

Y4  
.L 11/2  
Em 3/2

1043

9214  
L 11/2  
Em 3/2

# EMERGENCY EMPLOYMENT ACT OF 1971

GOVERNMENT  
Storage

DOCUMENTS

PR 1 2 1971

## HEARINGS

THE LIBRARY  
KANSAS STATE UNIVERSITY

BEFORE THE

SUBCOMMITTEE ON  
EMPLOYMENT, MANPOWER, AND POVERTY

OF THE

COMMITTEE ON  
LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

NINETY-SECOND CONGRESS

FIRST SESSION

ON

**S. 31**

TO PROVIDE DURING TIMES OF HIGH UNEMPLOYMENT FOR  
PROGRAMS OF PUBLIC SERVICE EMPLOYMENT FOR UN-  
EMPLOYED PERSONS, TO ASSIST STATES AND LOCAL  
COMMUNITIES IN PROVIDING NEEDED PUBLIC SERVICES,  
AND FOR OTHER PURPOSES

FEBRUARY 8, 17, 23, AND 24, 1971

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



U.S. GOVERNMENT PRINTING OFFICE

58-148 O

WASHINGTON : 1971

COMMITTEE ON LABOR AND PUBLIC WELFARE

HARRISON A. WILLIAMS, Jr., New Jersey, *Chairman*

JENNINGS RANDOLPH, West Virginia	JACOB K. JAVITS, New York
CLAIBORNE PELL, Rhode Island	WINSTON L. PROUTY, Vermont
EDWARD M. KENNEDY, Massachusetts	PETER H. DOMINICK, Colorado
GAYLORD NELSON, Wisconsin	RICHARD S. SCHWEIKER, Pennsylvania
WALTER F. MONDALE, Minnesota	BOB PACKWOOD, Oregon
THOMAS F. EAGLETON, Missouri	ROBERT TAFT, Jr., Ohio
ALAN CRANSTON, California	J. GLENN BEALL, Jr., Maryland
HAROLD E. HUGHES, Iowa	
ADLAI E. STEVENSON III, Illinois	

STEWART E. MCCLURE, *Staff Director*

ROBERT E. NAGLE, *General Counsel*

ROY H. MILLENSON, *Minority Staff Director*

EUGENE MITTELMAN, *Minority Counsel*

---

SUBCOMMITTEE ON EMPLOYMENT, MANPOWER, AND POVERTY

GAYLORD NELSON, Wisconsin, *Chairman*

EDWARD M. KENNEDY, Massachusetts	RICHARD S. SCHWEIKER, Pennsylvania
WALTER F. MONDALE, Minnesota	JACOB K. JAVITS, New York
ALAN CRANSTON, California	WINSTON L. PROUTY, Vermont
HAROLD E. HUGHES, Iowa	PETER H. DOMINICK, Colorado
ADLAI E. STEVENSON III, Illinois	ROBERT TAFT, Jr., Ohio
JENNINGS RANDOLPH, West Virginia	

WILLIAM R. BECHTEL, *Professional Staff Member*

JOHN K. SCALES, *Minority Counsel*

# CONTENTS

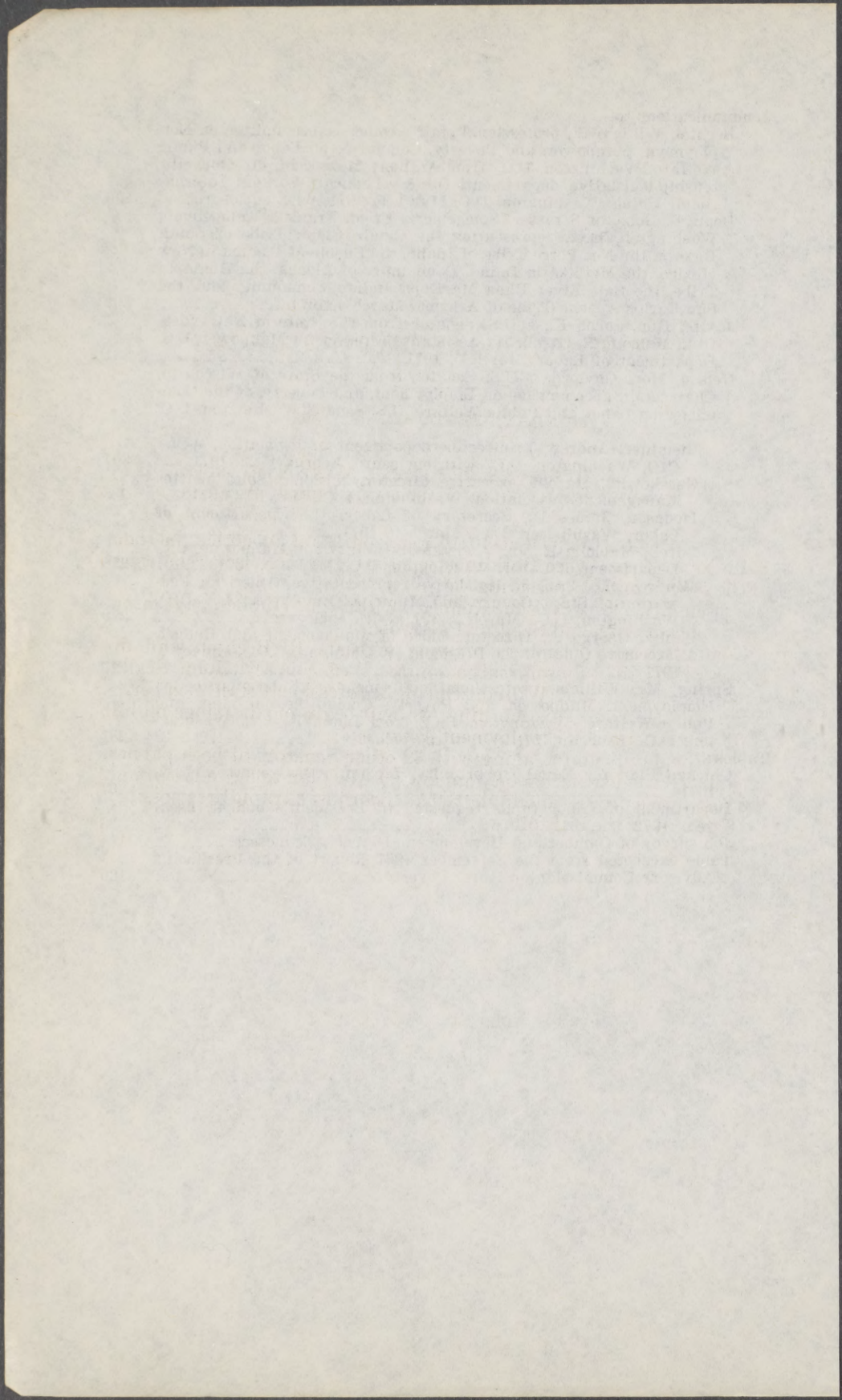
	Page
S. 31, text of-----	2
MONDAY, FEBRUARY 8, 1971	
Magnuson, Hon. Warren G., a U.S. Senator from the State of Washington--	28
U.S. Conference of Mayors Legislative Committee, panel of members:	
Lindsay, Hon. John, mayor of the city of New York, chairman of the legislative committee of the conference-----	31
Tate, Hon. James H. T., mayor of the city of Philadelphia, Pa-----	33
Uhlman, Hon. Wesley C., mayor of the city of Seattle, Wash-----	41
Alioto, Hon. Joseph, mayor of the city of San Francisco, Calif-----	53
Burke, Hon. Frank, mayor of the city of Louisville, Ky-----	61
D'Alesandro, Hon. Thomas, mayor of the city of Baltimore, Md-----	62
Daley, Hon. Richard, mayor of the city of Chicago, Ill-----	63
Driggs, Hon. John D., mayor of the city of Phoenix, Ariz-----	68
Massell, Hon. Sam, mayor of the city of Atlanta, Ga-----	90
WEDNESDAY, FEBRUARY 17, 1971	
Spellman, John, King County executive, Seattle, Wash.; Robert FitzPat- rick, chairman, Wayne County Board of Commissioners, Detroit, Mich.; and John Mulroy, Onandaga County executive, Syracuse, N.Y., repre- senting National Association of Counties-----	105
Barton, Weldon V., assistant director of legislative services, National Farmers Union-----	164
Ingram, Clifford, executive director, the L.B.J. & C. Development Corp., Monterey, Tenn-----	170
TUESDAY, FEBRUARY 23, 1971	
Hodgson, Hon. James D., Secretary of Labor, accompanied by Malcolm R. Lovell, Jr., Assistant Secretary for Manpower-----	208
WEDNESDAY, FEBRUARY 24, 1971	
Stokes, Hon. Louis, of Ohio; Hon. Ron Dellums, of California, and Hon. Parren Mitchell, of Maryland, Representatives in Congress of the United States-----	241
Gilligan, Hon. John, Governor of the State of Ohio; also David Sweet, di- rector, department of development-----	256
West, Hon. John C., Governor of the State of South Carolina, and James E. Clyburn, assistant to the Governor for Human Resources Develop- ment-----	259
Sargent, Hon. Francis W., Governor of the State of Massachusetts----	270
Hart, Hon. Philip, a U.S. Senator from the State of Michigan-----	277
STATEMENTS	
AFL-CIO Executive Council on Public Service Employment, Bal Har- bour, Fla., February 18, 1971-----	305
Alioto, Hon. Joseph, mayor of the city of San Francisco, Calif-----	53
Prepared statement-----	55
American Federation of State, County, and Municipal Employees, AFL- CIO, prepared statement-----	280

	Page
Barton, Weldon V., assistant director of legislative services, National Farmers Union-----	164
Burke, Hon. Frank, mayor of the city of Louisville, Ky-----	61
D'Alesandro, Hon. Thomas, mayor of the city of Baltimore, Md-----	62
Daley, Hon. Richard, mayor of the city of Chicago, Ill-----	63
Driggs, Hon. John D., mayor of the city of Phoenix, Ariz-----	68
Prepared statement-----	69
Gilligan, Hon. John, Governor of the State of Ohio; also David Sweet, director, department of development-----	256
Hart, Hon. Philip, a U.S. Senator from the State of Michigan-----	277
Hodgson, Hon. James D., Secretary of Labor, accompanied by Malcolm R. Lovell, Jr., Assistant Secretary for Manpower-----	208
Ingram, Clifford, executive director, the L.B.J. & C. Development Corp., Monterey, Tenn-----	170
Javits, Hon. Jacob K., a U.S. Senator from the State of New York, prepared statement-----	23
Lindsay, Hon. John, mayor of the city of New York, chairman of the legislative committee of the conference-----	31
Magnuson, Hon. Warren G., a U.S. Senator from the State of Washington-----	28
Massell, Hon. Sam, mayor of the city of Atlanta, Ga-----	90
Mazzocchi, Anthony, citizenship-legislative director, Oil, Chemical & Atomic Workers International Union-----	297
National Recreation and Park Association, Washington, D.C., prepared statement, with attachments-----	288
Sargent, Hon. Francis W., Governor of the State of Massachusetts-----	270
Prepared statement-----	273
Spellman, John, King County executive, Seattle, Wash.; Robert Fitzpatrick, chairman, Wayne County Board of Commissioners, Detroit, Mich.; and John Mulroy, Onandaga County executive, Syracuse, N.Y., representing National Association of Counties-----	105
Prepared statement-----	111
Stokes, Hon. Louis, of Ohio; Hon. Ron Dellums of California, and Hon. Parren Mitchell of Maryland, Representatives in Congress of the United States-----	241
Tate, Hon. James H. T., mayor of the city of Philadelphia, Pa-----	33
Prepared statement-----	36
Uhlman, Hon. Wesley C., mayor of the city of Seattle, Wash-----	41
West, Hon. John C., Governor of the State of South Carolina, and James E. Clyburn, assistant to the Governor for human resources development-----	259
Prepared statement-----	263

#### ADDITIONAL INFORMATION

Articles and publications, etc.:	
Evaluation Committee report of Tennessee rural concentrated employment program-----	180
"Manpower Review, Syracuse," published by the Department of Labor, Division of Employment, State of New York, January 1971-----	153
"Mayors Urge Public Service Jobs Legislation," release from the National League of Cities, U.S. Conference of Mayors, February 8, 1971-----	51
Operation Mainstream in Tennessee, data on-----	235
Proposal for a King County, Wash., manpower program-----	119
"Unemployment and Public Assistance Data Base," by Joseph L. McGavick, from King County executive's office, King County Court House, Seattle, Wash-----	125
Charts:	
Overview of the current unemployment and economic problems in the Seattle SMSA-----	47
Persons receiving food stamps, Seattle, Wash-----	49
Total unemployment, Seattle SMSA-----	50
Unemployment rate, Seattle SMSA, adjusted-----	48

Communications to—	Page
Bechtel, William R., professional staff member, subcommittee on Employment, Manpower, and Poverty, Committee on Labor and Public Welfare, Washington, D.C., from Anthony Mazzocchi, director, citizenship-legislative department, Oil & Chemical Workers International Union, Washington, D.C. March 5, 1971, with enclosure-----	296
Dean, S. Bobo, of Strasser, Spiegelberg, Fried, Frank & Kampelman, Washington, D.C., representing the Oglala Sioux Tribe of South Dakota, the Nez Perce Tribe of Idaho, the Pueblo of Laguna in New Mexico, the Metlakatla Indian Community of Alaska, the Hualapai Tribe, the Salt River Pima Maricopa Indian Community and, the San Carlos Apache Tribe of Arizona, March 4, 1971-----	302
Javits, Hon. Jacob K., a U.S. Senator from the State of New York, from Malcolm R. Lovell, Jr., Assistant Secretary for Manpower, U.S. Department of Labor, March 5, 1971-----	231
Nelson, Hon. Gaylord, a U.S. Senator from the State of Wisconsin, Chairman, Subcommittee on Employment, and Poverty, of the Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C. from—	
Biemiller, Andrew J., director, department of legislation, AFL-CIO, Washington, D.C., with enclosure, February 22, 1971-----	304
Gershowitz, Harold, executive director, National Solid Wastes Management Association, Washington, D.C., March 5, 1971-----	285
Hodgson, James D., Secretary of Labor, U.S. Department of Labor, Washington, D.C., March 9, 1971-----	238
Lovell, Malcolm R., Jr., Assistant Secretary for Manpower, U.S. Department of Labor, Washington, D.C., March 5, 1971-----	228
Minarchenko, Paul J., legislative representative, American Federation of State, County, and Municipal Employees, AFL-CIO, Washington, D.C., March 2, 1971, with enclosure-----	279
Shultz, George F., Director, Office of Management and Budget, Executive Office of the President, Washington, D.C., January 2, 1971 -----	219
Spring, Mr. William, professional staff member, Subcommittee on Employment, Manpower, and Poverty, Committee on Labor and Public Welfare, Washington, D.C., from Linda K. Lee, Washington, D.C., February 17, 1971, with enclosure-----	287
Tables :	
Chicago Plan for Equal Opportunity, Inc., progress report, Feb. 2, 1971 -----	67
Department of Labor funds requested in President's budget, fiscal year 1972 -----	26
Job survey of Cumberland Development District, Tennessee-----	174
Table excerpted from the September 1967 Report of the President's Advisory Commission on Rural Poverty-----	166



## EMERGENCY EMPLOYMENT ACT OF 1971

MONDAY, FEBRUARY 8, 1971

U.S. SENATE,  
SUBCOMMITTEE ON EMPLOYMENT, MANPOWER, AND  
POVERTY OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,  
*Washington, D.C.*

The subcommittee met at 10:10 a.m., pursuant to notice, in room 1318, New Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson, Kennedy, Cranston, Hughes, Stevenson, Schweiker, Javits, and Senator Packwood.

Committee staff members present: William R. Bechtel, staff director; Richard Johnson, subcommittee staff counsel; John Scales, minority counsel, and William Spring, professional staff member.

Senator NELSON. This morning, we will begin our hearings on bill S. 31, the Emergency Employment Act of 1971.

Senator Javits and I, along with 32 other Senators of both parties, introduced the legislation on January 26. We plan to move it through the committee process and to the Senate floor just as rapidly as possible.

(The text of the bill follows:)

(1)

92D CONGRESS  
1ST SESSION

# S. 31

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1971

Mr. NELSON (for himself, Mr. BAYH, Mr. BELLMON, Mr. BROOKE, Mr. BYRD of West Virginia, Mr. CASE, Mr. CRANSTON, Mr. EAGLETON, Mr. GRAVEL, Mr. HARRIS, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HUGHES, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. MCGOVERN, Mr. MAGNUSON, Mr. MATHIAS, Mr. MONDALE, Mr. MONTOYA, Mr. MUSKIE, Mr. PEARSON, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. SCHWEIKER, Mr. SCOTT, Mr. STEVENSON, Mr. TUNNEY, and Mr. WILLIAMS) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

---

## A BILL

To provide during times of high unemployment for programs of public service employment for unemployed persons, to assist States and local communities in providing needed public services, and for other purposes.

- 1        *Be it enacted by the Senate and House of Representa-*  
 2        *tives of the United States of America in Congress assembled,*  
 3        That this Act may be cited as the "Emergency Employment  
 4        Act of 1971".

5                                STATEMENT OF FINDINGS AND PURPOSE

6                SEC. 2. The Congress finds and declares that—

- 7                                (1) there are great unfilled public needs in such

1 fields as environmental quality, health care, housing and  
2 neighborhood improvement, recreation, education, pub-  
3 lic safety, maintenance of streets, parks, and other pub-  
4 lic facilities, rural development, transportation, beauti-  
5 fication, conservation, and other fields of human better-  
6 ment and public improvement;

7 (2) to meet the urgent need for greater public  
8 services and the equally urgent need for public service  
9 employment which will provide meaningful jobs for  
10 unemployed or underemployed persons, it is necessary  
11 to devote resources to public service employment and  
12 related training and manpower services;

13 (3) times of high unemployment severely limit the  
14 work opportunities available to low-income persons,  
15 especially those from socioeconomic backgrounds gener-  
16 ally associated with substantial unemployment;

17 (4) expanded work opportunities must keep pace  
18 with the increased number of entrants in the labor force,  
19 including the many young people who are entering the  
20 labor force, persons who have recently been separated  
21 from military service, and older persons who desire to  
22 enter or reenter the labor force;

23 (5) many of the persons who have become unem-  
24 ployed as a result of technological changes and shifts in  
25 the pattern of Federal expenditures, as in the defense,

1 aerospace, and construction industries, could usefully  
2 be employed in providing needed public services; and  
3 (6) providing resources for public service employ-  
4 ment during an economic slowdown can help as an  
5 economic stabilizer both to ease the impact of unem-  
6 ployment for the affected individuals and to reduce  
7 the pressures which tend to generate further unemploy-  
8 ment.

9 FINANCIAL ASSISTANCE

10 SEC. 3. The Secretary of Labor shall enter into arrange-  
11 ments with eligible applicants in accordance with the pro-  
12 visions of this Act in order to make financial assistance avail-  
13 able in times of high unemployment to public and private  
14 nonprofit agencies and institutions for the purpose of provid-  
15 ing employment for unemployed and underemployed persons  
16 in jobs providing needed public services, and training and  
17 manpower services related to such employment which are  
18 otherwise unavailable.

19 AUTHORIZATION

20 SEC. 4. (a) There are authorized to be appropriated for  
21 each fiscal year prior to July 1, 1973, such amounts as the  
22 Congress may determine to be necessary for carrying out this  
23 Act.

24 (b) For the purpose of providing financial assistance for  
25 any fiscal year under this Act to enable eligible applicants to

1 carry out public service employment programs, the Secretary  
2 is authorized, out of funds appropriated to carry out this Act,  
3 to obligate expenditures equal to the sum of the amounts de-  
4 termined in accordance with the following clauses:

5 (1) \$500,000,000 when the Secretary determines  
6 that the rate of national unemployment (seasonally  
7 adjusted) equals or exceeds  $4\frac{1}{2}$  per centum for three  
8 consecutive months prior to any such determination,  
9 but no more than one determination may be made under  
10 this clause in any given twelve-month period; and

11 (2) \$100,000,000 for each increment of one-half of  
12 1 per centum by which the Secretary determines that  
13 the average rate of national unemployment (seasonally  
14 adjusted) for three consecutive months prior to any such  
15 determination exceeds the rate specified in clause (1),  
16 not to exceed an aggregate total under this clause of  
17 \$250,000,000 in the first twelve-month period after  
18 enactment or \$500,000,000 in any given twelve-month  
19 period thereafter.

20 (c) No further obligation of funds may be made under  
21 subsection (b) subsequent to a determination by the Secre-  
22 tary that the rate of national unemployment (seasonally  
23 adjusted) has receded below  $4\frac{1}{2}$  per centum for three con-  
24 secutive months.

25 (d) Whenever the Secretary makes any determination

1 required by subsection (b) or (c), he shall promptly notify  
2 the Congress and shall publish such determination in the  
3 Federal Register. At such time, the Secretary shall recom-  
4 mend to the Congress any further steps he deems appropriate.

#### 5 ELIGIBLE APPLICANTS

6 SEC. 5. For the purpose of entering into arrangements  
7 with the Secretary to carry out public service employment  
8 programs under this Act, eligible applicants shall be—

9 (1) States;

10 (2) cities, counties, and other units of general local  
11 government; and

12 (3) public and private nonprofit agencies and in-  
13 stitutions (including local service companies and public  
14 service agencies and institutions of the Federal Gov-  
15 ernment).

#### 16 APPLICATIONS

17 SEC. 6. (a) Financial assistance under this Act may be  
18 provided by the Secretary for any fiscal year only pursuant  
19 to an application which is submitted by an eligible applicant  
20 and which is approved by the Secretary in accordance with  
21 the provisions of this Act. Any such application shall set forth  
22 a public service employment program designed to provide  
23 employment and, where appropriate, training and manpower  
24 services related to such employment which are otherwise  
25 unavailable, in times of high unemployment, for unem-

1 ployed and underemployed persons in jobs providing needed  
2 public services in such fields as environmental quality, health  
3 care, public safety, education, transportation, recreation,  
4 maintenance of parks, streets, and other public facilities, solid  
5 waste removal, pollution control, housing and neighborhood  
6 improvements, rural development, conservation, beautifica-  
7 tion, and other fields of human betterment and community  
8 improvement.

9 (b) An application for financial assistance for a public  
10 service employment program under this Act shall include  
11 provisions setting forth—

12 (1) assurances that the activities and services for  
13 which assistance is sought under this Act will be admin-  
14 istered by or under the supervision of the applicant,  
15 identifying any agency or agencies designated to carry  
16 out such activities or services under such supervision;

17 (2) a description of the area to be served by such  
18 programs, and a plan for effectively serving on an equi-  
19 table basis the significant segments of the population to  
20 be served, including data indicating the number of poten-  
21 tial eligible participants and their income and employ-  
22 ment status;

23 (3) assurances that special consideration will be  
24 given to the filling of jobs which provide sufficient pros-  
25 pects for advancement or suitable continued employment

1 by providing complementary training and manpower  
2 services designed to (A) promote the advancement of  
3 participants to employment or training opportunities  
4 suitable to the individuals involved, whether in the  
5 public or private sector of the economy, (B) provide  
6 participants with skills for which there is an anticipated  
7 high demand, or (C) provide participants with self-  
8 development skills, but nothing contained in this para-  
9 graph shall be construed to preclude persons or programs  
10 for whom the foregoing goals are not feasible or appro-  
11 priate;

12 (4) assurances that, to the extent feasible, public  
13 service jobs shall be provided in occupational fields  
14 which are most likely to expand within the public or  
15 private sector as the unemployment rate recedes;

16 (5) assurances that due consideration be given to  
17 persons who have participated in manpower training  
18 programs for whom employment opportunities would  
19 not be otherwise immediately available;

20 (6) a description of the methods to be used to  
21 recruit, select, and orient participants, including specific  
22 eligibility criteria, and programs to prepare the partici-  
23 pants for their job responsibilities;

24 (7) a description of unmet public service needs and  
25 a statement of priorities among such needs;

1           (8) description of jobs to be filled, a listing of the  
2 major kinds of work to be performed and skills to be  
3 acquired, and the approximate duration for which par-  
4 ticipants would be assigned to such jobs;

5           (9) the wages or salaries to be paid participants  
6 and a comparison with the prevailing wages in the area  
7 for similar work;

8           (10) where appropriate, the education, training, and  
9 supportive services (including counseling and health care  
10 services) which complement the work performed;

11           (11) the planning for and training of supervisory  
12 personnel in working with participants;

13           (12) a description of career opportunities and job  
14 advancement potentialities for participants;

15           (13) procedures for periodic reviews by an appro-  
16 priate agency of the status of each person employed in a  
17 public service job under this Act; and procedures pur-  
18 suant to which, in the event that any such participant  
19 and the reviewing agency find that the participant's cur-  
20 rent employment situation will not provide sufficient  
21 prospects for advancement or suitable continued employ-  
22 ment, maximum efforts shall be made to locate employ-  
23 ment or training opportunities providing such prospects,  
24 and the participant shall be offered appropriate assistance

1 in securing placement in the opportunity which he  
2 chooses after appropriate counseling;

3 (14) assurances that agencies and institutions to  
4 whom financial assistance will be made available under  
5 this Act will undertake analysis of job descriptions and a  
6 reevaluation of skill requirements at all levels of employ-  
7 ment, including civil service requirements and practices  
8 relating thereto, in accordance with regulations promul-  
9 gated by the Secretary;

10 (15) assurances that the applicant will, where ap-  
11 propriate, maintain or provide linkages with upgrading  
12 and other manpower programs for the purpose of (A)  
13 providing those persons employed in public service  
14 jobs under this Act who want to pursue work with  
15 the employer, in the same or similar work, with oppor-  
16 tunities to do so and to find permanent, upwardly mobile  
17 careers in that field; and (B) providing those persons  
18 so employed who do not wish to pursue permanent  
19 careers in such field, with opportunities to seek, prepare  
20 themselves for, and obtain work in other fields;

21 (16) assurances that all persons employed there-  
22 under, other than necessary technical, supervisory, and  
23 administrative personnel, will be selected from among  
24 unemployed or underemployed persons;

1           (17) ways in which the program shall, to the maxi-  
2           mum extent feasible, contribute to the elimination of arti-  
3           ficial barriers to employment and occupational advance-  
4           ment, including civil service requirements which restrict  
5           employment opportunities for the disadvantaged; and

6           (18) such other assurances, arrangements, and con-  
7           ditions, consistent with the provisions of this Act, as  
8           the Secretary deems necessary, in accordance with such  
9           regulations as he shall prescribe.

10                           APPROVAL OF APPLICATION

11           SEC. 7. An application, or modification or amendment  
12           thereof, for financial assistance under this Act may be ap-  
13           proved only if the Secretary determines that—

14           (1) the application meets the requirements set forth  
15           in this Act;

16           (2) the approval request for funds does not exceed  
17           80 per centum of the cost of carrying out the program  
18           proposed in such application, unless the Secretary de-  
19           termines that special circumstances or other provisions  
20           of law warrant the waiver of this requirement;

21           (3) an opportunity has been provided to the com-  
22           munity action agency in the area to be served to sub-  
23           mit comments with respect to the application to the  
24           applicant and to the Secretary;

25           (4) an opportunity has been provided to officials

1 of the appropriate units of general local government to  
2 submit comments with respect to the application to the  
3 applicant and to the Secretary; and

4 (5) an opportunity has been provided to the Gov-  
5 ernor of the State to submit comments with respect to the  
6 application to the applicant and to the Secretary.

7 **APPORTIONMENT**

8 **SEC. 8.** The Secretary shall apportion funds made avail-  
9 able pursuant to this Act among States and local areas within  
10 each State on an equitable basis, and to the extent practicable  
11 such funds shall be apportioned in proportion to the unem-  
12 ployment in each such area.

13 **TRAINING AND MANPOWER SERVICES**

14 **SEC. 9.** For the purpose of providing training and man-  
15 power services for persons employed in public service em-  
16 ployment programs assisted under this Act, the Secretary is  
17 authorized to utilize, in addition to any funds otherwise avail-  
18 able under federally supported manpower programs, not to  
19 exceed 15 per centum of the amounts available for carrying  
20 out this Act.

21 **SPECIAL PROVISIONS**

22 **SEC. 10. (a)** The Secretary shall not provide financial  
23 assistance for any program or activity under this Act unless  
24 he determines, in accordance with such regulations as he  
25 shall prescribe, that—

1           (1) the program will result in an increase in em-  
2           ployment opportunities over those which would other-  
3           wise be available and will not result in the displacement  
4           of currently employed workers (including partial dis-  
5           placement such as a reduction in the hours of nonover-  
6           time work or wages or employment benefits), and will  
7           not impair existing contracts for services or result in the  
8           substitution of Federal for other funds in connection with  
9           work that would otherwise be performed;

10           (2) persons employed in public service jobs under  
11           this Act shall be paid wages which shall not be lower  
12           than whichever is the highest of (A) the minimum wage  
13           which would be applicable to the employment under the  
14           Fair Labor Standards Act of 1938, as amended, if sec-  
15           tion 6 (a) (1) of such Act applied to the participant and  
16           if he were not exempt under section 13 thereof, (B) the  
17           State or local minimum wage for the most nearly com-  
18           parable covered employment, or (C) the prevailing  
19           rates of pay in the same labor market area for persons  
20           employed in similar public occupations;

21           (3) all persons employed in public service jobs  
22           under this Act will be assured of workman's compensa-  
23           tion, retirement, health insurance, unemployment insur-  
24           ance, and other benefits at the same levels and to the  
25           same extent as other employees of the employer and

1 to working conditions and promotional opportunities  
2 neither more nor less favorable than such other em-  
3 ployees enjoy;

4 (4) the provisions of section 2(a) (3) of Public  
5 Law 89-286 (relating to health and safety conditions)  
6 shall apply to such program or activity;

7 (5) the program will, to the maximum extent  
8 feasible, contribute to the occupational development or  
9 upward mobility of individual participants; and

10 (6) every participant shall be advised, prior to  
11 entering upon employment, of his rights and benefits  
12 in connection with such employment.

13 (b) For programs which provide work and training  
14 related to physical improvements, special consideration shall  
15 be given to those improvements which will be substantially  
16 used by low-income persons and families or which will  
17 contribute substantially to amenities or facilities in urban  
18 or rural areas having high concentrations or proportions of  
19 low-income persons and families.

20 (c) All laborers and mechanics employed by contractors  
21 or subcontractors in any construction, alteration, or repair  
22 including painting and decorating of projects, buildings, and  
23 works which are federally assisted under this Act, shall be  
24 paid wages at rates not less than those prevailing on sim-  
25 ilar construction in the locality as determined by the Secre-

1 tary of Labor in accordance with the Davis-Bacon Act, as  
2 amended (40 U.S.C. 276a—276a-5). The Secretary of  
3 Labor shall have, with respect to such labor standards, the  
4 authority and functions set forth in Reorganization Plan  
5 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and  
6 section 2 of the Act of June 1, 1934, as amended (48 Stat.  
7 948, as amended; 40 U.S.C. 276 (c) ).

8 (d) Where a labor organization represents employees  
9 who are engaged in similar work in the same labor market  
10 area to that proposed to be performed under any program  
11 for which an application is being developed for submission  
12 under this Act, such organization shall be notified and afforded  
13 a reasonable period of time in which to make comments to  
14 the applicant and to the Secretary.

15 (e) The Secretary shall prescribe regulations to assure  
16 that programs under this Act have adequate internal admin-  
17 istrative controls, accounting requirements, personnel stand-  
18 ards, evaluation procedures, and other policies as may be  
19 necessary to promote the effective use of funds.

20 (f) The Secretary may make such grants, contracts, or  
21 agreements, establish such procedures, policies, rules, and  
22 regulations, and make such payments, in installments and  
23 in advance or by way of reimbursement, or otherwise allo-  
24 cate or expend funds made available under this Act, as he  
25 may deem necessary to carry out the provisions of this Act,

1 including (without regard to the provisions of section 4774  
2 (d) of title 10, United States Code) expenditures for con-  
3 struction, repairs, and capital improvements, and including  
4 necessary adjustments in payments on account of overpay-  
5 ments or underpayments. The Secretary may also withhold  
6 funds otherwise payable under this Act in order to recover  
7 any amounts expended in the current or immediately prior  
8 fiscal year in violation of any provision of this Act or any  
9 term or condition of assistance under this Act.

10 (g) Acceptance of family planning services provided to  
11 participants shall be voluntary on the part of the individual to  
12 whom such services are offered and shall not be prerequisite  
13 to eligibility for or receipt of any benefit under the program.

14 (h) The Secretary shall not provide financial assistance  
15 for any program under this Act unless he determines, in ac-  
16 cordance with regulations which he shall prescribe, that  
17 periodic reports will be submitted to him containing data de-  
18 signed to enable the Secretary and the Congress to measure  
19 the relative and, where programs can be compared appro-  
20 priately, comparative effectiveness of the programs authorized  
21 under this Act and other federally supported manpower pro-  
22 grams. Such data shall include information on—

23 (1) characteristics of participants including age, sex,  
24 race, health, education level, and previous wage and em-  
25 ployment experience;

1           (2) duration in employment situations, including  
2 information on the duration of employment of program  
3 participants for at least a year following the termination  
4 of participation in federally assisted programs and com-  
5 parable information on other employees or trainees of  
6 participating employers; and

7           (3) total dollar cost per participant, including break-  
8 down between wages, training, and supportive services,  
9 and administrative costs.

10 The Secretary shall compile such information on a State,  
11 regional, and national basis.

12           (i) The Secretary shall not provide financial assistance  
13 for any program under this Act unless the grant, contract,  
14 or agreement with respect thereto specifically provides that  
15 no person with responsibilities in the operation of such pro-  
16 gram will discriminate with respect to any program partici-  
17 pant or any applicant for participation in such program be-  
18 cause of race, creed, color, national origin, sex, political  
19 affiliation, or beliefs.

20           (j) The Secretary shall not provide financial assistance  
21 for any program under this Act which involves political  
22 activities; and neither the program, the funds provided there-  
23 for, nor personnel employed in the administration thereof,  
24 shall be, in any way or to any extent, engaged in the conduct

1 of political activities in contravention of chapter 15 of title 5,  
2 United States Code.

3 (k) The Secretary shall not provide financial assistance  
4 for any program under this Act unless he determines that  
5 participants in the program will not be employed on the con-  
6 struction, operation, or maintenance of so much of any facil-  
7 ity as is used or to be used for sectarian instruction or as a  
8 place for religious worship.

9 SPECIAL RESPONSIBILITIES OF THE SECRETARY

10 SEC. 11. As the rate of unemployment approaches the  
11 objective of section 4 (c), the Secretary shall establish pro-  
12 cedures to assure that maximum efforts will be made to  
13 locate employment or training opportunities not supported  
14 under this Act for each person employed in a public service  
15 job under this Act and that, on the basis of a review as  
16 described in section 6 (b) (13), the participant shall be  
17 offered appropriate assistance in securing placement in the  
18 opportunity which he chooses after appropriate counseling.

19 SPECIAL REPORT

20 SEC. 12. The Secretary shall transmit at least annually  
21 a detailed report setting forth the activities conducted under  
22 this Act, including information on the extent to which par-  
23 ticipants in such activities subsequently secure and retain  
24 public or private employment or participate in training or  
25 employability development programs.

## DEFINITIONS

1  
2 SEC. 13. As used in this Act, the term—

3 (1) "Secretary" means the Secretary of Labor.

