoon. He is now a member of the Appropriations Committee, formerly a member of this committee, and we are delighted to welcome Robert C. McEwen.

It is a great privilege for the committee to receive you, Mr. McEwen. You have certainly been a valuable member of this committee and contributed so much to the usefulness of our committee.

Mr. CLAUSEN. Mr. Chairman, I do want to go on record as welcoming our colleague who formerly served on the committee, and particularly to take note of the fact that he has been so diligent in his efforts to advance legislative proposals that fall in line with economic development programs as well as the Appalachian regional program, and I will follow your testimony with great interest. I know your particular section of the country has many of the same problems that are unique to the entire Appalachian region.

We welcome you back to the committee.

STATEMENT OF HON. ROBERT C. McEWEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MCEWEN. Thank you, Mr. Clausen, and you, Mr. Chairman.

Mr. Chairman, I appreciate this opportunity afforded me to appear before this committee. As one of its former members, I am particularly appreciative of this opportunity to again sit with my colleagues, even though I am now on the other side of the table.

While I was a member of this committee, an amendment to the Appalachian Regional Development Act was adopted which directed the President to make a study of the extent to which portions of upper New York State should be included in either the New England Regional Commission or Appalachian Regional Commission. This provision was part of the amendments made to the act in 1969 through Public Law 91–123. The specific language was added to section 403.

The President's report to Congress, House Document No. 91–367, recommended, among other things, that the six counties of my 31st Congressional District of New York, along with many others, be included in an economic development region. In particular, the report favored inclusion of these counties within the Appalachian Regional Commission because of the similarity of social and economic problems

between upstate New York and the areas already included in the Appalachian region.

This report, submitted by the President to the Congress last July, is based on a very careful study made under the direction of the Secretary of Commerce, to whom the President has delegated the responsibility for this work.

I should like, Mr. Chairman, to refer to that message from the President. On page 2, I would call your attention to the language of the second paragraph:

> Without question, many of the counties of Upper New York suffer severe economic distress. Sixteen counties outside the Appalachian Region currently qualify for aid through the Public Works and Economic Development Act of 1965. Three EDA-funded Economic Development Districts embracing these counties and related growth centers have been formed to assist in economic planning.

In contrast to these "16 counties outside the Appalachian Region currently qualified for aid through the Public Works and Economic Development Act of 1965," there are presently 14 counties of New York's southern tier which are included within the Appalachian Regional Commission.

By referring to the map on page 4, you will note that only one of these 14 counties has EDA title I eligibility.

If I may be very parochial, let me contrast this with the six counties of my own Congressional District in the northern part of New York. All of these counties in my district are eligible for aid through the Public Works and Economic Development Act of 1965 because of persistent high unemployment. There are 10 additional counties in New York outside the Appalachian Region which are also eligible for the same Federal assistance.

There are two economic development districts embracing the six counties of my district, which are funded by the Economic Development Administration. Yet none of these counties are eligible for the aid which is available to their 14 sister counties under the Appalachian program. If there is any question about the need and justification for including additional New York counties in the Appalachian region, I refer you to that part of the President's report contained on pages 10–17 under the heading "Northern New York Rural Regions."

It seems to me there is every reason for providing the same assistance to the counties of the northern tier as is available to the New York counties of the southern tier already in the Appalachian region.

From the pages of the President's message that I just referred to, I would call your attention to these statements:

> "In general, the northern rural regions are characterized by smaller population centers, lower population densities, an economy relatively strong in agriculture and/or recreation, and a limited transportation network. Trends that act to hold back the economy of this area include: a high rate of outmigration of the young, unwillingness of industry to locate in the area given existing competitive locational and business incentives, and as mentioned earlier, the general isolation of these northern and central hinterland areas of New York."
>
> "The further exploitation of the region's recreational resources is largely dependent on improving its transportation linkages to the U.S. and Canadian urban centers. The Adirondack Forest Preserve (Adirondack State Park) established in 1885 stretches from the Canadian border to the St. Lawrence Valley. It contains New York's highest mountains and many lakes." (Page 11)
>
> "Two major highways have been proposed. The 'Nuway,' a proposed limited access highway, would connect Binghamton via Utica to Ogdensburg. This transportation link would greatly facilitate commerce and tourism from the Ottawa

metropolitan center and the province of Ontario to northern New York and points south. The important south to north traffic flow would likewise be substantially improved.

"Another proposed limited access road—the Rooftop Highway—would connect Route 81 and Route 87. Although the exact route of the proposed 'Rooftop' Highway has not yet been determined, the Rooftop Highway is expected to connect the Watertown, Ogdensburg, Massena and Plattsburgh population centers. A possible future extension of this proposed Rooftop Highway to the east would form a needed link across Lake Champlain, and connect Interstate 89 at Burlington, Vermont."

Mr. JONES. May I ask you a question at that point?

Under the Federal Highway Act of last year on this highway you have used the same ratio of benefits that will now be accomplished with that of Appalachia and you have got to make State contributions.

Do you think there is any requirement for us to include this in Appalachia since it is already in existing law?

Mr. MCEWEN. On development of highways?

Mr. JONES. No, where we go up to 70–30 formula.

Mr. CLAUSEN. After 1973.

Mr. MCEWEN. Yes, Mr. Chairman, the change in the formula.

Mr. JONES. The change in the formula.

If we change the Appalachia Act to include this county, would it advance the construction of a highway because the State of New York can get advances for planning highways right now?

Mr. MCEWEN. Quite so, Mr. Chairman.

I was just trying to think what date we wrote in, in the Highway Act, when we were to change 70–30.

I know Mr. Clausen had an amendment on that.

Mr. CLAUSEN. I offered the amendment. The effective date would be at the end of the fiscal year, so it will be July 1, in effect, in 1973.

Mr. MCEWEN. July 1, 1973.

Mr. Chairman, looking at the period between now and when that would go into effect in that fiscal year, this might be something under the Appalachian program in advance of when that 70–30 change comes.

I think your suggestion has real validity that after that date when all highway programs are going to be 70–30 will be a different picture. I quite agree.

To go back to my statement, I quote:

The region gained only 6,000 during the 40-year span 1900 to 1940. Slightly higher population increase was experienced between 1940 and 1960 (+25,000), but on the whole net outmigration has prevented significant population growth. (Page 13)

As will be noted unemployment levels are above average compared to New York and the Nation. In the region comprising the counties of Franklin, Lewis, Jefferson and St. Lawrence, exist some of the highest unemployment rates in New York State. These high unemployment levels have recently gone up even further. At the same time, per capita income for the above counties is among the lowest in New York. With an estimated 1967 population of 264,000 and a labor force of 89,000, the area's employment growth was the lowest in the State, showing a net decline of 1,800 or 2 percent during the 1960–67 period.

With a limited number of available jobs, resulting in low level of employment, outmigration is the usual response. The impact of this chain reaction results in a greater percentage of older people who having been unemployed for longer periods tend to withdraw from the labor force. Other indices of distress for this area are discussed in the sections immediately following giving a brief overview of housing, education and medical facilities for the region.

Frequent references in this report to "high unemployment levels," "outmigration of the young," "limited transportation network," et cetera, in an area whose dominant geographic feature is that part of the Appalachian chain known as the Adirondack Mountains, sustains the recommendation of the study that:

> There is sufficient economic justification to warrant the inclusion of portions of upper New York State in an economic development region. Further, the socioeconomic orientation of the area in question appears to favor inclusion within the Appalachian region. However, because of the impending expiration in June 1971 of the legislative authority for all regional development commissions, and because future policy regarding the entire regional commission program is now being developed based on extensive evaluation of the past five years' experience, we recommend that, in the context of whatever post-1971 regional development program may be recommended to the Congress, upper New York State be considered in a region which includes other portions of New York State and Pennsylvania.

For these reasons, I feel that the Appalachian Regional Development Act should be extended in time and area. It should be extended to include the counties of northern New York, which I have mentioned, because the facts and equity justify such an extension.

Thank you, Mr. Chairman.

Mr. JONES. Thank you very much.

Mr. Clausen?

Mr. CLAUSEN. I think you have made an excellent contribution to the record.

Many of your problems are similar to back in my own congressional district. We have the formula change of 70–30 after 1973, but it is your feeling that you want to see that section of your area included in the bill that is passed by this committee. Is that in effect what you are saying?

Mr. MCEWEN. That is in effect it, Mr. Clausen.

I reiterate, the thing that is difficult for my constituents to understand, particularly that part that lives in the rugged Adirondack country which they consider to be part of the Appalachian chain where they have the most severe outmigration, chronic high unemployment, transportation network deficiencies that have retarded this area, all of these counties, every one of them are fully eligible under title I of the Economic Public Works and Economic Development Act of 1965 and then they look if they may be forgiven for being a little envious at the 14 southern tier counties where only one of all of those 14 counties, all of them in the Appalachian program where they are building development highways, only one of them, Mr. Chairman, of all those 14 counties is even eligible under FDA standards.

Yet this northern mountainous region, every single county is fully eligible under EDA and they are not under a regional program with the benefits that we all know come from a regional program.

They have three economic development districts.

Mr. CLAUSEN. Do they have economic development districts now?

Mr. MCEWEN. Yes, they do, Mr. Clausen.

There are three economic development districts in the upper part, north of the Mohawk River in New York State. Two of them embrace all of the counties and some additional ones, all of the counties in my district, and then there is one in the Mohawk area.

Mr. CLAUSEN. So, in other words, you at that level have taken all of the basic initiatives required to establish that which is available under the EDA program.

Mr. MCEWEN. We feel we have, that we have done all we can without regional permission.

The three districts really geographically embrace the western Adirondack counties and the eastern Adirondacks and the southern Adirondack areas.

It is such as an area transportationwise, the difficulty of getting economic development districts set up where they could actually meet and work on things within the area because some parts of the Adirondack country you cannot get to a fairly nearby section in a straight line. There are no highway connections.

Mr. CLAUSEN. Mr. Chairman, the problem that occurred to me, and I have been going back and forth, as you know, between the EDA committee hearings as well as the Appalachian Regional hearings, and it apepars to me that it is conceivable that maybe we should be looking at it from one end or the other to expanding the EDA programs to permit this kind of coordination between the highway development of highways and the basic EDA projects.

Mr. MCEWEN. Let me say, Mr. Chairman, in response to what Mr. Clausen has said, I debated what subcommittee I should be before.

Mr. CLAUSEN. I suggest you go before both of them.

Mr. JONES. Let me go back. Mr. Sweeney is here. He was the initial Federal cochairman.

The State of New York decided, and the State of Mississippi decided they would not be a part of Appalachia originally.

Mr. CLAUSEN. Originally.

Mr. JONES. And they were consulted. They had very long deliberate considerations and later on after we created the Act in 1965, the State of New York and State of Mississippi decided that they wanted to be a part of Appalachia, and they were a party originally to that opportunity.

They elected to come in, and when they did, the Governors of the respective States acting through the Commission, designated the counties in accordance with an amendment in the 1965 act.

Mr. MCEWEN. Mr. Chairman, if I might comment on that.

Mr. JONES. If my history is wrong, Mr. Sweeney is here.