4 (2) "State" includes the District of Columbia, the  
5 Commonwealth of Puerto Rico, the Virgin Islands,  
6 Guam, American Samoa, and the Trust Territory of the  
7 Pacific Islands.

8 (3) "health care" includes, but is not limited to,  
9 preventive and clinical medical treatment, family plan-  
10 ning services, nutrition services, and appropriate psychi-  
11 atric, psychological, and prosthetic services.

12 (4) "city" means an incorporated municipality  
13 having general governmental powers.

14 (5) "local service company" means a community  
15 development corporation or other corporation, partner-  
16 ship, or other business entity organized to operate a com-  
17 munity service manpower program or component thereof  
18 and owned or operated in substantial part by unemployed  
19 or low-income residents of the area to be served.

## EFFECTIVE DATE

20  
21 SEC. 14. This Act shall be effective upon enactment and  
22 the determinations to be made under section 4 (b) shall take  
23 into account the rate of unemployment for a period of three  
24 consecutive months even though all or part of such period  
25 may have occurred prior to the enactment of this Act.

Senator NELSON. We intend to hold another public hearing on Wednesday of next week, February 17.

We are very proud this morning to welcome to the hearing the distinguished mayors of 16 of the Nation's largest cities.

The strong support already registered for this bill testifies to the critical level of unemployment and the financial squeeze facing the Nation's cities during the present recession.

We do not offer the bill which is before us today as any panacea. There are now some 5,400,000 Americans unemployed. Unemployment has now averaged 6 percent for 3 months. Under the provisions of this bill, that level of unemployment would authorize the release of \$750 million, enough for approximately 150,000 public service jobs.

The Kerner Commission recommended the creation of 1 million public service employment jobs back in 1968, at a time when about half as many people were unemployed.

We make no claim that 150,000 jobs will solve the crisis of unemployment. But, on the other hand, we cannot sit by and do nothing merely because of the difficulty in passing legislation bold enough to meet the problem.

Furthermore, the jobs in this bill are temporary. In the Employment and Manpower Act of 1970, which the President vetoed last December 16, the Congress provided for a permanent public service employment program.

That bill also contained carefully worked out machinery that would have turned two-thirds of manpower funds over to mayors and Governors for local planning and administration of our presently disorganized manpower programs.

The bill before us today has been carefully tailored to eliminate the controversial provisions of the Employment and Manpower Act of 1970, in the hopes that the Congress and the administration can move quickly and in a bipartisan spirit to do something immediately about the unemployment crisis.

The Emergency Employment Act of 1971 is based on the "trigger" concept, originally proposed by the administration in its Manpower Training Act introduced in August 1969.

At that time, the administration proposed an automatic appropriation of \$200 million for manpower training programs whenever unemployment climbed over 4.5 percent for 3 months.

Secretary Shultz argued at that time that the "countercyclical" effect of such an automatic appropriation would be helpful in the event of a downturn in the business cycle. Although the funds triggered in the administration's original bill were not earmarked for public service employment, Labor Department spokesmen assured us they could be used for that purpose. (A similar concept is included in the administration's proposed new Manpower Revenue Sharing Act of 1971.)

In his veto message last December 16, the President criticized the concept of permanent public service employment. But he added:

Transitional and short-term public service employment can be a useful component of the nation's manpower policies.

That is precisely the component which this bill would provide. We are offering a bipartisan bill which consists almost entirely of features which have been endorsed in the past by the administration.

Many of the sponsors of this bill still recognize the need for a continuous, on-going system of public service employment, to fight chronic unemployment in our cities and depressed rural areas and to raise the quality of public services.

For many of our citizens the only sector of the economy with an expanding supply of jobs at decent rates of pay is the public sector. We all know, moreover, that the fiscal crisis in our cities, although made much worse by the current depression, has been with us for a long time and will continue even if national unemployment should fall below 4½ percent.

What we have done in this bill is to select those parts of the Employment and Manpower Act of 1970 that we believe can command broad bipartisan support so that Congress can act at once. We intend later this year to reconsider the permanent public service employment concept, closely integrated with manpower training reform, as represented in the bill which was vetoed last December.

It has been suggested that revenue sharing will at some future time provide our cities and States with funds which will enable them to expand public services. We are certainly aware of the financial crisis which had led to the demand for revenue sharing. We have no desire to prejudge the revenue-sharing proposals. We realize it will be some months before the bills are considered.

But the fact we must face is that no form of revenue sharing is going to be approved within the next few months, and the crisis in services and jobs is now. Congress must respond to that crisis now. It cannot duck its responsibility by talking about possible solutions 1, 2, or 3 years away.

Let me briefly describe the emergency employment bill.

When national unemployment has averaged 4.5 percent for 3 months, the bill would authorize \$500 million to be appropriated to pay 80 percent of the cost of a public service employment program.

An additional \$100 million would be authorized for each one-half-of-1-percent increase in unemployment to a maximum of \$1 billion at 7 percent unemployment.

The first year ceiling on authorization would be \$750 million.

Public service employment is very broadly defined in the bill. Examples of jobs include police and fire protection, sanitation, transportation, recreation, education, conservation, housing, and maintenance work.

The Secretary of Labor would administer the program. He would apportion the funds among States and cities in an equitable manner, taking into account the level of unemployment.

In addition to mayors and Governors, other public agencies, and nonprofit private agencies would be eligible applicants for the funds.

Up to 15 percent of the funds would be available for training and manpower services for persons employed in public service programs.

I understand that Senator Javits of New York has a brief statement he would like to make.

Senator JAVITS. Mr. Chairman, I will make mine brief, too.

Mr. Chairman, the presence of so many distinguished mayors of great cities this morning—a most unusual and indeed historic event—is testimony to the fact that our cities are not only in trouble, but that

they are at a crisis point at which all municipal services could collapse, with not only inconvenience to local citizens, who live in the city but with the gravest danger to the public health and safety. I hope very much that the next time we send a bill to the President he will see it in that light, and I think that is the reason why the mayors are here as they are.

Now, Mr. Chairman, the figures have been given, very adequately publicly and by our chairman.

I wish to express my deep appreciation on behalf of my State, and, personally, to my colleagues who have joined in this bill, and to our chairman, who has taken the initiative in proposing this with me, and has given us such an immediate hearing. I have great confidence that he is right about the fact that our committee will see it our way.

Mr. Chairman, the tradeoff between unemployment and inflation is just not working out well. Certainly for the next 2 years, the administration, itself, contemplates high levels of unemployment, that is, through most of the fiscal year 1972. While we have what the President calls a full employment budget, it is recognized that that is going to come at the end, if it does at all, not at the beginning of the period.

Mr. Chairman, I believe, therefore, that the times cry out for action by the Congress, in a special bill of this character, with limited duration, under what I consider to be excellent conditions to make it temporary and to fit it into manpower training when we deal with manpower training, as we will later in the year.

Mr. Chairman, I am joining with the Chair, because I believe the administration should ultimately support this measure, for the following reasons:

First, the trigger concept, to which the Chair has already referred, was first proposed by the administration, advanced by me and the other minority members of this committee, and, as incorporated in our judgment in a new bill, deserves the support of the administration.

Second, a public service employment program, which is based upon high unemployment, is more in keeping with the philosophy of this administration. For, while it rejected the permanent public service employment program formulated under the act the President vetoed, the President said in his veto message, and I quote:

Transitional and short term public service employment can be a useful component of the nation's manpower policies—

and this bill proposed exactly that idea.

Finally, Mr. Chairman, this is not only transitional and short term, but as to the individuals involved, it incorporates a number of the provisions which the minority has contended for, to encourage movements to regular employment, even before the trigger is turned off.

For all these reasons, I am hopeful the administration will support this measure ultimately. In view of the fact that it is emergency and short term, its passage will not discharge us from the obligation to respond in the long term, to the needs of individuals for some security base of employment following training, and for the needs of the cities and States for increased assistance to expand public services, through permanent, comprehensive legislation.

But, Mr. Chairman, the writing is on the wall, and it is clear that these long term proposals must await this emergency action, and so I

hope very much that for the sake of the millions who are involved—as reflected by the mayors who are here—we will not only act and act promptly, but the result of our work will be approved by the President.

Thank you, Mr. Chairman.

(The prepared statement of Senator Javits follows:)

PREPARED STATEMENT OF HON. JACOB K. JAVITS, A U.S. SENATOR FROM THE STATE OF NEW YORK

Mr. Chairman, as joint sponsor of the Emergency Employment Act of 1971, and the ranking minority member of the Committee on Labor and Public Welfare, I am pleased that the subcommittee has chosen to consider this measure at an early date and I am pleased, too, that we will have the benefit of the counsel and experience of Mayor Lindsay and the other distinguished mayors and their representatives that appear before us today in respect to this proposal as it relates to the urgent needs of the cities.

I look forward to your testimony. Before we proceed let me indicate my reasons for joining in this proposal and why I hope that the administration as well as others who are expert on this matter will see fit to work with us to architect a bill and to support it.

We now face a national unemployment rate of 6 percent for the months of December and January—the highest mark in 9 years—with the burden of that rate—like that of inflation—falling on all socioeconomic groups in our society.

The situation is most tragic and unsettling in the poverty neighborhoods of the Nation where, according to the Department of Labor statistics released on January 24, 1971, the jobless rate during 1970 averaged 7.6 percent, up from 5.5 percent in 1969. Most serious are the facts that the average yearly rate for teenage residents of poor neighborhoods increased from 19.9 percent over last year to 24, that the rate for blacks among this group rose from 27.9 percent to 35.8 percent, and for white youths similarly situated from 13.8 percent to 16.3 percent.

At the current time, the situation is even more incendiary than these yearly averages suggest; for the trend is even disquieting. For the last quarter of last year the jobless rate among all teenagers was 27.8 percent—compared with 17.4 percent in the last quarter of 1969; the rate among white teenagers was 18.8 percent—compared with 11 percent at the end of 1969 and the rate among black teenagers was 42.4 percent—or almost half—compared with 26.7 percent in the last quarter of 1969.

But our concern is not limited to teenagers, nor to the big cities, not merely to the disadvantaged. The unemployment rate among persons 55 years and older in January 1971 approached twice the rate for January 1970. In Nassau and Suffolk Counties in New York, unemployment has averaged 5.7 percent and in these and other areas throughout the country persons employed in the defense, aerospace, and construction industries have found themselves without work.

Under the bill funds may be used to provide public service employment for unemployed and underemployed persons not just the disadvantaged—although those in poverty are of great concern.

Approximately one year ago, when the Joint Economic Committee, of which I am a member, began its annual hearings on the state of the economy, we debated the point at which the unemployment rate—then at 3.9 percent—should be regarded as unacceptable.

We have now clearly burst the bounds of acceptability of unemployment by practically everyone's estimate and it is time to alleviate, to the maximum extent fiscally possible, the individual hardships which these levels occasion.

As the President himself noted in the State of the Union Message of January 23, "... we have paid a price in increased unemployment."

Mr. Chairman, expert opinion suggests that we will continue to pay that price for some time to come. For, while economic indicators are pointing upwards, we are dealing here with employment, not business activity, and experience with business recessions has shown that unemployment usually reaches its highest point after the economy has started its recovery. In other words, in the absence of a vigorous and swiftly implemented manpower program such as this, unemployment can be expected to rise in the coming months.

On this point, Dr. Walter W. Heller, Regents Professor of Economics at the University of Minnesota and former Chairman of the Council of Economic Advisors, said in testimony before the Joint Economic Committee on February 1:

"... there is no reason to believe we will have anything but a gradual improvement in the unemployment picture, and indeed my fear is that if we don't expand faster than about a three percent rate this year, which is a standard forecast outside of government, that that unemployment rate which we have now may still rise and it may be early 1972 before we find the unemployment rate getting down below five and a half percent."

The recent Economic Report of the President indicates that the Administration's own best hopes are to set a path that will reduce the unemployment rate to "the 4½ percent zone" by the second quarter of 1972.

Thus the Administration itself contemplates that high levels of unemployment will persist through most of fiscal year 1972. And yet, while the fiscal 1972 budget is described as a "full employment" budget—and may have such an effect in terms of total federal spending—the manpower portion of the budget would not increase significantly the number of additional training and employment opportunities to be made available during that year of expected continued hardship.

The Department of Labor has requested \$2,928,000,000 for that fiscal year for a total of 1,094,300 training and employment opportunities. While this represents an increase of \$212,800,000 over the current fiscal year, it will increase opportunities by only 49,600—against a target group of almost 10 million even in times of "full" employment. Indeed the total number of opportunities requested for fiscal 1972 is only 114,700 more than for fiscal year 1970, when national unemployment was under the 4.5 percent benchmark. Most unfortunately no increases have been requested for the programs that represent public service employment type of efforts under current manpower law. Public sector on the job training, the Mainstream program, and the Neighborhood Youth Corps out-of-school program would all be funded at levels providing the same number of opportunities as in this current fiscal year 1971. Next summer's Neighborhood Youth Corps program—which will be funded under the fiscal 1971 budget—will receive an appropriation \$34.6 million short of last summer's level. The Administration hopes nevertheless to maintain the same number of opportunities as last summer—approximately 414,000—by requiring local governments to pay twenty percent rather than ten percent of the costs or by shortening the program from the usual ten to eight weeks.

The proposed legislation could—and I say "could" because it is authorizing legislation—provide 150,000 jobs if it were triggered during the first 12-month period after enactment and 200,000 jobs if triggered in the second 12-month period, subject to ceilings of \$750,000,000 and \$1,000,000,000, respectively. These ceilings would be hit at a 3-month average rate of 4.8 percent and 7 percent, respectively.

Accordingly, even if the maximum authorized amount is appropriated and unemployment rates reach levels triggering application of these funds, less than one-twelfth of those unemployed can be covered.

The trigger is further designed so that no further obligation of funds may be made in the event that the rate of national unemployment subsequently recedes below 4½ percent for three consecutive months, so that it is possible that even if the ceilings are hit, the actual obligations may be much less.

Mr. Chairman, ironically, while we face serious unemployment, we urgently need personnel to implement our new commitments to save our physical environment and to satisfy our unmet obligations to redeem our social environment. According to a 1965 OEO study, 4.3 million new jobs could be filled in public service if Government were to fulfill its obligations in these activities. A 1968 study by the Upjohn Institute projects that in 130 cities with a population of 100,000 or more there are 280,000 such unfilled slots in those cities alone.

Here is work crying to be done and there are persons to fill these jobs if funds could be made available.

Mr. Chairman, I shall now indicate why I hope that the Administration will see fit ultimately to support a measure along these lines.

First, the trigger concept here employed was first proposed by the Administration and advanced by minority members of concerned committees of the Congress.

The Administration's Manpower Training Act of 1969—which I introduced in the Senate on August 12, 1969—provided for an automatic appropriation of 10

percent of all manpower funds—triggering approximately \$200,000—in the event of national unemployment in excess of 4.5 percent for 3 consecutive months for manpower training and related services. During executive sessions on manpower training legislation last year, I submitted a number of amendments increasing the amounts to be available and making it clear that funds made so available could be used for public service employment as well as for training. A refined trigger provision was contained in the Employment and Manpower Act passed by both Houses of the Congress late last year, but regrettably vetoed by the President.

The minority members of the Joint Economic Committee—which included Senators Miller, Jordan, Percy, and myself—recommended, on March 25, 1970, that the Administration consider a limited number of public sector jobs as well as training to deal with rising unemployment.

And, since that recommendation, we have seen unemployment rise from 4.4 percent to the current 6 percent—an increase of more than one and a half full percentage points.

Second, a public service employment program dependent upon high unemployment is more in keeping with the philosophy of the Administration. While rejecting the permanent public service employment program as formulated under the Employment and Manpower Act the President stated in his veto message of December 14, 1970: “Transitional and short-term public service employment can be a useful component of the nation’s manpower policies . . .”

The public service employment created by this legislative proposal is transitional and short term in at least three respects:

We authorize appropriations only for fiscal years prior to July 1, 1974—a period of approximately two years. Under the Employment and Manpower Act, public service employment programs would have been authorized from fiscal year 1971 through fiscal year 1974—a period of four years.

Moreover, it is transitional and short term as a program within that period because it is tied to—and will exist subject to—national unemployment levels.

If the Administration meets its own goal of reaching the 4½ percent range by the second quarter of 1972, then it is possible that the trigger would not come on a second time or, in any event, that the actual amounts available or obligations would be substantially below the \$1,000,000,000 ceiling.

Finally, it is transitional and short term as to the individuals involved because of a number of provisions to encourage movement to “regular” employment even before the trigger is turned off. For example, section 6(b) (13) requires procedures for periodic reviews of the status of each person employed in a public service job under the act and maximum efforts to locate other employment or training opportunities. The parallel provision in the Employment and Manpower Act required only an annual review. Moreover, the bill contains a number of provisions—many of which I and other members of the minority originally included by amendment in the Employment and Manpower Act—requiring that the public sector job be accompanied by related training and that it contribute to occupational mobility. The proposed Emergency Employment Act also contains a provision which I included to require that participants be placed in occupations where job opportunities will most likely expand if unemployment subsides. Moreover, the Secretary of Labor is required under our proposal to establish procedures to locate employment or training opportunities for participants as the rate of unemployment declines.

Mr. Chairman, this is an emergency and a short term measure. Its passage will not discharge us from the obligation to respond in the long terms to the needs of individuals for employment and to the needs of cities and states for increased funds to expand public services through permanent and comprehensive legislation. If immediate action on a reform of the nation’s manpower training program and action on a permanent public service employment program, revenue sharing and on welfare reform could be expected, then this proposal might not be necessary.

But the writing is on the wall and it is clear that these long-term proposals will not receive full consideration and action, at the earliest, until later this year.

We must, in the interim, take a significant step that can alleviate the hardship for many hundreds of thousands of people and indicate to the millions of others—the majority of whom it will be fiscally impossible to cover even under this proposal—that the Congress has begun to respond to their needs.

## (A report furnished by the Department of Labor follows:)

DEPARTMENT OF LABOR—FUNDS REQUESTED IN PRESIDENT'S BUDGET, FISCAL YEAR 1972

[Dollar amounts in millions, enrollments in actual]

Item	1970	1971	1972	Change, 1971 to 1972
Administration of manpower programs.....	\$72.2	\$77.9	\$86.0	+\$8.1
Training:				
Private sector on-the-job training.....	\$223.2	\$260.7	\$260.5	-\$0.2
Enrollment opportunities.....	133,600	136,900	136,900	-----
Public sector on-the-job training.....	\$95.9	\$126.8	\$125.8	-\$1.0
Enrollment opportunities.....	41,300	66,800	66,800	-----
Institutional training—Regular.....	\$315.5	\$327.6	\$324.9	-\$2.7
Enrollment opportunities.....	141,400	148,600	146,600	-2,000
Institutional training—Job Corps.....	\$158.2	\$156.2	\$196.1	+\$39.9
Enrollment opportunities.....	20,400	23,100	26,200	+3,100
In-school work support—In school.....	\$59.2	\$59.1	\$69.8	+\$10.7
Enrollment opportunities.....	97,100	94,700	94,700	-----
In-school work support—Summer.....	\$200.4	\$165.7	\$165.7	-----
Enrollment opportunities.....	413,100	414,200	414,200	-----
Post-school work support.....	\$149.0	\$165.8	\$165.8	-----
Enrollment opportunities.....	52,700	48,900	48,900	-----
Work incentive.....	\$85.8	\$60.1	\$197.0	+\$136.9
Enrollment opportunities.....	180,000	111,500	160,000	+48,500
Special targeting.....	\$187.3	\$177.9	\$172.8	-\$5.1
Computerized job placement.....	\$9.7	\$22.3	\$22.3	-----
Program support.....	\$51.7	\$55.4	\$61.6	+\$6.2
Federal benefit payments to unemployed Federal workers, ex-servicemen, and persons displaced under Trade Adjustment Act.....	\$187.9	\$317.1	\$274.5	-\$42.6
Administration of unemployment compensation and employment service administration.....	\$665.8	\$743.4	\$806.0	+\$62.6
Subtotal, manpower programs.....	\$2,461.8	\$2,716.0	\$2,928.8	+\$212.8
Enrollment opportunities.....	979,600	1,044,700	1,094,300	+49,600
Labor-Management Services Administration.....	\$13.1	\$18.1	\$21.8	+\$3.7
Workplace Standards Administration.....	42.5	58.6	77.9	+19.2
Federal Workmen's Compensation benefits.....	181.5	184.0	90.0	+6.0
Bureau of Labor Statistics.....	24.7	28.0	33.6	+5.5
Bureau of International Labor Affairs, Office of the Solicitor, and general support.....	14.9	20.4	20.5	+1.1
Subtotal, other programs.....	176.7	209.1	243.8	+34.7
Total, operating funds.....	2,638.5	2,925.1	3,172.6	+247.5
Source of funds:				
Department of Labor:				
Federal funds.....	1,092.2	2,123.3	2,154.7	+31.4
Trust funds.....	687.2	767.4	806.0	+38.6
Office of Economic Opportunity.....	752.7	-----	-----	-----
Department of Health, Education and Welfare.....	85.8	60.1	197.0	+136.9

1 Represent program levels.

Note: Figures may not add due to rounding and nonprogram items.

Senator NELSON. Thank you, Senator Javits.

Does anybody else have a statement?

Senator KENNEDY. Mr. Chairman, I would like to just extend a word of welcome to the mayor of the city of Boston, Mayor White.

Mr. Chairman, despite the reflex optimism of some of the economic advisers of the President, the Nation's economy is stagnating and unemployment has reached crisis proportions.

In 1970, for the first time in 12 years, industrial production declined, for the first time in 12 years, the total value of goods and services in the society also declined. That is clear evidence of an economic malaise whose twin symptoms are inflation and high unemployment.

And when 5.4 million workers are unable to find jobs, when the unemployment rate hovers at 6 percent and when some inner city neighborhoods have more than 40 percent of their young men out of work, then that malaise has reached epidemic proportions.

In my own State of Massachusetts, six of our major labor market areas show substantial unemployment and three are over 7 percent: New Bedford, 9.5 percent; Lowell, 8.9 percent; and Lawrence-Haverhill, 7.7 percent. These statistics do not tell the entire story. Unemployment can strip a man of dignity and self-respect and it can make him begin to lose faith in the future. The institutions of society must respond to that condition and they must respond effectively. The Congress last session acted responsibly. It passed the comprehensive Employment and Training Opportunities Act of 1970 which not only provided a permanent public service employment program but also provided for a very necessary reform of our manpower programs. Yet despite the overpowering economic evidence of the need for this program and in the face of endorsements from every major State and local government association, the President vetoed the bill. In my opinion that veto was totally unjustified. It has meant that thousands of jobs which would have been created still are not available to ease the unemployment situation. It also has meant that any effort to present comprehensive legislation in this Congress would delay relief for the growing number of unemployed for many months to come.

For that reason, without putting aside the long-term goal of establishing a permanent public employment program, we have concentrated on sponsoring the Emergency Employment Act of 1971. This is an emergency measure to provide immediate assistance to the Nation's unemployed and I would share the hope of the chairman that this measure could be passed within 90 days.

And I would certainly hope that the President would recognize the reality of 5.4 million jobless workers and would add his endorsement to that of the bipartisan group of 34 Senators who have cosponsored this bill.

The Emergency Employment Act of 1971, provides for a trigger hooked to the unemployment rate. Whenever unemployment hits 4½ percent or higher for 3 consecutive months, the bill extends a \$500 million authorization to the Secretary of Labor. For each one-half of 1 percent above the 4½-percent mark, an additional \$100 million would be made available. The yearly limit would be a total of \$1 billion with some 15 percent available for training and manpower purposes.

These funds would be available to enable States, cities, counties, public and nonprofit agencies to hire unemployed workers to fill existing needs in hospitals, in schools, in nursing homes, and in parks and recreation activities.

These are areas where the National Commission on Technology, Automation and Economic Progress estimated that 5.4 million potential jobs existed. The Kerner Commission stated 3 years ago that 1 million jobs could be created in the public service sector of our economy.

Both studies emphasized that these jobs are vital to the Nation's ability to resolve health, environment, and educational problems. They would be "must-work," not "make-work."

At the current level of 6-percent unemployment, this bill would enable the Secretary of Labor to expend \$700 million in the creation of 200,000 jobs.

Thus the bill meets the three objections of the administration. First, it is not a permanent program since it is linked to unemployment

rising above 4½ percent. Therefore it does not have the permanent character which was so objectionable to the President in the manpower bill he vetoed in December.

Second, as the bill passed last session it contains protections to insure that the funds expended by the Secretary of Labor are used to enable States, cities, counties, and nonprofit agencies to fill vitally needed jobs. We need more teaching aids in our schools, health aids in our clinics and community aids in our police departments. We need them now, and this bill will enable State and local governmental units to hire them.

Finally, the President objected to the illusionary fear that untrained men and women would be put into dead-end jobs that would hold out no hope for permanent positions. However, the bill that was passed last year provided for training programs and the measure before this subcommittee today explicitly provides up to 15 percent for training purposes.

We have heard much about revenue sharing lately. I believe that the kind of revenue sharing contained in this bill—direct assistance to meet a specific problem—is of vital importance. We have already delayed relief to the Nation's jobless for too long. It is time to act.

Senator NELSON. We will now receive a statement from the senior Senator from the State of Washington, Hon. Warren G. Magnuson, whose interest and counsel we regard very highly.

**STATEMENT BY HON. WARREN G. MAGNUSON, A U.S. SENATOR  
FROM THE STATE OF WASHINGTON**

In the last 2 years the Nation's economy has declined from the prosperity of the sixties to the recession of the seventies. But while the nation's economy was declining into recession, Washington State's economy was plummeting into depression. While national unemployment rose from about 4 percent in 1968 to 6 percent at the end of 1970, Washington State's unemployment skyrocketed from 4.3 percent to 10.1 percent—higher than the national average during the Great Depression of the 1930's.

As Chairman Nelson noted on January 26th in introducing the Emergency Employment Act being considered here, the three largest cities in my State face a desperate unemployment crisis. At the time of that speech, unemployment in Seattle was 10.6 percent, in Spokane it was 9.9 percent, and in Tacoma it was 7.1 percent. In addition to these major urban centers, another 16 communities were listed as areas of persistent unemployment.

Continuing to multiply, unemployment now extends from Puget Sound in the west to Spokane in the east. It affects nearly every commercial activity, community, and household. White collar and blue collar, young and old workers are all present in the unemployment lines.

They're in the food stamp lines as well. Nearly 80,000 food stamp recipients in Seattle and surrounding King County make that county, according to a recent Wall Street Journal article, the food stamp capitol of the Nation. Another 165,000 citizens throughout the rest of the State buy their groceries these days with stamps rather than cash.

In December 82,012 men and women were collecting unemployment benefits—including 7,000 persons categorized as professional and managerial personnel. Speaking of this group, a recent study made by the University of Washington said: Once they “embodied the American dream and now they find themselves in the middle of a nightmare.”

Older men and women who 2 years ago were planning for retirement in 1980 are now worrying about tomorrow and the next day. As one Washington man told the *New York Times*, “I’m 55, and I’ve built up 13 years of experience at a particular management job. It’s pretty hard to sell that. You just don’t run out on the market at my age and have people grab you up. I’m not proud. I’ll take something which pays a lot less than I’m used to, but those in my age bracket are really worried. We’re too young to get much benefit from the retirement plan and too old to get another job. We’re really caught in the middle.”

But even the younger man with a variety of skills can’t find work. The *National Observer* told recently of a former Boeing assembly line employee who has also at one time or another worked as an electrician, plumber, carpenter, sheet-metal worker, auto mechanic, aircraft mechanic, postal clerk, and skilled construction worker. Despite that background the only job he can find today is in Vietnam or Korea as an aircraft mechanic. “You can’t take your family with you over there,” he said, “but I just don’t know—maybe I’ll just have to spend a year overseas, and things will get better around here.”

Parents who once had bright hopes for their children now find themselves without the resources to make those hopes come true. A 37-year-old unemployed Seattle illustrator, the mother of a college-age daughter, told a *New York Times* reporter: “I’m buying a house now, and we can probably squeeze through on that with our savings, but my daughter might have to quit college and we’re really going to have to tighten our belts.”

Among the young fortunate enough to have finished college, many must be wondering if it was worth the effort. Last summer the graduating class at the University of Washington found a job market without room for 8 percent of its members who were engineers, 15 percent who were business majors, and 20 percent who were teachers. And, of course, jobs are even fewer and farther between for the young man or woman without a B.A., especially if he or she is black. Nearly all 700 1970 graduates of two predominately black high schools in Seattle still hadn’t found permanent employment in December—6 months after graduation.

As bleak as the current picture is the future promises no early improvement. In his budget message to the State legislature this year, Washington’s Governor warned that the net decline in total annual average employment during fiscal year 1971 will be 47,100. With that decrease, of course, will come an increase in unemployment. The Governor announced that economic forecasts showed unemployment in the State climbing to a projected yearly average of 9.7 percent this year and 10.2 percent in 1972. And if the President closes the Hanford reactors, as he apparently intends to do, the State will lose several thousand more jobs. The past 2 years have been disastrous and the future looks worse.

"My husband is a laid-off Boeing employee and has no hope for the future," wrote one of my constituents recently, "someone, somewhere is going to have to do something about the economy of Washington State." And another wrote: "Can't you do something to make more jobs? We want work, not welfare, please help us and others in our boat."

The boat has just about sunk. Congress and the administration must begin immediately to take steps which will bring economic recovery. Early passage of the Emergency Employment Act of 1971 by the Congress and its swift implementation by the President would be a major stride toward economic recovery in my State and throughout the Nation. And as has been noted time and time again, not only will the creation of public service jobs put people back to work but it will also get this country started down the road toward eventual solution of so many of the great problems now confronting us. A nation that can spend billions to rocket men to the moon, can also surely spend \$1 billion to bring down skyrocketing unemployment by putting men to work solving some of our problems on earth.

Washington State officials have determined that they could put more than 9,000 men and women back to work—almost immediately—on jobs which need doing. Furthermore, at least as many—if not several thousand more—are needed by the cities, towns, and counties to tackle their problems.

The State government desperately requires at least 150 highly skilled professionals and technicians in its efforts to clean up the environment. Planners, data processors, instrument technicians, sanitarians, chemists, biologists, oceanographers, engineers, and data processing modelers are all needed at a time when 7,000 managerial and professional workers are out of work.

The State department of parks and recreation could meaningfully employ at least 1,050 persons to work in erosion control programs or serve as recreation planners, plumbers aids, painters aids, brick-masons aids, clerks, and maintenance personnel. The public schools could use 4,500 persons as teacher aids, administrative interns, clerks, and supportive personnel. The State public assistance office could easily utilize 2,400 people as caseworker aids, financial eligibility workers, food stamp workers, and in clerical positions. Six hundred and seventy persons could be used as counselors, hospital attendants, and clerks in the States institutions and in its vocational rehabilitation program. The department of natural resources could use 1,050 persons and the game department needs another 60 persons to work in its fish hatcheries and game farms.

In his state of the Union message, the President said the American people "will not—and should not—continue to tolerate the gap between promise and performance in government." To every American willing and able to work an important part of the American dream has always been the promise of an opportunity to work today for a better tomorrow. And when Congress passed the Employment Act of 1946 it established the Government's responsibility to assure—in one way or another—performance on that promise.

The Emergency Employment Act of 1971 would give thousands of unemployed Americans the opportunity to work today for a better

tomorrow for not only their families but also for their communities. By enacting this bill into law, the Congress and the administration will be shouldering the responsibility provided 25 years ago in the Employment Act. And, in doing so we will also have taken an important step toward closing what the President has called "the gap between promise and performance in government."

**PANEL OF MEMBERS OF THE U.S., CONFERENCE OF MAYORS  
LEGISLATIVE COMMITTEE**

Senator NELSON. The committee welcomes your presence this morning, gentlemen, and we welcome your advice and counsel about the problems representing your cities, of which you are the most knowledgeable in this country, and we particularly welcome your comments on this specific piece of emergency legislation pending before the committee.

Now I would call upon Mayor John Lindsay, former distinguished Member of the Congress, as chairman of the Legislative Committee of the U.S. Conference of Mayors.

I understand, Mayor, that you intend to present your colleagues, and your statement.

The radio and TV people have asked that as each mayor speaks, would he please take one of the microphones, so that the recording equipment can record his remarks.

I understand the Senator from Pennsylvania wishes to introduce his mayor.

Senator SCHWEIKER. Thank you very much, Mr. Chairman.

I want to welcome Mayor Tate from my home area of Philadelphia to the committee to testify. I want to say we are very pleased to have you, Mayor, before our committee, as well as Mayor Flaherty, from Pittsburgh, who is expected to be here shortly. I appreciate the opportunity of having two Pennsylvania mayors on at the same time, because I think they will very well reinforce what John Lindsay and the rest are going to say, in outlining the job needs of major cities and the dire straits our cities are in.

Thank you very much, Mr. Chairman.

Senator NELSON. Well, Senator, I would have introduced the mayor of Milwaukee, but he is so well known I didn't think it was necessary to do so.

Senator CRANSTON. The same holds true for the great mayor of San Francisco, Mr. Alioto.

Senator NELSON. Mayor Lindsay.

**STATEMENT OF HON. JOHN LINDSAY, MAYOR OF THE CITY OF NEW  
YORK, N.Y., CHAIRMAN OF THE LEGISLATIVE COMMITTEE OF  
THE CONFERENCE**

Mayor LINDSAY. Mr. Chairman, members of the Senate Committee on Employment, Manpower, and Poverty, we mayors appreciate this invitation to appear before you. We thank you for it, and we regard it as important, and a new breakthrough.

May I just introduce the mayors who are here.

The president of the U.S. Conference of Mayors is James Tate, of Philadelphia, who will speak shortly, and the other mayors who are here, in alphabetical order, are:

Mr. Joseph Alioto, from San Francisco;  
 Mayor Frank Burke, of Louisville;  
 Mayor Thomas D'Alesandro, of Baltimore;  
 Mayor Richard Daley, of Chicago;  
 Mayor John Driggs, of Phoenix;  
 Mayor Peter Flaherty, of Pittsburgh, who is en route but his plane is late;

Mayor Kenneth Gibson, of Newark, is represented by Mr. Harry Wheeler, who is director of manpower of Newark;

Mayor Roman Gribbs, and Mayor Sam Massell, of Detroit and Atlanta, respectively, are here, but they are momentarily testifying before the Senate Committee on Public Works, and they will be here very shortly;

Mayor Harry Haskell, of Wilmington;  
 Mayor Henry Maier of Milwaukee; Mayor Wesley Uhlman of Seattle; and Mayor Kevin White of Boston.

The only member of the legislative committee of the U.S. Conference of Mayors who could not be in Washington today is Mayor Stokes of Cleveland.

Now, Mr. Chairman, the 16 mayors who serve on the legislative committee represent virtually every region of the nation.

During the current session of the Congress, we will be the action arm of more than 500 mayors, representing the U.S. Conference of Mayors and, today, we are taking the unprecedented step of testifying en masse, in order to dramatize our deep sense of urgency about the legislation that is before you.

No problem is more damaging to our cities than unemployment. Unemployment strikes our tax base, increases welfare rolls, cripples retail sales. In each of our cities, rising unemployment levels have begun a disastrous spiral of economic decline. Even worse, unemployment strikes the spirit of our cities, by depriving tens of thousands of able-bodied workers of their jobs, and turning their hours of production into days of idleness.

This problem is symbolic of the severe economic troubles facing all of our cities. We are each suffering from national economic pressures, that only the Federal Government can counter. Therefore, it is the clear responsibility of Washington to take decisive action to ease the fiscal peril of our Nation's cities.

Three years ago, the Kerner Commission emphasized the need for a massive national public service employment program; 2 years later, when Congress passed the Manpower Act of 1970, we thought relief was in sight. The President's veto of that bill came as a shock to all of the mayors here.

For my own city, that bill would have meant 8,000 public service jobs—jobs that would have meant work instead of welfare for thousands of people. We are, therefore, grateful to have this opportunity to testify in behalf of 500 mayors across the Nation in support of the Emergency Employment Act of 1971, which has been sponsored by the distinguished chairman of this committee, Senator Nelson, and by New York's senior Senator, Senator Javits.

Each member of this legislative committee, Mr. Chairman, is prepared to make a brief statement and answer your questions on the problems of our representative cities.

With your permission, I would like first to introduce Mayor James Tate of Philadelphia, who is the president of the U.S. Conference of Mayors, who will state the official position of the Nation's mayors on public service employment, and he will be followed by Mayor Wesley Uhlman of Seattle, who will testify on the special legislation before your committee.

Senator NELSON. Mayor Tate, would you take the microphone?

**STATEMENT OF HON. JAMES H. J. TATE, MAYOR OF THE CITY OF PHILADELPHIA, PA.**

Mayor TATE. Thank you, Mayor Lindsay, Mr. Chairman, the members of this distinguished committee.

As president of the U.S. Conference of Mayors, which consists of cities of at least 30,000 population and all of our State capitals, throughout the country, regardless of size, I am here to express, on behalf of the mayors of our Nation, our grave concern over the unemployment crisis that we are experiencing throughout the country.

In the depression years of 1933 and later, some of us here today recall those days when the banks were closed, breadlines were long, our people were jobless, and the Nation was desperate. At that time, a group of mayors formed an emergency organization that called itself the U.S. Conference of Mayors. That group of mayors had nowhere to turn but to the Federal Capital, to Washington, D.C., and so they met with President Franklin D. Roosevelt, who provided the leadership and backed up his words with tools for action, enabling our citizens to pull this country from the wretched level to which it had fallen.

We come here today to report to you, the Federal Congress, to the administration, and, indeed, to the Nation, that the unemployment crisis we are experiencing in our cities across America is really critical. The situation is not as bad as it was in 1933—we haven't reached that point yet—but it is bleak, and it is worsening each day.

As Mayor Uhlman of Seattle will point out later, when the national rate of unemployment was below 4 percent, many central cities experienced a local rate of 6 percent or higher. So, without the great depression, without the economic downturns of today and of years past, we mayors have lived close by to jobless Americans, disadvantaged, and without hope.

To secure jobs for these Americans, leaders of the conference and the National League of Cities met in an emergency session in Washington with our interested groups to call for an emergency jobs program in 1967. That meeting led to the formation of the urban coalition on whose first steering committee Mayor Lindsay, here today, and I, as president of the National League of Cities, were honored to serve.

Later in 1967, we worked with former Senator Joseph Clark—a former mayor of Philadelphia—and Senator Javits in their effort toward the passage of the Emergency Employment Act of 1967. Unfortu-

nately, we lost that important legislation in the fall of 1967 by a very small number of votes.

We were back before this very subcommittee in April of 1968. At that time, we were represented by Mayor Walsh of Syracuse, New York, and Mayor Thomas D'Alesandro of Baltimore, who is to my left, with us today, who called for a 4-year public jobs program, creating at that time 2.4 million jobs.

At the annual meetings of the U.S. Conference of Mayors in Chicago in 1968 and again in Pittsburgh in 1969, the conference urged the Federal Congress to give priority to the enactment of a substantial public jobs program.

Mr. Chairman, we have done more than present our testimony and pass resolutions from time to time.

Last year, some of us participated in extensive hearings that you conducted throughout the Nation to gather evidence on this crucial unemployment problem. In an effort to alert the country to what was really going on, both the league and the conference sponsored seminars throughout the country to enable the mayors to coordinate and better use the manpower training and job programs we now have.

Perhaps more important, the league and the conference have spent much of their recent legislative efforts in encouraging the passage of manpower legislation containing a massive public service employment program through both Houses of the Congress. The outcome was, without question, most unfortunate and indeed disastrous—a Presidential veto when our national unemployment rate was, as they say now, 6.2 percent and even much higher in our central cities.

Mr. Chairman, we would hope that public employment legislation does not become a partisan question. The previous administration did not support the concept of public service employment, just as the present administration does not fully endorse the concept of this program.

We do not come here today to engage in partisan questions or politics. We come here today a bipartisan group of mayors, concerned about a problem which is very close to us, urging the Members of the Congress on both sides of the aisle, and particularly this committee and the administration itself, to lift the question of decent jobs and decent incomes of men, women, and children in our cities above partisan considerations.

This is a national priority that must be dealt with effectively, and it must be dealt with now.

Almost 4 years have passed since Mayor Lindsay and I first met here to help the Urban Coalition attain its first priority: emergency employment legislation. And now, 4 years later, we still have no law. But things are different now. The national unemployment picture now is as dim as the picture in many of our central cities back in those days.

Almost 38 years have passed since that group of mayors met with President Franklin D. Roosevelt to ask his help in those grave times.

In this year of 1971, the desperation of the millions of unemployed is to some degree, as it was in 1933. Where do we go? What do we have to say to convince this Nation that every man and woman in America who wants to work should be provided a job?

Our fate, gentlemen, is in your hands and in the hands of our President.

We have been disappointed, we are dismayed, but we are not without hope.

We do hope that our appearance in this manner, today, this unified manner—it has been a long time since so many mayors appeared in one committee room on any one subject— will convince you and the Congress, and the President, too, who must serve all the people, that legislation providing jobs for the people, the hard-core unemployed and those so recently dispossessed of substantial jobs with substantial wages—is absolutely necessary if our cities and, indeed, our Nation, is to survive in these times.

Thank you.

(The prepared statement of Mayor Tate follows:)

STATEMENT OF  
MAYOR JAMES H. J. TATE  
PHILADELPHIA, PENNSYLVANIA  
PRESIDENT OF THE U. S. CONFERENCE OF MAYORS  
BEFORE THE  
SENATE SUBCOMMITTEE ON EMPLOYMENT,  
MANPOWER AND POVERTY

MR. CHAIRMAN AND MEMBERS OF THIS DISTINGUISHED SUBCOMMITTEE--AS PRESIDENT OF THE U. S. CONFERENCE OF MAYORS, CONSISTING OF CITIES OF AT LEAST 30,000 POPULATION AND ALL OF OUR STATE CAPITOLS, REGARDLESS OF SIZE, I AM HERE TODAY TO EXPRESS, ON BEHALF OF THE MAYORS THROUGHOUT OUR NATION, OUR GRAVE CONCERN OVER THE UNEMPLOYMENT CRISIS WE ARE EXPERIENCING THROUGHOUT THIS LAND.

IN THE DEPRESSION YEAR OF 1933---SOME OF US HERE TODAY RECALL THOSE DAYS WHEN BANKS WERE CLOSED, BREADLINES WERE LONG, OUR PEOPLE WERE JOBLESS AND THE NATION WAS DESPERATE, A GROUP OF MAYORS FORMED AN EMERGENCY ORGANIZATION---THE U. S. CONFERENCE OF MAYORS. THAT GROUP OF MAYORS HAD NOWHERE TO TURN BUT TO WASHINGTON, AND SO THEY MET WITH PRESIDENT ROOSEVELT WHO PROVIDED THE COURAGE AND THE LEADERSHIP AND BACKED UP HIS WORDS WITH THE TOOLS FOR ACTION, ENABLING OUR CITIZENS TO PULL THIS COUNTRY FROM THE WRETCHED LEVEL TO WHICH IT HAD FALLEN.

WE COME HERE TODAY TO REPORT TO YOU, THE CONGRESS, TO THE ADMINISTRATION AND INDEED THE NATION, THAT THE UNEMPLOYMENT CRISIS WE ARE EXPERIENCING IN OUR CITIES ACROSS AMERICA IS CRITICAL. THE SITUATION IS NOT AS BAD AS IT WAS IN 1933, BUT IT IS BLEAK AND IT IS WORSENING EACH DAY.

AS MAYOR UHLMAN WILL POINT OUT LATER, WHEN THE NATIONAL RATE OF UNEMPLOYMENT WAS BELOW 4 PERCENT, MANY CENTRAL CITIES EXPERIENCED A LOCAL RATE OF 6 PERCENT OR HIGHER. SO, WITHOUT THE GREAT DEPRESSION, AND WITHOUT THE ECONOMIC DOWNTURNS OF TODAY AND OF YEARS PAST, WE MAYORS HAVE LIVED CLOSE TO JOBLESS AMERICANS, DISADVANTAGED AND WITHOUT HOPE. TO SECURE JOBS FOR THESE AMERICANS, LEADERS OF THE CONFERENCE AND THE NATIONAL LEAGUE OF CITIES MET IN AN EMERGENCY SESSION IN WASHINGTON WITH OTHER INTERESTED GROUPS TO CALL FOR AN EMERGENCY JOBS PROGRAM IN 1967. THAT MEETING LED TO THE FORMATION OF THE URBAN COALITION ON WHO'S FIRST STEERING COMMITTEE MAYOR LINDSAY, HERE TODAY, AND I, AS PRESIDENT OF THE NATIONAL LEAGUE OF CITIES, WERE HONORED TO SERVE.

LATER IN 1967, WE WORKED WITH FORMER SENATOR JOSEPH CLARK--A FORMER MAYOR OF PHILADELPHIA --AND SENATOR JAVITS IN THEIR EFFORT TOWARD THE PASSAGE OF THE EMERGENCY EMPLOYMENT ACT OF 1967. UNFORTUNATELY, WE LOST THAT IMPORTANT LEGISLATION IN THE FALL OF 1967 BY A VERY SMALL NUMBER OF VOTES. WE WERE BACK BEFORE THIS VERY SUBCOMMITTEE IN APRIL OF 1968, REPRESENTED BY MAYOR WALSH OF SYRACUSE AND MAYOR THOMAS D'ALESSANDRO OF BALTIMORE, WITH US TODAY, WHO CALLED FOR A FOUR YEAR PUBLIC JOBS PROGRAM CREATING 2.4 MILLION JOBS.

AT THE ANNUAL MEETINGS OF THE U. S. CONFERENCE OF MAYORS IN CHICAGO IN 1968 AND IN PITTSBURGH IN 1969, THE CONFERENCE OF MAYORS

URGED CONGRESS TO GIVE THE PROPER PRIORITY TO THE ENACTMENT OF A SUBSTANTIAL PUBLIC JOBS PROGRAM.

MR. CHAIRMAN, WE HAVE DONE MORE THAN PRESENT OUR TESTIMONY AND PASS RESOLUTIONS. LAST YEAR, SOME OF US PARTICIPATED IN EXTENSIVE HEARINGS THAT YOU CONDUCTED THROUGHOUT THE NATION TO GATHER EVIDENCE ON THIS CRUCIAL UNEMPLOYMENT PROBLEM. BOTH THE LEAGUE AND THE CONFERENCE SPONSORED SEMINARS THROUGHOUT THE COUNTRY TO ENABLE MAYORS TO COORDINATE AND BETTER USE THE MANPOWER TRAINING AND JOB PROGRAMS WE NOW HAVE. AND PERHAPS MORE IMPORTANT, THE LEAGUE AND THE CONFERENCE HAVE SPENT MUCH OF THEIR RECENT LEGISLATIVE EFFORTS IN ENCOURAGING THE PASSAGE OF MANPOWER LEGISLATION CONTAINING A MASSIVE PUBLIC SERVICE EMPLOYMENT PROGRAM THROUGH BOTH HOUSES OF THE CONGRESS. THE OUTCOME WAS WITHOUT QUESTION MOST UNFORTUNATE---A PRESIDENTIAL VETO WHEN OUR NATIONAL UNEMPLOYMENT RATE WAS, AS THEY SAY NOW, 6.2 PERCENT, AND EVEN MUCH HIGHER IN OUR CENTRAL CITIES.

MR. CHAIRMAN, WE WOULD HOPE THAT PUBLIC EMPLOYMENT LEGISLATION DOES NOT BECOME A PARTISAN QUESTION. THE PREVIOUS ADMINISTRATION DID NOT SUPPORT THE CONCEPT OF PUBLIC SERVICE EMPLOYMENT. JUST AS THE PRESENT ADMINISTRATION DOES NOT FULLY ENDORSE THE CONCEPT OF THIS PROGRAM. WE DO NOT COME HERE TODAY TO ENGAGE IN PARTISAN QUESTIONS OR POLITICS. WE HAVE COME HERE TODAY, A BI-PARTISAN GROUP OF MAYORS,

CONCERNED ABOUT A PROBLEM VERY CLOSE TO US, URGING THE MEMBERS OF CONGRESS ON BOTH SIDES OF THE AISLE, AND THE ADMINISTRATION TO LIFT THE QUESTION OF DECENT JOBS AND DECENT INCOMES OF MEN, WOMEN AND CHILDREN IN OUR CITIES ABOVE PARTISAN CONSIDERATIONS. THIS IS A NATIONAL PRIORITY THAT MUST BE DEALT WITH EFFECTIVELY AND IT MUST BE DEALT WITH NOW.

ALMOST FOUR YEARS HAVE PASSED SINCE MAYOR LINDSAY AND I FIRST MET HERE TO HELP THE URBAN COALITION ATTAIN ITS FIRST PRIORITY--- EMERGENCY EMPLOYMENT LEGISLATION. FOUR YEARS LATER, WE HAVE NO LAW. BUT THINGS ARE DIFFERENT NOW. THE NATIONAL UNEMPLOYMENT PICTURE NOW IS AS DIM AS THE PICTURE IN MANY OF OUR CENTRAL CITIES BACK THEN.

ALMOST THIRTY-EIGHT YEARS HAVE PASSED SINCE THAT GROUP OF MAYORS MET WITH PRESIDENT ROOSEVELT TO ASK HIS HELP IN THOSE GRAVE TIMES. IN 1971, THE DESPERATION OF THE MILLIONS UNEMPLOYED IS TO SOME DEGREE AS IT WAS IN 1933. BUT WHERE DO WE GO? WHAT DO WE HAVE TO SAY TO CONVINCING THIS NATION THAT EVERY MAN IN AMERICA WHO WANTS TO WORK SHOULD BE PROVIDED A JOB? OUR FAITH, GENTLEMEN, IS IN YOU AND IN OUR PRESIDENT. WE HAVE BEEN DISAPPOINTED. WE ARE DISMAYED ---BUT WE ARE NOT WITHOUT HOPE.

WE HOPE THAT OUR APPEARANCE HERE TODAY IN THIS UNIFIED MANNER--  
AND IT HAS BEEN A LONG TIME SINCE SO MANY MAYORS APPEARED IN ONE COM-  
MITTEE ROOM ON ANY SUBJECT---WILL CONVINCe YOU AND OTHER MEMBERS OF  
CONGRESS, AND THE PRESIDENT, WHO MUST SERVE ALL THE PEOPLE, THAT LEG-  
ISLATION PROVIDING JOBS FOR THE PEOPLE---THE HARD-CORE UNEMPLOYED AND  
THOSE SO RECENTLY DISPOSSESSED OF SUBSTANTIAL JOBS WITH SUBSTANTIAL  
WAGES---IS ABSOLUTELY NECESSARY IF OUR CITIES AND, INDEED, OUR NATION  
IS TO SURVIVE.

THANK YOU.

Senator NELSON. Thank you, Mayor Tate. I certainly agree with you, and I know the committee does, that the problem of the cities is a bipartisan problem, and the solution must be a bipartisan solution. I might point out that the manpower bill, with the public service feature, did pass the Senate in a bipartisan fashion by a vote of 68 to 6. Mayor Uhlman.

**STATEMENT OF HON. WESLEY C. UHLMAN, MAYOR OF THE CITY OF SEATTLE, WASH.**

Mayor UHLMAN. Thank you very much, Mr. Chairman, and members of the committee.

The single most important issue facing our Nation today is the accelerating number of unemployed Americans. The glorious American dream has become a harsh nightmare for millions of Americans.

We are appearing today on behalf of the National League of Cities—U.S. Conference of Mayors, to emphasize again that the situation now facing us is no longer isolated to a few cities—nor is the problem limited to central cities where large numbers of the hardcore unemployed have become concentrated.

While this Nation marked time, the general level of unemployment has risen at a steady pace—foreboding hardships and difficult days ahead. The time for broad, national action to reverse this trend has passed us by. Action is needed now—not in makework projects—but in meaningful, well-conceived public service jobs.

I quote a very old Chinese proverb, which states that :

If you give a man a fish, it will feed him for a day. But, teach a man to fish and he will feed himself and his family for a lifetime.

We are here today to discuss the fulfillment of this proverb.

During the last 2 years, this country has experienced a dramatic increase in the number of people unemployed. This has been the result of a conscious shifting of national priorities and policies aimed at reducing the rate of inflation.

Unfortunately, for many of us the cure has been much worse than the disease.

These policies have made thousands of Americans jobless for the first time in their lives. Unable to find other forms of employment, they have exhausted their resources, and now face bleak and uncertain futures.

The real costs of the war against inflation, however, cannot be measured with statistics. They are, in fact, engraved with tragedy and desperation in the minds and lives of each unemployed man and his family. This is a price that this Nation—the wealthiest in the world—need not and should not pay.

Walter Heller has stated, "In 1968, any administration would have applied the brakes to our racing economy." But this, I submit, this administration, knowing the implications of those decisions, took no steps to mediate their impact. Much could have and should have been done to cushion the consequences of these actions.

Why did we not have a job-training program ?

Why did we not have a family assistance program ?

Why did we not have an expanded public service employment program ?

These would have braced those people displaced by arbitrary governmental decisions.

We are all aware of the crisis before us today. Superimposed on the hardcore unemployed, we now have an additional layer of highly skilled unemployed people throughout this Nation. No major city has been immune from the economic and social costs of rising unemployment. The picture throughout the country is bleak, indeed.

In Newark, N.J., the unemployment rate is 11.1 percent; and 15,000 people are out of work. Another 35,000 are underemployed. For black and Spanish-speaking youth, between 16 and 25, the unemployment rate exceeds 30 percent.

In Baltimore, the unemployment rate today is nearly 7 percent, and in some inner-city neighborhoods it approaches 40 percent. Every electronics firm in the Baltimore area has laid off workers. In space- and defense-related industries, there has been a decline by 11,600 jobs during the past year. Baltimore could use at least 3,000 additional city employees to provide badly needed services. Professionals, many with graduate degrees, are coming into city hall today looking for work. But, without financial help, there is no way the city can hire these people.

In Cleveland, the unemployment rate jumped from 3.8 percent in September to 4.6 percent in November. And, in the inner city, pockets of unemployment range from 15 to 20 percent. The city is faced with a serious revenue crisis and has been forced to layoff 1,000 city employees.

In Philadelphia, as in many other cities, unemployment rates for the metropolitan area fail to reflect the intensity of need within the center city. Estimates indicate that unemployment is in excess of 30 percent for inner-city youth. The city is experiencing increasing difficulty in placing hardcore, disadvantaged youth who have completed manpower training programs. Private employers, participating in the JOBS program, are unable to honor their commitments and are being forced to layoff regular employees.

In San Francisco, unemployment is high for the city as a whole, but it is rampant in the ghetto areas. It is draining vital talent and, in some of the city's Chinese, Spanish and black neighborhoods, there are as many as 35 percent unemployed.

But it is not only in the Nation's largest cities that the current economic situation is taking its toll.

In 1970, the average rate of unemployment for the Portland, Oreg. metropolitan area was 5.6 percent, or 26,100 people out of work. Compare this with the 1969 average of 3.5 percent, or 16,000 people out of work. Additional layoffs and cutbacks are forecast for 1971.

Wichita, Kans. is suffering from a serious decline in its aircraft industry. Today, only 59 percent of the workers employed a year ago are working in that industry. The unemployment rate of the Wichita metropolitan area's 10.1 percent, or 16,800 people. Approximately 3,000 of these are unemployed physicists, engineers, and scientists; 8,772 jobs must be created in Wichita just to reduce the current unemployment rate to the national level.

The extent and impact of the present economic slump is nowhere more obvious than in Seattle, the city where I now serve as mayor.

Metropolitan Seattle is unquestionably the hardest hit in the entire country.

During 1970, the adjusted unemployment rate in the Seattle SMSA rose from 5 percent in January to 12.4 percent in December, an increase of 150 percent, representing the highest rate of unemployment in the country and third in the actual number of people unemployed, behind only New York and Los Angeles, which are communities 10 times our size.

In human terms, our area has 75,000 people out of work; 102,000 food stamps, and 188,000 people on some form of public assistance. I would hasten to point out that these figures, for the first time in the history of our community, represent professionals, craftsmen, technicians, returning servicemen, and a host of other well-trained people who once constituted the body of people in middle America, the so-called silent majority, behind only New York and Los Angeles, communities 10 times our size.

An engineer with a wife and three children who has been laid off from Boeing for more than 9 months must now be included in our definition of disadvantaged Americans. This is a man who has a swimming pool in his backyard, who has never known unemployment or food stamps. He is not looking for a handout or charity, but simply a decent, honorable manner to provide for his family.

During the Christmas season, Seattle saw former Boeing engineers playing Santa Claus in department stores, driving trucks, carrying mail, and a host of other jobs, but even these jobs are now gone.

And, worst of all, there is nowhere else in our country for him to go. His skills are simply not in demand. Unemployment insurance, while extremely helpful to large numbers of people, is too limited in its ability to relieve the economic needs of the people.

During December, unemployment insurance claims in Seattle totaled 43,400; but 231,491 people had already exhausted the regular benefits, and another 6,000 had used up their extended benefits with no further relief in sight.

Clearly, what is needed now is a program that will provide some temporary relief within a framework that will produce beneficial results for the community as a whole. Mr. Jerome Rosow, in a recent article in Saturday Review, sees our alternatives as limited between make-work and product-oriented employment.

In my judgment, this is a short-sighted analysis. People across this Nation are demanding an increased level of services at the local level that could be satisfied with additional manpower. This approach addresses itself to the immediate problem of putting people back to work.

In other communities like Seattle, where the unemployed represent highly skilled professionals, the opportunity exists to put these talents to work on the pressing problems of urban areas. This approach has both immediate and long-range implications.

What is needed now, and the subject matter of this hearing today, is the mechanism to accomplish both of these tasks.

During the last session, the Congress saw and understood the problems and the opportunities presented by this serious economic situa-

tion. It responded with massive manpower legislation. We commend your subcommittee, Mr. Chairman, for the prominent role it played in the passage of that act. Unfortunately, the President by his veto of that legislation turned this Nation's back on the unemployed.

We now face an intensified problem with no relief in sight for the thousands of people presently unemployed and the thousands yet to be unemployed. The situation is now critical. The administration's assessment of the unemployment situation was simply incorrect. A program that will both put people to work and tap this presently unused talent resource is both a sound undertaking and one we are obligated to undertake.

It is now time for the Federal Government to launch a massive job creation program that will provide badly needed public services while responding to the unemployment and training needs of the hard-core unemployed. We support you in your effort to obtain emergency legislation and, at the same time, issue a warning that we must have a national program consisting of permanent jobs.

In addition, there must be provisions in any legislation which will insure uninterrupted program operations. Local governments must be funded directly with the authority to effectively provide and coordinate all manpower training programs which create jobs and provide service to its citizens.

We must have a clear and guaranteed formula for allocation of funds to local units of Government based on local unemployment conditions. In view of the fact that many cities are already on the brink of financial disaster, and the costs of even the most basic services have become increasingly difficult to meet, any public service job program must be fully funded by the Federal Government.

In Seattle, as in most cities of this Nation, decreasing tax revenues and increasing costs have forced me to freeze almost all city hiring. We have cut back on the number of days our recreation program is operated; we have reduced the maintenance of streets, parks, and other facilities; and we have cut back on health and drug programs. We now actually employ fewer persons than we did 1 year ago when I took office.

If there is any doubt that cities can effectively use public employment programs, I invite you to come to Seattle. On the basis of a recent experience that we have had, we are convinced that this approach makes sense and will work.

On Labor Day, 1970, Secretary Hodgson announced a \$25 million program designed to provide some relief for areas hardest hit by rising unemployment. Funneled through the States to local jurisdictions, this program, the employment supplement program (ESP), provided employment for enrollees in public and private nonprofit agencies for 16 weeks at \$2 an hour.

Our original estimate indicated that the \$4 million allocated to King-Snohomish Counties, of which Seattle is a part, would provide for 3,000 jobs. Within 45 days, we had 5,284 commitments for job slots from 200 different agencies. If there had been a local staff soliciting these jobs, the figures would have been much higher. Obviously, the requests have far outstripped the funds available.

The kinds of jobs being filled include not only a number of laboring jobs, but also a large number of skilled and technical positions.

The department of public assistance is using ESP workers to expand food stamp programs and work on their growing welfare case-loads. The department of employment security is using people to service their expanded employment insurance claims load. Police departments, school districts, Federal agencies, and others are all using ESP workers.

We, for example, have a former Boeing physicist now working for our Seattle Health Department, at \$2 an hour.

We have found that with the skilled work force in Seattle, we can put people to work on such urban problems as health services, waste disposal, law enforcement, and many other fields.

At this point, all of the 3,000 job slots have been filled. There has been very little problem with the persons in the program. Terminations are almost nonexistent. The unemployed people in this program are proving that they are anxious to work and will work if given the opportunity. Since its inception, the program has been a success story in the city of Seattle.

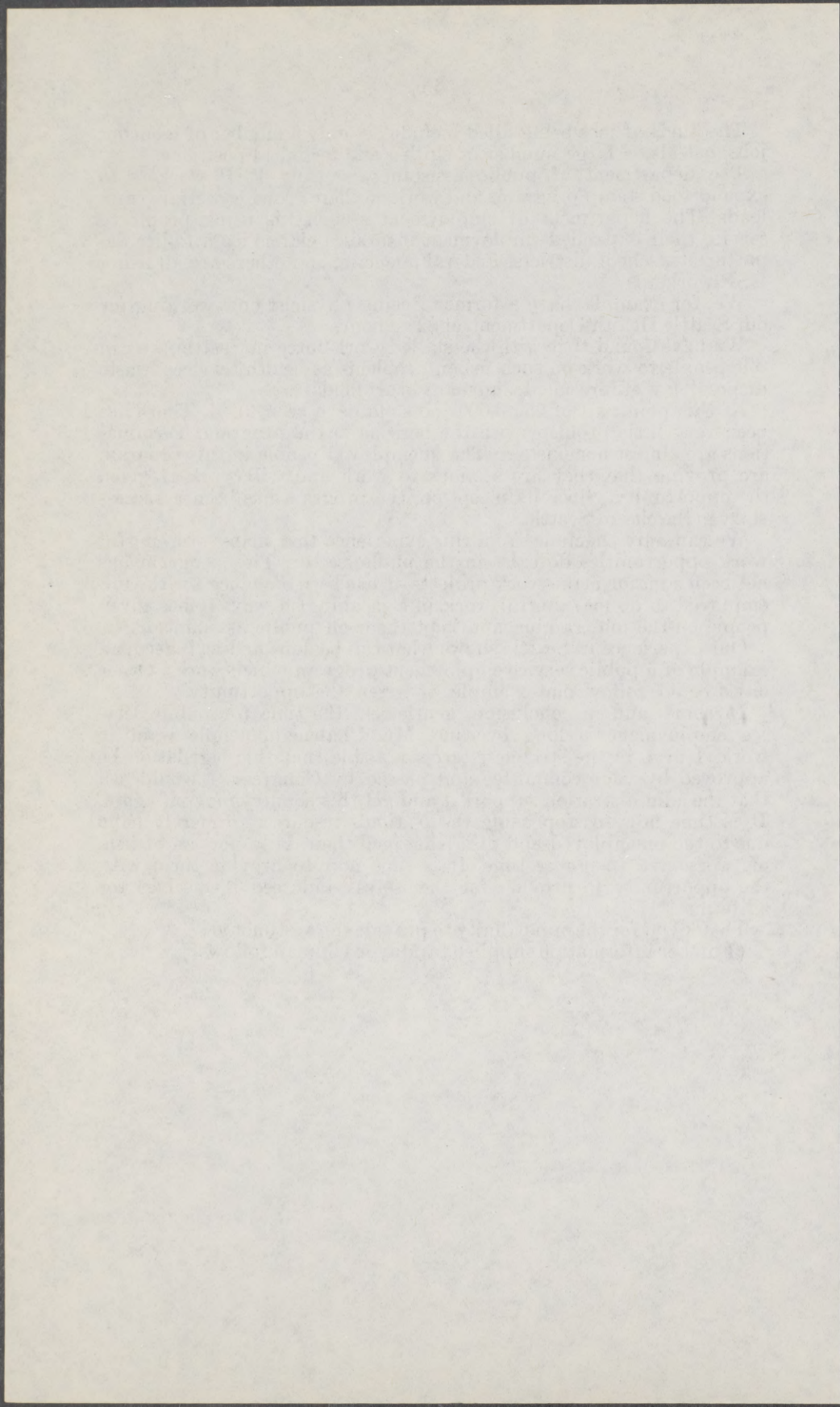
We can only conclude from this experience that many meaningful work opportunities do exist in the public sector. This program has not been a major make-work project—it has been a chance for the unemployed to do meaningful work in a meaningful way. It has given people on-the-job training and kept them off public assistance.

Our experience in Seattle shows what can be done and is, indeed, an example of a public service employment program which works. Other cities could follow our example, if given the opportunity.

In short, and in conclusion, gentlemen, the time for public service employment is long overdue. Mr. Chairman, people want to work. I urge in the strongest terms possible that this legislation be approved by your committee and passed by Congress. I would ask that the administration support it and get this country moving again. It is time now to stop using the Nation's resources to merely hand out to the unemployed and disadvantaged their daily portion of fish, or, worse yet, to ignore time. It is time now to provide them with the opportunity to provide for themselves and feed themselves for a lifetime.

Thank you for the opportunity to provide this testimony.

(Further information supplied by Mayor Uhlman follows:)



## OVERVIEW OF THE CURRENT UNEMPLOYMENT AND ECONOMIC PROBLEMS IN SEATTLE SMSA

### NOTE OF EXPLANATION:

The three attached charts are designed to give an overview of the current unemployment and economic problems in the Seattle SMSA.

This area includes: Two counties, King and Snohomish, and two metropolitan areas, Seattle and Everett, with a total population of 1,421,869.

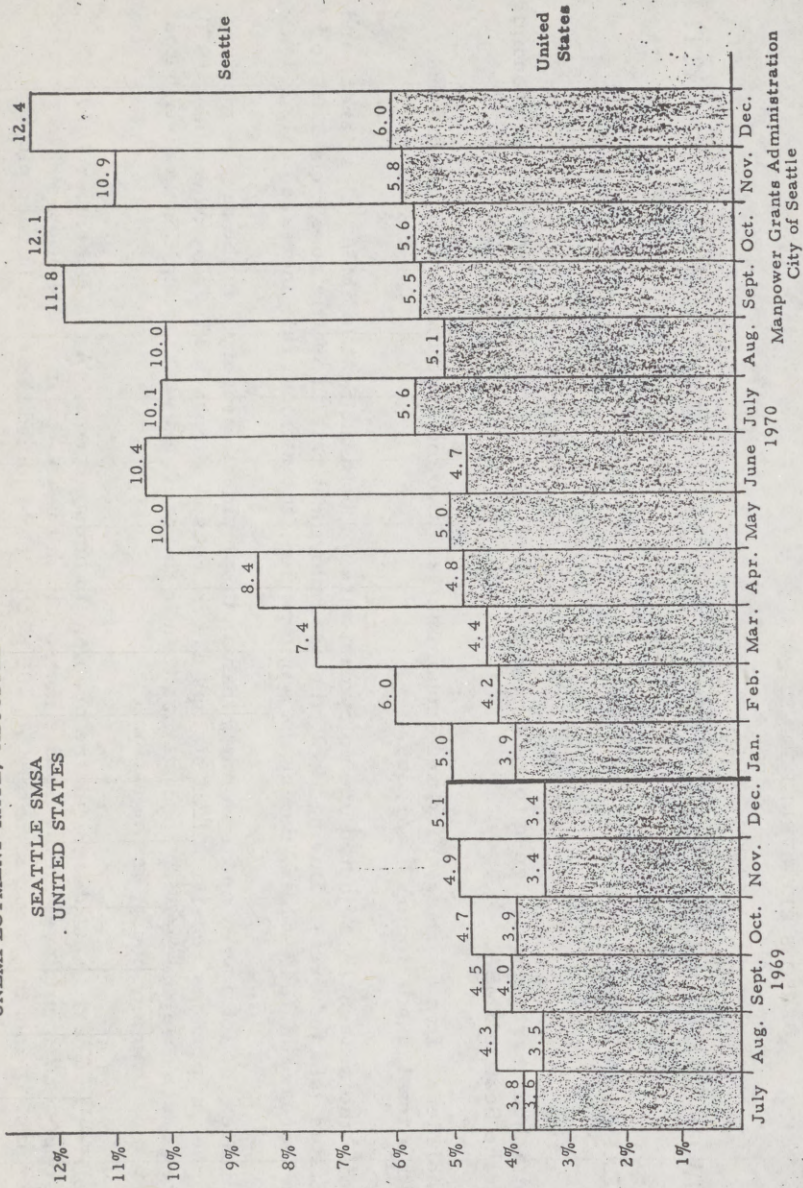
Chart I details the seasonally adjusted unemployment rate for both the Seattle SMSA (clear area) and the United States (shaded area). During 1970, the unemployment rate in Seattle rose from 5.0% to 12.4% -- an increase of 7.4% while, during the same period, the national rate increased only 2.1%.

Chart II indicates the total area needs in other than an employment category. In the past 18 months, the total number of persons receiving food stamps has increased almost 500%. By November, 1970, 62,900 more persons were receiving food stamps than in the previous year. King County distributes more food stamps than any county in the nation.

Chart III relates to Chart I, but describes the problem in human terms. As of December 1970, 75,500 persons were unemployed in the Seattle metropolitan area -- an increase of 43,400 in a single year. In the past 18 months, approximately 50,000 people have joined the class of unemployed.