Mr. MCEWEN. Mr. Chairman, my recollection, I agree with you in part and in part I do not.

I think you are quite correct when you say that originally the Governor of New York State did not seek to be included in Appalachia.

When the Appalachian Regional Development Act of 1965 was on the floor of the other body, the late Senator Roberty Kennedy offered, and the senior Senator, Senator Javits, joined with him in an amendment to bring in these 14 southern—well, I think there were 11 original counties possibly, and it has now increased to three more, and that was written in by an amendment to the act that was put in over on the Senate side.

That is where those counties came in, was by a Senate amendment offered by Senator Kennedy and supported by Senator Javits, and that was written in on the floor of the Senate.

My recollection, Mr. Chairman, goes back because when this was added in 1965 on the Senate side, I then endeavored to offer a floor amendment to bring in additional counties in New York to those in the southern tier.

Mr. JONES. You mean 1967 or 1965?

Mr. MCEWEN. 1965, going back originally to the 1965 act after the Senate added these New York counties.

Now, the Governor's position at the present time as I understand it is that he favors the large geographical area, the larger number of counties that this message of the President speaks of.

Mr. JONES. Was it not true that when Governor Rockefeller decided that he wanted the State of New York to be included in Appalachia, he came in with certain covenants or agreements that all the money would be used for a corridor highway?

Mr. MCEWEN. I imagine that is true, Mr. Chairman.

I do not know that, but I know that is where the money has been spent.

That could well be true. I know that it has been a good deal put into corridor highways.

I did not know that was an agreement.

Mr. JONES. I do not mean it was an agreement, but the proposal that Governor Rockefeller made to the Governors Conference of the State cochairman was that he wanted to use it for a corridor.

Clear us up on that, Mr. Sweeney.

STATEMENT OF JOHN SWEENEY, ESQ., FORMER FEDERAL COCHAIRMAN, APPALACHIAN REGIONAL COMMISSION

Mr. SWEENEY. When you say New York originally came into the program they had a desire to spend all the funds for the highway.

Mr. JONES. Was that not the condition which they accepted Appalachia?

Mr. SWEENEY. It was a big fight, Mr. Chairman, which excluded New York from any participation in the highway program in the first year until you folks had had a chance to add more money to the pot.

That was the major reason why New York as desirous of participation in the Appalachian program to get the help primarily on U.S. 17 through that southern tier, but we could not carve up an already agreed upon highway allocation.

We let them in the program in full participation and for everything except highways in the first year.

Then the Governor made some very strong representations to both the Congress and the rest of the Governors, and they were included the second year when you folks added some additional money for their participation.

Mr. MCEWEN. Thank you very much.

Mr. JONES. I knew we got into some kind of corridor arrangement in New York.

I am glad you are here to clear that up, Mr. Sweeney.

I would like to have the document which you just presented, since it is a public document, it will not be reproduced in the hearing, but it will be placed in the subcommittee file.

Mr. MCEWEN. Thank you, Mr. Chairman.

(The document, message from the President of the United States transmitting a study, with recommendations of the extent to which portions of upper New York State should be included in either the New England or the Appalachian region, section 110 of Public Law 91–123, can be found in the files of the subcommittee.)

Mr. JONES. Are there any further questions?

Mr. HARSHA. No questions.

I do want to commend the gentleman.

Mr. JONES. Thank you very much.

Our next witness is Mr. R. E. Hughes, former Appalachian State representative of the State of South Carolina, from Greenville, S.C.

Mr. Dorn?

Mr. DORN. Mr. Chairman, if I may be permitted to say so, I appreciate this opportunity.

Mr. Hughes was the first Appalachian commissioner in South Carolina for the succeeding years after this program started. He was a pioneer, and did an outstanding job, and he is familiar with the Appalachian program since its inception.

I think we are very fortunate to have a witness of his qualifications and experience and knowledge to be with us today.

I might say that he has always approached this from getting people together from different counties, different areas.

I remember he entertained the Vice President of the United States, Mr. Humphrey, in his home, and also the Governor in his home, and others from the political parties.

He was really a promoter of togetherness in this Appalachian program.

Good to have you.

Mr. JONES. It is good to have you with us, Mr. Hughes.

We know you a little bit, I am sure a little bit better than you know us.

Your accomplishments have been acclaimed throughout Appalachia and it is a great pleasure to have you today.

STATEMENT OF R. E. HUGHES, GREENVILLE, S.C.

Mr. HUGHES. My name is R. E. Hughes, and I am from Greenville, S.C. Shortly after the Appalachia Act became law, our Governor sent a man from his office to me. It was explained to me that there was a Government program that very few people in our area understood. It was called the Appalachian program. The Governor had decided to appoint 12 men to administer the program and advise the Governor. When the 12 men met, I was elected chairman, followed by the Governor's appointing me the South Carolina State representative to the A.R.C. I served until 1969 when training of a successor was satisfactorily completed.

There were many interesting experiences. In the beginning, our own newspapers and many others were critical and generally opposed to the program because they did not understand the law. After a short while, newspaper editors enthusiastically endorsed the Appalachia program and, in criticizing other Government efforts, drew parallels with the successful results that Appalachia accomplished. At the time the Governor turned the program over to the 12 men, there was absolutely no plan, no organization, nor any idea of what

should be done to improve our condition, how much it would cost, nor where to start. The first effort of the 12-man group was to go out among the people, talk and listen, and from these grassroots discussions bring some order, reasons, and plans to the method for us to proceed. There could not be a better example of true grassroots plans.

Six counties in South Carolina are included in the Appalachian program. The 12 members of the Commission were appointed, two from each county. Greenville is in the center of the six counties and has the largest population. It has almost half the population of the total of the six counties. Of all the programs that have ever been instituted in our area, the Appalachian program is by far the most universally accepted in our area and the State of South Carolina. Many examples may be given of the successful results. You would be interested in some typical ones. About 2 years ago the General Electric Co. started work on a $50 million plant in Greenville County. This plant is now producing electrical generators. These generators are a conversion from jet engines that are designed to produce electricity for utility companies. In this way the utility company can have the small generator to produce electricity during the peak load periods of demand for power. Although this was located in our area only about 2 years ago, within the last 30 days General Electric again started construction to more than double the size of this plant.

At both the first and second announcements of the General Electric plants, the officials of the company had the typical public relations meeting with all the news media present. At each meeting it was stated that the largest single influence on their decision to locate here was the training process for employees available at Greenville T.E.C. The second most influential item in General Electric making this decision was the people of our area. Of course, the combination of Greenville T.E.C. and other investments by the Appalachian program, plus the people of our area, have caused other industries to locate in the Appalachian part of South Carolina. Last Thursday, Cryovac, a division of W. R. Grace Co., announced their plans for construction of another very large plant.

Another result of the program is that there was constructed under the health program of Appalachia, the Marshall I. Pickens Hospital for mentally disturbed people. Previously in our area, when a family had a member that was having a mental problem, it was kept a secret. The reason was the way the insane asylum in Columbia treated the patients. Now, with the Marshall I. Pickens facility, high society people are boasting of having relatives and friends there, because success with the patients is common. When they are released, most of them become normal citizens again.

As has been said, no one doubts that the Appalachian program is the most effective Government program ever attempted in our area. Think of the educational benefits that Appalachia has brought to this area. There have been vocational high schools built and operated on a very modern basis. Children go in the daytime and adults go at night. They are learning a trade. The studies are job-oriented. These vocational high schools are places the mountain people do not mind attending. They enjoy coming to them and realize the advantages they offer.

The T.E.C. schools have made several studies of just what an education at these schools means. On the average, a student who completes a course increases his pay almost immediately by 25 percent. This expanding income also helps the other business in the area. We told you of the General Electric plant and the Cryovac Co. There would be a list too long to enumerate of the different companies that could testify as to the educational benefits people receive at Greenville T.E.C.

One company made a study and found that 85 percent of their employees were taught at Greenville T.E.C. In addition to the T.E.C. program, there have been junior colleges and 4-year colleges that have been benefited from the Appalachian program.

One interesting sidelight is that there was a meeting at Spartanburg Junior College. They needed a Science Building very much, which would cost $400,000. There was a way to get financing for about three-quarters of this amount. However, the remaining one-quarter was just not available. One director spoke up and said, "I will give $90,000 if the school will raise the other $10,000 and get the $300,000 from Government grants." Of course, Appalachia was one of the programs, and they did their share. Today the Science Building is producing very capable men.

The Clemson University graduate engineering school has helped bring some highly sophisticated industry to our area. Not too many years ago we called Clemson the "cow college" because of the agriculture emphasis, but this emphasis is gone forever now.

Another part of Appalachia is the health program. In our 6-county area, we have approximately 600,000 people; but we have only half the doctors per capita as the national average. We have no medical school in the area; but by training the people to help the doctors, each doctor we have can be more effective with his time. A study of the medical graduate of the less than M.D.'s shows that those going to the paramedical school had an average income before the medical training of $253 per month, but afterward went into jobs paying them an average of $400 per month.

The people of our area also need to be taught how the services of doctors can help their health problems. After they know about these services, there has to be some way to provide the services. An example, dentists should be made available to people who have never been to a dentist. After these services are provided, there has to be some education of the people as to how to prevent diseases. This training is resulting in that it is generally recognized that the doctors and hospitals are treating more and more really sick patients than previously. There was a time when our hospitals had many old rich ladies who wanted the doctors to just hold their hands, but the doctors were not practicing much medicine. Now, there are some very sick people being treated by our doctors and hospitals.

To go back to our Marshall I. Pickens Hospital, mental health has been a problem in our area due to the condition of the old insane asylum in Columbia, located 100 miles to the south. Now with this new facility the adults are using it to capacity, and everyone is very pleased. A more touching and possibly more interesting subject is that they have a children's center there which has been completed for 17 months. Recently a study was made of the center. They treat emotionally disturbed children from 6–12 years old with a system that

was developed by the National Institutes of Health. The system is based on treatment and prevention of the problem. From opening day, a full capacity of children has been present. The study shows that all except one of those treated, is back in regular classrooms, with normal children; and that it is possible for these children to adjust to regular classroom conditions and to progress in their studies. The cost of this is rather high, but the study shows that what happens to a child also has a tremendous effect on the family and the community at large. These problems must be handled by a team of trained specialists, which is expensive. The average stay of the children is 6½ months each; and it is hoped that this can be reduced, thereby reducing the cost of treatment. The church and the YMCA do not have the facilities to handle such problems. It is so very important that these children be corrected at an early stage, because it is easy to connect a disturbed child's behavior with juvenile delinquency, and the hardened criminal. The cost of putting the criminal through a reformatory, later through the penetentiary, and then to count the loss to the public of the taxes this individual would have paid had he gone through a normal life, earning his income and paying his taxes, has been estimated.

No estimate is included for the human suffering and property damage that the criminal may do or the cost of having the policeman apprehend that criminal. It is indicated that such a criminal would cost an average of $84,884. The cost per child to the taxpayers for this institution is $2,880. From this it is projected that the savings on one child would equal the total budget for treatment operations for 1 year. There is an indication that on the national average 10 percent of all children need help. This is the only facility in or near Greenville. A way is needed to train specialists in order that they can go into the school systems and out into the general public and help many more children. Private people made contributions for this facility, and there were city, county, and State taxes, but it could not have been possible without Appalachia.

We are expecting and can clearly see ahead wonderful results from another Appalachian project. That is the completion of South Carolina Highway 11, which will make it possible for the mountain population to get a good highway and ride to a nearby city. There they can go to one of the schools, then get a job and continue to live in their present location. It has been said that transportation in a modern city is more important than food, clothing, or shelter. That is because in a modern city, you cannot get food, clothing, or shelter unless there is some form of transportation. This is also true in the mountain areas.

South Carolina Highway 11 is going to be very scenic with many gorgeous views of the mountains which will attract tourists. Much more important, there are very usable plantsites. In addition, this highway will connect many State parks and also provide a good route to the new Duke Power Keowee-Toxaway water reservoir that is now under construction.

Another benefit to our area is the pollution control provided by these funds. Our area had more than a fair share of old plants. Under the new laws that have been passed by the Federal and State governments, many of these plants would have been closed, resulting in unemployment of many people. These plants were located in areas where jobs were needed most, which was the little village that had

been created only because of this work available at the plant. One Appalachian grant was made for just a small percent of the total cost of treatment plant where there was a problem. They were going to lose 3,600 jobs if the plant had to close, but the Appalachian funds saved those 3,600 jobs. Also, some of the small cities were helped in cleaning up their pollution. They simply could not raise the funds that were necessary to build a proper treatment plant.

Certain amenities were made possible by Appalachian funds. A system of libraries over the six counties were formed. These libraries are of tremendous help to our schools. Also, when the executives of the large corporations study our area, we ride them by or walk them through the new library. In addition, we have received assistance for a system of parks, and everybody knows how beneficial they are.

The second reason given for locating plants in our area was the quality of the people. This is an interesting thing that no one can document. Do you remember not too many years ago when the men in the mountains grew corn and delivered it to the city in bottles? The "Revenuers" were the people who tried to stop this. Many of the mountain people were afraid of those "Revenuers" because they were Government men. This has contributed in some degree to their attitude toward all government. Yet these people are fiercely honest. A man said, informally, that he had assembly plants in other places in the United States that do the exact same work as his plant in our area. However, in our section a man will not let a cracked part go by inspection. He will stop the assembly line to straighten the problem. This cuts his production, but he wants to see an honest product which saves his company in the final analysis. These people want to give a day's work for a day's pay.

They are highly motivated people and go through many hardships to go to the schools that have been provided for them. They know that the training in those schools is job directed. This makes them willing to go through hardships of making sacrifices at home and cut on necessities in order to get to go to these schools.

They have seen that the average increase in their income is 25 percent and in many cases see that the individual doubles his income by going to school. Of course, you know that we started with a very low per capita income and have not caught up with the national average by any stretch of the imagination. When Appalachia was started, it was easy to see that education was important because two-thirds of our work force was untrained and a literacy rate existed that nobody would believe.

Another thing believed, but not proved, is that unemployment figures in our area do not properly or accurately reflect the extra facts. This could be from fear of the Government man as mentioned previously.

Another result of education in the area is that we see executive positions more available. We have about half as many jobs that pay $15,000 or more as the national per capita average. Now, $15,000 jobs are becoming more visible. This causes the college graduate to look around and see some possibility for advancement in our area. By this and other means we are keeping more of our college graduates.

Another proof of what Appalachia has done is that the bank debits have been increasing regularly. During January and February of this year bank debits in Greenville, S.C., exceeded $500 million each month for the first time in history. Greenville County now has 52,600 manufacturing jobs. We can see diversification among these jobs.

As you know, the Appalachian program started in 1965, but it took until 1966 to make the first grants. The type of thing that Appalachia does cannot be done quickly. It is necessary to get the grant, then build the building, then get the teachers and students into the schools, then teach the student, then they get jobs, then they produce. That is a long time span. Appalachia does need time.

We have seen some other interesting results. Local and State taxes increased during these last 5 years. Personal and corporate giving increased. There is more interest by the individual in our community. Our State government is looking at the Appalachian area of the State for the first time and actually copying what we are doing in many instances.

We are finding more cooperation between local, State, Federal Governments and business institutions.

While Appalachia did not furnish all the money for all these projects, the Appalachian funds were the last to be committed and were the ones that in the final analysis made the projects possible.

I certainly thank you, Mr. Chairman, and committee members and guests and Congressman John C. Calhoun, I thank you.

This program started in South Carolina in a very modest way.

I honestly do not believe our Governor understood it when he chose two men from each of the six counties to take the program over and operate it for him.

All of these men were from different fields of endeavor. This group of 12 men operated the program.

In the beginning, the newspapers were writing editorials about this being a ridiculous program.

We had the real pleasure in our area of seeing the biggest newspaper write an editorial to contradict their former editorial which just never happened before, to my knowledge.

It is very hard to believe, but I do have the two editorials just for proof.

The program started as I say modestly. We had no planning agency in our area.

We had nobody that knew what we needed, how much it would cost, or how to start.

We got the group together and started to tour these six counties and talk to all the people.

We listened to the different things they had to say, and from that, started on our own merry way.

Mr. JONES. Mr. Hughes, I believe you first of all in your first considerations felt the southland needed the type of schools that we call our secondary schools, and that was your first emphasis, was it not?

Mr. HUGHES. Just after making this tour it became very evident, making a few counts we found that two-thirds of our labor force was untrained, and the illiteracy rate was unbelievable. It was no decision to make it. It was very obvious that education was the place that we had to go to work on and the place to start with was at the vocational high school level.

We started a program where every child is within about 15 miles of a vocational high school.

These schools are operated on what are right modern concepts, what is a modern concept nowadays, I think.

The children go to school in the daytime and the adults come in at night, and in that way we teach twice as many students during the day as might normally be the capacity of a vocational high school.

Mr. JONES. You know it is not uncommon now that we have in most vocational schools fathers and sons attending at the same time.

Mr. HUGHES. And real competition between them. They just love it. It is a little game with them, and they enjoy it thoroughly.

As absolute positive results of proof of the pie is in the eating, we had about 2 years ago the General Electric Co. comes to Greenville. S.C.

About 30 days ago they announced the doubling of that original plan.

The first plant cost $50 million, the second plant will double the capacity. At both announcements they had the regular news media present and made the very public statement that there is one firm reason that we came here, and that is the Greenville Technical School system. That is the reason we came here.

There is one only other reason that came anywhere close, and that was the caliber of the people, and the tech school was the total reason.

Mr. DORN. Was the tech school built entirely without Appalachia?

Mr. HUGHES. It was entirely made possible by Appalachia.

There were other Government programs, but there was also some local tax money and State tax money that went into it. There were also some private contributions.

Greenville Tech is an extremely needed institution, we have other institutions there that are rather interesting.

Mr. JONES. Tell us about your changing your curriculum to meet the requirements of your industrialization.

Mr. HUGHES. We had different committees in that tech school that are part of industry.

We would have the head of the General Electric plant as an adviser. We would have the man from the W. R. Grace Co. which has several plants there. We will have a man from that plant, and they are advisers to the school, and keep the school up to date on the next thing that is needed by industry in the area.

In this way an industry can open a plant, and today the plant is open and all the workmen are already trained, completely trained. and they are ready ot make a product.

Mr. JONES. Do you implement it with the Manpower Training Act?

Mr. HUGHES. Yes, sir.

Mr. JONES. The provisions of the Wage and Hour Act, of the training programs?

Mr. HUGHES. We certainly do, just as vigorously as they will allow it.

Mr. JONES. So it fits the needs that would otherwise be totally lost to you.

Mr. HUGHES. That is right. These people simply would not know what a lathe was if we did not have the schools.

Mr. JONES. Well, prior to that all you taught them in vocational school was how to chop wood and draw water.

Mr. HUGHES. Or try to be a little farmer. They were teaching farming in the local high schools, and there was no farming in our industry.

Farming is almost gone.

Mr. DORN. Already in surplus, but it does permit these people to stay out there and commute.

Mr. HUGHES. That is right, and we tied the other programs into it, the same type of arrangement.

Mr. DORN. How many people do you have at the GE plant now, and do they anticipate employing more?

Mr. HUGHES. They have about 2,000 now, and we expect 2,000 more.

They make a very diversified product. It is not dependent upon textiles.

Also we have another problem, and that is about 70 percent of our manufacturing employees are employed in textiles and parallel work.

Now, that was in 1965. Largely through the Appalachian funds being available we have been able to diversify the activities of the workers. It is down to right about 50 percent now.

So we have reduced that by about 20 percent.

Mr. JONES. Do you see any other byproducts of those schools, such as an appetite for better work habits, pride in the community and these things that enhance the value of community life?

Mr. HUGHES. We certainly do, sir.

We hate to put numbers on everything, but the average student that takes a course at Greenville Tech comes out with a 25-percent higher salary than he had before he went into Greenville Tech.

This creates so much more money in the area that the other industries are upgrading those that are not connected with Tech, and the retail industry makes more money, the whole area has just had a real rise in its appearance, in its feel, it really has a wonderful business compared to what it did have.

Now, we do not mean to say we have a boom, but compared to what is was, it is just excellent.

As long as they keep building plants of a diversified type, we are able to take care of our people that are laid off at the textile plants.

We have other things we have done in the educational field.

Clemson University was called the Cow College for many years. They teased the graduates.

Mr. JONES. When did they change the name?

Mr. HUGHES. Such things as the Appalachian funding of a graduate engineering school has turned that school into one of the most sophisticated schools in our area.

They have upgraded their curriculum, and are just turning out students that are staying in the area.

They are manufacturing their own little inventions in different places. They are doing extremely well.

The education has been the prime objective of our area and it is obvious that this is why.

Another thing we did was the Marshall Pickens Hospital.

The hospital is for the mentally ill, and it used to be that our people who would have some member of the family that was mentally ill and had to go to columbia, and they kept it a secret because it was a disgrace.

Now the fact that one of the members of the family is at Marshall Pickens, they do some real good for the people that go there for mental problems, and they come out as normal citizens.

In this institution we have a school for 20 mentally disturbed children. We can only handle 20 at a time.

This has been created 17 months. There has been a study made of a group of 20 that went through.

This school teaches on the basis that the National Institutes for Health suggests. And they try to treat the problem, and they try to work out a prevention of the problem.

After studying these 20 students in an average time of 6½ months, all the children—and these are children whose ages are 6 through 12, all except one was returned to a normal classroom, and all except this one has a normal progress in his day-to-day classwork.

This is very significant to me for this reason. The study went on to make a comparison of the mentally disturbed children.

They compared this mentally disturbed child that is corrected at this early age with one that is not, and the one that is not goes on to juvenile delinquency and from there to the penitentiary, the hard line criminal.

They made an estimate of the cost to society of one that was not corrected compared to one that was corrected, and they put into this cost the juvenile corrections, the cost of the penitentiary, the loss in taxes that a normal person would pay over a normal period of his life if he had gone on and earned his regular income.

No amount was put in for damage to property or damage to human beings or the cost of hiring the policemen to apprehend the criminal.

None of that was cranked in.

The figure that came out for this criminal, the other one was $84,800 over a lifetime.