Chart I

UNEMPLOYMENT RATE, ADJUSTED



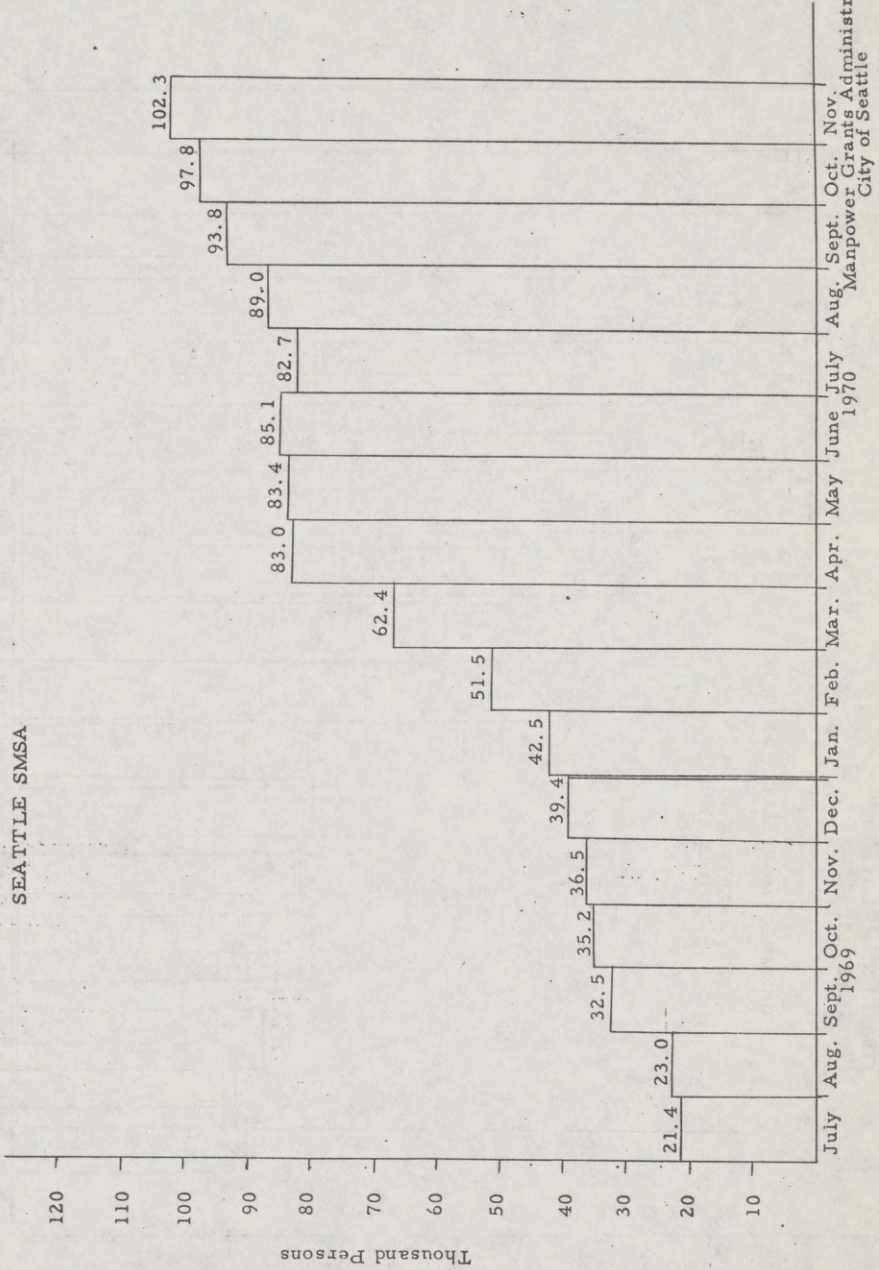
Seattle

United States

Manpower Grants Administration  
City of Seattle

Chart I

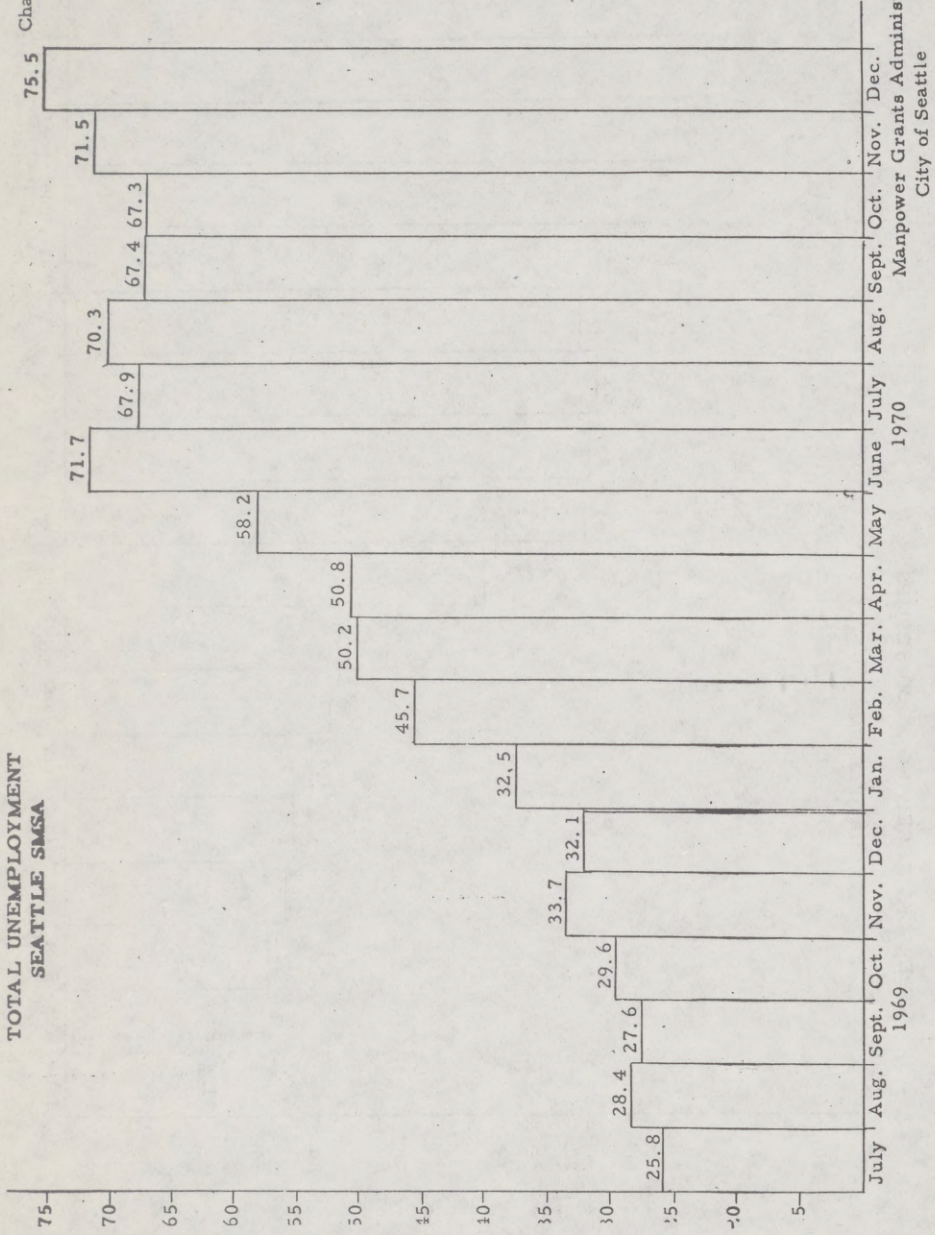
PERSONS RECEIVING FOOD STAMPS  
SEATTLE SMSA



Nov. Manpower Grants Administrator  
City of Seattle

Chart III

TOTAL UNEMPLOYMENT  
SEATTLE SMSA



Manpower Grants Administration  
City of Seattle

**NATIONAL LEAGUE OF CITIES****UNITED STATES CONFERENCE OF MAYORS**

For release: 10:00 AM  
Monday, February 8, 1971

Contact: Ted Drury  
293-7350

**MAYORS URGE PUBLIC SERVICE JOBS LEGISLATION**

WASHINGTON, D.C., Feb. 8--Emergency legislation providing public service jobs to combat growing unemployment was urged today by the Legislative Action Committee of the U. S. Conference of Mayors.

The Committee, composed of the mayors of 16 major cities, appeared before the Senate Subcommittee on Employment, Manpower and Poverty on behalf of the U. S. Conference of Mayors and the National League of Cities.

Citing the rise in unemployment rates in cities throughout the country, the mayors emphasized the need for public service job legislation to meet the needs of both the hard-core unemployed and the many workers made jobless by the downturn in the national economy.

Their testimony reaffirmed the position taken by the U.S. Conference of Mayors and the National League of Cities during the past four years at their annual meetings. The two organizations have called for Congressional and Administration support for a public service employment program to meet the pressing need for additional services in the cities and to provide jobs for the unemployed.

-more-

1612 K STREET, NORTHWEST WASHINGTON, D.C.. 20006 TELEPHONE (202) 293-7300

The Committee members appeared before the Senate Subcommittee at a 10:00 AM hearing on the Emergency Employment Act in Room 1318 of the New Senate Office Building. The bill was introduced by Senator Gaylord Nelson (Dem.-Wis.), chairman of the Subcommittee, and Senator Jacob Javits (Rep.-N.Y.) with 32 additional Senators as cosponsors.

Mayor Wesley C. Uhlman of Seattle served as the principal spokesman for the Committee. Also appearing were Mayor John V. Lindsay of New York, chairman of the Committee, and other members of the Committee. These included Mayor James H. J. Tate, Philadelphia, USCM President; Mayor Richard J. Daley, Chicago; Mayor Joseph L. Alioto, San Francisco; Mayor Frank Burke, Louisville; Mayor Thomas J. D'Alesandro, III, Baltimore; Mayor John Driggs, Phoenix; Mayor Peter F. Flaherty, Pittsburgh; Mayor Kenneth A. Gibson, Newark; Mayor Roman S. Gribbs, Detroit; Mayor Harry G. Haskell, Wilmington, Delaware; Mayor Henry W. Maier, Milwaukee, USCM Vice President; Mayor Sam Massell, Atlanta; Mayor Carl B. Stokes, Cleveland; Mayor Kevin H. White, Boston.

To stress their concern that public service jobs legislation be made a priority issue in this session of the 92nd Congress, the Legislative Action Committee met at 2:30 PM with House Speaker Albert and Majority Leader Boggs.

The Committee, which was formed last December to focus national attention on the urgent problems facing the cities, will meet again on February 11 in San Francisco. It will hold a press conference there to release the U. S. Conference of Mayors view of the President's budget as it relates to helping them meet these problems. In addition, they will present their report to the nation on the President's far-reaching proposals outlined in the State of the Union and Budget messages.

Senator NELSON. Thank you, Mayor, for your very fine statement.

I think we will proceed so that all the Mayors have an opportunity to make a statement and, unless there is objection from up here, withhold our questions until everybody has had that opportunity; else, we may very well not finish.

Senator JAVITS. Mr. Chairman, I also ask unanimous consent that on the first go-round, we use the 10-minute rule, so that all members may have an opportunity.

Senator NELSON. Is there any objection?

We will use the 10-minute rule.

Mayor LINDSAY. Mayor Alioto of San Francisco.

#### STATEMENT OF HON. JOSEPH ALIOTO, MAYOR OF THE CITY OF SAN FRANCISCO, CALIF.

Mayor ALIOTO. Yes, Mr. Chairman, and members of the committee, I have a printed statement that I left with you, so, in the interest of not being repetitive, I won't read it.

Senator NELSON. The statement will be printed in full in the record, and go ahead.

Mayor ALIOTO. Thank you very much.

Mr. Chairman, one point I would like to emphasize is that this is not a matter of just urgency; it is really a matter of emergency, and I think that it affects a lot more than just the cities. The effect is on everybody.

There isn't any way any more of isolating the suburbs and the rural areas from what is happening in the cities; unless those cities are saved, everybody is going to be affected.

Now, I know we have a lot of people in this country who still think that the problems of the central city belong to somebody else, and they remind me, Mr. Chairman, for all the world like some fellow who is holding a great poker hand in the drawing room of the *Titanic*.

In 1946, we made an affirmation in something we call the Full Employment Act, that everybody was entitled to work. Then very recently, within the last 4 years, we decided that the way we were going to fight inflation in this country was be deliberately creating unemployment. And we were told, for example, that we were going to cut down on 75 percent of Federal building, we were going to cut down on 75 percent of State building, and the mayors were exhorted to cut down on 75 percent of their city-oriented building, as well. We chose to disobey that exhortation, but, unfortunately, it was followed out at the Federal and State levels, and part of the unemployment we are dealing with now is a deliberate result of that particular policy.

There is another feature which I have not included in my written statement, but I would like to point out. Some of the unemployment we are dealing with in our cities today, Mr. Chairman, is a direct result of mandates of the Federal Government. Now, there are mandates that we happen to agree with.

For example, you have liberalized a Chinese immigration policy in the Federal Government, for refugees and others, and we are delighted, and those of us who are sons of immigrants can't object to

a policy like that. We think it is a good policy, that this country should always be a kind of beacon light for those who are oppressed everywhere in the world.

Nevertheless, the result of that immigration policy has been a massive influx of literally thousands of Chinese, all the way from grandfather to grandson into chinatowns such as we have in San Francisco. Nobody speaks English; they intensify an already bad housing problem, and particularly an already bad unemployment problem.

If we were given the ability under your bill to employ literally hundreds of translators, so that these folks could be better served in welfare and education and medical facilities, just that alone would be a tremendous thing.

In addition to that, you have a Federal policy, and you have selected seven cities, and my city happens to be one of them, where you are taking North American Indians off reservations and trying to absorb them and have them assimilated in our cities.

So, almost overnight, we get 15,000 North American Indians, and you subsidize them for a period of 6 months, and after that, you thrust them upon the cities. And we have the problems of unemployment in this area, as well.

You have done the same thing, of course, in liberalizing immigration policies, and we have no objection to that, with respect to the Spanish-speaking. So, we now have thousands of Spanish-speaking in our cities, who don't speak English, and who also intensify the unemployment problem.

In addition to that, when we are successful in working out certain programs—for example, we went to the airline companies, very early in our administration, and tried to tell them that we have provided a great airport, we are your licensor, in effect, and we want you to help us with minority employment problems. They responded; they responded admirably.

For example, TWA worked out a program with us for training cadets. They set up a cadet school, so that they might go in all phases, all entry levels of the airline industry. Then this depression came along that we have had recently, and, as a result of that depression, that program that we worked on, and that was in effect for 2 years, had to be scrubbed.

Now this depression, as I say, was a result of a policy that says that the way we are going to solve inflation is by deliberately creating unemployment; therefore, we think that you folks owe us something in return for the Federal policies—not necessarily the responsibility of anybody here, but the Federal policies, nevertheless—which have created the very problem we are talking about.

Very recently, we put out an application for 32 streetsweeper jobs; 800 people showed up, many of them staying overnight, in order to be in line. This was on a first-come, first-served basis. This is just an example of the kind of emergency that attends the problem we are talking about.

All of us believe that competitive capitalism has supplied the highest standard of living in the world, and what is second is a very, very poor second. But there is one serious deficiency to competitive capitalism, and this is its inability to supply full employment, and insofar as this

bill tends to ameliorate the situation we are talking about, it is going to be a step in solving a problem that may very well spell the ruination of these cities.

I simply want to say, finally, Mr. Chairman, that these cities have wounds that really burn, and we do need some relief, and this bill you are talking about offers us some hope, that we hope will materialize, into an actual statute and actual jobs in our cities.

Senator NELSON. Thank you, Mayor Alioto.

(The prepared statement of Mayor Alioto follows:)

Statement by  
THE HONORABLE JOSEPH L. ALIOTO  
Mayor of the City and County of San Francisco  
in support of  
SENATOR NELSON'S BILL FOR PUBLIC SERVICE EMPLOYMENT PROGRAM

As Mayor of the City and County of San Francisco, I strongly endorse the concept of a Federally-subsidized local employment program in the public service. My staff at this time is identifying opportunities for employment in San Francisco under such a bill, if passed, because we feel it offers two things, both urgently needed.

First, for the individual who is currently employed, it offers the opportunity to do honest and needed work in the service of the public; to keep up his work skills; to maintain his income and to keep up his house payments or his rent, and to meet the grocery bill; in so doing his wages become an additional support to our basic economy, and so give strength to retailers, service industries, and even to the very tax base of the City, at the same time that his work gives him a feeling of personal satisfaction.

Second, it offers to the public organization, which is the City and County of San Francisco, the opportunity to perform functions and provide services which are urgently needed, but which we are unable to include in our basic budget because the burdens on our taxpayers are such that we can no longer continue to raise the tax rate. It is true that the cities of this nation face insolvency. It is also true that our City needs to take bold and imaginative steps to meet the human needs of its citizens.

Some of the kinds of work we are discussing with relation to this Bill will provide experience to the returning Vietnam Veteran who needs such experience in the civilian world before moving on to regular employment. Some may extend our health services, or our

mental health services, using individuals from among the unemployed who have some skills, including the skills of communication. We urgently need translators in our municipal departments and in our courts, to serve our residents who speak no English, and the latter are numbered in the thousands. We hope to find some spots for the engineers and the planners who have been displaced by redirection of our defense effort; our water, electricity, airport, and transportation systems may offer those opportunities. Our school system and our recreation system can welcome additional staff to broaden and strengthen their services. I can see a massive program of instruction in English language for adults at the neighborhood level. Our Probation Officers need help - much help. Our own Civil Service office is badly undermanned and it is examining its own roles to see what creative use it can make of opportunities for staffing within the expected rules of this program. There are many opportunities for more or better services - all needed, and most leading to jobs which exist either in City work or other employment in this community.

We in San Francisco are fortunate in that our City and County has nearly three years of experience in operating manpower programs funded with Federal money through the Concentrated Employment Program. We have trained paraprofessionals in a new careers program to work in our library, schools, social services department and health department and, after more than two years, more than 70% of them are still working with us and have completed their two-year college program. We trained 40 young men from our most disadvantaged groups as bus drivers, and 36 of the 40 became regular drivers in our Municipal system after qualifying under the Civil Service system. Their turnover has been low. We have trained draftsmen, in cooper-

ation with the Skill Center, and laboratory workers and electronic data processing trainees.

In this experience, we have learned the steps which need to be taken; we have experienced some failures and we have learned from them. But, because we have had this experience, we know we can design a Public Service Employment program for San Francisco which will qualify those enrolled in it to hold jobs in public or private industry on a competitive basis, as those jobs become available. We have the experienced staff with which to do this job, and we want to move ahead just as rapidly as possible, in the belief that this program offers real potential for both the worker and for our City.

One word of caution should be presented. It is our understanding that the bill contains, as did the bill vetoed by the President, provision for 20% local matching of funds, with 80% Federal funds. If that 20% matching can be a sponsor's contribution in goods and services, supervision, use of equipment, and similar "in-kind" items, we are prepared to move ahead with dispatch. If the requirement were to be written as "20% matching in cash", I doubt if a City, County or State can be found which could offer more than a token program. I am at present faced with reducing the proposed budgets from my City departments by very substantial amounts in order to hold our expenditures to a level which will not bankrupt the City. I very much doubt that our Board of Supervisors would be able to authorize cash funds, as much-needed as these services are acknowledged to be.

Again let me restate my support of the proposed legislation, with the caution just noted. We know we can offer a responsible program in San Francisco based on our extensive experience, which is still continuing. It will be a program meaningful to the workers, and of utmost importance in helping to meet the needs of our citizens for services.

Gentlemen, thank you for the opportunity to comment.

SUGGESTED ADDITIONAL TRAINING OCCUPATIONS

Priority should be given to job assignments which provide qualifying experience or lead directly to employment in the City or with other employers. The following list includes jobs which would be useful to our citizens; some, however, might be set aside in favor of others which would lead to job commitments.

## In the health field:

Orderlies

Psychiatric Orderlies

Job development staff for the Center for Special Problems

Bilingual staff for admissions, emergency and Social Services Departments of the hospitals and clinics

## In Education:

Tutors for ghetto students needing help

Bilingual staff to work with non-English speaking parents of students

Teacher aides for classes for the foreign-born who are learning English, or catching up to grade level in subject matter

Aides in all of the special categories of teaching - the non-readers, or retarded, or home-bound

## In all of city government or multiple departments:

Stenographers and secretaries (starting with persons with some skill, but needing experience or greater speed)

A helper program for truck and bus mechanics and machinists designed to teach some actual skill

Staff to permit out-stationing of services (for example, to reduce the workload pressure on the Department of Social Services; the Department then, in turn, could out-station staff in the neighborhoods to provide convenient service which the downtown locations do not)

A similar situation exists in the Probation Departments where neighborhood services would save carfare and reduce resentment on the part of probationers who must "report in" weekly

In Law Enforcement and the Courts:

Staff to enlarge the work of the Public Defender's office

Bilingual staff for the Public Defender's office and the Courts

Staff to continue the work of the OR bail project

Mayor LINDSAY. Mayor Burke of Louisville, former Member of Congress.

**STATEMENT OF HON. FRANK BURKE, MAYOR OF THE CITY OF LOUISVILLE, KY.**

Mayor BURKE. As each of the others who speak here today on behalf of American cities, I am very grateful for the opportunity, because what we really are doing is demonstrating to this committee and to Congress the pervasiveness of the forces which cause so many Americans who are willing and able to work to be idle.

Those of us who are closest to the problem would like to underline all of the pernicious social and economic ills which flow from frustration and desperation. I will try to avoid the repetition of statistics and factors which have been so eloquently spoken on by Mayor Uhlman and the others who have preceded me, because in each of these cities, the situation is different, and, yet, the disease is the same.

The Louisville metropolitan area which, as the committee knows, includes the most populous parts of southern Indiana, as well as Kentucky, is, generally speaking, a place of excellent balance in type of industry. Our people make every product from the heaviest machinery to the most exotic electrical devices and, yet, those forces which affect Seattle similarly affect us.

On February 1, 1970, our unemployment rate was 3½ percent. On the 1st day of February 1971, that rate had reached 5 percent.

While, as the chairman stated at the outset, the bill S. 31 is not the total answer, the constructive employment of some numbers of men and women in needed public employment would make a significant contribution toward a demonstration that the Congress and, therefore, the people of the United States, are concerned about these urban problems.

Whether it is urban or rural, but especially in concentrated areas, where the percentages are high and the numbers are great, it debilitates the economic body, and it so demeans the social spirit of our people that it aggravates civic ills that break out in all sorts of municipal spasms.

The bill S. 31 would help the cities, and it would help America far beyond the collar volume of its authorization, and far beyond the numbers of people whom it would employ, because we feel that it would have an effect of removing some of the terrible depression and frustration which confronts those people who are least able to bear it.

Mr. Chairman, I know everyone here, and the people on behalf of all the American cities, will support your bill with every strength we have got.

Senator NELSON. Thank you very much, Mayor.

Mayor LINDSAY. Mayor D'Alesandro of Baltimore.  
 Senator NELSON. Mayor.

**STATEMENT OF HON. THOMAS D'ALESSANDRO, MAYOR OF THE  
 CITY OF BALTIMORE, MD.**

Mayor D'ALESSANDRO. Thank you.

Mr. Chairman and members of the committee, I have no prepared text, but I would like to register on behalf of the people of Baltimore an endorsement of Senate bill S. 31.

Now, to me, there doesn't appear to be too much conflict from the tenor of the remarks made by the representatives of local government or the great majority of the Members of the Senate.

If I understand you correctly, Mr. Chairman, you said there were close to 50 or 60 cosponsors of this emergency bill.

Senator NELSON. Thirty-four, I believe.

Mayor D'ALESSANDRO. Thirty-four.

And, while we all endorse the general theme and, in particular, maybe, some of the specifics of the bill, what I would like to try to get across today at the national level is what can we do, back at the local level, to have the Congress and the President arrive at a meeting of the minds? Because the past manpower training bill passed, but it was vetoed, and the veto was sustained, so close to 2 or 2½ years worth of work went down the drain.

As far as public service is concerned, and the public service jobs are concerned, in Baltimore, and as far as any big city in the country, we are the depositors for the poor, out of a population of 905,000 people. Of that, 305,000 pay taxes; 187,000 pay taxes on a taxable income of \$3,000 and down.

So, I can't concern myself with enlarging any good or solid programs that are in existence down in the streets. In fact, the reverse is true. Not only can I not concern myself with expansion, but to start any new good programs, I am going to have to curtail expenditures. I am going to have to cut into essential municipal services, just because I can't get any help from the general assembly at Annapolis, which finds itself in a fiscal bind, and by process of elimination we have to look to Washington for support.

But what I am afraid of is the comments that were made by Mayor Tate.

I appeared before a committee back in 1968. We waited 2½ years, and we came up with a veto.

I, speaking for myself, and I know for a majority of the mayors, would like to be put in a position of what we can do to help you reach the White House, and arrive at some sort of resolution of this difference that exists.

The administration, early in its term, sponsored a manpower and training bill. Where is the variance? What could be done to get a bill passed? To have this go through the same kind of effort, have the bill pass overwhelmingly, and face another veto, I think, would be too hard a strain to operate under, and would place us in an even more aggravated set of circumstances.

Senator NELSON. Thank you, Mayor.

Mayor LINDSAY. Mayor Daley of Chicago.

Senator STEVENSON. Mr. Chairman, could I be recognized?

Senator NELSON. Yes, Senator Stevenson.

Senator STEVENSON. I would just like to express a few words of welcome to the mayor of Chicago. I know he needs no introduction to this subcommittee. He enjoys a national reputation as one of the most extraordinarily effective municipal executives of all time. The respect and the affection of his constituents in Chicago, including the junior Senator from Illinois, has been attested many times.

Mayor Daley has been elected to the office of mayor of Chicago four times, and I suspect will soon be elected a fifth time. It gives me a great deal of pleasure and satisfaction to welcome my old friend, Richard Daley, and I know that his comments, based on years of experience as mayor of—I think he would say—the first city of the country, and years of concern about wasting human resources, will be of great assistance to this committee.

Senator NELSON. Mayor Daley.

#### STATEMENT OF HON. RICHARD DALEY, MAYOR OF THE CITY OF CHICAGO, ILL.

Mayor DALEY. Mr. Chairman.

Thank you, Senator Stevenson.

Distinguished Senators, my colleagues, the mayors of the cities of our great Nation, as mayor, I am here to comment on Senate bill 31, which is designed to provide, during times of high unemployment, for programs of public service, employment for unemployed persons, to assist States and local communities to provide needed public services, and for other purposes.

All the mayors of our cities have a direct concern with the problem of unemployment. Although there are no statutes that fix the responsibility for employment on local government, the fact is that we are the closest to the people and they look to us for leadership in meeting problems that directly affect their lives.

Further, the place to meet problems is where the problems are, and the cities have the greatest numbers of the unemployed.

I believe that there are two aspects to the bill. One is to meet the problem of unemploying during periods of recession, and the other is to fill public service needs in such areas as environmental quality, health care, housing, neighborhood improvement, recreation, education and other programs that contribute directly to the betterment of the community.

I would like to add a third consideration, and that is to provide maximum opportunity for a job to anyone who has a genuine desire to work.

In regards to periods of high unemployment, there are questions that I believe deserve your serious study and consideration.

The requirement that there be in excess of 4.5 percent unemployment nationally for 3 consecutive months before the bill becomes operable appears to be unrealistic. Even when employment is high nationally, we all know that there can be regional and local areas of

unemployment. There must be consideration given to cover these conditions that do not reflect the national percentage.

We also recognize that even in those areas where unemployment may be under 4½ percent, the unemployment rate for minority groups may be substantially higher.

I know that there is considerable support for the theory of a mobile labor force—that workers will go from areas of high unemployment to more prosperous areas. To a great extent, this may be true. However, there are some groups that do not respond to this pressure: the man who is over 45, the person who is unable to move for compelling personal reasons, and those who feel uncertain about the consequence of their move.

The further effect of this mobility is to place a greater burden on the city that accommodates them when the economic picture changes and there is unemployment. This is one of the reasons for the current plight of many of our cities.

I am confident, for example, that the city of Seattle will restore its economy but it will be in great difficulty in the future if there is an exodus of skilled labor from the city.

I believe that every section of our country should be strong economically and able to provide opportunity for employment for their residents.

I feel that this committee should give consideration to exceptions to the 4.5 percent formula.

The needs of the cities have become obvious. There is no question that cities could hire and efficiently use workers to fill unmet needs in public health, antipollution programs, housing and neighborhood improvements, education, public safety, parks, transportation, sanitation and other equally important areas.

We now have a situation that, while the private sector is telling the unemployed it has no openings, there is a great need in the public sector to hire additional workers for essential services. But there are no local resources with which the cities can hire the additional personnel.

The opportunity for jobs in the public sector exists at the same time that the Nation suffers from a 6 percent unemployment rate, with no assurance that it will not go higher before it declines to the 4.5 percent level that the President hopes to reach by late 1972.

This unemployment figure includes highly skilled professional workers—as my friend from Seattle mentioned—managers, engineers, technicians, the recently returned veteran from Vietnam with skills acquired in the armed services, as well as the unskilled and inexperienced worker who, even with unemployment reduced to a level of 4.5 percent, would find it difficult to obtain a job in private industry.

Chicago could, and would, hire workers from all skill levels—including engineers and technicians, to do essential work not now being done. But its major thrust would be the hiring of the untrained and inexperienced and, through training, both on the job and in educational institutions, provide them with the skills that will enable them to make a real contribution to the welfare of the city in which they live.

At the same time, it will lessen unemployment and provide the worker with an income for himself and his family, and with self-respect, and standing in the community.

Obviously, this is not a make-work program. The city will create entry level jobs in vital departments where inservice training and accredited education will be used to improve the workers' skills. The Civil Service Commission will link entry positions to a citywide career ladder based on proper task analysis so that employees will know that opportunities to advance will match their skill development. This is not new in Chicago. For years, the city has had an education incentive program for all its workers providing for released time and tuition reimbursement.

Public service employment, to be truly effective, should include a commitment by the city to upgrade its workers and thereby improve its services to the community. Certainly this will afford workers an option of entering private employment as well as being absorbed into regular government employment as their skills improve.

A survey, just completed by the National Civil Service League, of departments in the city of Chicago showed that the city could use more than 30,000 additional workers in expanding services that would contribute directly to the community.

Typical jobs include engineering technicians, draftsmen, clerk-typists, health aides, data control operators, and rodent control inspectors, as well as positions which do not require specialized skills.

Experience has taught us that even in times of high employment there are men and women who cannot find a place in private industry. This is particularly true for those over 45, and these older workers not only include the unskilled or low-paid but the individual who has worked in a high-paid job for 10 or 15 years and has been laid off during a recession. In many instances, he will not be hired back and he is finding it extremely difficult to get a job. There also is the young worker from 18 to 25 without a college education who finds it hard to get an entry job in private industry. The problem is even more distressing for members of minority groups.

Public Service Employment should not be just stopgap employment—make-work jobs in which the worker simply marks time until the economy improves and unemployment is reduced to some arbitrary percentage. The employment and service needs are too great for any such limited program.

Public Service Employment should generate real jobs; jobs in which the worker can take pride because he knows that he is providing a needed service; jobs which are not dead end but those where the worker can see advancement opportunities in permanent employment.

The committee should therefore consider extending the authorization for appropriation in section 4(a) beyond July 1, 1973.

If this permanency cannot be assured through legislation, then the worker should be assured that he will not be dismissed until a suitable job is made available to him by the federally supported State Employment Service. Precedent for this already exists in the work incentive program for those who are in training under the aid-to-families-of-dependent-children program provided in the Social Security Act.

In the last analysis, the Public Service Employment concept is not compromised if the worker, with his newly acquired skills, can continue his career by entering private industry. Government and industry could achieve no finer partnership than in a program dedicated to such advancement of the American worker.

In Chicago, as well as in other cities, we have taken advantage of every Federal and State program in the employment field. We have been deeply concerned about the returning veteran from Vietnam. We established a special office in the city hall to provide job placement services for the veteran. We enlisted the aid of the State employment agency and private employers.

This program was successful and we were able to place more than two-thirds of the applicants in good-paying jobs—some in city government—most in private industry. With the decline of the economy, however, we now are not able to find jobs for returning veterans. And recently we have witnessed the bitterness of the veteran who has been laid off the job which we located and is seeking employment again.

Our model cities and urban opportunities program give the highest priority to job training and employment opportunities.

We also have a program opening the ranks of building trades unions to minority members through the Chicago plan which is a cooperative agreement between building contractors, trade unions and minority groups for training and employing minority workers.

There is a universal realization that our present welfare system has become self-defeating. It appears to me that there is no better way to rescue able-bodied, employable, but unemployed, men from their present eroding idleness which slowly kills morale and initiative, destroys the spirit, and affects the offspring, then to give meaningful work at decent wages.

Men and women need work. They need the chance to find themselves in the world. The opportunity for a meaningful job is the most important fact in maintaining a basic level of dignity in our way of life. Certainly employment is not a panacea for all of our social problems, but nothing will make a greater contribution toward alleviating such problems.

With the modifications I have recommended, I urge the passage of Senate bill 31.

Thank you again, Mr. Chairman, for this opportunity of appearing here.

Senator NELSON. Thank you, Mayor Daley.

(An attachment to Mayor Daley's statement follows:)

## THE CHICAGO PLAN FOR EQUAL OPPORTUNITY, INC.

## PROGRESS REPORT

February 2, 1971

Report on The Chicago Plan's activities since the inception date.

The total number of persons recruited is 1165. Of those recruited the following disposition was made:

CRAFT	PRE-APPRENTICES	APPRENTICES	JOURNEYMEN
1. Structural Ironworkers	1		2
2. Sheet Metal Workers		1	7
3. Cement Masons	5	3	2
4. Glaziers		5	8
5. Carpenters	18	90	16
6. Plasterers	5	11	1
7. Roofers	1		3
8. Painters	5		4
9. Pipefitters	56	1	23
10. Electricians	1	60	53
11. Operating Engineers	120	67	4
12. Bricklayers	1	20	3
13. Asbestos Workers	20		8
14. Boilermakers	1		8
15. Plumbers		43	98
16. Archeticultural Ironworkers		10	15
17. Pre-Vocational-GED	140		
18. Others*	<u>46</u>		
TOTALS.....	420	<u>245</u>	<u>255</u>

\* Others refers to trainees placed in training with the Model Cities Community Maintenance Corporation.

Mayor LINDSAY. Mayor Driggs of Phoenix.

**STATEMENT OF HON. JOHN D. DRIGGS, MAYOR OF THE CITY OF PHOENIX, ARIZ.**

Mayor DRIGGS. Thank you, Mr. Chairman, members of the committee.

It is a great pleasure to appear before you in support of this bill.

Our statistics in Phoenix, in Arizona, will stand the test. In Phoenix, we have had more than a 60-percent increase of unemployment this last year, the inner city, approximately 20 percent, and we have 10,000 urban Indians in Phoenix, and the unemployment rate there is 50 percent.

Recently, in anticipation of this testimony, I asked my staff to survey all of the major departments in the city to determine how many new jobs could be absorbed without increasing programs simply to maintain the present level of services as expected by the citizens. I received the report yesterday; in Phoenix, with a population of 600,000, we could use 800 new positions in meaningful public service careers in our area.

Another thing that is very important in public service careers is the career potential. I can't think of any other area where the potential is greater than in governmental work. There is a matter of opportunity there. In Phoenix, 70 to 80 percent of our advancements are from within the organization. We provide opportunity, and there is opportunity in cities for people who get into these jobs to increase their education and their opportunities.

Much reference has been made to no dead end jobs. Most cities have opportunities for job-related education, on-the-job training. One-third of all of our 5,000 employees are now engaged in outside courses to improve their potential, and to enhance their advancement.

There has been some concern as to whether cities could effectively utilize the public service career program because of rigid civil service procedures. In my opinion, this is not true. A few months ago, we initiated a pilot public service career program in Phoenix that was entirely locally funded. Fourteen new trainee classifications were created, and, most importantly, civil service rules were modified, and other civil service changes that would enable easier movement of trainees into permanent city employment are now being considered, and we expect them to be changed.

I heartily endorse this program, and we hope that it passes, and we hope that it will be signed.

Thank you.