This school for the children is rather expensive. It costs $2,080 for the treatment of one of these children. That is what it costs the taxpayers in our area, but the difference between this $2,000 and the $84,000 would be enough to run the budget of our school for a whole year.

Mr. JONES. I am glad to know something is being done about this.

I guess the most saddening experience is to see a child that is retarded. It is a very sad thing.

Mr. HUGHES. It certainly is, sir, and an amazing statistic they had in this study is that approximately 10 percent of all the children have this problam which is far above anything that I had seen anywhere published before.

The future of this school should be to train.

Mr. JONES. I guess it is the reason because we do not have contact with children, and we are not aware of it.

Mr. HUGHES. Could be. A very serious thing.

I know of no other direct effort being made anywhere in our area except this. All of our projects we have of this type are made possible by Appalachia and planned in the program.

Mr. JONES. Our parochial schools have perhaps been doing something about it for the last two centuries, and has had very fine success at a very nominal cost.

Mr. HUGHES. It would be something to study.

It is amazing that this one school has done this much good and we have no other schools of a similar type anywhere in the neighborhood.

The thing in our priority, after education and health, was our highway program, and we are building a highway called Highway 11 that is not complete, but we certainly see that this highway crossing five counties will make it possible for the people that live in the mountains to ride on a good road to one of these nearby vocational and technical high schools or colleges, go back home at night.

After he gets his education, he can come to town, work at his job and continue to live where he does.

I heard a man say something the other day that in a modern city transportation is more important than food, clothing and shelter. That is because if you cannot get food clothing or shelter to the people, if you have no transportatoin, they will starve or freeze.

Almost the same thing is true in one of these mountainous areas. If you cannot get any transportation, you are just about going to be deprived of your food, clothing and shelter, particularly in the modern way as we know it.

Highway 11 certainly will go a long way toward solving that problem.

Mr. JONES. Well, of course, if they keep people stationary it might be like the Irish. And as you know this is a day for the Irish.

Take the case of the celebrated actress, Miss Keller. Someone asked her once when she came back to Ireland what was the first thing she thought about. She says I weep.

Why do you weep on coming back to Ireland she was asked. She says I know this is my native land.

Those are the great emotional attachments that are made to your community and they play a part in all the rest of your life.

If it is a pleasant memory, an exciting one, or it could be a depressing one, but always it leaves an impression.

Mr. HUGHES. That is our home. We developed some amenities in the area through these funds.

We have a system of libraries, and they have been very beneficial to the schools. They are also beneficial to those of us who showed the executives that come to our area looking over the area thinking of building a plant.

We always try to drive them by the library, or we take them through, and it has been most impressive.

The second part of the reason that GE said they were going to locate in the area was the people. We have an unusual group of people. You can remember just a few years ago when they grew the corn on the side of the mountain and delivered it to the city in bottles, and this was, of course, against the law, and they developed a fear of the revenuers.

This has gone on to a fear of Government men. It is not easy to get these people involved in these different programs.

Yet, we have now found that they just love these vocational high schools. It is almost a social outlet for them, and they deprive themselves of unbelievable things in order to get to go.

Mr. JONES. Any questions?

Mr. Snyder has been engaged in other committee work, and that is the reason he has been unable to be in constant attendance. He is one of our most valuable members on the committee. He wanted to be

with us all the time, but his obligations were not concurrent with our hearings.

Mr. HUGHES. I have heard a great deal of Mr. Snyder.

Mr. SNYDER. Thank you, Mr. Chairman. As I follow your testimony I noted your statement in regard to the revenuers and corn products. You make reference to the people who produce the illegal liquid corn.

Mr. HUGHES. Yes.

Mr. SNYDER. In your statement you say that these people are fiercely honest, and in the next sentence that a man said informally that he has an assembly plant in the United States that could do the exact same work as the plant "in our area."

You say in our section a man will not let a cracked bottle go by without inspection. Is there any correlation with the statement immediately before it, about the revenuers?

Mr. HUGHES. I certainly realize the apparent contradiction, but this is a part of the peculiarity of these people. The matter of Government people is just treated differently.

Mr. SNYDER. But you are not suggesting that you have a program where you bring these illegal revenuers into a plant to inspect and find these cracked bottles where it is illegal, do you, sir?

Mr. HUGHES. No, Mr. Congressman. The suggestion is to show what real opposites we have.

This is to point out how different these people are. They have a different attitude toward Government.

Mr. SNYDER. Well, that profession is not unknown to my State.

Mr. HUGHES. Is that true? Well, the profession just seemed to go through all the people in the mountainous areas, and for that reason I firmly believe, but could not prove that our unemployment figures are not factual.

I do not think these people will report for unemployment. They have pride. They just do not want to be on the Government payroll.

Mr. SNYDER. Of course, they are operating a still, they are not unemployed.

Mr. HUGHES. I really believe, Congressman, and I may be just naive that we just about ended that business.

The competition of the legal whisky has just about put them out of business, and they simply cannot make it in competition.

Mr. JONES. I wonder if we could do this, Mr. Hughes.

We have Mr. Robinette here. He has a 3:30 plane that he has to catch. And I wonder if you would mind letting us receive his testimony and we will come back to you.

Mr. HUGHES. I am virtually completed. In other words, if you would like to excuse me.

Mr. SNYDER. I did have a few questions if your schedule is not such that it would preclude you from remaining—and I do not have any Appalachian counties, but I am one of those who believes in the program.

Mr. HUGHES. I am supposed to catch a 4 o'clock plane.

Mr. SNYDER. I believe it would be helpful if we had a few statistics on the schools you mentioned. If you do have them with you.

Mr. HUGHES. I can catch another plane.

Mr. SNYDER. No, no, I do not want you to do that.

If you would make a supplemental statement and give us some information in regard to these schools. I am interested in a couple of points, the number of students that you are having in these vocational schools and the number who are completing the courses.

You have mentioned upgrading salaries by 25 percent. I am wondering if most of those that you are training now are underemployed and if you are not, are you training some who are not employed at all? You do not make reference to the totally unemployed.

Just run through your statement and give us some statistics to back up your general statement and I think it would be helpful as we move forward to try to show the justification for the program.

Mr. HUGHES. I will be extremely pleased to do that.

Mr. SNYDER. And you can make your plane then.

Mr. HUGHES. Thank you, sir.

Mr. JONES. Thank you very much. The information that you will supply will be inserted in the record at this point.

(The information to be supplied follows:)

R. E. HUGHES, GREENVILLE, S.C., *March 31, 1971.*

Hon. GENE SNYDER,
U.S. House of Representatives,
Rayburn Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: During your committee hearing on March 17, 1971, regarding the extension of the Appalachian Program, you were most considerate and thoughtful of me as a witness. You asked me at that time some questions that I could not answer, and I promised to write you to give you the answers.

It has been determined that the number of students in our vocational educational centers in the six Appalachia counties of South Carolina is a total of 2,365 young people plus 822 adults. Of course, it is not possible to determine at this time how many of these will complete the course this year, but a follow-up survey of vocational graduates of former years is enclosed. Many of them go on to college, or TEC schools, or other training. Also enclosed is a study of the wage rates attained by past graduates. It may be noted that the oldest of these schools is not more than three years.

As to the TEC schools, the present number of full time students in our area of Appalachia is 9,614. Of course, there are more actual students by number than this, but some are part-time students. These part-time student hours were calculated to work out to be the equivalent of full-time students. There are also 1,332 graduates of the associate degree programs. (This is a two-year program). Greenville TEC has estimated that their graduates earn $1,863.00 per year, more after graduation than prior to entering TEC. Tri-County TEC estimated that their graduates' annual salary is $7,000.00. Please see enclosed Spartanburg break-down for salaries of Spartansburg TEC graduates. Spartanburg TEC has estimated that 75 to 80% of its students were under-employed prior to entering TEC. Tri-County and Greenville TEC have been unable to develop a similar statistic, but I believe it would be safe to assume that Spartanburg would be representative of Greenville TEC and Tri-County TEC.

Thank you again for your genuine interest in this program and if there is any further information that we could obtain here for you, please let me know.

Yours very truly,

R. E. HUGHES.

SPARTANBURG TECHNICAL EDUCATION CENTER

MEMO

To: Mr. Gault.
From: Mr. Hampton.
Subject: Information Required by the Appalachian Regional Commission.
Date: March 24, 1971.

I. Attachment A represents the total cumulative enrollment for Spartanburg County Technical Education Center from it's opening in 1963 to January 31, 1971.

II. The total number of students who have completed a degree or diploma program at Spartanbug TEC was just under 700. We anticipate that around 25,000 students have received either a degree, diploma or certificate, naturally the certificate being the greater number given.

III. An inventory was made concerning the average *annual* salary per year of the TEC graduates in the Spartanburg area. The following represents our findings:

Business Administration	[1] $5,900
Data Processing	7,200
Business Machine Operator	4,700
Technical Secretary	4,600
Drafting & Design Technology	6,000
Electronics Technology	6,000
Industrial Technology	6,000
Medical Lab Assistant	5,100
Dental Assistant	3,800
Radiologic Technology	5,200
Air Conditioning	5,800
Automotive Mechanics	5,000
Industrial Electronics Technology	5,000
Machine Shop	5,800
Tool & Die	6,200
Welding	7,200
Textile Management	5,800

[1] These figures represent entry level in most cases.

IV. It was anticipated that between 75 & 80% of the total cumulative enrollment was under employed before entering Spartanburg TEC.

V. Attachment B represents the total head count for all Technical Education Centers in South Carolina from 1962 to January 1971.

VI. Attachment C represents Spartanburg TEC's full-time day enrollment from September 1963 to January 1971.

Total cumulative enrollment

June 30, 1964 (1963–64)	396
June 30, 1965 (1964–65)	1,555
June 30, 1966 (1965–66)	3,638
June 30, 1967 (1966–67)	2,976
June 30, 1968 (1967–68)	4,327
June 30, 1969 (1968–69)	4,131
June 30, 1970 (1969–70)	7,490
Jan. 31, 1971 (1970–71)	3,253
Total	27,766

Enrollment for all technical education centers—Total head count

Fiscal year:	*TEC centers*
1962–63	1,122
1963–64	11,867
1964–65	18,659
1965–66	32,967
1966–67	37,046
1967–68	42,146
1968–69	59,817
1969–70	79,001
1970–71*	44,374
Total	326,999

*Figure is for first 6 months of 1970–71 fiscal year.

SPARTANBURG TECHNICAL EDUCATION CENTER

[Full-time day enrollment only]

School year	Full-time enrollment (day)	Contact hours (end of fiscal year)	FTE equivalent	FTE
1963–64	59 (Sept. 63); 61 (Cum.) 6–64	74,200	720	103
1964–65	90 (Sept. 64); 91 (Cum.) 6–66	96,488	720	134
1965–66	232 (Sept. 65); 273 (Cum.) 6–67	205,680	720	286
1966–67	282 (Sept. 66); 336 (Cum.) 6–67	260,440	720	362
1967–68	278 (Sept. 67); 336 (Cum.) 6–68	278,030	540	515
1968–69	278 (Sept. 68); 362 (Cum.) 6–69	308,640	540	571
1969–70	325 (Sept. 69); 423 (Cum.) 6–70	328,353	540	608
1970–71	423 (Jan. 71); 680 (Cum.) 1–71	258,286	540	[1] 478

[1] Cumulative through January 1971.

UNEMPLOYED AND UNDEREMPLOYED ADULTS PARTICIPATING IN VOCATIONAL EDUCATION

All adults participating in Adult Vocational education were either underemployed, in need of retraining, or in need of training for advancement prior to enrollment. Any unemployed adult would not normally participate in Vocational education but would probably participate in manpower development programs offered at the technical education centers.

FOLLOWUP SURVEY OF VOCATIONAL CENTER—GRADUATES

County	Employed in region				Employed out of the region	Service	Unemployed	Unknown
	College or technical education	In field related to training	In field unrelated to training	Self employed				
Anderson (1968)[1]	46	105	35			26	20	7
Cherokee (1969)[1]	11	60			3	1	10	2
Greenville[2]								
Oconee (1969)[1]	9	44			2	12		
Pickens (1967)[1]	35	137		11		48		25
Spartanburg (1969)[1]	19	86	16			90	[3] 2	4
Total	120	432	51	11	5	177	32	38

[1] Year began operation.
[2] Will not open until the fall of 1971.
[3] Married.

Source: State Department of Vocational Education.

AVERAGE WAGE OF VOCATIONAL EDUCATION GRADUATES (ESTIMATE)

Area of study	Hourly wage	Annual wage[1]
Trade and industry	$3.00	$6,000
Health occupations	2.00	4,000
Office occupations	2.25	4,500
Home economic (gainful)	1.80	3,600
Cosmetology	1.80	3,600

[1] Based on 250 day year, 8 hours a day.

Note.—The potential for advancement is much greater for a vocational education graduate than it is for an academic high school graduate who does not continue his education.

Mr. JONES. Our next witness is Mr. Bruce K. Robinette, director of Local Planning District Commission, Lenowisco Development District, Dryden, Va.

We are very pleased to have you, Mr. Robinette.

STATEMENT OF BRUCE K. ROBINETTE, EXECUTIVE DIRECTOR, LENOWISCO (LEE, NORTON, WISE, SCOTT) PLANNING DISTRICT COMMISSION, DRYDEN, VA.

Mr. ROBINETTE. Mr. Chairman and members of the committee, few people realize that the Lenowisco—an acronym formed from the first three letters of Lee, Scott, and Wise Counties and the city of Norton—Planning District of southwest Virginia is closer to eight other State capitals than its own.

For many years there was a joke, but a rather serious one, that the area should secede from the State of Virginia and, if Tennessee would not take it, should remain independent. In this isolated region labeled by the State as hard-core Appalachia, it was wondered if the State of Virginia did not think that the State ended at Roanoke. This rather aptly describes the state of affairs prior to the establishment of the Appalachian Regional Commission.

Local allegiance was given directly to the Federal Government, a situation hardly conducive to a cooperative State-local government relationship. Appalachian Virginians felt that the State was not giving them any attention, and it is still not known what the State thought of its independent, westernmost citizens, if anything at all.

The Appalachian Regional Commission has allowed the residents of these depressed areas to develop a sense of pride, a feeling of helping themselves with some assistance, not begging for help. The commission has, in fact, forced the local and State governments to work together and to develop the best possible working relationship, something that had seemed impossible before the Appalachian Regional Commission. The result has been the truest form of regional self-help effort.

Perhaps there is some question as to just what the Appalachian Regional Commission has done for this area that any other Federal agency could not or would not have been able to do. With the passage of the Appalachian Act, seven counties of southwest Virginia came under the label of hard-core Appalachia not by virtue of their geographic position as much as their deeply ingrained illiteracy, critical health problems, isolation, economic deprivation, and the many other much touted characteristics associated with the name "Appalachia." No doubt many of these problems are common to other parts of the Nation.

Urban areas have their difficulties with health, poverty, and crime. The Deep South and West have their social and economic ills. But it is the peculiar combination of isolation and poverty resulting from its geographic characteristics and that rather singular mountain stock that originally settled this area that has marked Appalachia as unique. The "Applachian syndrome" is not to be found anywhere else in the United States and cannot be dealt with as efficiently by any Federal agency which is set up to deal with problems on a nationwide scale. It is this unusual combination of social and economic problems that cannot be effectively dealt with separately but must be considered one, the Appalachian syndrome, resulting from the unique geographic and historic character of the area, that preclude the fruitful working relationship of the area with any governmental agency that is not particularly attuned to its nature.

The Appalachian Regional Commission, set up for this express purpose, has proven itself extremely sensitive to the needs of this region. Not only has it proven to be the most sensitive to our needs, but it also has been found to be most efficient in the dispensation of assistance, both of a financial and a technical nature.

It has been the experience of the LENOWISCO (Lee-Norton-Wise-Scott) planning district commission that considerably less of those unavoidable government redtape problems have been encountered in our relationship with the Appalachian Regional Commission. We have found the Appalachian Regional Commission to be the most efficiently operated Government grant program available.

This may be attributed to the fact that the need for certain projects is determined at the State and local level. We have come to expect a maximum of 2 months to process any program application submitted to the commission. This is to be compared to 2 years for any application submitted to most other Federal grant programs. A recent example of this was an application submitted by LENOWISCO for a grant to be used for the development of a much needed model zoning code for Wise County and Duffield, Va. Doubtless, there are Government agencies more directly concerned with codes and ordinances, but these were needed before the 1 to 2 years required to get funds through other programs.

Not only has LENOWISCO encountered less redtape with the Appalachian Regional Commission, but they have also been instrumental in getting us through critical bureaucratic delays with other Federal agencies. The outstanding example of this assistance is the contribution to the Appalachian Regional Commission made at a most critical time to the Duffield industrial development.

Needless to say, the development of an industrial district in the LENOWISCO area represents our greatest hope for revitalizing its faltering economy and stemming the out-migration of its youth and educated. It also represents much of the struggle and anxiety involved in our economic development efforts. This example of that unfortunately rare phenomenon of local, State, and Federal cooperation would have gone the way of so many promising development projects, that is, to failure, had the Appalachian Regional Commission not come through with a $150,000 grant at a very crucial moment. That grant, rather small compared to many of the sums involved in other projects, has come to be thought of as the "seed money" in the Duffield development project. This grant was used to start the flood control program, to supplement the funds committed by the Tennessee Valley Authority which were to be a year late. Had this money not been made available, the project would have been put well off its schedule, practically assuring the loss of interest and assistance both on the local and Federal level. This is only one of the many instances in which the Appalachian Regional Commission, although the last to commit, was the first to fulfill its commitment.

One of the most outstanding contributions of the Appalachian Regional Commission to this area has been in highway construction. The isolation of Appalachia has been in all probability the greatest single contributing factor to the economic decline and deprivation of the region. It has often been rather lightly noted that while people outside this area were traveling 60 miles an hour, residents of southwest Vir-

ginia traveled 30 miles an hour, and this was a most apt comparison of not only our transportation system, but also economic and social conditions.

Without a good transportation network, it was as impossible to get people out to jobs as it was to get jobs in to the area's residents. The Appalachian Regional Commission has made it possible to induce industry to this area. We have found the Appalachian Regional Commission to be the only grant program with a sufficiently favorable Federal contribution to allow the construction of roads in an area having a construction cost per mile that would have been prohibitive otherwise. In Lee, Scott, and Wise counties alone, the Appalachian Regional Commission has contributed $22.3 million for the construction of Highway 23, part of the Appalachian corridor system, and $350,000 for the construction of Highway 83. The construction of the Lonesome Pine Airport was dependent on an Appalachian Regional Commission grant of $209,916. Without these contributions, this region would continue in its state of poverty and isolation.

In the realm of health and education, the Appalachian Regional Commission has also made decisive contributions; and while development of these fields do not make the same impression as factories and pay checks, they come under the heading of laying the foundation for economic development. Grants totaling $1,394,455 resulted in the construction of three critically needed technical-vocational schools in the LENOWISCO district. Additional grants permitted the construction of the Mountain Empire Community College, the Norton Elementary School—also a strip mine reclamation project—and the Lee County Public Library, all much needed educational facilities otherwise unattainable.

The High Knob educational television station, the only one in this district, was also funded by the Appalachian Regional Commission.

In the field of health care, the Appalachian Regional Commission was a decisive contributor to the construction of the Lonesome Pine Hospital, the Lee County Health Center, the Scott County Health Center, and to the future Wise Regional Health Center. The Commission is the sole support of the Virginia Appalachian health services.

Appalachian Regional Commission grants have made possible the construction of three necessary sewage treatment plants and a sanitary landfill.

These are only a few of the many development projects in the LENOWISCO district supported and made possible by the Appalachian Regional Commission. The total contribution of Appalachian Regional Commission funds to this area has amounted to $24,165,743. Whether this money would have filtered into this area had the Appalachian Regional Commission not been established, whether these projects would have been carried out regardless, may be a matter of conjecture to those unfamiliar with our plight. For us, there is no question that without the Commission, this assistance would have been diverted elsewhere to the more vocal although not more needy groups. The amount of impact this assistance has had on the area may also be a matter of conjecture to those who are not familiar with the district; but to the resident of Appalachia, the impact is noticeable. The Appalachian Regional Commission had made the kind of impact that he will notice every day of his life.

59-139—71——18

Sir, as you know, I represent the Appalachian Board portion of the Commonwealth of Virginia; and I must hasten to add that that portion of Virginia that looks a little bit differently than going out on the street in this building and looking across the Potomac River.

We have every conceivable problem that anywhere in the Nation probably experiences. If we do not have it, more than likely we will sooner or later catch it; but we have made a lot of progress.

I represent a development district started in 1959. We were one of the first regional efforts in the Commonwealth of Virginia and, of course, I say also the State of Georgia, although some of your metropolitan areas have been working together on a regional basis.

We are located 400 miles from our State Capital of Richmond, and a little over 500 miles from Washington. We border Kentucky on the north and Tennessee on the south.

We represent the heart of the coal-producing region of the Commonwealth of Virginia.

Mr. JONES. How far west of Abingdon are you?

Mr. ROBINETTE. Big Stone Gap is the center of our district, about 65 miles west.

We are 40 miles due north of Kingsport, Tenn., and we are closer to eight other State capitals than we are to our own. We are further west than Detroit, Mich., and Montreal, Canada, but I still say we are part of Virginia and sounds like sometimes a man is misjudging his yardage a little bit.

We have been more fortunate in the Appalachian program and various reasons I have heard about the health and I have heard about the local development district general programs by Mr. Matthews.

We had a problem beginning back in the 1960's. We were getting Federal funds through this regional effort, the Lee, Norton, Wise, and Scott, that is the three counties and one city I represent. We had the greatest local-Federal relationship that one would want to see. We had completely eliminated the State, and the State had virtually eliminated us. Our people did not know how to vote. If a Republican ran, we invariably voted Democrat. If a Democrat ran, we voted for his opponent, the Republican.

At the State capital, people did not particularly care. We were listed as the illegitimate child of the Commonwealth. It was only 21 counties that was part of the Appalachian region; and the previous Governor, Godwin, designated seven counties and one city.