(The prepared statement of Mayor Driggs follows:)

STATEMENT OF  
JOHN D. DRIGGS  
MAYOR  
PHOENIX, ARIZONA  
BEFORE THE SENATE SUBCOMMITTEE ON  
EMPLOYMENT, MANPOWER AND POVERTY  
ON THE  
EMERGENCY EMPLOYMENT ACT OF 1971  
FEBRUARY 8, 1971

Mr. Chairman and Members of the Subcommittee:

I am John Driggs, Mayor of Phoenix, Arizona, and I am pleased to join the other members of the Legislative Action Committee in enthusiastic support of the Emergency Employment Act of 1971.

The unemployment rate in Arizona is higher than it has been in over five years, and it increased by 50% during the past year alone. Twice as many people as a year ago are receiving unemployment insurance in Arizona. Worst of all, the unemployment rate in the Inner City of Phoenix is estimated to be between 17% and 20%, with the rate for over 10,000 urban Indians in Phoenix estimated to be over 50%.

These statistics show that we in Phoenix share the common need for jobs that is found throughout the cities in this country. We also share the same need for improved and expanded city services.

A report prepared in my office last week covering only our major departments indicated a need for over 800 additional positions. This would not be a "make work" program to provide people jobs that are meaningless or unneeded, nor are they jobs for new programs not now undertaken by the City. They are needed to provide at an adequate level the services expected by our citizens. The people in these jobs would be doing the things that we would be hiring people to do right now if we had the money.

They would help us make a more realistic effort to fight Inner City poverty. They would help us make our public housing more livable, our parks and libraries more usable to more people, our streets safer and cleaner and our public areas more attractive. They would also help us maintain our streets, alleys, our buildings and a variety of electrical, communication and vehicular equipment.

For example, our citizens have expressed a strong desire for more recreation leadership, for more hours on over a hundred parks and school playgrounds all over the City. Similarly, there is much we can do even with untrained employees in park development and improvement. More employees can help relieve the workload on our professional librarians in the physical handling of the books in our library system. People hired under this Act can accomplish field surveys that we need so much for traffic planning, and bring important maps and survey data up to date. With the increasing emphasis on ecology, we would plan to use some new employees on demonstration teams for a variety of clean-up programs. Finally, we feel that a number of new people can be used in sub-professional positions, such as assistants to our Public Information Officer.

These are not "frills" pushed upon the public by an ambitious government, but necessities if we are to maintain the services that our citizens have a right to expect from their City government.

If enacted and funded, this bill can help Phoenix and many other cities overcome two of our most pressing problems -- jobs for the unemployed and adequate City services for the community.

These jobs are not "dead-end" jobs, as is often contended. A man is not in a dead-end job simply because he is not wearing a white collar, sitting behind a desk or giving orders. If this were true, close to half of all municipal jobs would be considered dead-end. The majority of municipal employees began their careers at a relatively low level. However, because of the variety of jobs in a City government and the considerable supervisory levels that exist, many employees are able to advance several times during their careers. For instance,

in Phoenix 70-80% of all appointments are filled by promotion within the organization. We recently hired 15 Work Standards Analysts, all from within the organization and many from the lowest classifications.

These same opportunities would be present for employees hired by a City under this Act. In addition, most cities provide their employees counseling as well as incentives for increasing their education. In Phoenix, we pay 80% of job-related educational costs, and over a third of our employees are presently enrolled in various courses.

There is sometimes a doubt whether cities could effectively utilize a public service careers program, because of rigid civil service procedures or unyielding bureaucracies. In my opinion, this is not true. A few months ago, we initiated a pilot public services career program in Phoenix that was entirely locally funded. Fourteen new trainee classifications were created, civil service rules were modified, and other civil service changes that would enable easier movement of trainees into permanent City employment are being considered. These classifications offer a career ladder development opportunity that is limited only by the talent, interest and drive of the trainee.

This was a small effort, but it demonstrates what we can do, and what we would be willing to do on a larger scale with funds provided by this Act.

In addition, our most successful employment program in Phoenix has been the Mainstream Program, which is perhaps the most closely related large-scale program to public service careers. In this program, 65 enrollees have been provided work training experience, basic education and an opportunity to move into other City jobs or jobs in the community. At the same time, they have accomplished numerous projects in our community parks, desert mountain regional parks, and mini-parks.

Unfortunately, and over our strong objections, the Regional Office of the Department of Labor will discontinue this outstanding program in Phoenix April 1.

Senator NELSON. Thank you very much, Mayor.

Mayor LINDSAY. Mr. Harry Wheeler for Mayor Gibson, Newark.

**STATEMENT OF HARRY WHEELER FOR HON. KENNETH GIBSON,  
MAYOR OF THE CITY OF NEWARK, N.J.**

Mr. WHEELER. Chairman Nelson, and distinguished members of the Senate Subcommittee on Employment, Manpower, and Poverty.

Mayor Gibson has asked me to say to you this morning that only a highly critical problem in the current teachers' strike in the city of Newark prevented him from being present this morning to testify.

Newark is the largest city in the Nation's most urban State. Thirty percent of Newark's population is receiving welfare. Newark has the highest per capita incidence of venereal disease and infant mortality in the Nation, the highest crime rate, and an anticipated deficit of \$70 million for 1971, which is 43 percent of its operating budget.

Newark's unemployment rate—and you have had this in the record—is at 11.1 percent. However, Friday of last week, we got a new figure—a higher figure: 14.5 percent.

Current statistics reveal that 15,000 people in the resident labor force are presently unemployed. Another 35,000 are either employed full-time or part-time at a rate of under \$3,000 per annum. Still another 17,000 citizens of Newark are being underutilized.

Moreover, one out of every two people in Newark interested in jobs can't find adequate employment.

Furthermore, the unemployment rate for black males between the ages of 16 and 25 approaches 30 percent. The unemployment rate for Spanish-speaking males is an alarming 37 percent.

A striking example of Newark's grave economic crisis is illustrated dramatically in two recent cases, namely, the bankruptcy petition filed by Remco, Inc., of Harrison, N.J., and the cessation of operations by the Ozite Corp. of 139 Longwood Street, Newark, N.J.

Remco is the eighth largest tie manufacturing concern in America. Its manufacturing plant is located in Harrison, N.J., which is contiguous to Newark. Remco, like most tie manufacturing companies, suffers from seasonal employment. At the height of the season, Remco employs as many as 2,000 people—blacks and Spanish-speaking people—from the greater Newark area, constituting 82 percent of Remco's work force.

Recently, Remco filed a bankruptcy petition. Prior to filing the petition, Remco's work force, due to the economic downturn, and normal seasonal layoffs, was between 800 and 1,000 employees. As a result of the filing of the bankruptcy petition, Remco today is employing about 150 people. This represents a diminution in work force of 1,850 people, when you consider the seasonal high, and between 650 and 850 people, prior to the bankruptcy petition. This reduction in work force at Remco gives some idea of what Newark is facing.

The Ozite Corp.—Recently, Ozite Corp. of Newark, N.J., closed its doors under an apparent consolidation of operations program. That is now part of the Ozite plant in Libertyville, Ill. This apparent consolidation was responsible for 200 Newark citizens being through out of work.

These are but two examples of how Newark is being crippled economically. The crisis has reached the point where there is a need for a

declaration of emergency, with a view toward having the Federal Government take action forthwith to remedy this grave economic situation.

Senator NELSON. Thank you very much.

Mayor LINDSAY. Mayor Haskell of Wilmington, former Member of Congress.

**STATEMENT OF HON. HARRY G. HASKELL, JR., MAYOR OF THE CITY OF WILMINGTON, DEL.**

Mayor HASKELL. Mr. Chairman, I would like to submit a statement for the record.

Senator NELSON. It will be printed in full in the record.

Mayor HASKELL. My city has got about 80 percent black in the educational system, and we had the National Guard in our streets in 1968 longer than any other city since the Revolution. And we have problems that obviously unemployment affects in a major way.

We have dropped in one major company 2,100 employees in the last year.

In spite of the fact we are 50 percent ahead of any other city in the country in terms of construction, we still have a major increase, a 500-percent increase, in unemployed fathers on the welfare lists.

We have 18- to 21-year olds; an increase from 28 to 41 percent in our general assistance caseload, and I guess the problem is the same as it is in a lot of the other cities, as you have heard here today.

I am a businessman, outside of being in this job, and it comes a little hard for me, in a way, to think that the Government has to create jobs, but when you deal with an old city and its disadvantaged and its problems, really, when you consider the alternative, having people go on welfare, and the debilitating effect that that often can have, and the getting hooked on welfare, that comes with it, if you can create jobs that can produce meaningful things in the city, in terms of pollution, ground pollution, or what-all, I think you could really do something that means a darned sight better answer than trying to have just your welfare increase and getting into trouble.

I would like to, I would urge emphatically with the rest of the people here that we have an economic problem in our cities, that we are in your hands, as I am in the hands of my legislature now for about 25 percent of my budget. I have confidence in their intelligence that an understanding of our problem will come around, so that they will help me in my solution.

I think I am probably more optimistic than maybe some of my colleagues here on that regard, but I have confidence that it is going to come to pass, but we do have a problem in unemployment, and if you don't give people the pride in work, in doing something, I don't see how we are going to solve our problems in the country.

Since taking office, we have reduced our payroll decisively, trying to do the job on an efficient basis, but now we are in trouble, and we are down here to help you convince the President, or the Members of the Senate and the Congress, to try and pass this legislation, and I, along with the rest of the mayors here, support it in every way, shape, and form.

Senator NELSON. Thank you very much, Mayor.

(The prepared statement of Mayor Haskell follows:)

## STATEMENT OF

THE HONORABLE HARRY G. HASKELL, JR.

MAYOR, WILMINGTON, DELAWARE

TO THE SENATE SUBCOMMITTEE ON EMPLOYMENT, MANPOWER, POVERTY

Mr. Chairman, Distinguished Senators:

I welcome this opportunity to meet with you today and join my colleagues in presenting the economic situation that faces our urban centers today. Specifically, I would like to talk about my city: Wilmington, Delaware.

Wilmington is an old Eastern seaboard city. We face daily the multitude of problems that are evident in every large metropolitan area. Our school population is almost 80% black, second only to Washington, D.C. In spite of the fact that 'U. S. News and World Report' showed Wilmington to be almost 50% ahead of any other city in terms of new construction, we face a situation that causes a serious degradation risk, a situation that affects the spirit of our city and the confidence of our citizens, a situation that is deeply disturbing throughout our country.

Wilmington is an old community with a proud tradition of inventiveness and resourcefulness. Wilmington's people, its leadership, public and private, today are determined to turn the old Wilmington into a model for the nation to show that a city with the old problems can be made to work. But the employment situation in the Wilmington area threatens us severely.

Let me speak of one of our largest international corporations

headquartered in Wilmington. This corporation employed almost 34,000 people in the Wilmington area in 1969. This year they have 2100 fewer employees. They have not been forced to lay off most of these workers but rather when 2100 employees left their jobs in 1970, they were not replaced. These are 2100 jobs that will not be filled - jobs that are critically needed in Wilmington.

But Wilmington is trying to recover from the riots and National Guard occupation of 1968. As I said, the public and private sectors are stimulating the construction business and are bending every effort to rebuild, and thus provide jobs for our people.

Still we see the unemployment figures rise one and one half per cent during the past year. We see in 1970 a 65 per cent rise in the number of people classified as unemployed for the purposes of unemployment compensation. We see the number of persons receiving welfare benefits in 1970 rising 28 per cent over 1969.

Wilmington finds that young people -- so vital to any area's growth -- are not finding employments. In 1969, young people between 18 - 21 made up 28 per cent of the general assistance caseload while in 1970 they composed 41 per cent of that category. You have talked about the number of unemployed fathers on the welfare rolls, we in Wilmington experienced almost a 500 per cent rise in 1970. While our numbers are not significant, the percentage of increase speaks for itself.

We estimate that the supplemental assessment rate for unemployment compensation paid by employers will be doubled this

year over 1970.

Wilmington is coming alive. We are making great strides in all areas of our community. Still, it's absolutely the same story as it is in any city, we cannot satisfy the needs of our citizens if they do not have housing, education or a job. We cannot build a spirit if the welfare rolls are saturated. We cannot allow the situation to deteriorate further.

I strongly urge the passage of the Emergency Employment Act of 1971.

Mayor LINDSAY. Mayor Maier, of Milwaukee.

Senator NELSON. We are pleased to have Mayor Maier here this morning, who, I think, next to Mayor Daley, is probably the senior mayor of a major city in America, having served for just about 11 years.

Mayor Maier is a former member of the State legislature with me, and has been a very creative, intelligent, and popular mayor in the great city of Milwaukee.

Mayor Maier.

**STATEMENT OF HON. HENRY MAIER, MAYOR OF THE CITY OF MILWAUKEE, WIS.**

Mayor MAIER. Mr. Chairman, the fact that I would be the senior mayor of the country, if Mayor Daley retired, was persuasive to Mayor Daley in keeping him running. [Laughter.]

Mr. Chairman, depending upon whose census estimates you accept, Milwaukee is the 12th, 11th, or 10th city in population in the United States. We are relatively certain, however, that we are the eighth industrial city. We have been blessed with a diversified economy.

But, nevertheless, like the other cities throughout the Nation, and I think the mayors here have made some very cogent and, occasionally, like Mayor Alioto, eloquent statements in the situation.

We have felt the impact, too, of a staggering economy. And, although our unemployment rates for the entire Milwaukee area continue to be below the national average, the number of unemployed workers in Milwaukee is much greater than it was just a year ago. And we hope that we can arrest an incipient trend.

In December of 1969, Milwaukee had 19,000 workers out, seeking employment. In December of 1970, Milwaukee had a little over 30,000 competing for fewer and fewer jobs. The SMSA unemployment rate for December 1969 stood at 3 percent. The rate a year later stood at 4.6. But SMSA figures are based on a fallacy. They are not representative, because they do not represent the conditions of the depressed areas of the central cities, a point which, I think, has been made rather continuously here this morning.

So, in our depressed areas, the rate is estimated to be two to three times as much as it is for the SMSA, and this is what we are concerned about.

There is a variable aspect and a section of this bill that is somewhat hidden. It is related to the dilemma of all the large central cities of America. For instance, Mr. Chairman, our city again, which has been a relatively prosperous city, has been in the poverty business long before the Federal Government ever got here, and in times of relative affluence, we are spending an estimated \$31 million, over, off of local revenues, the property tax, in our case, for poverty-linked services. And this is a relationship that ought not to be overlooked when we consider the particular conditions of the central city.

Now, at that point, of course, it is getting an ever greater concern to us; during several months of 1970, our unemployment rate reached 9-year highs. And the outlook for the coming year certainly can't be considered favorable, because all of our indications are that when the

figures become known for the month of January, our unemployment rate will have risen. More Milwaukeeans will have to face the hardships of unemployment.

At the same time, Mr. Chairman, we have people looking for jobs in Milwaukee. We have work which goes undone, because we lack the money to pay their salaries.

Parenthetically, this is not a reference to our police force.

We have projects in the city government which would improve our efficiency, but which are left undone, because of our fiscal squeeze, and I certainly wholeheartedly endorse the efforts of my colleagues, and the leaders of the U.S. Conference and the National League of Cities who have made such eloquent appeals in the past for this kind of legislation, and I endorse the legislation under consideration today as a means of providing constructive employment and worthwhile activities to those who are unemployed, and I certainly, as one mayor, applaud the chairman and the subcommittee for their efforts in this direction.

(Further information submitted by Mayor Maier follows:)



HENRY W. MAIER  
MAYOR

OFFICE OF THE MAYOR  
MILWAUKEE

RECEIVED

FEB 25 1971

February 17, 1971

OFFICE OF  
SENATOR GAYLORD NELSON

Senator Gaylord Nelson  
Chairman, Subcommittee on  
Employment, Manpower and Poverty  
New Senate Office Building  
Washington, D. C.

Dear Senator Nelson:

At the time I testified before your subcommittee in behalf of your emergency manpower legislation on February 8, I cited the increase in the unemployment rate in December of 1970. At that time I did not have the statistics for January of 1971.

Since that time, the figure for January has become available and it indicates even greater cause for concern. The unemployment rate for January 1961 in the four-county Milwaukee metropolitan area was 5.3 percent. It is the highest in ten years.

According to the Wisconsin State Employment Service, an additional 3,900 persons were unemployed in January to bring total unemployment to 33,900 persons.

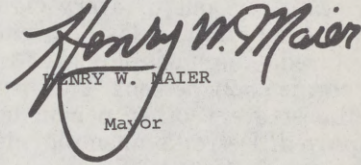
The increase in the unemployment rate from 4.6 percent in December to 5.3 percent in January is an increase of 15.2 percent. As I stated in my testimony before your committee, the Milwaukee figures are for the entire metropolitan area. Estimates are that the unemployment rate in the inner city is considerably higher.

Senator Gaylord Nelson  
Page 2  
February 17, 1971

These new figures for January and the continued high unemployment nationally reinforce the concern expressed by the Legislative Action Committee of the United States Conference of Mayors and the Human Resources Committee of that organization.

If possible, I would like to have these remarks incorporated in the record of the hearings of your committee.

Sincerely,

  
HENRY W. MAIER  
Mayor

Senator NELSON. Thank you, Mayor Maier.  
 Mayor LINDSAY. Mayor Gribbs, Detroit.  
 Senator NELSON. Mayor Gribbs.

**STATEMENT OF HON. ROMAN GRIBBS, MAYOR OF THE CITY OF  
 DETROIT, DETROIT, MICH.**

Mayor GRIBBS. Mr. Chairman and gentlemen of the committee: You will excuse the interruption and departure; I was testifying before Senator Muskie with Mayor Massell, but this matter is so important I wanted to express myself very briefly. I appreciate the opportunity to do so.

The need for is legislation, insofar as our area in Detroit, is well documented last year, and the situation this year is even worse. Unemployment has been increasing steadily in the Detroit area. I regret to say that we rival Seattle in this regard.

Over 150,000 of Detroit's SMSA work force is now unemployed. That means one out of every eight in the Detroit area. In Detroit alone, the city alone, last November there were 80,000 that were unemployed. The unemployment rate in the inner city, for the inner city poor, is at 24 percent. That is one out of four. Estimates suggest that almost every other person between 18 and 25 years of age is unemployed. Detroit's unemployment rate in 1970 was nearly double what it was in 1969.

Now we see no relief in the near future. Cutbacks in production have created layoffs in major industries, and as a result, all industries are affected. And a few days ago one of the major automobile companies was forced to lay off 300 men who had been employed under a federally funded NAB—JOBS contract.

Now if you consider the employment needs of 4,500 Michigan veterans returning home each year, the majority of these will be entering the labor force in the Detroit area, and while jobs are diminishing, so then the number of unemployed is steadily increasing.

These people must be provided employment so that they can buy the basic requirements of life—food and shelter and clothing, to say nothing about education, which contains the better promise of a better and richer life.

At the same time, the need for public services, particularly in the area of health, housing, drug abuse, and enforcement, have substantially increased. Rising unemployment and the decreasing ability of local government to provide necessary services because of lack of funds have compounded an already grave situation.

I have unavoidably added to unemployment. In the past year the city has not had the revenue to fill nearly 2,000 vacant positions in the city government. In addition, last year I was forced to lay off some 600 city employees.

Despite new taxes and a full range of traditional tax sources—all levied, I should add, at their maximum legal limit—this fiscal year we are faced with an operating deficit of \$15 million, and next fiscal year that gap will be \$51 million. In other words, next year we need \$50 million of new revenue just to stand still, just to continue existing services.

We cannot hope to solve the problems of our unemployed and the problems of inadequate public services without direct assistance from the Federal Government. The legislation which you are currently considering would be a major step in offering us the help we so desperately need.

In fact, without immediate Federal assistance we not only will be prevented from progress in the unemployment and public-services areas, but we will be forced to add to the problem. We will be forced to reduce public services, and we will be forced to add to the unemployed.

My people, the people in Detroit, desperately need the jobs that are under consideration here. For some, it is a matter of survival; for all it is a matter of human dignity. We need public employment, and we need it now. We have the jobs. Not dead-end jobs, but jobs in public safety and sanitation, parks maintenance, and other services. I urge your favorable action and immediate action on an emergency unemployment bill.

I thank you for the opportunity to speak, Senator.

Senator NELSON. Thank you very much, Mayor.

Mayor LINDSAY. Mayor White of Boston.

**STATEMENT OF HON. KEVIN WHITE, MAYOR OF THE CITY OF  
BOSTON, MASS.**

Mayor WHITE. Senator, I am probably, I think, the last mayor here to address you, at least in this initial presentation, and an important one at that, and I thought as I listened to each of my colleagues speak, when I listened to Mayor Alioto's presentation, and his reminder that over 20 years ago there was a Federal commitment to full employment, and to Mayor D'Alesandro's remarks about what we could do beyond the rhetoric of our own presentations to make what we all seek here a reality, I don't think any mayor here, and certainly not as mayor of Boston, could I cite figures as dramatically as those cited by the representative of the mayor of Newark, Mayor Gibson.

And Mayor Haskell said that, collectively, our cities are in trouble. That has to be the understatement of the week. They are dying, and I think that our individual cries here today is a genuine chorus of frustration, and not to be too dramatic, but fear, and it is felt by our constituents, and expressed by us.

I wish, as the last speaker, I could think of one word or just one phrase that would sum up all that we are endeavoring to say. Of one thing, I think all of us would agree, and a comment that might not have been expressed is that the bill is desperately needed, as is your help in its passage. But time is the scarcest of all commodities for us, individually and collectively, in a historical sense, and I suppose in a seasonal one. And I just hope that the concern that this committee has evidenced in proposing this bill will be contagious. Not only within the national Congress, but in its responsibilities from the President. I can only say that our words are not exaggerated rhetoric. They are deep and genuine concerns that have to be met.

(The prepared statement of Mayor White follows:)

PREPARED STATEMENT OF HON. KEVIN WHITE, MAYOR  
OF THE CITY OF BOSTON, MASSACHUSETTS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am glad to take advantage of this opportunity to join with colleagues to support the Emergency Employment Act. Without a shadow of a doubt unemployment has become in the past twelve months the major domestic problem.

All of a sudden last spring and summer, lay-offs, shorter work weeks, increased unemployment insurance claims startled the American people into the realization that jobs and a secure livelihood no longer were for the asking.

In Boston and in the State of Massachusetts where employment is widely diversified, the impact of this recession has been often deeper than the statistics demonstrate.

A few facts will point up the problem:

1. Massachusetts is one of the nine states of the nation receiving special help from the U. S. Department of Labor. The State now has an unemployment rate of 5.6%.

2. In the Boston SMSA the rate in December was 4.8% -- up from 3.2% in December of 1969. The city rate tends to be double these figures.

3. The total weeks claimed for unemployment insurance in the state rose from 1,392,159 during the first six months of 1969, to 2,522,726 for a comparable period in 1970 -- a rise of 81%.

4. In the Boston SMSA, manufacturing employment declined from 290,600 in December, 1969, to 267,000 in December, 1970. This means 13,600 less jobs -- 13,600 people who were the economic mainstay of the family without their job.

5. Recognizing the difficulties of interpolating the SMSA statistics for the pockets of serious unemployment, it is our best estimate based upon a quick phone check among the agencies in the City of Boston and the 1966 Department of Labor survey that unemployment in the center city where blacks and Puerto Ricans live is near 20%.

6. Employment Service personnel report that there are large numbers of blue collar and professional level workers looking for jobs.

7. Training programs devised in times of prosperity are finding it increasingly difficult to place their graduates, and this can spell real frustration.

8. The only bright light in this picture is the unfilled demand for clerical employees. But these jobs tend to be filled by women of whom most are not heads of households.

The value of the bill under consideration is clear enough. If Boston were to receive the same proportion of the total authorized by the bill for the first year as Boston gets under other manpower legislation, it would receive around \$7.5 million or enough to put more than 1,000 unemployed persons into useful work for the city.

At a time when the City of Boston has to cut back city programs and cut needed services by adopting a no-hire policy, the prospect of federal monies to perform useful work is Revenue Sharing with a most immediate impact.

I commend this Committee for its sponsorship of this bill, and I hope the President will sign it when it becomes law.

Senator NELSON. Thank you, Mayor White.

Mayor LINDSAY. Mr. Chairman, Mayor Massell of Atlanta is also testifying before Senator Muskie. I understand he will be here shortly.

May I ask consent that Mayor Flaherty of Pittsburgh, who still has transportation troubles, and Mayor Stokes of Cleveland, who is unable to leave his city, have permission to place their statements in the record.

Senator NELSON. The record will remain open long enough for their presentations.

Mayor LINDSAY. I understand that the president of the Conference of Mayors, Mayor Tate, has a statement he would like to place in the record.

Mayor TATE. I would not want Senator Schweiker to feel that we would not have anything on the record for the city of Philadelphia. My remarks were general in the beginning, so I submit mine for the record, sir.

Senator NELSON. Your extemporaneous remarks and your prepared remarks will be printed in full in an appropriate place in the record.

I want to thank you gentlemen for your presentations, your statistics alone speak compellingly concerning the very serious problem faced by the major metropolitan areas of this country. I think it would be correct to say that this committee perhaps understands the problem better than the members of any other committee in the Congress—except the comparable committee in the House—because our responsibility is the field of manpower. I agree with the statement made. On the question of permanent versus temporary employment, Mayor Daley addressed to himself to that question in some detail, and others commented on it, and I wish to say I agree with that.

The bill that we did pass had a permanent public service feature in it. The reason we are considering just this specific proposal at this time, involving the trigger that was in Senator Javits' bill, is that we hope to get a bill passed very quickly. We will then at a subsequent date address ourselves again to the manpower question and the question of permanent public service employment. We are well aware that to take up at this time that would mean that even with the best of luck, nothing would pass for a good many months.

I am sure I needn't remind those of you who have lived through that depression era, but I think it is interesting to point out, when we talk about public service employment, that this country, with a population slightly more than half of what it has now, a population of around 125 million, in 1939 was providing 4 million public service jobs. This program produced many constructive results, over and apart from providing employment for people who were in desperate circumstance. We are talking about a bill here involving about 150,000 jobs, in a country almost twice as large, with a gross national product several times as large as that. To have a comparable bill up for consideration now we would have to be talking about somewhere around 8 to 10 million public service jobs, rather than 150,000.

So for those who haven't thought of what we have done in the past, when we faced a very critical situation, I think it is worthwhile to consider that we, on a previous occasion, more than 30 years ago, addressed ourselves to furnishing public service employment in a very massive way.

I will defer my further remarks and allow the Senator from New York to begin the questioning.

Senator JAVITS. Thank you, Mr. Chairman.

Thank you very much, gentlemen. I am very naturally deeply satisfied that my own mayor, Mr. Lindsay—such a gifted person—is taking such a prominent part in this effort, and I congratulate you all for helping us.

I would like to address my questions to the panel, and let any mayor who is moved answer, if he will.

First, I would like to state, gentlemen, that you have asked us, what can we do? Well, you have just shown us the tip of the iceberg here. You have testified, very eloquently, and very persuasively. Senators and Congressmen pay very great attention to their people and most of their people live in the cities. I would hope that in a manner which is adapted to your city, you would make the feeling of the people of your city felt to its legislators in the House and the Senate, in an unmistakable way, and that the process of education would continue until affirmative action is taken on the bill. I hope also that the same aggregate of sentiment will manifest itself to the White House. There is nothing more persuasive than people—whether it is by meetings in your city, by hearings, which you conduct as mayor, by the expressions of view of local organizations and the local citizenry. You know best how to do it for your city. I hope very much that you will preserve in this process. It is absolutely essential, I can assure you, to get affirmative action, and in my judgment this bill can be passed. It is a minimal bill, as Senator Nelson has said, and I am very proud to be associated with him in this. It can be passed, provided that the people indicate that this is the priority that they want.

Second. I am very impressed with the testimony from two of the mayors who come from relatively conservative cities—that is the mayor of Phoenix and the mayor of Wilmington. I think it is very fair to say that this impact can be very great, and if either mayor wishes to comment, I would appreciate it. The fact that cities associated with relatively conservative representation in the Congress should feel as strongly as New York or Chicago or Philadelphia, Boston or Detroit, and so on is, I think, very impressive.

Mayor HASKELL. Well, Senator, I will speak for the State. I hope that the members of my delegation will support this legislation. I talked to Caleb Boggs this morning and he indicated to me that he felt very strongly in favor of this legislation. And I have every confidence that our people will take a close look at it and support you in your endeavor.

Senator JAVITS. Thank you.

Mayor Driggs?

Mayor DRIGGS. Thank you, Senator Javits.

I appreciate very much your observation, and I reiterate that the city of Phoenix not only needs this bill, but I am sure that the citizens will back the efforts of their Representatives in the Congress and in the Senate to see that this bill is passed and passed quickly.

Senator JAVITS. Now I would appreciate any suggestions the mayors may have. I have suggested to them a people's effort to impress the Members of Congress and the President—because the President does

not have this specifically in his manpower training budget. I ask unanimous consent that the funds requested, Mr. Chairman, in the President's budget, for all manpower training, and impliedly public service employment programs, be made part of my remarks.

Senator NELSON. They will be made part of your remarks.

Senator JAVITS. Thank you, and this indicates that no such program as we are proposing is contemplated.

Is there anything the mayors would like to suggest to us that we can do to manifest to our colleagues and to the President the overwhelming public demand which I deeply feel exists, so that this legislation can be enacted and signed into law promptly? I think Mayor Maier's interjection that we have a time bomb ticking against us in the cities is an understatement, and certainly is completely true.

Mayor LINDSAY. Mr. Chairman, Senator Javits, if I could offer just one comment, based on my own city, the notion is often expressed that this legislation will represent simply make-work, temporary make-work of a WPA nature, and is therefore inconsistent with present-day philosophy. Totally incorrect. In New York City we have approximately 45,000 public service jobs which we fund ourselves, for the most part, with a scattering of special program assistance in certain special areas. Forty-five thousand jobs of persons who would otherwise undoubtedly be on welfare. The city of New York spends currently \$50 million a year of its own money on such employment, and that employment, largely going to poor people for the most part—but not all—are in the areas such as sanitation and cleanup, community foot patrol services to augment police services, educational aides in public schools, nurses' aides, licensed practical nurses in our hospitals. We estimate that we could use an additional 50,000 to 75,000 public service jobs tomorrow morning, if we had the funding in order to do it.

The bill that was vetoed by the President would provide, we estimate for New York City, approximately 8,000 jobs, which as Senator Javits has pointed out, is minimal. Therefore, and I would like to conclude that comment by saying that without those public service jobs that we already have, 45,000 in number, which is small for our city, we would be in much more serious trouble than we already are. They are ongoing, necessary jobs, in schools, hospitals, police, sanitation and so on. It is not make-work it is badly needed public service.

I understand, Mr. Chairman, that Mayor Sam Massell of Atlanta has just come in.

Senator JAVITS. Mr. Chairman, may I suggest that unless Mr. Massell is in a hurry, I only have 2 or 3 minutes of questions left, and I could finish.

Is that all right with you?

Mayor MASSELL. Surely.

Senator JAVITS. Gentlemen, is there any demurrer by any mayor who is here to the fact that the cities whom you represent are ready, willing, and able to use every dollar of this authorization, effectively and in accordance with the terms of the act?

Is there any demurrer?

I gather there is none.

My last question is the following:

Mr. Chairman, the worst example is Newark—and I think it is to the great credit of Newark, that Mayor Gibson has been willing to

say his is the worst, in order to serve the cause of the American city and of the overwhelming number of millions of Americans who live in them. Would any mayor care to comment on the fact that any city, which is here represented, could go exactly that way, unless we stem the tide with a measure of this kind, and other similar measures?

Mayor UHLMAN. Senator, I would just comment very briefly.

I think that it is inevitable. I think without question Newark is a macrocosm where all of us will be at some point in time, and of course, Newark is a concentration of many of the problems of New York City, but it really is a question of time.

The city of Seattle has geographically been protected. That protection has now broken down, for the very mobility of our people across this great country. So if any of us feel very confident that somehow or other these problems are going to pass us by in the great cities of this country, why, it is an illusion that we can't afford.

I would even go one step further. I think it can be very safely stated, as a truism, that the suburbs are very shortly and soon to see what we now see. For example, in our city, we have held our crime rate—as a matter of fact, this is the first time in almost 10 years that our crime rate has been held, in the part 1 offenses, only one has increased, and over six and a half decreased. But the suburban crime rate has increased 25 percent in the last year, in the suburban areas around our city. So even then, we see the same signs appearing on the horizon for the last bastion of the so-called nonproblem areas, and that is, the suburban areas. So it is coming. It is as inevitable as it can be.

Senator NELSON. Thank you.

Senator JAVITS. Well, I want to conclude by saying that if any mayor has any suggestion to pick up Mayor Alioto's remark about the competitive capitalist economy, on how we can improve the provisions of the bill relating to the continuity of employment from this temporary to a more permanent kind, either public or private we would appreciate it. We have tried to write in the best we know how, and it resulted from the agreement with the House which was vetoed. So we have really done the best we could, but if anybody has a better suggestion, both Senator Nelson and I, I know, would be very interested.

Thank you.

Senator NELSON. Mayor Massell is here. I believe, Mayor, you appeared before our hearings on the manpower bill about a year ago. Is that correct?

Mayor MASSELL. No; this would have been my immediate predecessor.

Senator NELSON. On legal services, you testified.

Mayor MASSELL. Yes, I did.

**STATEMENT OF HON. SAM MASSELL, MAYOR OF THE CITY OF  
ATLANTA, GA.**

Mayor MASSELL. Thank you, Mr. Chairman.

Senator NELSON. Go ahead.

Mayor MASSELL. Unemployment in the Atlanta area, although not as critical as in other large urban centers, is rapidly becoming a serious problem.

During 1970 the average unemployment rate for the Atlanta standard metropolitan statistical area was 3.2 percent. This figure represents an unemployed civilian work force of 22,600 out of a total civilian work force of 706,500.

When these figures are compared to 1969 data, however, they indicate an 18-percent increase in unemployment. Major cutbacks occurred in the manufacturing sector of the Atlanta labor market, transportation equipment, textile products and machinery industries were the hardest hit. Over the entire year not one manufacturing industry reported an increase in personnel.

Contract construction, communications, public utilities, and services also declined during 1970.

Unemployment rates in Atlanta's concentrated employment program target areas are three times the rate for the entire Atlanta SMSA.

And Georgia's Department of Labor estimates that during 1971 there will be approximately 5,000 returning veterans from our armed services seeking employment in the Atlanta area. In June of 1971 there will be a fresh group of graduating high school seniors and college students flocking to the Atlanta area from all areas of the State to add to our already saturated labor pool.

Unmet city department 1971 budget requests indicated a need for 60 professional positions and 225 nonprofessional positions. These slots do not take into consideration the responsibilities and problems that the city of Atlanta should be concerned with, but do not have the financial capacity to undertake.

In the Atlanta SMSA there are five county governments, 15 city governments in addition to the Atlanta city government. It is reasonable that each of the governmental administrations have need of personnel that their local budgets cannot afford.

If a public sector employment bill could be passed then there is no doubt that the Atlanta area governments could utilize this increased personnel capacity to handle many of our urban problems. We could also make major strides in providing much needed employment opportunities for our increasing labor pool.

Thank you.

Senator NELSON. Thank you, Mayor.

I might say that, to follow up on Senator Javits' question, when the manpower bill was pending last year the U.S. Conference of Mayors was very important and very instrumental in supporting this legislation, as well as mayors all across the Nation. I think that you gentlemen did have a significant impact, and that accounts for the fact that the bill passed in our House with a vote of 68 to 6. It was a bipartisan vote, not only bipartisan but obviously a mix of conservatives and liberals supporting the concept. I am satisfied that with your vigorous support that we can pass this bill very quickly. That is the reason for taking this limited aspect to the problem up at this time.

And I am sure that Senator Javits agrees that if consideration of the bill lags, at some stage of the game, we may wish to call you back again to bring us up to date on the more current situation and to reemphasize the problem that you gentlemen face in the major cities across the country.

Senator Schweiker, do you have some questions?

Senator SCHWEIKER. Thank you very much, Mr. Chairman.

First I would like to compliment the mayors on very forthright, very positive statement of need in our cities, and I certainly appreciate, too, the bipartisan spirit that is obvious here, and I think you have found that Senator Nelson and Senator Javits and the rest of us on this committee have produced that same bipartisanship in producing our legislation.

I am a cosponsor of this bill, as well as the preceding one, that did not make it, and I am sure that we are going to approach it in the same way that you gentlemen have approached us.

With that, I would like to ask Mayor Tate, specifically, is there any one type of public service employment, in your specific city for which you would envision using this money first? Where would the greatest impact be, among all the various possible types of public service jobs in Philadelphia?

Mayor TATE. I am very glad you raised the question, Senator Schweiker.

I appreciate your personal interest in this, because of your close proximity to Philadelphia.

We tried a program like this 2 years ago, in fact 3 years ago, at the time of great distress, and in fact even 4 years ago, when we had what was called a Job Mobile program, where we went out on the street corners and recruited people for so-called menial jobs like sweeping the streets, collecting the trash, but this has now been compounded by the serious unemployment problem at many levels, particularly in the disadvantaged areas, because there they are the first to be affected.

And so that we could use people, in the sanitation department for the collection of trash, for the sweeping of the streets, we could use people in a very important department at a professional level, and what is known as license inspection, for the inspection of properties and the rehabilitation of housing.

We could certainly use them with great thrust at the public sector level of our hospitals, where they are very much undermanned, and, of course, in a very distressing condition financially, in many cases.

As you know, in Philadelphia, in the Philadelphia area, we have some 31 hospitals, with one very large charity hospital or general hospital, the Philadelphia General Hospital, which now faces a desperate situation with respect to financing.

And this is further again compounded by the fact that our city government is now operating on a deficit basis, made so because our city council very wisely took the position that we have taxed to the ultimate, and where we had hoped to get some assistance through a new tax structure from the State of Pennsylvania, the possibilities are not likely of getting additional help.

I suppose that could almost reach every level of public employment in the Philadelphia area, would go so far as your own county, which

at one time was supposed to be the richest county in Pennsylvania, but I know that they are having problems at the courthouse level now.

But this is, as I said, further compounded by the fact that where we face this deficit spending, and deficit spending it is, that we are required in most cases, right along this table, required to invoke what we call a freeze, where we cannot appoint someone to take the place of someone who has separated from service, either through death or because they want a pension, that we cannot reappoint or appoint someone to take that person's place, so that in some of the very important departments of the city government today we are 70 to 100 behind.

In the city of Pittsburgh, I was reading a press account today where even the fire department is some 43 down because of a freeze, because of lack of money, and some of the fire engines in the city of Pittsburgh are going out with only three men—that is one driver and two people to put out the fire—unless they bring other equipment in.

So that I think that there is a real need at the public sector, and where does a person go when they are unemployed? They go to city hall. Maybe they will go to your office, maybe they will go to a congressional office, but eventually they wind up in city hall, because that is the place where they go with all their troubles today.

Senator SCHWEIKER. Now one other question, Mayor Tate, to give an idea of the relative priority of this legislation.

Of course, you have been working with a number of different Federal programs, and different Federal grants, and we hear discussed the general revenue sharing approach, and the special revenue sharing approach.

The problems that confront you, I realize, are many: How would you rate the priority of this legislation improving conditions in Philadelphia, compared to some of the other things that have been proposed? In other words, where does this specific proposal fit into the many other programs and also revenue sharing, special revenue sharing and other grants-in-aid programs?

Mayor TATE. I would say it has two priorities. No. 1, to be measured by time, because it is evident that we need it now. But more than anything else, we have got to convince the President, and I think you can, that he ought to sign this bill, instead of call it just another WPA measure. It is not.

Senator SCHWEIKER. I would like to ask Mayor Lindsay if he would speak to this question.

Mayor LINDSAY. Well, first, this bill is labeled Emergency Employment Act of 1971. It is an emergency bill for an emergency situation. It should not be thought of as a substitute for a comprehensive manpower piece of legislation, which this Conference of Mayors and the legislative committee strongly endorses.

This, to some people, is sort of a stop-gap legislation. We don't care what you call it. We need it, because we are in serious trouble.

In respect of revenue sharing, revenue sharing should not be thought of as a substitute for this, or for anything else. Revenue sharing is the ability of these local governments to stay alive. Without revenue sharing, or some means by which we can have a more elastic

tax system to support these increasingly costly municipal services, basic services—I am not even talking about special unemployment programs, or special programs to aid the poor, or special programs on health, which are always a matter of congressional priority and concern, and should be, revenue sharing is designed to keep basic things going forward.

The effect is that all of us at this table here have costs of municipal government that are escalating at a minimum of 15 percent each year, largely through mandated costs beyond our control. Those services that are now out of control in respect of their costs are for basic services that you, your colleagues, and the people that you represent for many decades in this country take for granted.

We can no longer take it for granted. Revenue sharing is designed to save those basic services. It is not a substitute for comprehensive manpower legislation, antipoverty legislation, health care, and all of the other priorities that this Congress must deal with.

Senator JAVITS. Including the family assistance program?

Mayor LINDSAY. Including family assistance and the junking of the present welfare system and the substitution of something rational and reasonable in its place.

Senator SCHWEIKER. Does any other mayor want to respond to this?

Mayor HASKELL. I would just like to say in the terms of the revenue, you are going up at about 1.5 to the gross national product. The States go about 1 to 1, and we go down. That means that the money is flowing into the Federal Treasury at a much higher rate, and ours are going down, and if you take that to its logical conclusion, you are bound to get in trouble, and we are in that kind of trouble, and we think that we can manage our cities without categorical grants, better than somebody can lay up a plan and then have it monitored down through seven layers of government, and then have that be the decision that is made in the city.

And that is the reason we believe in revenue sharing as a primary, long-range goal, not to be mixed up with this legislation.

Senator SCHWEIKER. That is all I have, Mr. Chairman.

Thank you.

Senator NELSON. Mayor Lindsay commented briefly on this. Those who opposed the public service employment in the manpower bill we considered last year, and I assume those who oppose it now, have repeatedly charged that it would be WPA-type, make-work programs.

First I would like to say as one who lived through that depression, there were a whole lot of very constructive, wonderful programs under WPA, and it is too bad that so frequently they are referred to as make-work type programs, but even that aspect that might be called make-work type programs at least employed people in some useful work.

Now, my question. Are you satisfied in your own minds from looking at your manpower situation in your cities that you in fact do have necessary, critically important, constructive public service jobs within your community that need to be performed and will not be performed under present circumstances, without some legislation of this kind?

Mayor DALEY. I think, Mr. Chairman, every mayor here would say that at the present time, in the cities, not only the large cities but in

every small city, there is public services that should be performed that are not being performed, and the only reason they are not being performed is the city has not got the resources with which to do them.

And that is why we are so urgent in asking you and your distinguished committee as well as the present administration and the President to look in and see the problem that exists all over America, in every city.

This is not going to be any additional workload, as I see it, or purposely work jobs being made. We are asking for help to carry on vitally needed and important city services that we are told, and we have been told here this morning, in many cities in the United States have been deferred and rejected and in many instances reduced.

And in our type of a society, we cannot reduce them, in the large cities, because as all of these mayors know, we have the problems. The problems come to the large cities—whether it is racial problems, whether it is language problems, whether it is the fact that people are not educated, they have a tendency.

And we are trying to do the best we can. The problems were not created by the mayors, they were not created by the cities. They were created by a sudden movement of people, and we think we are entitled to come to the Federal Government, as we are today, and ask you for immediate help to help us with ongoing city problems and programs.

We need more in the way of building inspection. We need more in the way of rodent control, we need more in the way of better alleys and better streets in order to have a better city and a better country. We need more to help in the educational needs. We need more educational aid.

This is no WPA, and I agree with you. I think if you look all over this country, there are many fine projects that were put up. There are libraries, there are buildings, there are bridges and streets to be cleaned, and many fine things in our society. There were streets that were paved, there was curbing, there were parks, and there were buildings constructed, and parks that are being used today.

And I feel that if this is passed, and passed immediately, every city in the United States, both large and small, will get the shot in the arm that they need today. They need help. We need help. We need the resources of the Federal Government to say we are going to do something about the problems, and they are not only the problems of the cities. There are people that are involved in these problems.

There are the problems of the people of the city, and we ask you for help in trying to help us in this emergency, as fast as we can, in order to try to move all these cities ahead.

This is what we are hoping, Senator, will be done.

Mayor LINDSAY. Mayor Gribbs of Detroit has a comment on your question.

Mayor GRIBBS. Senator, I could hire 2,600 people today for the city of Detroit. These are budgeted positions. They are budgeted. Some 2,000 are unfilled. Some 600 were laid off. And these are positions that go along the whole vertical structure of various services, from an executive level down to technical, down to laborers' levels.

These are not positions that we will make up to fill and take hold of any program. They have been budgeted, and have been cut back. But with the funds provided and directed toward public service, we can then put these persons back, so the trees would be trimmed every 8 years, as they should be, or 9, instead of every 13 or 14, now, so that they are not a hazard. So our sanitation cycles should not be cut back from six times a year to four times a year because of lack of manpower.

It can go back to what should be a reasonable standard for cleanliness, and that kind of service that should be provided is not being provided, to say nothing about new programs that should be provided, such as drug programs, that take manpower.

So, yes, we have the place, and jobs ready and waiting, positions ready and waiting.

Mayor ALIOTO. Mr. Chairman, I would like to give you a very practical answer to it from the standpoint of us on the West Coast.

At the present time, I have before me \$100 million worth of requests from my department heads, all vitally needed governmental services, that we are going to have to cut out of that budget so as to maintain our budget at somewhat the same level as last year.

We are caught in the squeeze between rising services, in part demanded because of certain national policies, and a practical limit on property taxes. You just cannot squeeze that property taxpayer any more.

Because we are caught in that squeeze, I am about to eliminate \$100 million of governmental services that are really needed, and yet we simply cannot go ahead with them, so there is not any doubt that we are not talking about some kind of a make-work deal.

Mayor UHLMAN. Mr. Chairman, I wonder if I might very specifically and very briefly answer you.

Senator NELSON. Mayor Uhlman.

Mayor UHLMAN. We have, for example, in the city of Seattle, seven swimming pools which are now under construction or will be under construction and completed. We are not going to be opening those seven swimming pools, because we simply cannot provide the manpower to operate them. They are going to be sitting there, idle, vacant.

Senator NELSON. You are not going to be able to open the swimming pools?

Mayor UHLMAN. We are not going to be able to open them.

We are going to be able to open perhaps one or two, on a much delayed basis. We will just leave it idle for about 6 months or perhaps a year.

Another example: We have, as you know, across this country, an alarming increase in venereal diseases. Certainly a tremendous opportunity exists for us, in our city, and in all the cities, to hire these kinds of persons that would be available under this kind of a measure, to help us to combat this in the community, for community workers.

Another very concrete example which we would like to do, if we had the personnel and manpower to do it, and that, of course, is to go out into the community in our police-community relations program, individuals who are in the community would serve as a liaison or community patrol type persons in the community.

We could all of us here, I am sure, go on and on with a whole host and series of specific examples of how we could use, and I would be happy to submit such a list if this committee desires it.

Mr. WHEELER. Mr. Chairman, Mayor Gibson supports fully the Emergency Employment Act of 1971. However, he does have a concern, and I would like to express it this way: He feels that as important as this emergency legislation is, he is deeply concerned about the whole public service careers employment being written into the permanent comprehensive Manpower Act, and that in no way what is being done with the emergency bill will that deter or interfere with writing into the comprehensive Manpower Act for 1971 or 1972 this very vital section.

He supported it under the comprehensive Manpower Act that was vetoed, and he still feels certainly, as you do, that this is an important part of solving the manpower problem in this Nation.

Mayor D'ALESSANDRO. Senator, I think it is unfair for the opposition to this bill to identify it as a make-work measure, and I hope that the presence of all the mayors here today can kill that aspect of the opposition, because the jobs are there, in Baltimore, and I am not talking about the jobs in the Department of Public Works.

When we get outside of the Department of Public Works, when we get into the courts, our probation officers are handling the highest workloads in the history of the administration of justice in our city.

We have a municipal hospital, one of the finest in the country, yet the amount of registered nurses, the amount of nurses aides that are servicing the various floors, are at a minimum.

We pride ourselves on being the showcase in urban renewal and housing and redevelopment, yet in the conservation areas we cannot move beyond the central business district or the little neighborhoods that serve as a core around it, because of lack of inspectors.

The Civil Service Commission has waiting rolls of competent, eligible people who can fill the jobs. The work is there. The jobs are there. And strange as it may seem in the eyes of some people, we at the local level know what we are doing. We have the plans. We don't have the financial resources to follow through.

Senator NELSON. Thank you, Mayor.

Is there anybody else?

Mayor BURKE. Mr. Chairman, not to repeat, and, of course, no one knows what any one city's share of this would be, but I would say that, knowing the situation simply in health and hospital needs in Louisville, that we could use whatever share of public service employment our city would get in the field of health and hospitals alone.

As Mayor D'Alessandro, we have pending before our Board of Aldermen now a proposal to amend the budget of our Public Health and Hospitals Department, simply to keep it up to standards, and at this moment we don't know where we are going to get the money.

We can say almost the same thing in the fields of solid waste disposal, and housing, and building inspection, and air pollution control, and any of the things which are the urgent needs of 1971.

I think your problem would not be, could the cities use the jobs. The next problem would be, where are you going to put the few you would get.

Senator NELSON. I would like to ask another question for any or all of you to comment on: As you well know, the cities ended up receiving within their jurisdictions people who migrated there from all over the United States, whether it was Appalachia or the south or rural America in the north, where the amount of employment on farms has been dramatically reduced in the last 25 years. The people who came to the cities came from a different kind of environment, without the skills that were used in the cities.

I notice in some studies made that, given a cross-section of any group of poor people in this country, that their aptitude is equal to a cross-section of people who are from the middle class or any other group in this country. The problem is the handicap of their circumstances and their educational background, but the aptitude is there.

We have said to employers in the private sector, "You have a responsibility to do something about affording an opportunity to that individual who, under circumstances beyond his control, dropped out of school or did not get an opportunity for skilled training. You in this free enterprise system have the responsibility to take a certain number of these people who have been deprived of opportunity and join in a program of giving them training and affording them an opportunity to work, which they would not otherwise get, not because they don't have the competence and aptitude to do it, but because they have to have the training first."

However, the largest employer by far in America is the public—the Federal Government, the State government, the city government, the county government, the townships—far and away the largest employer in this country.

And yet, because of all kinds of circumstances that you are well aware of, established over the years, we have been effectively denying poor people an opportunity to participate in public employment, where the largest employer is, because we have got civil service rules, we have got this and that.

We attempted to tackle that problem with our public service employment bill, to give training and do the thing that Mayor Daley addressed himself to, upgrading their skills, giving them an opportunity for advancement, and so forth.

It seems to me a very critical matter that the public is denying those who have had the least opportunity in this country a chance to participate in the largest employment sector in this country. If we are going to do something about the problem, we not only have to provide all the occupational training skills and educational opportunities for the private sector, we have to open up the public sector. And the only way we can open it up is affording an opportunity for service in the public employment service, with the on-the-job training and educational programs that go with it.

What would your observation be about that problem as I stated it?

Mayor DRIGGS. Mr. Chairman, John Driggs of Phoenix.

I think there is another unique aspect to this public service careers that needs to be emphasized, and that is, the demonstration factor that the public sector can show to the private sector, in bringing some of these hard-core unemployed into service through public service careers, demonstrating how the private sector can in effect emulate this kind of program by some innovations of their own.

I think that, as I mentioned in my formal remarks, in many cases civil service rules do need to be modified, and we need to condition, by the presentation of the need, the public to accept these things.

I think you have seen a demonstration that the jobs are waiting. There is no question about the statistics, and every city in the country could provide your committee, within a very short period of time, the actual statistics you needed, if you need that kind of demonstration.

I think that through this public service program we can build public confidence in upgrading the performance of many of our citizens.

MAYOR HASKELL. Mr. Chairman, I would like to say that I think we have a terrific breakthrough in an organization that I think you people are handling in a separate bill, and that is the OIC. It was originated by Leon Sullivan in Philadelphia, and I understand, if your bill goes through, has the possibility of training a million people in a 10-year period.

This, I think, is a real breakthrough in the technology of how to get to the disadvantaged, and I think covers the people that you are talking about. That includes the language disability, and so forth.

I can think of absolutely no organization that could be any better, or better fitted, to the entrance into public employment as well as private employment. I think it can be used in connection with welfare retraining.

There is a real breakthrough in technology of how to get to the unemployed, the disadvantaged, in OIC, privately originated, and basically privately supported. I think if the Government could give that a real boost, I think probably maybe the most important thing in this area, far more effective than MDTA, in our experience.

SENATOR NELSON. Well, I think as everybody knows who is familiar with the Reverend Leon Sullivan's work, that he is an especially talented gentleman.

MAYOR LINDSAY. Mr. Chairman, 3 years ago the Kerner Commission examined the problem in the core cities, core city areas of about a couple of dozen cities. They went about this whole problem of employment, examined all of the available data and standards on the subject, and the Kerner Commission, which then consisted of a group of 11 persons from the established world of the United States, Republicans and Democrats alike, running the whole spectrum from liberal to conservative, were of the unanimous view that to solve the problem in the core city areas, one of the things that was needed was a multi-pronged attack on the problem of unemployment and underemployment.

And three things were specifically cited as necessary— all three, not just one. Public service employment was one. Two, Federal leadership to provide necessary incentive to the private sector to get on with the business of hiring and training and keeping and moving upward on the ladder underemployed persons and minorities.

It was the conclusion of the Commission that you are not going to do that simply by pleading with the private sector to exercise their good will and their humanitarian tendencies. Tax credits were urged, and direct subsidies were urged, in order to provide the necessary Federal leadership and incentives to get the private sector to move in this area.

That is all the more necessary today. The private sector, primarily motivated by profit, as it is, is nervous, worried, frightened, cutting back, laying off, and not moving aggressively forward into the social problems of the communities in which they find themselves—all too often, according to them, unhappily find themselves.

Senator SCHWEIKER. Mr. Chairman.

Senator NELSON. Yes.

Senator SCHWEIKER. I would just like to respond to Mayor Haskell and say that I certainly concur with his assessment of Reverend Sullivan's work, and want to point out that this bill would specifically be able to share OIC's work. They would be used as a training sponsor and trainee participant in this bill. So it was written that OIC and Reverend Sullivan could participate in it.

Mayor UHLMAN. Mr. Chairman, I would have one very brief comment.

I frankly think the cities across this country have been doing a very, very poor job in the entire area of civil service reform. I would include our own city.

The bias, of course, is an obvious one. We just underwent a survey in our own city by the National Civil Service League. I am currently defending two different lawsuits brought by employee groups in attempted areas of reform.

And I think that you could help us substantially by providing us with the stick along with the carrot to give us some impetus in the cities to initiate some long-needed and long-desired civil service reforms.

Senator NELSON. I was raising the philosophical as well as practical question of the denial, in effect, of opportunity to the person without the training, the poor person, to participate in the field of public employment, where any middle class kid can automatically participate, simply because he has developed in advance the appropriate skills to pass the exam. Our bill was aiming at the concept that you could take a person with adequate aptitude, and give him on-the-job training as well as off-the-job training.

And I am wondering about your view of the necessity for us of opening up the public service employment to give opportunity to those who have been deprived.

Mayor D'ALESSANDRO. I could not agree with you more, Senator Nelson. I think the program is to make employment opportunities all-inclusive, rather than exclusive, and what Mayor Uhlman was making reference to is that some of the civil service regulations make it exclusive, and not to be facetious, but this is a true story.

When I was president of the city council of Baltimore, I sent someone who came to the office to seek employment down to the Civil Service Commission to get a job as a dog catcher, and he was rejected because he did not have 3 years' experience chasing dogs. So I had to certify that I saw him chasing dogs about 5 years before he got his job.

I don't think you need any on-the-job training for that kind of employment, but that is how exclusive some of these prerogatives are.

Mayor TATE. Senator, I would like to add to this experience that in our time of anticipated civil disorder in 1967 or 1968, when we con-

ducted a Job Mobile program, which was related to some of the categorical Federal programs, we did find that we were in a position through some arrangement with the Civil Service Commission to provide for emergency employment in some sectors in order to alleviate some of the dissents in the community.

And we found out that the first thing that a person wanted was a check—a check on payday. The second thing they wanted was to be trained in the kind of work they were doing.

And very fortunately, toward the end of the line, when they had staying qualities with respect to putting up with that kind of employment, they wanted to be assimilated in the civil service system. And thankfully, we were able to obtain those positions, because of the usual attrition, the fact that they provided a wanted need.

So I think that while first our immediate reaction would be an attack on the civil service system, with all of its implications and restrictions. I think that there is great hope that these people can be assimilated into the system, because it does comply with established standards.

I would not want to see those who protest to be so loyal to the Civil Service Commission now start a lobby against this particular legislation because it would affect their particular establishment. I think it can be assimilated by the usual attrition.

Senator JAVITS. Mr. Chairman, I think what you gentlemen have testified to is critically important in getting the bill passed, because we have got to satisfy our colleagues that there is an excellent chance to bring the people into the regular flow of public and private employment. What Mayor Lindsay has said, and the other mayors, and yourself, is critically important.

I just wanted to add one figure, and ask one question.

When the Kerner Commission, Mayor Lindsay, made its findings, it is a fact, is it not, which was 1967, that the nonwhite teenage unemployment rate in the first 6 months of that year was in the 26 percent range? From what we know now, is it not a fact that it is now at least a third higher, to wit, in the middle 40-percent range?

Mayor LINDSAY. That is probably correct. It is very hard to get accurate data on this subject. The Kerner Commission figure is the best evidence that could be gathered together, and probably is a correct figure, and the latter figure that you have just quoted is probably correct, also.

Senator JAVITS. Now, the other question, Mr. Chairman, that I would like to ask—as I have been the principal agitator here for that—is the effect of this bill one way or the other on Neighborhood Youth Corps employment for summers.

The administration has included in its budget the summer employment program almost as it was last year, notwithstanding the increased need.

Now, can the mayors give us some help?—because we will be fighting this battle again—on the relationship of this bill to the Neighborhood Youth Corps summer employment program.

Mr. WHEELER. Senator, in the city of Newark, funds flowing into the city to deal with Neighborhood Youth Corps has always been woefully inadequate, and while we have projected any number of jobs

beyond what the money that has come into the city, so what it meant technically is that there were still just a whole host of unemployed young people, because the money was not there.

**MAYOR LINDSAY.** In New York Neighborhood Youth Corps, the program has been designed to pick up just a small piece of the slack that is generated in the summertime.

In summertime we estimate there are 300,000 teenagers out on the streets who in the winter months are not there, so that is added to the normal street activity that is year round, and the Neighborhood Youth Corps program was designed simply as a short-term, two and a half month program to cover that particular summertime pressure.

There is some relationship, and the Neighborhood Youth Corps is designed to produce productive work. It is very difficult to take a program, however, which is limited to a very small part of the year, and designed to give jobs to teenagers who normally are supposed to be in school. A lot of them are not. They are hustling on the streets.

But there is some relationship between the two. A lot of us in the U.S. Conference of Mayors have been urging for a long time that the Neighborhood Youth Corps program be converted into a year-round program, an ongoing program.

**MAYOR DALEY.** I think it should be. I think it is most important, Senator, if we do have an ongoing program, and anyone that has worked with the youth program during the summer recognizes the significance that this kind of a program must continue for 12 months out of the year, because you do not really accomplish the task if you just take youngsters when they are out of school, and then, when they go back in school, not have any continuing program.

And everyone that has worked in them, I think every city here that has had the youth program recognizes the necessity for a round-the-year program. We would surely accomplish much more, and we would do it much better.

**MAYOR D'ALESSANDRO.** Senator Javits, I would like to have the record reflect that the National League of Cities and the Conference of Mayors conducted a study of the absolutely necessary Neighborhood Youth Corps summertime job slots for the summer of 1971, and put in an absolute minimum figure of 600,000 slots.

**SENATOR JAVITS.** In other words, gentlemen, it works the other way. You really need to beef up the Neighborhood Youth Corps, as an addition to the program you are testifying to.

Thank you.

**MAYOR D'ALESSANDRO.** That is right.

**SENATOR JAVITS.** Would Mayor Tate, as the president, tell us?

**MAYOR TATE.** I agree, sir.

I do want to point out that we have been suffering a steady cutback from year to year, since we first tooled up for this kind of a program.

**SENATOR JAVITS.** Now, that is the Neighborhood Youth Corps?

**MAYOR TATE.** That is right.

**SENATOR JAVITS.** Thank you, Mr. Chairman.

**SENATOR NELSON.** Would you comment on this: The budget this year proposes to increase the local matching funds for Neighborhood Youth Corps employment from 10 to 20 percent at the local level. What effect will that have?

Mayor TATE. Just 10 percent. That is all.

Mayor LINDSAY. There are no matching funds left to the local government. Everybody here is anticipating a giant deficit, with the sure advent of more layoffs, more library and museum and swimming pool closings, and all the rest of it.

Senator NELSON. For the record, could you, through the conference national office, or directly here, supply the statistics on the number of slots for necessary employment?

I think one of the Mayors mentioned that they had 2,500 authorized slots that were not being filled.

Mayor TATE. Mayor Gribbs of Detroit.

Senator NELSON. Could each of you supply that for your individual city for purposes of the hearing record?

(The mayors responded: "Yes.")

Senator NELSON. We would like to have it in the next 2 weeks, if possible.

Mr. WHEELER. Is that to be sent directly to you, or through the Conference of Mayors?

Senator NELSON. Either way. Maybe have Mr. Gunther check with our staff.

Mayor TATE. We will send it to you, with a copy to the conference so they can follow up.

Senator NELSON. I understand that you gentlemen have a luncheon scheduled at 12:30.

Well, we will stop asking questions, unless you prefer to be late.

Mayor TATE. You don't want us to come back this afternoon, do you?

Senator NELSON. We may at a later date wish to consult with you further.

In any event, I am sure that if we can get this bill out of here and passed, that you will be called upon to appear on the House side, anyway.

Thank you all very much, gentlemen.

(Whereupon, at 12:40 p.m., the subcommittee adjourned.)

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

# EMERGENCY EMPLOYMENT ACT OF 1971

WEDNESDAY, FEBRUARY 17, 1971

U.S. SENATE,  
SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY  
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,  
Washington, D.C.

The subcommittee met at 10:15 a.m., pursuant to call, in room 4232, New Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson (presiding), Javits, and Taft.

Committee staff members present: William R. Bechtel, subcommittee staff director, William Spring, professional staff member and John Scales, minority counsel.

Senator NELSON. Our witnesses this morning are Mr. John Mulroy, Onondaga County executive, Syracuse, N.Y.; Robert FitzPatrick, chairman, Wayne County board of commissioners, Detroit, Mich.; and Mr. John Spellman, King County executive, Seattle, Wash.

Mr. Spellman, I understand that you will be the leadoff witness. Your statement, and the attached documents, will be printed in full in the record. You can present your statement in whatever way you desire.

Senator Magnuson's office advised me that they regretted that Senator Magnuson couldn't be here to present you to the committee, but you look like you can get along on your own all right anyhow.

Mr. SPELLMAN. Thank you, Senator.

**STATEMENT OF JOHN SPELLMAN, KING COUNTY EXECUTIVE, SEATTLE, WASH.; ROBERT FITZPATRICK, CHAIRMAN, WAYNE COUNTY BOARD OF COMMISSIONERS, DETROIT, MICH.; AND JOHN MULROY, ONONDAGA COUNTY EXECUTIVE, SYRACUSE, N.Y., REPRESENTING NATIONAL ASSOCIATION OF COUNTIES**

Mr. SPELLMAN. I would like to introduce my colleagues and explain what our roles will be this morning.

To my right is Robert Fitzpatrick, who is the chairman of the board of Wayne County, Mich., and of course, that is where Detroit is situated. To my far right is John Mulroy, who is the elected County Executive of Onondaga County, Syracuse, N.Y.

Mr. Fitzpatrick and I will speak more or less on behalf of our individual counties, and County Executive Mulroy will speak on behalf of the National Association of Counties, in addition to the problem in his own county.

Senator NELSON. We appreciate your coming here today, as representatives of the National Association of Counties. As you know, we hope to conclude our hearings in another 10 days or 2 weeks, and start markup sessions, and we appreciate your coming here to present your views today.

Mr. SPELLMAN. Senator, I think you have heard some chat—I have read the previous testimony of your committee—about the problems in the Seattle-King County area, and that, of course, is where I am from.

I would like to not go over that same ground, about the economic distress of the area, and the number that are unemployed. I think those are statistics that I have printed in chart and graph form, which you will find attached to my testimony.

I would like to talk, rather, about the opportunity in this bill, as I see it, as a part of the solution to the problem in our area, and potentially to the problem nationwide.

I would, first of all, like to suggest two possible amendments, and that is, perhaps, presumptuous of me, but nevertheless, I would like to get them out of the way at the very beginning, if I might.

Senator NELSON. No; as a matter of fact, as I am sure you are aware, one of the purposes of the hearings is to get the counsel of a variety of people from around the country, who are knowledgeable about the problem, and are able to view the bill from their own viewpoint, and how it will affect them; so any suggestions that you have for amendments, the committee is glad to entertain.

Mr. SPELLMAN. Well, fine, Senator. Thank you.

First, section 4 provides authorization for funding the act nationally when unemployment exceeds 4.5 percent for 3 months.

It is our position that the provision should be amended to provide national programs on that basis with recognition of special local conditions separately. I would suggest an amendment to fund a local SMSA, when the unemployment of that area is 50 percent more than the national average, and no less than 6 percent, no matter what the national average has dropped to.

I think that, in other words, we have impacted areas, and it is conceivable that the national average will go below 4½ percent, but I don't think there is an anticipation that our county average or other similarly impacted area's average will go down in the near future, even though the national average would.

Senator NELSON. You are saying that it would be funded in any area, regardless of the national average, when it is 6 percent or above, in a local area?

Mr. SPELLMAN. When it is at least 6 percent, and 50 percent above the national average. A minimum of 6 percent, but it has to be 50 percent above the national average.

The second amendment which I would speak to relates to the distribution formula for the funds made available in this legislation. I think the formula as spelled out in the bill actually is just an outline of what might be a formula. The bill has permissive language, which allows the Secretary to distribute the funds within the local area, based upon need.

I think the bill should not make this discretion. I believe that in fact, the funds should go within a State, to the local area, based on the proportion of its unemployment to the State's total unemploy-

ment. In that way, those who have the need, the areas that are impacted, would in fact get the aid.

I think the way the bill is presently written, that the discretion of the Secretary might well call for spreading the money around, statewide, or areawide. For instance, in our area, the Puget Sound region is badly impacted, and should get its proportionate share, in order to solve the problem of unemployment.

I think those amendments are quibbles. I approve, our county does, and I know the National Association of Counties approves highly of the bill itself, and I did want to get those two quibbles out of the way. I do think, however, each of them would improve the operation of the bill in impacted areas.

I have also filed this morning a proposal in outline form. We in King County have been working in this area of trying to retrain manpower, trying to take this new type of unemployed person, who is not merely a disadvantaged person, or a low income person, but in many cases, particularly in our area, is a highly skilled engineer, technical person, systems man.

We have been trying to address ourselves to the total problem of retraining all elements of the population, and we had already drafted a proposal for the department of labor which we believe this bill would make operational, and make very effective, and I have attached that to my statement for the record.

We propose to address the problems foremost in the Nation's mind, by addressing the problems foremost in the mind of our talent bank. We propose to employ the skilled, the technically trained, the engineers, the managers, and the system integrators who are unemployed in our area, to retrain them to work in public employment for 9 months with a goal of making them ready to seek the emerging jobs in the environmental and urban problems job market.

We expect these people to be qualified to accept positions with Government agencies and with private industrial concerns in our Nation.

Now this proposal, as we have written it, calls for hiring people, and training them at the governmental level, and I think if you have an opportunity to review it, you will see that it includes some motivation at a very early stage. We feel that people from private industry, many of them who have skills, are not at all adjusted to just simply moving into a government job, especially in local government.

So we would propose a system of using the community colleges and the universities and the present governmental employees to first motivate them to work in the governmental system, to then give them skills, and perhaps use some of these people in retraining the recent unemployed in the successive and lower level of skills as they come in.

It is a rather elaborate proposal, but I think it can be funded, under this bill, which does in fact, provide 15 percent funds for training, and that is a very strong point of the program.

We want, of course, to preserve the technical talent bank which we have in our Northwest. If we can't, of course we would be happy to see many of these people go to other parts of the country, if they could find jobs; but they can't, at the present time. So it seems logical, then, that we attempt to retrain them, and bring them into the public sector.

Now we have heard a lot of reservations, and I am sure you have, about the transferability of aerospace talents to the emerging problems of our times—the ecological problems, the environmental crises, the collapse of the cities. I would submit that the transfer of these talents to the aforementioned problems can be relatively easy, if it is planned.

Locally, we have seen Boeing, over the years, retrain engineers from one discipline to another, where labor shortages required it. Some engineers have been retrained not once but many times, in the course of their careers.

Let me just illustrate with just a few examples, as to how this has been done.

Let's look at the unemployed Boeing engineer who for 22 years has worked on the increasingly more complex problem of hydraulics systems, which are so critical to today's major jets. He knows more about fluid flow and the process of purifying fluids than most people in pollution control today.

The transfer of his talents from the small but very complex hydraulic system of the jet industry to the large interceptor sewer and water systems of our urban areas and to the monitor systems and pollution control systems into which they connect, I think, is a short step in training.

It takes motivation, it takes training, but it is certainly comparable to the retraining which has gone on in private industry in the Boeing Co. itself.

The aerospace technician who has worked in the laboratory, producing life systems, which support our astronauts on the way to the moon, for instance—it certainly can't be too great a step to afford him the opportunity to work on the life systems, the support systems of the city.

These are men who are expert, have an expertise and a technical knowledge that has been retrained and trained within the company in the past, and we feel convinced that these talents can be addressed to the major environmental and ecological problems that are facing the cities and the Nation today.

The incredible logistics problems which have been solved by our now unemployed Boeing workers in our area, for instance, I think, present an opportunity.

The Boeing plant, 2 years ago, had 100,000 employees, in the Puget Sound area, and you could travel for a half a day, and go 75 miles through the various Boeing plants. The systems, the logistics, the facilities, parking, the transportation, the feeding, disposal of waste, the heating, the mail systems, the lighting—all of these problems were addressed and resolved by Boeing people, in a period when they were building two major new aircraft, the 737 and the 747. And simultaneously, they were building two of the largest buildings in the world, in cubic capacity.