I represent three of those counties and one city as hard core as far as undereducated, every health problem that can be conceived, terrible road problem; and so therefore in 1966, as a result of the Appalachian Act, we became a part of the Commonwealth of Virginia for the first time in the 20th century, I will have to admit.

We became concerned about Richmond and their problems, and Richmond got concerned about our problems.

Our Appalachian representatives and the Governor's office were from other parts of the State. Our firsthand representative is over on the coast, and he knew nothing about the mountain people; and we still have people in the county that came over from the flatlands of Kentucky, we call them flatlanders, Mr. Snyder; and we started working together, and it has grown out of that one of the greatest relationships that any program could possibly have.

I did not come here to tell you that exactly, but I thought for introductory purposes it would be good to mention this.

I was asked to talk about one unbelievable project which the Appalachian Commission played a very minor role as far as the finances are concerned, but in January 1967, a group of people in southwestern Virginia part of the country said we have got to do something to diversify our industry and we have to because of our mountains and very little developable property left to do something as far as industry is concerned.

We started with a feasibility study application to EDA in March of 1967. In April of 1968 it was approved for $60,000 to see if it would be feasible to take 1,000 acres of property in one county and get two other counties and one city to spend money for the first time in industrial development.

Mr. SNYDER. Before you leave that train of thought about the fact that you were the illegitimate child of the State and little communication between your area and Richmond before the Appalachian vehicle came along and got you all working together, do you have any thoughts that should the Appalachian program be discontinued—which I do not think is likely, seeing the temper of the Congress—but if it should, and if in lieu of that an equal or greater amount of money was given to Richmond to parcel out as Richmond saw fit, that Richmond might quit speaking to you again?

Mr. ROBINETTE. I will answer it, Mr. Snyder, this way.

How much planning and development could three counties and one city with 85,000 people do with $16,500 a year? That is our population quota from the State division of planning at the present time and that will stink.

Mr. SNYDER. I am glad I asked the question.

It is a very salient point in this regard and also in regard to your population as opposed, for instance, to northern Virginia and some of the other areas. You would not have much muscle down there, would you?

Mr. ROBINETTE. May I quote a friend of mine from the great city of Richmond? He says, when revenue sharing goes through, he says we are going to take some of that money and bus some of our kids across town to meet integration because it is bankrupting our great city and you all can put in as many roads and service systems as you care to but we are going to keep our school board from going bankrupt.

So you put all this together, yes; it would put us back where we started from because the organization I represent could not exist without the Appalachian Commission and EDA and this is no substitute for it.

Mr. SNYDER. I am not asking the question for the purpose of indicating the necessity of perpetuating any particular organization, but I am concerned now, since this organization happens to be the vehicle and apparently is doing the job, as to just what would happen through some other organization or some other vehicle if it was substituted for yours.

I think you made the point very well. Thank you.

Mr. ROBINETTE. Needless to say our present Governor of the great Commonwealth of Virginia is from Big Stone Gap, Va. He is a very

knowledgeable mountain boy himself. I do not think it would happen, but we could go back to the days when a flatlander or someone from the coast would become Governor and would not be aware of the problems experienced by the mountain people.

The coal business is good for anyone who wants to go underground and work. The young people do not want to do that today. The wages are good. This is going back, but would not help the situation definitely and would not be like it is now.

Continuing with the industrial development story which we think is a national example, we put together a program to try to develop 1,000 acres on an incremental basis with 11 government agencies and three firms in the private sector. We had 3 counties and one city that raised taxes to spend money on industrial development, two counties and one city to spend it in another county for the first time in history.

Needless to say, the public hearings were anything but mild, but they did recognize that something had to be done; $347,000 of the $1.5 million was provided by the Economic Development Administration, $300,000 for flood control from the TVA, $150,000 from the Appalachian Regional Commission which was funneled through the ASCS and the Soil Conservation Service, $110,000 provided by the Department of Highways, and $100,000 provided by the Southern Railroad System, and $52,000 loan from the Appalachian Power Co. and an REA co-op giving up 60 acres of valuable service area.

This started in 1967. We had one bureaucratic delay after the other. It finally became a reality on June 1, 1970.

This 210 acres of industrial land is located parallel to the Southern Railway System's main line and a four-lane Appalachian corridor highway partially completed.

On December 27, 1970, we had a $750,000 plant announcement providing 65 jobs.

Mr. Chairman, no sympathy to you and to the good city of Birmingham, but that plant was an expansion plant of a steel company in Birmingham, Ala., and will provide 65 highly skilled jobs.

The purest form of economic development as we are concerned in Virginia is gainful employment. We have really high unemployment. We have three very fine technical schools and are supporting some mighty fine young people which is the situation throughout Appalachia and most of rural America. We feel that this has been a success.

It would not be a reality today had not the Appalachian Commission officials here in Washington gone to bat for us. TVA could not get flood control money because it was tied up in the Bureau of the Budget and they were not sure when it would be available. EDA was not sure they had enough money in the budget for this particular fiscl year to do this.

Yet we had $350,000 of increased tax money on a thread, not a string. We have people who say it cannot be done. We say, OK, we will do it because the difficult things we do immediately and the impossible will take a little bit longer. We are getting ready to do the same thing in another community right now.

I want to conclude very hurriedly by talking about mine reclamation. The strip mine permits from the State Division of Mines of Virginia have doubled, better than doubled in the last 18 months. We have had one mine reclamation project. We have a very fine middle

elementary school in the city of Norton, Va., being built on a reclaimed strip mine.

We applied 2 weeks ago for another mine reclamation project for a 4-year State supported college which is in existence. Of course, it made it impossible because of the U.S. Bureau of Mines said the 25 percent of the project would have to be in cash. Well, we just do not have a lot of cash. If we had a lot of cash, we would not need the project to begin with, and in most cases this could make the difference between whether we can move in this direction or whether we cannot.

I understand that Congressman Evins has submitted a statement yesterday concerning a similar situation in the State of Tennessee. In the State of Virginia, a community, an incorporated town or community or county can only go in debt 18 percent of its assessed evaluation of all real estate within that incorporated community or county. Therefore, you can say they are bankrupt or they cannot go in debt any further. That is State law.

So in order to have a strip mine project and put up the money we have to have cash. All of our communities have public works departments. They have bulldozers and they have men. They have trucks. These are valuable assets. This college that we are talking about that has a ring stripped around it, they are already on the property.

They bought it after it was stripped and the Bureau of Mines says we cannot let that be allowable because you are already on it. All they wanted to do was count the value they paid for it.

Mr. Chairman, I would ask the committee to take a long look at this one particular portion of the act. I am sure it is going to be extended and I certainly hope it is going to be extended, this 205 portion of it. This is something that we are being stripped of. We are just going to choke to death in our own filth and debris.

The Commonwealth of Virginia has done very little about it, although I read in the press that the Congress here is talking about the strip mine law for the whole Nation. We would like to see the restrictions being presented by the U.S. Bureau of Mines loosened up somewhat.

Thank you very much for your attention.

Mr. JONES. Thank you very much.

One of the items you did not report on is what are your future plans for recreation. Now, you have the entrance there to Devil's Jump and the Wild River section not too far from you.

Mr. ROBINETTE. Sir, I think the greatest thing for recreation in Southwest Virginia is when U.S. 23 is completed from Interstate 64, Ashland, Ky., over to I–26 at Asheville, and we open up the Ohio Valley with the flat route and the eastern seaboard, as far as the Carolinas are concerned.

This is a natural and right now we are not only concerned we have 60 miles of the Appalachian corridor, U.S. 23, 30 miles is completed, and we are still waiting to see what happenes to the other 30 miles.

But we are also concerned about Kentucky from Jenkins down to Pikeville as Congressman Perkins mentioned this morning. We are also concerned about Tennessee.

I understand they are going to move rapidly on their portion. We are concerned about a little portion North Carolina has west of Asheville. This will be a natural. As far as recreatitonal planning, we are involved in that 100 percent.

Mr. SNYDER. You probably have some recreation in conjunction with some project other than Appalachian—perhaps, watershed projects and others.

Mr. ROBINETTE. We work pretty closely with TVA because we are located in the TVA watershed.

I would like to mention one thing about the junked cars. You are a man after my own heart when you talk about cleaning up. We are involved in this already. We have a construction division under separate authority that works under my supervision and under my board of directors. There is one thing we are going to have to do with Federal dollars that we have not done before.

We can pay for personnel and pay for planning studies and feasibility studies and do all this with Federal money and no questions asked. One of these days we are going to have to be able to buy a tractor and trailer and bulldozer and a sophisticated crusher for the cars.

Mr. JONES. Were you here yesterday when Governor Moore testified?

Mr. ROBINETTE. No, sir; I was not.

Mr. JONES. When Mr. Matthews was testifying I pointed out to him what they had been able to do in West Virginia. We will send you a memorandum that he is going to give to us on how he initiated a program in West Virginia.

Governor Moore was employing the National Guard, the State troopers and it sounded to me to be the most reasonable and the least costly and the most attractive way for eliciting local support than anything I have ever heard. Of course, what you are saying the former Commissioner, Federal co-chairman he talked to about maybe we have to go into a bounty operation. But let us pass it on to you and ask you to comment on it later.

Mr. Snyder?

Mr. SNYDER. You make reference in your statement as did the gentleman before you to the construction, in your instance, of three critically needed technical vocational schools, and you mention in your statement that these schools would be otherwise unobtainable.

Again, by way of justification, I would be interested in knowing if you have statistics with you, and if not with you, would you submit them for filing with your statement as to the actual operation of these three technical vocational schools. The number of students that you are training for, what the employment ratio is of the unemployed that go into the underemployed and how they are being upgraded.

In other words, the building of a vocational school of itself, in my opinion, does not justify the program unless it is productive. If you could give us some statistics it will be very helpful.

Mr. ROBINETTE. Well, we are running two-shift schools like Mr. Matthews referred to. We have three. We will have one in each county. We are fortunate to have the largest one in the State in Wise County. It has two shifts. It runs 418 regular students and 180 adults during

the day and 430 regular students and 130 adults in the evening hours. That is from 3 to 10, I believe they run. I do not have it for the other two, but I will get it for you.

Mr. SNYDER. Are most of the 418 during the day and 180 at night unemployed?

Mr. ROBINETTE. Yes. They give the high school students themselves a half day, and this is what they call training, and they give them credit for it.

The 180 that is your manpower and training and so forth that they are running on what they call the evening shift and these are unemployed people.

Mr. SNYDER. Are you training them specifically for a type of work that will be available when they are through?

Mr. ROBINETTE. Yes, sir; but at the present time we are having difficulty, and therefore we are supporting a lot of these people. We have one of the few mine machinery mechanics classes and these were running about 40 men and they run them for about 16 weeks and they have it already built up for 18 months or so, I mean, the coal companies say they want 10. I say you can have them in July.

Mr. SNYDER. In other words, you are training these people for jobs when they graduate, and you are putting them into jobs?

Mr. ROBINETTE. Most of the men have a job before they enroll in class. The coal companies tell them you go to school for 16 weeks and the personnel officer employs them right on the spot.