What we are talking about is talent to integrate very complex and very diversified problems. These talents, I think, are needed now, in our urban system problems—interrelating problems, coming up with solutions.

It seems to me obvious that we have this incredible number of highly skilled people, and it is our challenge, and I think an opportunity, under this bill, to retrain them, and place them initially into public employment, with the hope that we cannot only find permanent places for them in public employment, but particularly in the fields of solid waste, water pollution, oceanography, air pollution, and all of these things, and also make their talents available to other local governmental agencies, or governmental agencies, and conceivably, and I think very possibly, make those talents available to new industries in our area.

Certainly, in the field of oceanographics, I think that is more than probable, in our county.

I think the problem that we face is a classic problem that has come about because of change of national priorities. Three years ago, the State of Washington lead the Nation in growth. It was a period of labor shortage, and we were importing labor into the area.

Boeing had come up with some dramatic new designs for aircraft, made possible by breakthroughs in jet engines, and the great Boeing Co.—and I say the great Boeing Co. advisedly, because indeed, it has proven its capacity to lick the toughest problems that have existed—met what was then the market need, and we at the local level, and you at the national level, applauded Boeing for solving these very difficult problems at that time.

Unfortunately, the market for jet aircraft, because of the decrease of commercial and private travel, has dropped down substantially below what anybody would have anticipated a couple of years ago, and Boeing has had to do what was inevitable; they have had to cut back their manpower, back from over 108,000, 14 months ago, to what is now about 40,000 in the Seattle-King County area.

I think, however, we can view that situation now—we have 17 million square feet of vacant plant space in the Seattle area. We have a large pool of unemployed, many of whom are highly skilled, most of whom are under 45 years of age, and male—we can put those elements together, and come up with a program which can serve the area and the Nation.

I just want to point out with two or three examples which bring me to this conclusion, which are the human element of this story. I wouldn't want, for a minute, to leave the impression that our county is coming back here begging for aid or that we are not going to solve our own problems.

I am sure we can, but this is as this bill intends; providing assistance through a period of readjustment, and we are in a traumatic period of readjustment at the present time. We are in a period where 25,000 people have been fed from food banks, from food collected by the Neighbors in Need, a church group in our area, in the last month; 25,000 people have had to go to not governmental sources, but just plain charity sources for food. We have the highest food stamp distribution in the Nation. And at the present time, I think you have heard about all of our statistics, and I won't go into them any further.

In conclusion, I would say that we face a crisis in our cities. We have a crisis in the quality of air and water and land pollution. In our county, we have the technicians, the engineers, the managers, the

logistics experts and the system integrators, who solve the problem of getting to the moon, of launching the complex defense system, who know how to approach complex and difficult problems and to solve them. I think they are ready to solve these problems of the future.

The proposal which I have submitted today, together with my testimony, I think, demonstrates that in King County, we are prepared to implement one possible solution to our local unemployment problem, and at the same time, to address the national needs.

This bill can be of assistance to us in bringing about a retraining of unemployed persons, to give them permanent public employment, to address the environmental and other major problems of our cities and our Nation. And we support it for that reason, Senator.

(The prepared statement of Mr. Spellman, with attachments, follows:)

STATEMENT  
BEFORE THE  
SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY  
UNITED STATES SENATE

on

S. 31 - Emergency Employment Act of 1971

by

JOHN D. SPELLMAN  
COUNTY EXECUTIVE  
KING COUNTY, WASHINGTON

February 17, 1971

TESTIMONY OF JOHN D. SPELLMAN, COUNTY EXECUTIVE, KING COUNTY, WASHINGTON,  
BEFORE THE SENATE SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY ON S. 31  
THE EMERGENCY EMPLOYMENT ACT OF 1971. February 17, 1971, Washington, D. C.

Honorable and Distinguished Members of the Senate:

You have recently heard about the employment problem in our community and in general about the problems confronting people in the Puget Sound Area of the State of Washington.

Today it is my intention to supplement the facts submitted and to make clear to you that the King County government supports the concepts put forth in Senate bill S. 31 The Emergency Employment Act of 1971, with two minor exceptions I would like to note at the outset.

First: Section 4 provides authorization for funding the act nationally when unemployment exceeds 4.5 percent for three months.

It is our position that the provision should be amended to provide national programs on that basis with recognition of special local conditions separately. I would suggest an amendment which specifically provides for funding through the program for local Standard Metropolitan Statistical Areas with unemployment 50 percent or higher above the national average, provided the local rate is above 6 percent.

Second: Section 8 of the bill provides for local allocation on a proportionate basis within each area of unemployment. But the language is permissive.

To address the problem we have in the State of Washington, we would suggest mandatory allocation of the funds which would provide a simple, direct system of allotment on the basis of the proportionate number of unemployed locally to the total statewide unemployment. In this manner you can assure the money reaches the people in the area of greatest need.

We would appreciate your favorable consideration of these two amendments - quibbles to be sure, but important in perfecting this bill we believe to so very appropriate to the national concern about which we are convened.

I would like to file with you this morning a copy of a proposal in outline form, which will be presented by King County to the Department of Labor when this bill becomes law. We in King County propose to address the problems foremost in the minds of our nation's citizens by a program which addresses the concerns foremost in the minds of our great talent bank. We propose to employ the skilled, the technically trained, the engineers, the managers, the system integrators unemployed in our community, retrain them to work in Public Service Employment for nine months with the goal of making them ready to seek the emerging jobs in the environmental and urban problems job market. We expect these people to be qualified to accept positions with government agencies and with the private industrial concerns of our nation.

Before the proposal was finalized we will review it with the locally unemployed who we seek to assist. We will abide by their advice to modify it in such a way that the concerns about their future will in part be addressed to the extent possible.

We want to preserve the great technical talent bank we have in the northwest, but we must do so only if we can give them hope and opportunity through employment. We also recognize the great need in the public sector for the kind of person now made obsolete by the change in national priorities which has displaced so many outstanding citizens.

Now we hear reservations constantly voiced about the transferability of aerospace talents to the emerging technical problems of the seventies --- the variety of ecological and environmental crises and the city collapse which some see for our metropolitan areas. I submit that the transfer of talents is easy, if it is planned. Locally we have seen Boeing retrain engineers from one discipline to another when labor shortages required, not just once but several times.

Let me try to illustrate the basic principles which are at the root of our belief:

- Let's look at the unemployed Boeing engineer who for 22 years worked on the increasingly more complex system of hydraulics which are so critical to the commercial jet aircraft of today. He knows more about fluid flow and processes to purify than most public pollution control types. The transfer of his talents from the small but complex systems of an airplane to the large interceptor sewer and water systems of our urban areas and the pollution control and monitor systems they hook into is logically a short step with training.

- Look at the aerospace technician who worked in the laboratory and production areas of the space effort to produce life systems which were required to maintain our astronauts as they went to the moon. Can it be so great an effort to afford him the opportunity to apply that great store of knowledge to the solutions required in maintaining or restoring life systems in our cities?
  
- Consider the incredible logistics problems which were solved by our now unemployed systems and planning staffs in the aerospace companies. Look at a Boeing plant where in two years they went to more than 100,000 employees in the Puget Sound Area with locations which made it possible to make a round trip tour taking half a day during which you covered 75 or more miles. System, logistic, facility, parking, transportation, feeding, disposal of waste, heating, mail systems, lighting, all of these problems were addressed and resolved by Boeing people who in that period not only designed two new aircraft - 737 and 747 - but simultaneously built the biggest and the third biggest buildings in the world in cubic area. Those talents to integrate very complex and very diversified problems are the talents we so desperately require to apply system integration types to the urban system problems which are so complex and interrelated that they are

overwhelming. It seems to me that aerospace skills in this area can be directed and sensitized to public requirements to the benefit of all. We have an incredible number of these people in the local labor pool which we want to involve now for the benefit of all.

So you can see that we are prepared to apply this program now. We are prepared to take the funds available and not only employ people but also assist them to find new and exciting careers in the future of our nation. This bill can make possible that kind of opportunity.

Gentlemen, the problem which confronts our citizens in the State of Washington is no classic case of readjustment - rather it is a classic case of inadequate planning for changed national priorities.

Three years ago Washington State led the nation in growth. It was a period of labor shortage which was locally precipitated by the phenomenal growth of commercial aviation, and the unprecedented state of the art improvements represented by the 747, made possible of new jet engine design breakthroughs. The Great Boeing Company, and let me make clear to you that is not just a polite phrase for they are a company which has produced great projects which were only possible because of great contribution and innovation on the part of people at Boeing - The Great Boeing Company acting in response to the free enterprise system - joined the competition to meet the market demand. We all applauded, locally, regionally, at the state level and nationally. The new models would ensure jobs for our local people and nationally it would help to bring about an improved position in our balance of payments to which Boeing

exports have been so crucial.

Now air travel is off, with people in private and commercial areas reducing their air travel. Our commercial carriers cannot use the added aircraft thought necessary but three short years ago. The Boeing Company has responded as it must to maintain itself by reducing employment from more than 100,000 to about 40,000 locally, and the majority of that reduction has occurred in the last 14 months.

Senators, I submit to you that the displacement which has occurred in the Puget Sound Area leaves us with the worst national resource waste in our nation's history. Talented men and women, superbly trained, highly productive, with a desire to work and to contribute to the nation's economy, sit idle. The waste in human and productive terms is incredible.

The stories we could bring to document the human dimension of the problem can be seen from such simple facts as:

- 25,000 people were fed in the area in the past four months through the Greater Seattle Council of Churches Food Bank Program.
- In King County, 84,883 added people received food stamps in December and in the four-county Puget Sound Area the number reached 146,999 verses a year ago when the total was 39,072.
- With 75,000 unemployed in the SMSA and with 47,294 qualified for insured payments you can guess the frustration and you can imagine the consequences.

Gentlemen, in this nation we have a crisis in our cities. We have a crisis in the quality of air and water and land related to pollution. In our area we have the technicians, the engineers, the managers, the logistics experts, the system integrators who solved the problems of getting to the moon, of launching complex world deployment of our missile system for defense, who know how to approach complex difficult problems and solve them. They are ready to solve the problems of the future.

As our proposal demonstrates, we are prepared in King County to implement one possible solution to the local unemployment problem and at the same time to address the solutions needed to national problems. This bill can be the assistance we need to make this program a reality and I earnestly seek your support for its passage.

Thank you very much.

PROPOSAL FOR A  
KING COUNTY MANPOWER PROGRAM

**Objectives:** To create a manpower development program which would pre-train scientific, technical and professional personnel from aero-space and related industries for employment in public sector.

To identify critical areas of need in the public sector in which such personnel could be employed on a national, as well as a regional and local, scale.

To create direct on-the-job training opportunities, at full salary levels, for one year's transition experience in new public sector fields.

To create a manpower pool for deployment to cities, counties, states and Federal agencies around the country, and to initiate an employment service for participants in the program.

To create a parallel program for sub-professional personnel, displaced from highly skilled technical positions which may be utilized in the public sector. Since the potential list of jobs for this level of personnel may be duplicated in present civil-service positions, this will require a different level of effort and a slightly different approach.

To round off the employment in the public sector programs by evolving a new approach to a corresponding effort for low-income people, which would train entering or trainee classifications for jobs in corresponding career fields with above categories.

To provide cities, counties, states and Federal agencies with a high level of personnel, well trained and endowed with a wide background.

To enhance the character and capability of local, state and Federal government services through improvements in their personnel.

The premise of this program is that King County is eminently well suited to initiate a personnel program which would provide employment opportunities to county residents and a trained manpower pool to all the cities and other agencies in the county and nearby. With King County as the base, the program could also be expanded - or even exported - to Pierce and Snohomish counties. It is visualized that trained personnel could be offered to other counties and cities, even if they did not participate directly.

#### Manpower Development Program

Both nationally and locally there is an increasingly evident need for manpower programs that deal comprehensively with the variety of skilled and unskilled people that make up today's new mix of unemployed. The increasing number of highly skilled people entering the ranks of the unemployed offer an opportunity to bring relevant skills, backed up with intensive introductory training, to local government. King County's planning closely corresponds to the bill now under consideration. Senate Bill 31 proposes that participants in a manpower development program be given opportunities for public service employment. This

presents a significant opportunity to train personnel for the transition from private industry to public employment and preparation for transfer of skill back to new private employment opportunities.

King County's plans have already dealt with most of the problems of implementing such a program. A short course on Public Administration, a development of understanding of the role of local and state government and a review of the present technical competence of local governments would be indicated. In addition, lecturers from other fields in the university - to be suggested by a review of the areas of need of local government - could speak to the latest information available on ecology, water quality, solid waste disposal and other subjects with particular career interest. A subtle motivation factor should be induced into the program, to establish the person's worth to the community. Care should be exercised that the participants are not so over-motivated that they feel their talents are a gift of extraordinary merit, laid at the feet of undeserving politicians and bureaucrats.

#### Sub-professional Technicians

A similar program for this level of employment would be set up with a primary emphasis on task-training, in the selected fields,

and a lesser degree of education in Public Administration. It is felt that this is a natural role for the Community College system. Their prior history indicates that they would participate. However, a speeding-up of their normal pace may be necessary.

#### Low-income Trainees

A longer education process may be required, although part-time on-the-job training should be instituted as quickly as possible. Special counseling services would be utilized, and special employer assistance in training, job counseling and employee relations would be offered as integral to the program. The services of the Community Colleges could be utilized here, as well.

NOTE: In every category, due to prolonged unemployment, special services may be required to provide financial counseling and other assistance. Some preliminary study of the characteristics of the potential candidates for this program will yield more specific information about personal needs.

#### Training Personnel

It would be most desirable to achieve something of a multiplier

effect in this program by utilizing personnel from the top levels to conduct training programs for the other levels at least partially. They would be selected from graduates of the first class, or they could be selected for immediate placement from the ranks of the unemployed.

#### Selection Procedures

Manpower program selection procedures are often linked to the offices of the Washington State Employment Service. It is important that additional resources supplement, or even supplant the office in this case because the selection procedure may be the linchpin to the implementation of the policies of the program. Selection can be geared to real or perceived needs of local government, to categories of greatest unemployment, or to any given goals. Goals must be carefully defined, and the procedure designed to achieve them. In any case, broader participation in selection seems to be indicated, including potential employer groups to the extent possible.

#### Placement

A special program to interest public agencies in participating is needed. These agencies must be well motivated at their

highest political, departmental, administration and working levels. Efforts should be made to work with personnel staffs, when necessary, and to enlist the cooperation of city and county councils. Since local governments would benefit from a subsidy of salaries for an extended period, there should be no qualms about participating. It is equally important, however, that they utilize these skills to their fullest. To encourage this, their early participating must be sought, using "advance" techniques to arouse interest and supply cogent, interesting information.

#### Program Conclusion

It is hoped that a large percentage of participants would be retained by the public agency for which they worked during the program. However, it is anticipated that some will be placed in other agencies around the country, if openings are sought on a systematic basis. Specific contracts can be made through meetings of NACO, USCOM, NLC, and other organizations for public officials.

#### Salary Levels

Salary levels cannot be determined until DOL guidelines are developed. They must be competitive with similar positions in public agencies, and hopefully, should not be too much lower than previously earned salaries. The provisions of Senate Bill 31 allow for employment of professionals at a rate fitting the services they perform. This is a key provision that other proposals have not dealt with.

**JOHN D. SPELLMAN**  
COUNTY EXECUTIVE



**KING COUNTY COURT HOUSE**

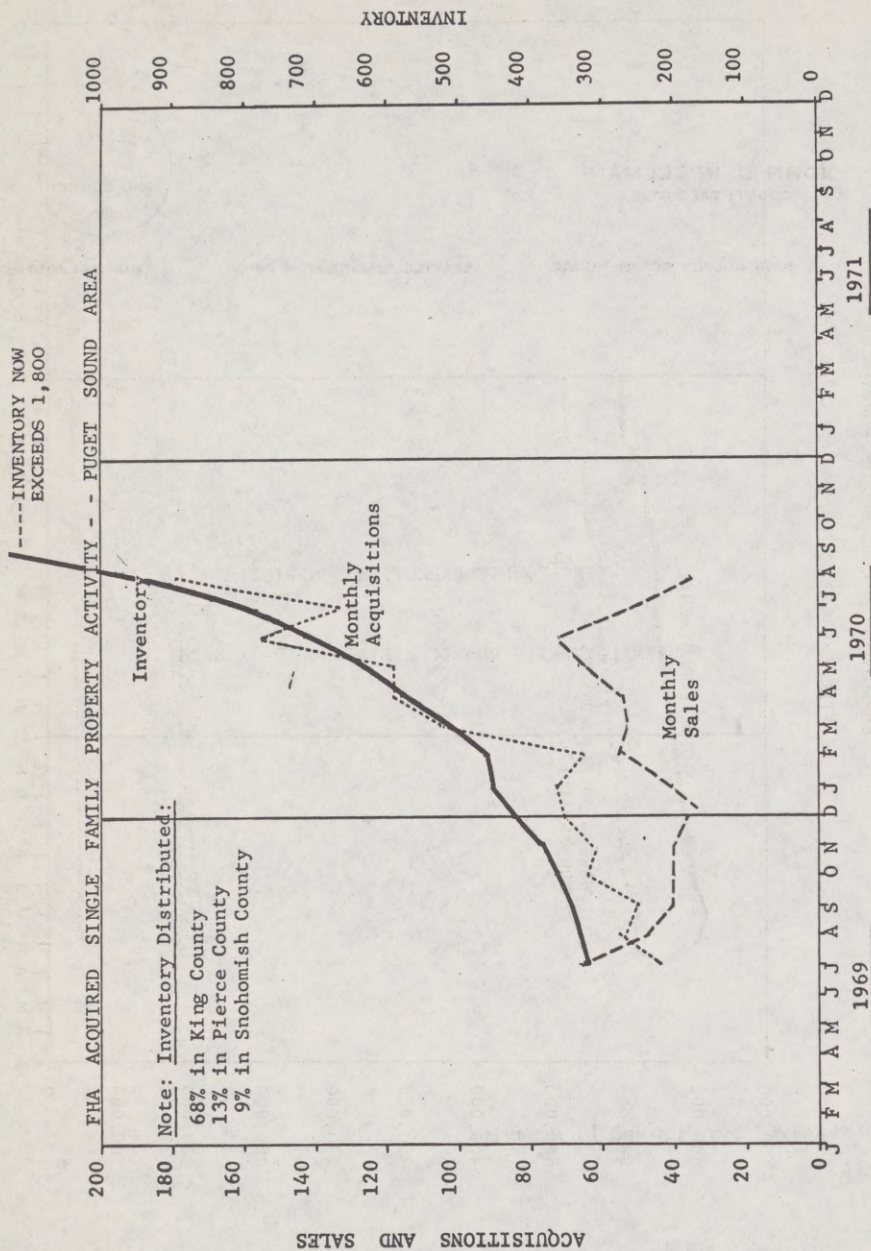
**SEATTLE, WASHINGTON 98104**

**(206) 344-4040**

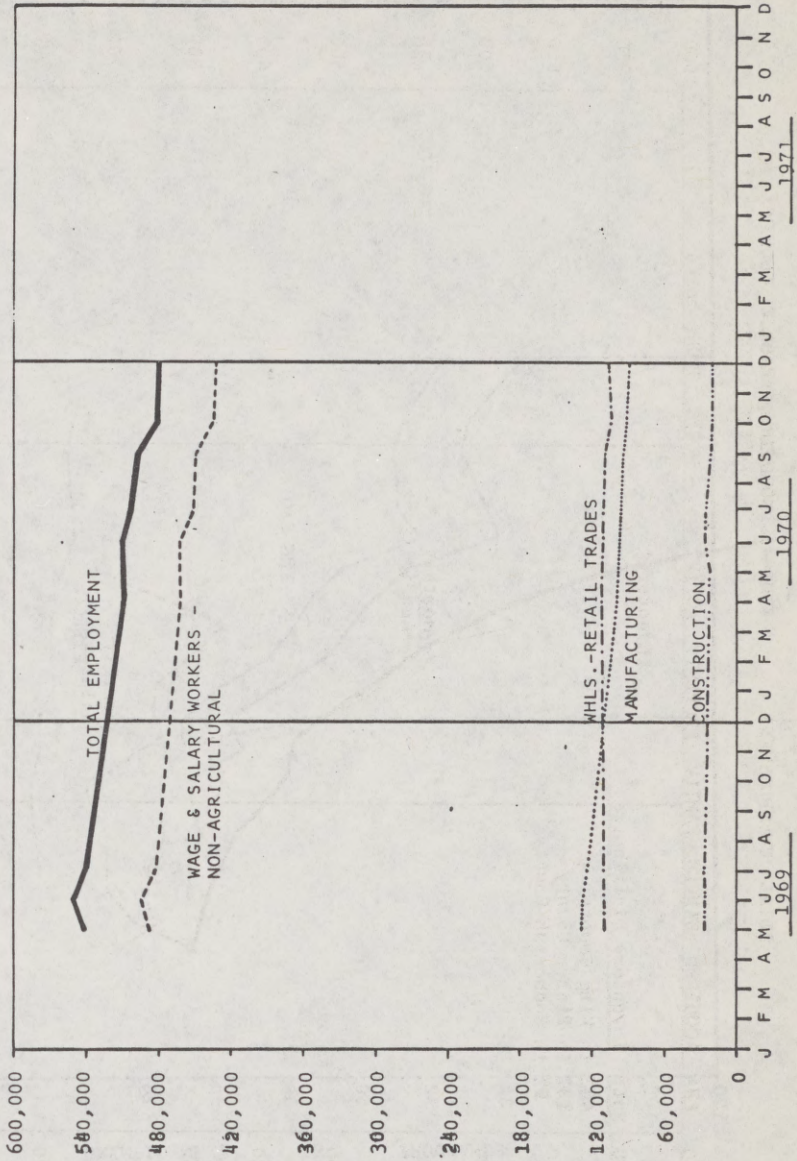
**KING COUNTY EXECUTIVE'S OFFICE**

**UNEMPLOYMENT & PUBLIC ASSISTANCE DATA BASE**

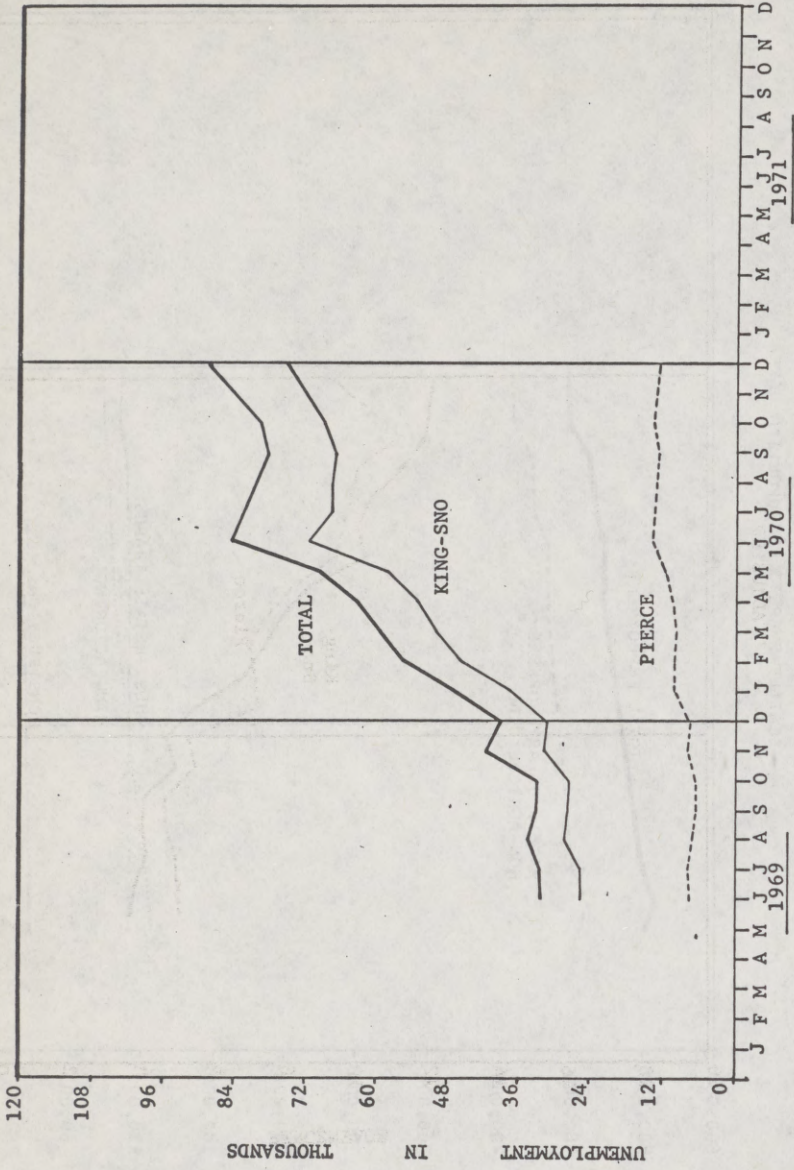
**Prepared by: Joseph L. McGavick**



EMPLOYMENT - KING COUNTY PORTION  
SEATTLE-EVERETT METROPOLITAN AREA

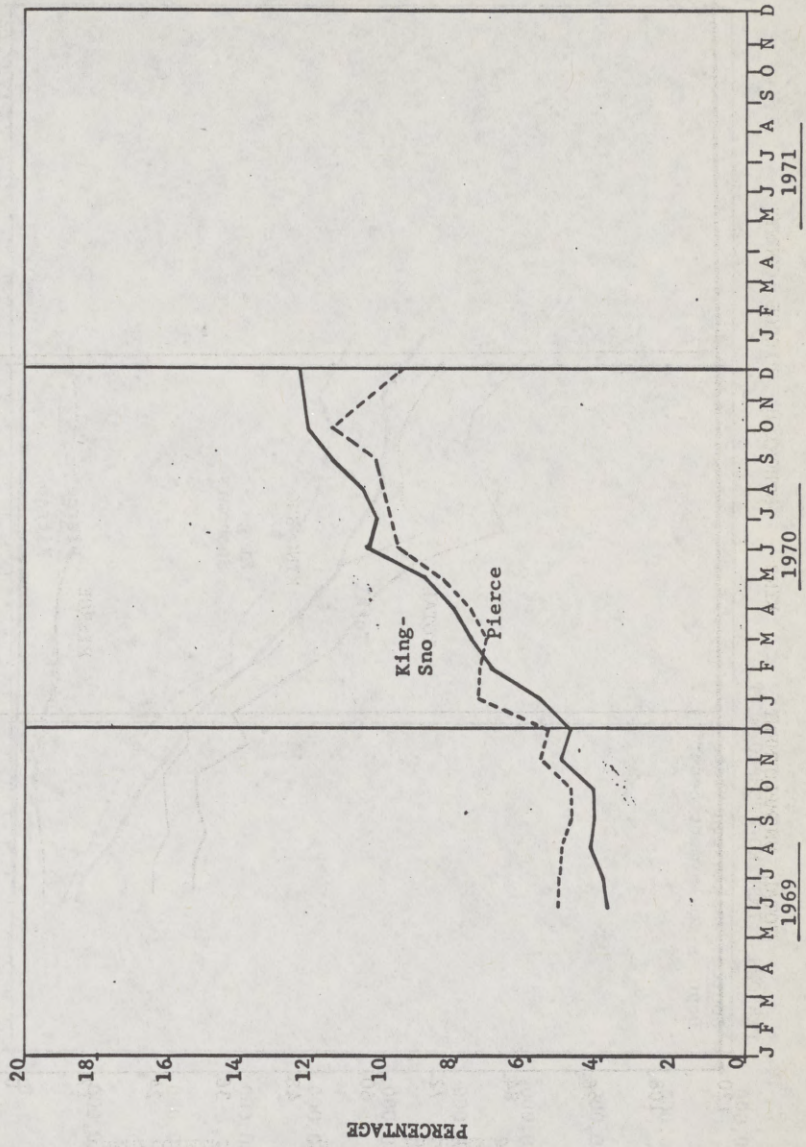


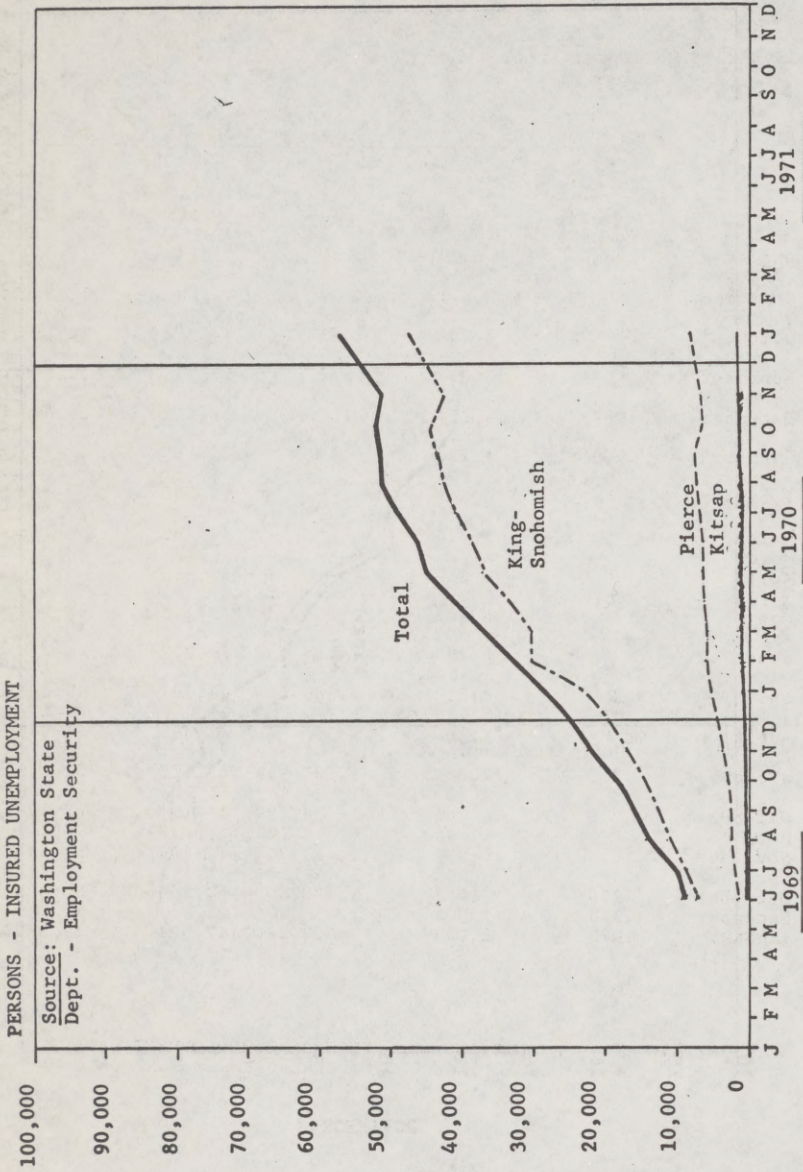
TOTAL UNEMPLOYMENT KING - SNOHOMISH, PIERCE COUNTY



TOTAL UNEMPLOYMENT KING-SNOHOMISH, PIERCE COUNTY

ADJUSTED





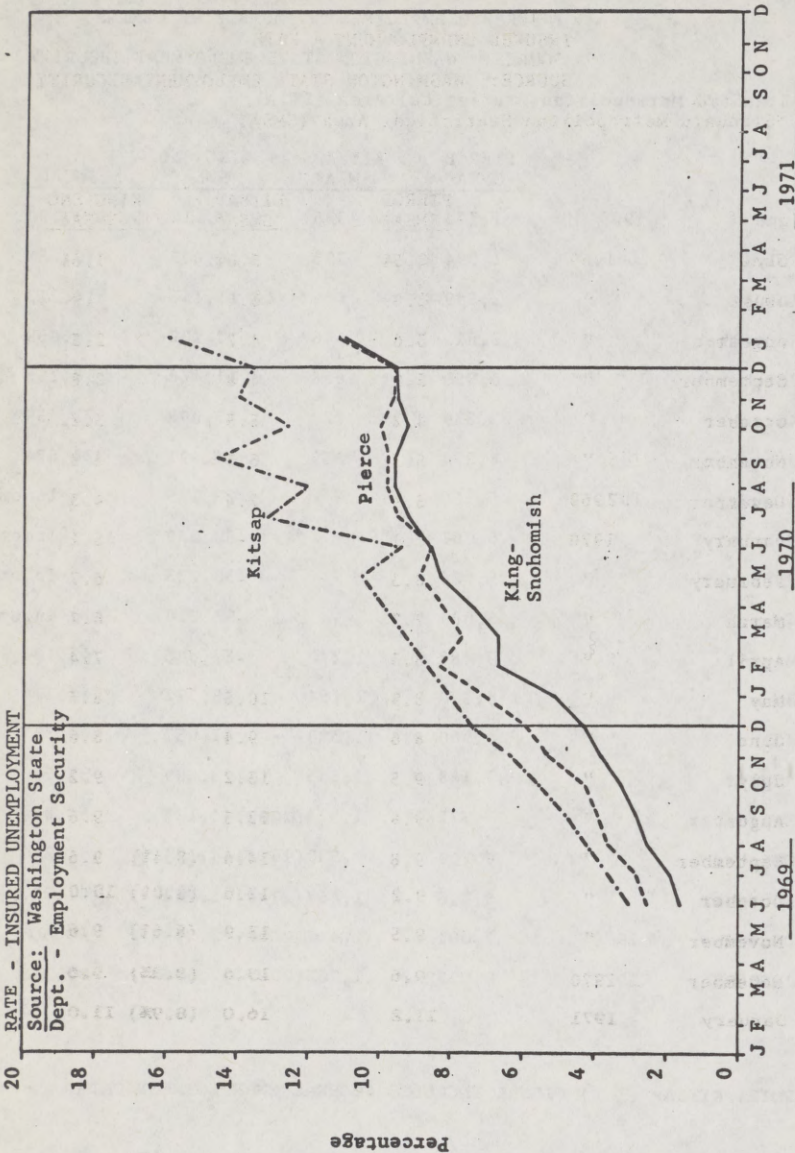
## INSURED UNEMPLOYMENT - NUMBER OF CLAIMS

SOURCE: WASHINGTON STATE EMPLOYMENT SECURITY

\*Standard Metropolitan Statistical Area (SMSA)

		PIERCE SMSA*	KITSAP SMSA*	KING-SNO SMSA*	TOTAL
June	1969	1,772	336	7,112	9,220
July	"	1,994	396	8,665	10,055
August	"	2,599	465	11,148	14,212
September	"	2,811	546	12,702	16,059
October	"	3,059	638	14,458	18,155
November	"	3,839	722	17,098	22,659
December	1969	4,274	859	19,491	24,624
January	1970	5,156	-	23,185	-Incomp
February	"	6,061	-	30,360	-Incomp
March	"	5,624	-	30,223	-Incomp
April	"	6,089	-	33,310	-Incomp
May	"	6,488	1,270	37,346	45,104
June	"	6,290	1,154	38,772	46,216
July	"	6,960	1,380	41,057	49,397
August	"	7,168	1,303	43,099	51,570
September	"	7,222	1,524(2095)	43,123	51,869
October	"	6,708	1,338(1992)	44,194	52,240
November	"	6,926	1,467(2149)	42,754	51,247
December	1970	7,001	1,438(2068)	42,369	50,808
JANUARY	1971	8,057	1,702(2207)	47,596	57,355