Mr. SNYDER. But they could not get the job if they did not have the promise of training?

Mr. ROBINETTE. We have a lot of underemployment. We have boys with 2 years of college driving dump trucks. We have had a 2-year institution for about 10 years, and it is just now going 4 years, but these people are underemployed because they refuse to leave their native land, Mr. Chairman. These people refuse to go to Detroit and Washington and St. Louis and all the other cities.

Of course, you have heard this many times that if we can be successful in keeping these young people in Appalachia, they will not be costing the Government all this exorbitant amount of money that it takes to keep them in the city. And this is what happens.

They would rather be in the mountains rather than a metropolitan area. I can speak from the voice of experience. I left and then I returned.

Mr. SNYDER. I imagine the schools do keep some statistics.

Mr. ROBINETTE. Yes, they are required to do so and they have employment records and the whole works, and try to follow up to see just how many are unemployed, how many did not stay in the welding field if that was their field, and so forth. I can get this and I will submit it as part of my statement.

(Statistics requested on the three-county vocational education schools are as follows:)

VOCATIONAL EDUCATION SCHOOLS

Wise County:
13 areas of study—enrollment as follows:
High school students 656
MDTA (Manpower Development Training Act) adult students 192
Youths disadvantaged and dropouts (these students are in a special program receiving instruction in English and math, along with other programs) 160
Scott County:
10 areas of study—enrollment as follows:
High school students 320
MDTA adult students 114
Youth disadvantaged and dropouts (these students are in special training in 8 areas of study) 144
Lee County:
13 areas of study—enrollment as follows:
High school students 547
MDTA (no adult program) .....
Neighborhood youth corps dropouts (approximate) 120

Mr. JONES. Thank you very much, Mr. Robinette. I can sense that the planning is in good hands as long as it is with you.

Mr. ROBINETTE. Thank you, sir.

Mr. JONES. Our next witness is Mr. William S. Ritchie, Jr., Commissioner, Department of Highways, Charleston, W. Va.

Mr. Ritchie, it is good to have you, sir. You have been mighty patient, so we want you to have all the time that you need, sir.

STATEMENT OF WILLIAM S. RITCHIE, JR., COMMISSIONER OF HIGHWAYS, WEST VIRGINIA DEPARTMENT OF HIGHWAYS

Mr. RITCHIE. Mr. Chairman and members of the committee, for the record, I am William S. Ritchie, Jr., Commissioner of Highways for the State of West Virginia.

I am accompanied here today by one member of my staff.

I am pleased to have been invited to testify before this Subcommittee on Public Works on the subject of the Appalachian highway program.

Our future progress in West Virginia depends primarily on the development of high-speed highway transportation facilities. The Appalachian highways are a vital element in the transportation system planned for our State.

In terms of both dollar investment and resulting benefits, the major program of the Appalachian Regional Development Act is the highway program. Being the only State to lie wholly within the Appalachian region, it is only to be expected that a significant portion of the highway system would be assigned to West Virginia. Four hundred and twenty miles of Appalachian highways have been authorized for West Virginia. This mileage has been assigned to six separate corridors ranging from 26 miles to 130 miles in length. The total cost of our Appalachian highways will approximate $875 million.

The necessity for these highways has been stated many times. One of the most important (if not the most important) factors in any State's development is the type and quality of highways it has. Businessmen rely on highways to transport raw materials and finished goods. Without adequate roads, this essential task becomes very difficult.

In West Virginia, as well as in the entire Appalachian region, low population combined with high construction costs because of the rough terrain have caused this area to lag behind the other sections of the country in terms of highway facilities.

However, in West Virginia, highways have been undergoing tremendous improvement during recent years. The State is now constructing the 515-mile Interstate System on an accelerated basis. The 420-mile Appalachian system of high-speed highways connecting rural, less well-developed, areas of West Virginia to the Interstate System is showing rapid progress.

The result of this major effort in highway construction will be to link our State with national markets and thus help us to be more competitive in attracting and holding new economic enterprise. We have already seen evidence of this very thing. Eight of our industrial access road projects have been programed for new industry located near our Appalachian highway system.

The improved mobility of our own labor force will open up more job opportunities for our people when this highway program is completed.

Many industrial, commercial, recreational and service sites are being opened up for development as a result of these highways.

The citizens of our State want these new roads. In fact, they expressed their wishes with a resounding two to one vote in favor of a $350 million bond issue in 1968. This bond issue was sold to our people on the basis that the Federal funds for the Appalachian program would become available, and therefore State funds must be made available to provide the State's matching share of the Appalachian highway cost.

We would be unable to utilize our bond proceeds without the Appalachian Regional Commission road funds being available. This vote was just 4 years after our people voted to pass a $200 million bond issue to be used primarily for Interstate matching funds.

West Virginia's performance to date insofar as Appalachian highways are concerned can be summarized as follows:

1. Today, we lead the Appalachian States in terms of construction. We have 100 miles under construction and have obligated approximately $300 million in Federal and State funds toward the construction of Appalachian highways.

2. We are making rapid progress toward completing the first east-west expressway across northern West Virginia. A continuous stretch of 65 miles along Appalachian Corridor "D" will be opened later this year. This one section will cut travel time between two of four larger cities in half.

3. In the 5 years of the program thus far, Federal funds in the amount of $200 million have been allocated to West Virginia for Appalachian highways. Without the Appalachian Program it would have taken over 30 years for our State to have received that amount of Federal funds under the regular Federal-aid (ABC) program method of financing.

As much as it means to our State, however, there is a major problem concerning the Appalachian program which deserves serious consideration. Namely, the problem is that the present termination date

of the program is June 30, 1971, and it appears that much of the program will be left undone if the Appalachian Act does in fact expire on that date.

Under existing funding provisions, West Virginia is assured $290 million to finance the Federal share of the Appalachian Highway Program. To date, we have received $200 million. Federal funds are matched with State funds on an overall ratio of 55 percent Federal—45 percent State. I have mentioned that the total cost of our highway program will approximate $875 million.

Therefore, in order to complete our entire Appalachian System to the standards deemed necessary, West Virginia would need a total of approximately $480 million in Federal funds. This means an additional Federal allocation of approximately $190 million is needed to complete the system.

The alternative to completing the Applachian Highway System would be, of course, to not finish the program as envisioned. The result would be not an Applachian Highway System but a series of road improvements which, in many cases, would be unrelated and in some instances unusable. The foundation of the Applachian program would not be completed. The dreams and hopes of millions of people in our region could very well remain dreams and hopes.

Therefore, I urge you to strongly consider an extension of the Applachian program so that the full and rewarding benefits of our significant efforts to date can be realized for the people of Appalachia.

In summary, the progress to date in West Virginia's Appalachian highway program has been impressive. Economic and growth benefits have already occurred in our State. The program is vital to our future as a State and as a region. Continuation of this country's greatest public works projects is a necessity to fulfill the unlimited potential of the Appalachian program.

Mr. JONES. When you say this bond issue was sold to our people on the basis of the funds becoming available, you had thoughts of anticipating Appalachian funds through 1973, is that right?

Mr. RITCHIE. Yes, sir.

Mr. JONES. So what you taking into account, how much money you would have under the Appalachian portion of funds for highway use in the State of West Virginia so that you could then make your bond money available for all other highway construction?

Mr. RITCHIE. Yes, sir.

Mr. JONES. And it was not predicated that you would get so much money from Appalachia that you were trying to match it. You were trying to get money to match the other funds that were available under the ABC road program.

Mr. RITCHIE. Yes, sir; but the bond fund was mainly for the Appalachian development.

Mr. JONES. That took that into account and the credit that you did not get, your bond values would deteriorate.

Mr. RITCHIE. Yes, sir; that is right.

Mr. JONES. Let me ask you this question. How soon, what you mean here is that even though the highway program under Appalachia goes to 1973, the other programs have to be concurrent with your highway programs.

Mr. RITCHIE. That is right; yes, sir.

Mr. JONES. Thank you very much, Mr. Ritchie.

Any questions?

Mr. SNYDER. No questions, but I would like to commend Mr. Ritchie on his statement.

Mr. JONES. Again I thank you.

This concludes the schedule of witnesses, the 3 days of hearings, and I do not recall since I have been a member either of the committee or chairman of a subcommittee that we have had such splendid and well-informed witnesses as we have had during the past 3 days. It has been a wonderful experience for us. We have gained knowledge, information, and I hope proper direction to continue a program that has contributed to the health and well-being of this area.

The Chair will again ask unanimous consent to request that he may receive statements, documents, and other material that is pertinent and germane to the subject that we have been hearing here for the last 3 days.

The subcommittee stands adjourned.

(Whereupon, at 3:30 p.m., the subcommittee adjourned.)

(The following were received for the record:)

THE COMMISSION ON RELIGION IN APPALACHIA, INC.

KNOXVILLE, TENN., *March 13, 1971.*

HON. JOHN A. BLATNIK,
Chairman, Committee on Public Works, House of Representatives, Rayburn Office Building, Washington, D.C.

DEAR CONGRESSMAN BLATNIK: I am writing to submit a statement of testimony to the House Committee on Public Works and the Ad Hoc Subcommittee on Appalachia regarding the extension of the Appalachian Regional Development Act, at the request of Congressman John J. Duncan. This statement is submitted by The Commission on Religion in Appalachia (CORA), a consortium of seventeen religious communions, ten state councils of churches, the National Catholic Rural Life Conference, and the National Lutheran Council.

The Board of Directors of CORA, meeting February 1 and 2 in Knoxville, Tennessee, voted to submit to your committee and other appropriate persons a statement of their concern that Congress continue its efforts to deal with the urgent problems and deep human need which persists in Appalachia. The Appalachian Regional Development Act of 1965 brought new hope to the mountains. There is still a tremendous job to be done. It would be tragic for the 18 million people living in this region, often referred to as "America's longest slum," if this program were discontinued.

Sincerely yours,

The Reverend MAX E. GLENN,
Executive Director.

STATEMENT OF THE COMMISSION ON RELIGION IN APPALACHIA

The Commission on Religion in Appalachia (CORA) is a consortium of seventeen religious communions, ten state councils of churches and five other religious and social organizations working together to develop joint-action-in-mission that is relevant to the region's needs because it is indigenous, innovative and ecumenical. The goals are to build community and to combat poverty in Appalachia—and through joint action in this twin mission, to help renew the church. (A full roster of the member organizations of CORA is appended to this statement.)

The Commission, which is the policy making and controlling body of CORA is composed of approximately 90 delegated representatives of the several member organizations. Interim responsibility for administrative oversight is lodged in a Board of Directors of twelve elected by the Commission.

In submitting this statement, CORA speaks only for itself. The views expressed are not necessarily held in their entirety by all or any of the member organizations. They do represent the thoughtful views of churchmen—clergy and laymen—deeply involved in responsible institutions at work in Appalachia.

CORA'S RELATIONS WITH ARC

CORA was organized late in 1966 but became really operative following the employment of an executive director, Rev. Max E. Glenn, in mid-1968. During the intervening months and years CORA has established and maintained numerous functional relations with the Appalachian Regional Commission. Members of the ARC staff have served frequently in a consultative capacity to CORA committees and task forces. They have participated in consultations on social and economic problems of the region sponsored by CORA. Constant communication has been maintained between staff of CORA and staff of ARC at both formal and informal levels.

In addition to these various direct lines of relationship, CORA has been in a particularly advantageous position to observe at first-hand the programs and the impact of ARC in the region, through CORA's work with local people, its multiplicity of contacts with the state councils of churches, the denominations, their judiciatories, local congregations, and mission institutions scattered throughout the region.

We believe that this range and variety of contacts and relationships qualifies CORA to offer certain evaluative comments at this time when the future of ARC is being considered by Congress.

GENERAL EVALUATION OF ARC

Although CORA has disagreed with ARC on certain details of policy and on certain aspects of its program emphasis, we desire to record, as our first comment, a strong affirmation of the generally beneficial impact of the ARDA and ARC upon the Appalachian region, its state and local governmental structures and its people.

We strongly support the extension of the Appalachian Regional Development Act and the continuation of the life of the Appalachian Regional Commission, subject to certain modifications of which we will speak in more detail at a later point in this paper and in subsequent communications to the Committee.

Specifically, we reject as inadequate the proposal that revenue sharing programs with the states would displace the need of the regional commission approach to these problems. There are important and innovative aspects of the federal-state-local inter-relationships inherent in the ARC model which would be wholly lost to the serious detriment of the Appalachian region if federal aid were to be transferred to the states either by way of undesignated block grants or in terms of categorical grants for rural development, urban development and the like.

ARC has pioneered in the field of federal-state relations in a significant way. There are doubtless weaknesses in the model which need to be overcome, but its contributions during its first six years of life hold sufficient promise to justify continuation of the Commission and of its experimentation in this very important field.

Moreover, we are fearful that the massive economic and human developmental needs of Appalachia, so long neglected until the birth of ARC, would once again be lost from view in a system of revenue-sharing which allocated federal money to whole states and municipalities. History documents the fact that prior to the establishment of the ARDA, these areas were largely ignored resulting in sub-standard educational systems, medical facilities, social services and economic opportunities. As we all know, Appalachia except in the case of West Virginia, consists of portions of the several states. Its needs are distinctive and enormous. It would be politically impossible for states administering block grants from the federal government to weight their allocations adequately to the Appalchian portions of their respective territories. The interaction of federal and state decision-making provided in the ARDA is essential if the severe needs of Appalachia are to be met.

SOME FURTHER COMMENTS

We mentioned above that we might wish to submit certain proposals for modification of ARC. We are not yet ready to make such a submission in detail. CORA is planning to hold, in the near future, at least two consultations in the region designed to provide opportunity for religious leadership and others to express their views as to the strengths and weakresses of ARC and its program.

We would hope, following such hearings, to be in position to submit to ARC, to the appropriate committees of the Congress, and to the Administration our more specific recommendations for modification of the ARDA.

Recognizing the time pressure under which your Committee is working, however, we will set forth at this time in rather general terms two or three of our most basic concerns.

Human Resource Development.—The Christian concern is with people. The aim of the churches is the fulfillment of whole persons in community. This is the goal of CORA and it is the ultimate yardstick by which we judge the activities of economic, social and governmental institutions.

In our judgment ARC in its early stages was too much oriented to the "brick-and-mortar" concept of development and insufficiently sensitive to the needs of Appalachia for human development. We understand some of the historic and political factors which bent the agency in this direction and we accept the fact of history. We are not interested in engaging in recriminations over what might have been. Especially so, inasmuch as we hear much rhetoric and see some solid evidence that the agency is already seeking ways to move toward greater emphasis on the human factors in total regional development.

We recognize that when the original ARDA was passed, the Congress assumed that many of the human developmental services needed in Appalachia and elsewhere were soon to be provided by the new Office of Economic Opportunity. In view of the tragic short-fall of that agency as measured against the need of the region, and in view of the apparent winding down of OEO, the importance of human development as a function of ARC becomes increasingly important.

Our plea to the Congress as it renews the ARDA and our plea to ARC as it implements whatever legislation is passed is that maximum emphasis be placed on programs of comprehensive and preventive health services, education (basic, general and vocational), housing, welfare, environmental protection and similar person-fulfilling and community-enriching activities.

Distribution of benefits.—Another basic compulsion within the Christian community is the demand for justice. This a complex and difficult matter, but it must be considered in designing a developmental program. In this respect, we have two problems as we review ARC policy and program.

One has to do with the heavy emphasis on "growth centers." We understand the economic appeal of the growth center concept. We are also painfully aware of the injustices which may be perpetrated on many thousands of families in the region who reside outside the growth centers if this concept is too rigidly applied.

We suggest that the Congress and the ARC in future search for a pattern of economic development which defines "areas for development" in such a manner that no part of the region will be left out. Such areas of development may well be mapped around certain population centers where industrial activity is maximized and where certain social services are provided—but the area maps should be so drawn that no neighborhood, no hollow, no ridge community is excluded from the coverage of the developmental program. Care should be taken to provide services and development programs in the style and timing of low-income people in isolated mountain communities, geared to their natural resources and native abilities, the culture of the people in the hollows of Appalachia have strengths that must be the starting point of any efforts to help them help themselves.

We believe, incidentally, that the churches can and should be instrumental in developing the area consciousness on the part of the people and the area sensitivity on the part of the planners which the success of this model will require.

Our second concern regarding distribution of benefits from ARC activity has to do with the tendency of economic stimulation to produce patterns of economic activity which increase the flow of benefits to those who are already faring well while at the same time doing little or nothing for the hard-core poor of the region. Granted that this effect is hard to avoid in the type of economy which is prevalent and favored in this country, nevertheless, we call upon the Congress and the ARC to seek ways in which the economic benefits of development as well as the social services provided by public agencies may be dispersed to all the people with justice and equity. We suggest that attention needs to be given to patterns of ownership of resources and of productive enterprises, to wage scales and labor organization, to cooperative forms of

enterprise, to prevention of exploitation of the region by outside forces, and the like.

In short, let us avoid repeating in further development of Appalachia the old and tired tactic of redevelopment programs which benefit others than the target groups.

People participation.—In recent years the churches are discovering with new sensitivity the importance of self-determination of people as basic to human fulfillment as taught in our gospel. We have been deeply troubled at the apparent inability of local development districts, which are an integral part of the federal-state-local administrative system of ARC, to include meaningful representation of the poor on their boards of control.

We believe that such representation would go far to protect the system against the dangers and weaknesses alluded to in the preceding paragraphs. More importantly, we insist that such representation is right and necessary as the effective means of implementing the concept of self-determination.

The facts are that elected county officials are by and large drawn from the middle class, committed to the middle class way of life, and responsive to middle class interests and pressures. Poor people and minority group people must have their own countervailing voice in the LDD if it is ever to really serve their needs and their rights as whole persons.

CONCLUSION

This concludes our comments for the present. We express the appreciation of CORA for the opportunity to convey to the Committee these general views regarding the extension and modification of the Appalachian Regional Development Act and the Appalachian Regional Commission. We would welcome an opportunity to submit more detailed comments and suggestions at a later date.

THE COMMISSION ON RELIGION IN APPALACHIA

American Baptist Convention
American Lutheran Church
Christian Church (Disciples of Christ)
Church of the Brethren
Church of God
Episcopal Church
Friends United Meeting
Home Mission Board, South Baptist Convention
Lutheran Church in America
Lutheran Church—Missouri Synod
Mennonite Central Committee
Presbyterian Church, U.S.
Reformed Church in America
Roman Catholic Church
United Church of Christ
United Methodist Church
United Presbyterian Church, U.S.A.
Alabama Council of Churches
Georgia Council of Churches
Kentucky Council of Churches
Maryland Council of Churches
New York State Council of Churches
North Carolina Council of Churches
Ohio Council of Churches
Pennsylvania Council of Churches
Tennessee Council of Churches
Virginia Council of Churches
West Virginia Council of Churches
The Council of the Southern Mountains, Inc.
National Council of Churches
National Catholic Rural Life Conference
Lutheran Council in the U.S.A.

STATEMENT OF STANLEY L. NALE, PH. D., ADMINISTRATIVE DIRECTOR, MENTAL HEALTH CENTER, WESTERN CAROLINA UNIVERSITY, CULLOWHEE, N.C.

Mr. Chairman, I appreciate this opportunity to submit a statement to your Committee concerning the Appalachian Regional Development Program and what it has meant to our Mental Health Center, at Western Carolina University. I regret that my health does not permit me to appear before the Committee in person.

I am the Administrative Director of the Mental Health Center, Western Carolina University, Cullowhee, North Carolina. This Mental Health Center serves the residents of the seven western-most counties of the State of North Carolina. All of these counties are in the Appalachian Region. Within this area live members of the Eastern Band of the Cherokee nation, and our Center also provides services for this often forgotten group.

Our Center also serves the University community in and around Cullowhee. Our program is owned by the counties and the Tribal Council, but the Joint Local Mental Health Authority annually contracts with the University for its operation.

The entire project at the Mental Health Center would have been scrapped if the Appalachian Regional Commission had not provided money and consultative support. Approximately one-fifth of the necessary funds for the construction of the on-campus Center came to us through the ARC.

The Mental Health Center was able to offer comprehensive services when the new building opened two years ago, and new programs have provided new care-givers, paraprofessionals and volunteers. As a result, the costs per patient hour of the services provided continues to decrease. This new Center has resulted in a significant reduction of costs per hour of services and has enabled our staff to provide many more hours of needed services. The new Center has also helped us deliver more effectively itinerant and satellite services because of our increased efficiency. In all, our program of services has been able to increase its coverage because of this new Mental Health Center on the campus of Western Carolina University. As I said before, without the Commission, we might never have been able to build this Center.

While the Commission did furnish us with funds which made our construction project possible, I do not mean to imply that this is the only benefit which we see in the program. I am impressed by the way in which the Appalachian Program works. Members of the Appalachian Regional Commission are interested in us and the things that we do and the things that we are trying to do. They are "tuned" to our needs and their accessibility enhances our ability to continue to reach up into the hollows and provide services that were never provided before to those isolated people. The Appalachian Program provides an open door and hope and encouragement for future growth and development.

Summing up, then, our Mental Health Center now provides more services of higher quality at a smaller cost per unit then was the case before we constructed our new facility. This is improving the quality of life in our portion of the Appalachian Region. It is my opinion that the entire project would have failed and our Clinic doors would have closed if the Appalachian Regional Commission had not come to our rescue.

I appreciate the opportunity to submit this statement and I invite all of the members of this Committee, and all other members of Congress, to visit with us in Cullowhee and see firsthand the work we are doing, the services we are providing, the hope we are bringing to the people in the area, and I think you will be convinced that this has been a great improvement in our Region and you will understand more why I believe the Appalachian Program should continue.

MONTGOMERY, ALA., *March 15, 1971.*

HON. ROBERT E. JONES,
House of Representatives,
House Office Building,
Washington, D.C.:

Appalachian program has been very successful in Alabama and we hope that Congress and the President will pass and approve legislation which will continue this important work. I will be glad to furnish you any information needed on the work successfully accomplished in Alabama under program.

GUERRY PRUETT,
Highway Director.

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