NOTE: KITSAP ( ) FIGURE INCLUDES FEDERAL UNEMPLOYMENT DATA



## INSURED UNEMPLOYMENT - RATE

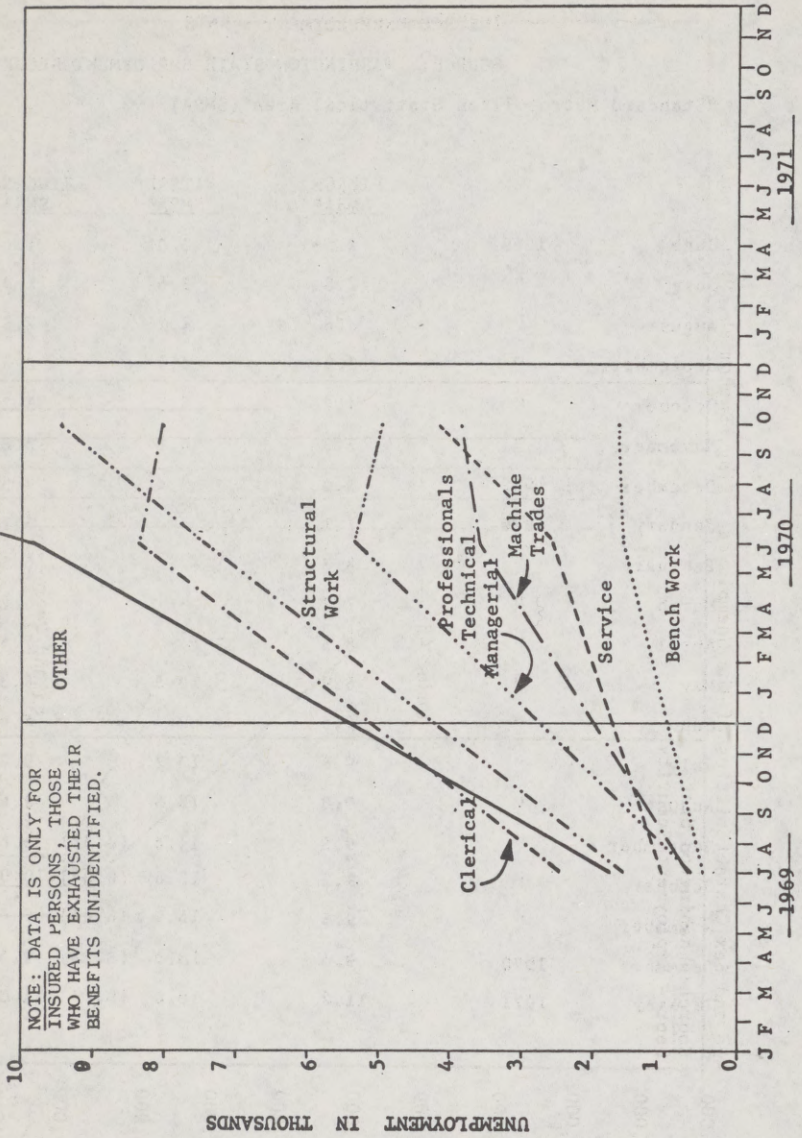
SOURCE: WASHINGTON STATE EMPLOYMENT SECURITY

\*Standard Metropolitan Statistical Area (SMSA)

		PIERCE SMSA*	KITSAP SMSA*	KING-SNO SMSA*
June	1969	2.5%	3.0%	1.6%
July	"	2.8	3.6	1.9
August	"	3.6	4.2	2.5
September	"	3.9	4.8	2.8
October	"	4.2	5.5	3.2
November	"	5.3	6.3	3.8
December	1969	5.9	7.4	4.3
January	1970	7.1	-	5.1
February	"	8.3	-	6.7
March	"	7.7	-	6.7
April	"	8.3	-	7.4
May	"	8.9	10.5	8.3
June	"	8.6	9.4	8.6
July	"	9.5	13.2	9.2
August	"	9.8	12.5	9.6
September	"	9.8	14.6 (8.4%)	9.6
October	"	9.2	12.6 (8.0%)	10.0
November	"	9.5	13.9 (8.6%)	9.6
December	1970	9.6	13.6 (8.3%)	9.6
January	1971	11.2	16.0 (8.9%)	11.0

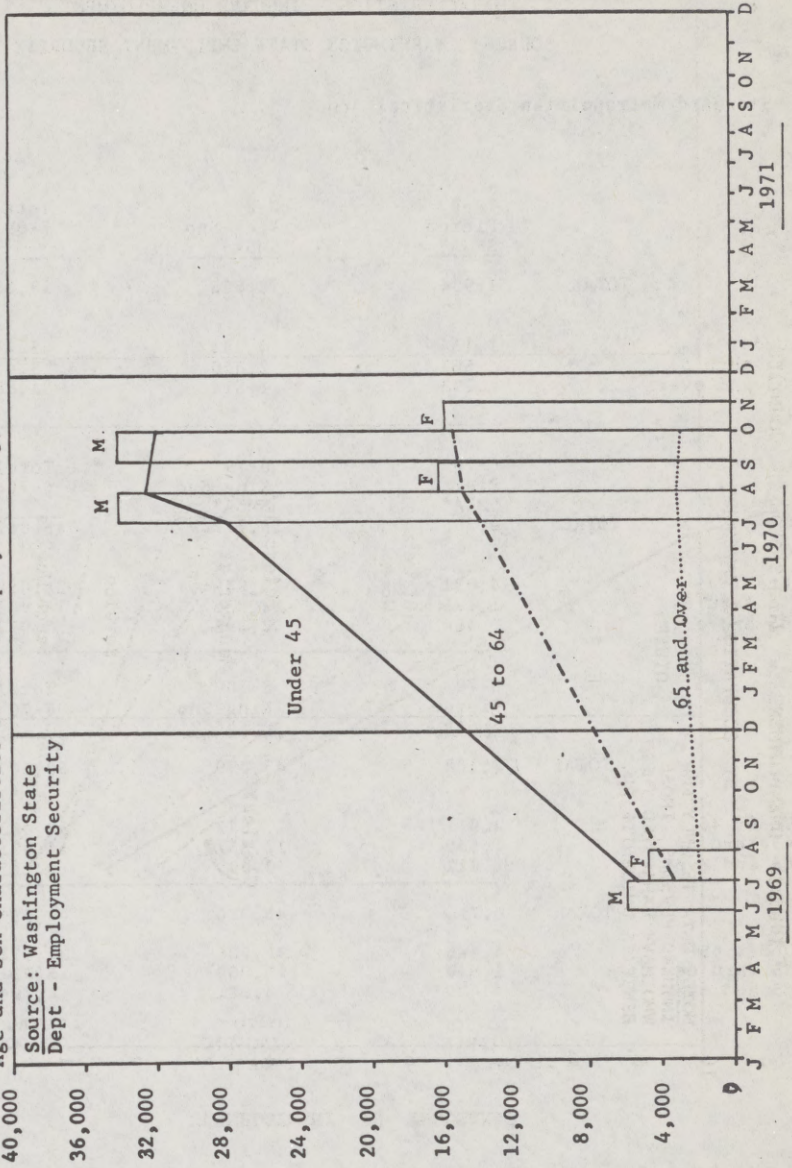
OCT. 70-15, 316

INSURED UNEMPLOYMENT - KING-SNOHOMISH COUNTIES  
BY OCCUPATIONAL CATEGORY



Age and Sex Characteristics of the Unemployed - King, Snohomish, Pierce only

Source: Washington State  
Dept - Employment Security



## CHARACTERISTICS - INSURED UNEMPLOYMENT

SOURCE: WASHINGTON STATE EMPLOYMENT SECURITY

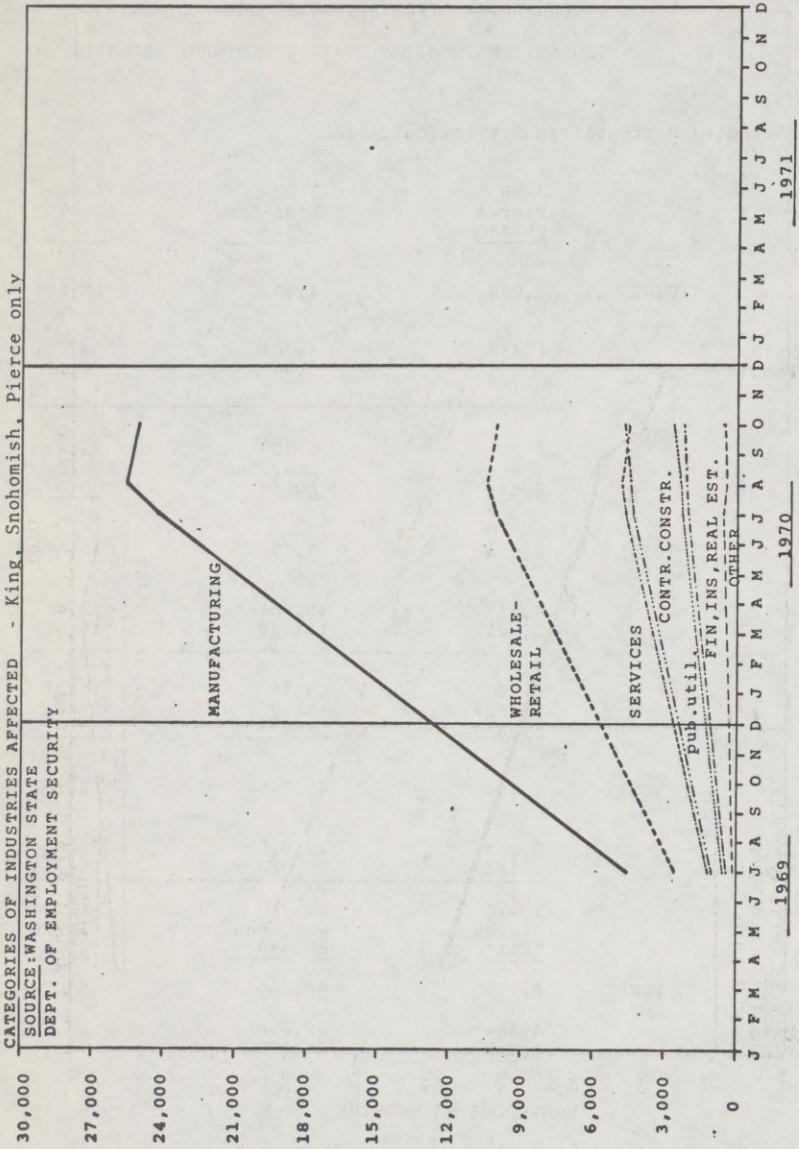
\*Standard Metropolitan Statistical Area.

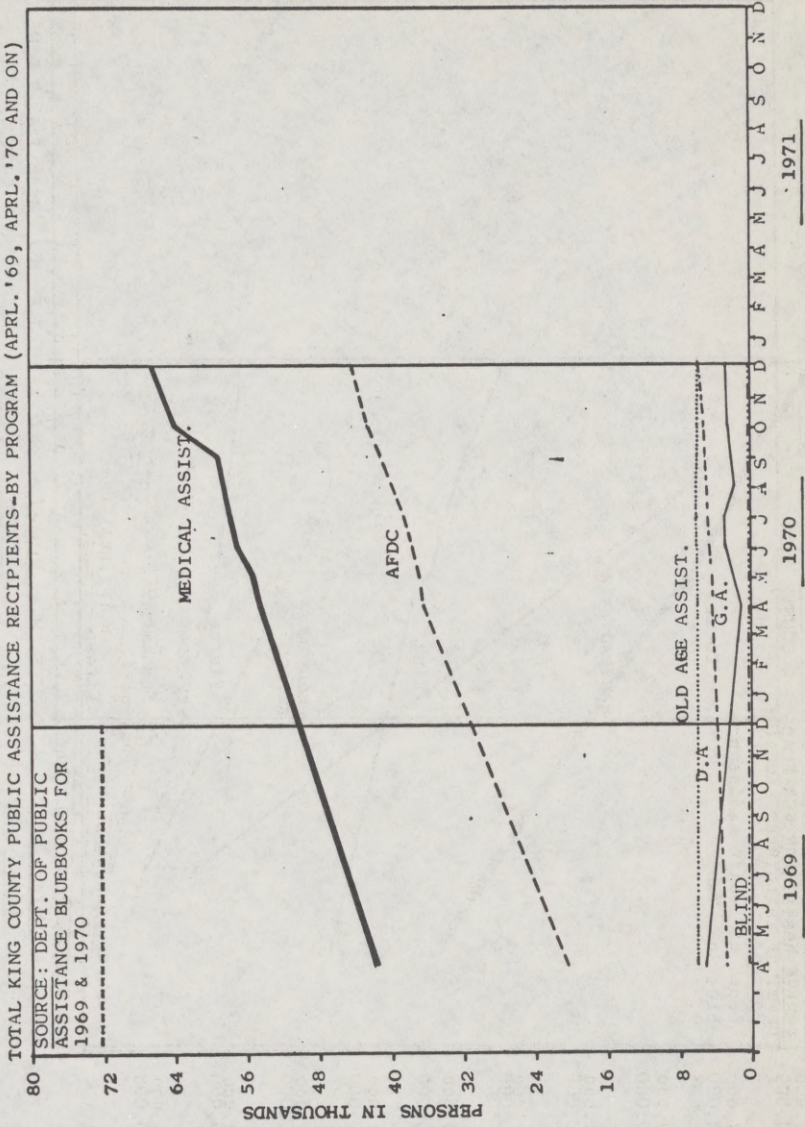
	7-69 Pierce SMSA*	7-69 King-Sno SMSA*	Total 7-69
TOTAL	1,994	8,665	10,659
Under 45	1,134	4,281	5,415
45 thru 64	567	2,870	3,437
65 and over	293	1,514	1,807
<hr/>			
	6-70 Pierce SMSA*	6-70 King-Sno SMSA*	Total 6-70
TOTAL	6,290	38,772	45,062
Under 45	4,081	23,948	28,029
45 thru 64	1,725	12,236	13,961
65 and over	484	2,588	3,072
<hr/>			
	8-70 Pierce SMSA*	8-70 King-Sno SMSA*	Total 8-70
TOTAL	7,168	43,099	50,267
Under 45	4,911	27,572	32,483
45 thru 64	1,836	12,837	14,673
65 and over	421	2,690	3,111
<hr/>			
	10-70 PIERCE SMSA*	10-70 KING-SNO SMSA*	TOTAL 10-70
TOTAL	6,710	43,286	49,996
Under 45	4,445	27,526	31,971
45 thru 64	1,842	13,389	15,231
65 and over	423	2,371	2,794

CHARACTERISTICS - INSURED UNEMPLOYMENT  
SOURCE: WASHINGTON STATE EMPLOYMENT SECURITY

\*Standard Metropolitan Statistical Area

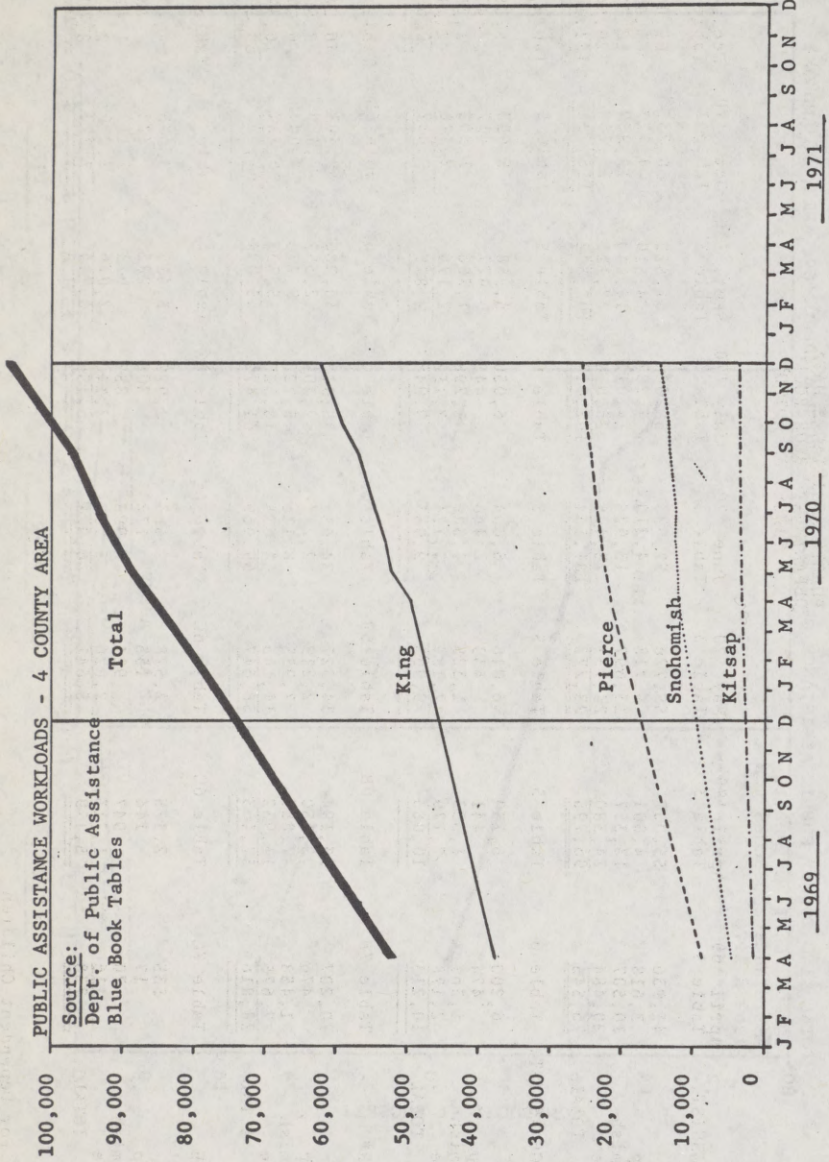
	7-69 Pierce SMSA*	7-69 King-Sno SMSA*	Total 7-69
TOTAL	1,994	8,665	10,659
Male	1,163	4,768	5,931
Female	831	3,897	4,728
<hr/>			
	6-70 Pierce SMSA*	6-70 King-Sno SMSA*	Total 6-70
TOTAL	6,290	38,772	45,062
Male	4,439	25,034	29,473
Female	1,851	13,738	15,589
<hr/>			
	8-70 Pierce SMSA*	8-70 King-Sno SMSA*	Total 8-70
TOTAL	7,168	43,099	50,267
Male	5,035	29,019	34,054
Female	2,133	14,080	16,213
<hr/>			
	10-70 Pierce SMSA*	10-70 King-Sno SMSA*	TOTAL 10-70
TOTAL	6,706	43,286	49,992
Male	4,864	29,216	34,080
Female	1,842	14,070	15,912





PUBLIC ASSISTANCE WORKLOADS - 4 COUNTY AREA

Source:  
Dept. of Public Assistance  
Blue Book Tables



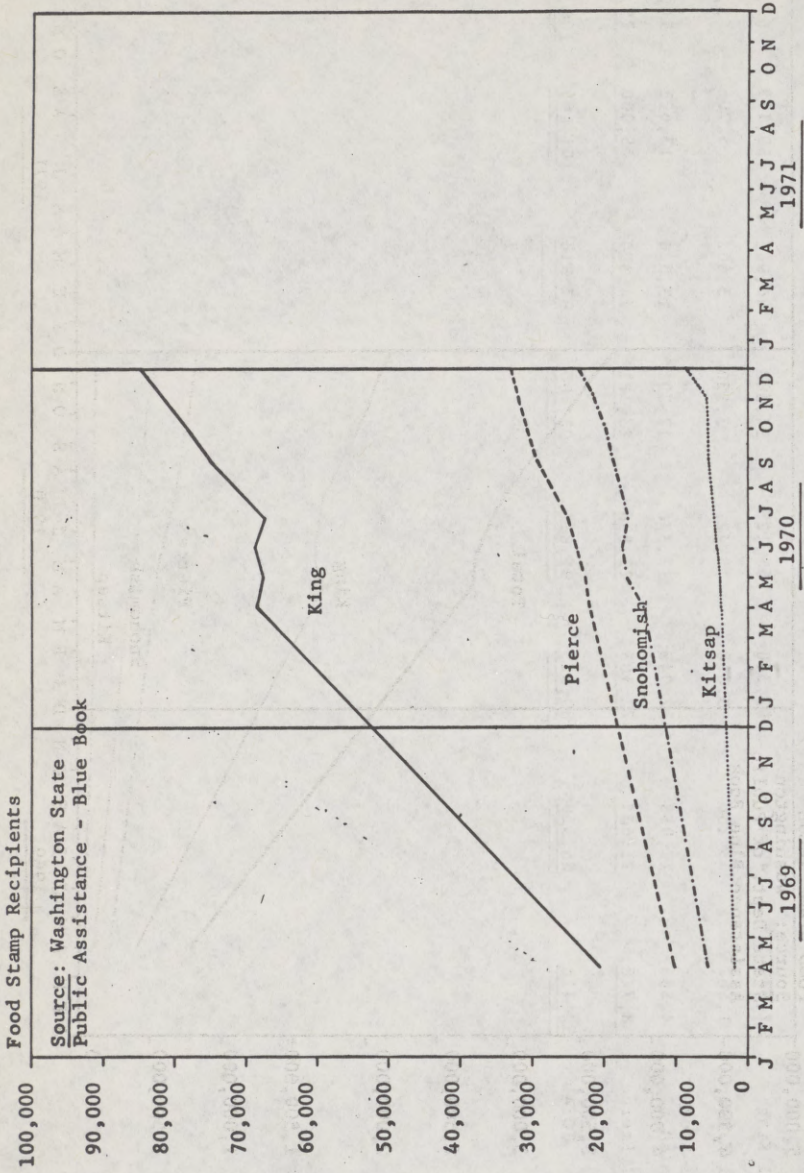
PUBLIC ASSISTANCE DATA  
DEPARTMENT "BLUE BOOK"  
TABLES AS NOTED

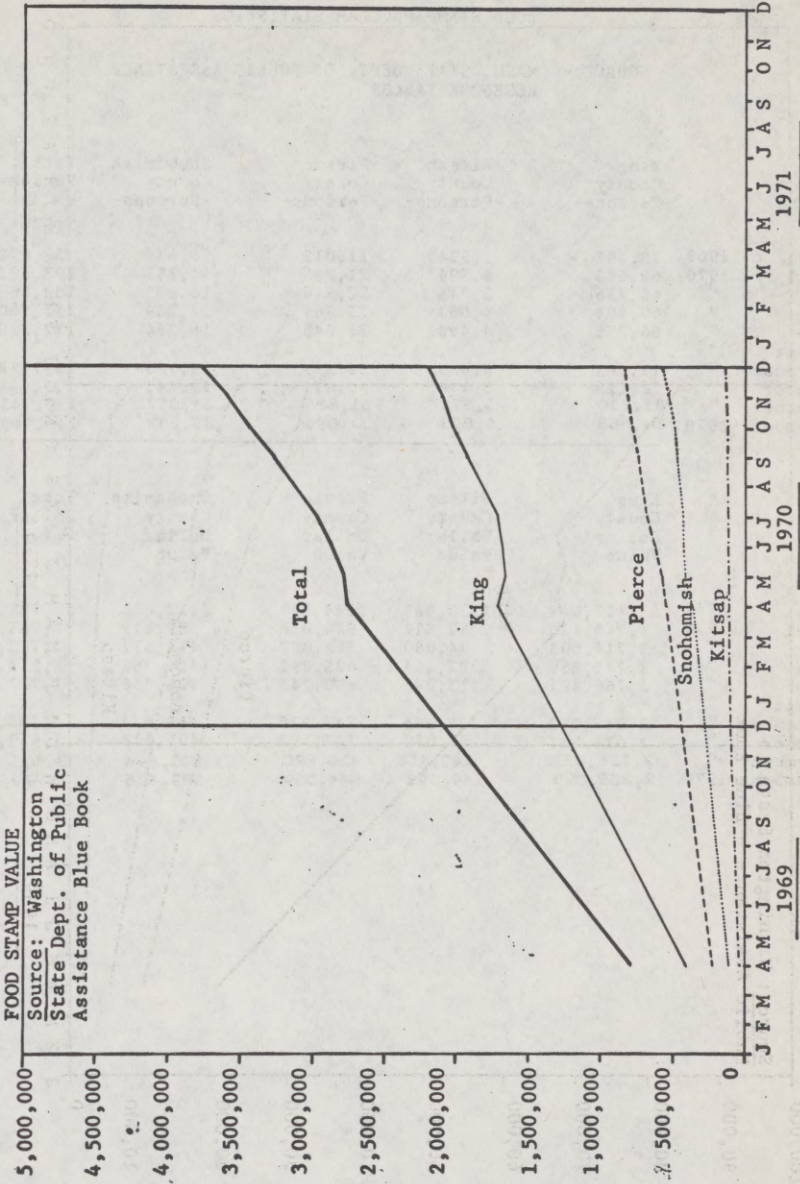
	April '69 Table 5	April '70 Table 3	May '70 Table 3	June '70 Table 3	July '70 Table 3	Sept. '70 Table 3	Oct. '70 Table 3	Dec. '70 Table 3
<b>MED. ASSIST.</b>								
King	41,936	55,057	55,726	57,593	58,304	61,522	66,237	69,061
Kitsap	3,618	4,001	4,118	4,210	4,287	4,519	4,777	5,020
Snohomish	10,507	13,357	13,697	13,925	14,013	14,640	15,929	17,356
Pierce	20,484	24,380	24,731	25,406	26,010	27,121	28,768	29,667
<b>TOTAL</b>	<u>76,545</u>	<u>96,795</u>	<u>98,272</u>	<u>101,134</u>	<u>102,614</u>	<u>107,802</u>	<u>115,711</u>	<u>121,104</u>
	Table 6	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5	Table 5
<b>OLD AGE ASSIST.</b>								
King	6,200	6,130	6,016	6,004	6,050	5,988	5,993	5,855
Kitsap	474	441	439	446	448	427	417	420
Snohomish	1,361	1,333	1,325	1,309	1,298	1,286	1,302	1,260
Pierce	2,178	2,179	2,183	2,174	2,152	2,176	2,170	2,117
<b>TOTAL</b>	<u>10,213</u>	<u>10,083</u>	<u>9,963</u>	<u>9,933</u>	<u>9,948</u>	<u>9,877</u>	<u>9,882</u>	<u>9,652</u>
	Table 7B	Table 6B	Table 6B	Table 6B	Table 6B	Table 6B	Table 6B	Table 6B
<b>AFDC-R*</b>								
King	20,207	33,194	34,327	34,935	35,917	38,086	39,401	40,549
Kitsap	476	2,150	2,219	2,274	2,308	2,352	2,403	2,508
Snohomish	1,458	7,887	7,955	8,136	8,222	8,773	9,094	9,947
Pierce	2,675	13,932	14,146	14,615	15,025	15,793	16,134	16,391
<b>TOTAL</b>	<u>24,816</u>	<u>57,163</u>	<u>58,647</u>	<u>59,960</u>	<u>61,472</u>	<u>65,004</u>	<u>67,032</u>	<u>69,395</u>
	Table 7C	Table 6C	Table 6C	Table 6C	Table 6C	Table 6C	Table 6C	Table 6C
<b>AFDC-E</b>								
King	535	2,375	2,528	2,663	2,929	3,415	3,633	4,176
Kitsap	17	144	163	172	205	282	322	334
Snohomish	70	947	924	998	882	971	1,117	1,417
Pierce	116	1,713	2,026	2,192	2,140	2,076	2,200	2,474
<b>TOTAL</b>	<u>738</u>	<u>5,179</u>	<u>5,641</u>	<u>6,1025</u>	<u>6,156</u>	<u>6,744</u>	<u>7,272</u>	<u>8,401</u>

\* Aid For Dependent Children

	April '69 Table 8	April '70 Table 7	May '70 Table 7	June '70 Table 7	July '70 Table 7	Sept. '70 Table 7	Oct. '70 Table 7	Dec. '70 Table 7
<b>AID TO BLIND</b>								
King	192	186	180	183	182	184	183	183
Kitsap	7	9	9	9	10	8	8	10
Snohomish	35	35	37	37	38	37	37	38
Pierce	38	34	35	36	38	34	34	34
TOTAL	<u>272</u>	<u>264</u>	<u>261</u>	<u>265</u>	<u>268</u>	<u>263</u>	<u>262</u>	<u>265</u>
<b>DISABILITY ASST.</b>								
King	2,826	4,437	4,582	4,672	4,832	5,220	5,442	5,795
Kitsap	237	296	295	296	299	308	311	313
Snohomish	955	1,117	1,119	1,144	1,176	1,208	1,264	1,300
Pierce	1,519	2,122	2,179	2,216	2,243	2,265	2,298	2,359
TOTAL	<u>5,537</u>	<u>7,972</u>	<u>8,175</u>	<u>8,328</u>	<u>8,550</u>	<u>9,001</u>	<u>9,315</u>	<u>9,767</u>
<b>MED. ASST. ONLY</b>								
King	2,209	1,837	1,848	1,845	1,821	1,780	1,932	2,998
Kitsap	34	66	77	81	92	106	101	139
Snohomish	115	264	245	284	278	275	301	347
Pierce	534	557	527	575	610	648	722	647
TOTAL	<u>2,892</u>	<u>2,724</u>	<u>2,697</u>	<u>2,785</u>	<u>2,801</u>	<u>2,809</u>	<u>3,056</u>	<u>4,131</u>
<b>GENERAL ASST.</b>								
King	5,372	1,268	2,879	2,821	1,821	2,312	2,555	2,865
Kitsap	317	124	117	144	158	119	143	143
Snohomish	571	475	437	468	397	476	506	605
Pierce	1,688	1,107	1,007	1,088	1,173	1,308	1,442	1,475
TOTAL	<u>7,948</u>	<u>2,974</u>	<u>4,407</u>	<u>4,521</u>	<u>3,549</u>	<u>4,715</u>	<u>4,646</u>	<u>4,949</u>

	April '69	April '70	May '70	June '70	July '70	Sept. '70	Oct. '70	Dec. '70
Total King	37,541	49,427	52,360	53,123	54,508	56,985	59,139	62,220
Total Kitsap	1,562	3,230	3,318	3,422	3,520	3,602	3,705	3,929
Total Sno- homish	4,565	12,058	12,042	12,376	12,291	13,026	13,621	14,910
Total Pierce	<u>8,748</u>	<u>21,644</u>	<u>22,103</u>	<u>22,896</u>	<u>23,381</u>	<u>24,300</u>	<u>25,000</u>	<u>25,501</u>
TOTAL	<u>52,416</u>	<u>86,359</u>	<u>89,823</u>	<u>91,817</u>	<u>93,700</u>	<u>97,913</u>	<u>101,465</u>	<u>106,560</u>





## FOOD STAMP PROGRAM STATISTICS

SOURCE: WASH. STATE DEPT. OF PUBLIC ASSISTANCE  
BLUEBOOK TABLES

		King County -Persons-	Kitsap County -Persons-	Pierce County -Persons-	Snohomish County -Persons-	Total Persons
April	1969	20,497	1,924	11,017	5,634	39,072
April	1970	68,648	3,594	21,985	14,355	108,582
May	"	66,756	3,744	22,510	16,659	109,669
June	"	67,894	4,063	23,864	17,239	113,060
July	"	66,356	4,468	25,045	16,356	112,225
August	"					
September	"	75,003	5,083	29,323	18,783	128,192
October	"	78,115	5,336	30,832	19,663	133,946
November	"	81,250	5,572	31,886	21,037	139,745
December	1970	84,883	5,833	32,996	23,287	146,999

		King County Dollar Value	Kitsap County Dollar Value	Pierce County Dollar Value	Snohomish County Dollar Value	Total Dollar Value
April	1969	\$ 417,844	\$ 38,088	\$224,529	\$112,636	\$ 793,097
April	1970	1,768,116	89,811	548,016	357,698	2,763,641
May	"	1,714,600	94,080	566,907	415,139	2,790,726
June	"	1,741,850	101,154	605,092	424,788	2,872,884
July	"	1,766,492	113,096	670,743	426,768	2,977,099
August	"					
September	"	1,944,892	128,106	743,976	468,674	3,285,648
October	"	2,034,727	137,040	787,392	491,608	3,450,767
November	"	2,126,011	143,152	810,820	525,494	3,605,477
December	1970	2,203,029	149,393	844,589	582,426	3,779,437

Senator NELSON. Thank you very much, Mr. Spellman.

Mr. SPELLMAN. I would like to have the chairman of the Wayne County Board, Mr. FitzPatrick, testify, Senator.

Mr. FITZPATRICK. Thank you very much.

I am Robert E. FitzPatrick, chairman of the Board of Commissioners of Wayne County, Mich., which includes the city of Detroit. I am grateful for the opportunity to appear before this subcommittee which is considering the Emergency Employment Act. Senators Nelson and Javits, and the 32 other Senators who are cosponsors of this legislation have offered a sound solution to a grave problem.

We, in the Nation's third most populous county, need this legislation, and we need it desperately. The gravity of the unemployment crisis in Wayne County cannot be overemphasized. Only 10 days ago, the mayor of Detroit, our county seat, appeared before your subcommittee to plead for adoption of the Emergency Employment Act. Mayor Gribbs reported that unemployment in Detroit, which contains 57 percent of Wayne County's population of some 2,643,000 people, stood at 12.5 percent.

He reported that one out of every eight Detroiters was out of work. In the short 10 days since then, the figures have been revised upwards. Unemployment in Detroit has risen to 13.5 percent. The Michigan Employment Security Commission also reports an increase in the jobless rate for our three-county Standard Metropolitan Statistical Area. The figure stood at 7.2 percent when the mayor was here.

It now stands at 8.3 percent.

Senator NELSON. This change is in what period?

Mr. FITZPATRICK. Ten days.

Senator NELSON. Well, this is a new computation monthly?

Mr. FITZPATRICK. Yes, it was. This is the worst since the depths of a major recession a decade ago, Senator. The latest figure for the entire State of Michigan is even worse, 8.7 percent at the end of January, compared with 7.8 percent a month earlier.

Nearly 150,000 workers are unemployed in our Standard Metropolitan Statistical Area. Wayne County, including the city of Detroit, has 64 percent of the area's population, but an estimated 80 percent of the unemployment in the area. This is because most of our area's lower income and minority population, who have been hit hardest by unemployment, reside in Detroit and Wayne County. It is estimated that one of every four workers unemployed is a minority inner-city resident.

Worse yet, the estimates indicate that nearly half of the black youth in the 16-to-22 age range are looking for work. Speaking bluntly, this situation is a powder keg that must be defused.

Many of the unemployed are young people who have never held jobs and, therefore, cannot draw unemployment compensation. Many older workers have been idle so long that their unemployment benefits are exhausted. Today in Wayne County, 204,000 persons are receiving some form of welfare assistance—not the permanently disabled and the blind. The bill for general relief and aid to dependent children will amount to nearly \$100 million in Wayne County this year.

Others have pointed out to your subcommittee that it is not only the unskilled and minorities who are being victimized by economic

forces beyond their control. In our area, we have 40-year-old engineers who are out of work for the first time in their lives. We have hundreds of skilled draftsmen who haven't been able to work in their trade for many months. We have growing numbers of career Government employees who are idle.

Unemployment in Detroit and Greater Wayne County has doubled in the short span of 1 year. Hundreds of thousands of willing, able workers are crying out for a chance to support themselves and their families by their own labor. S. 31, the Emergency Employment Act of 1971, would give them that chance. And it would do much more. It would give local governments the opportunity to reverse the steady deterioration of public services which has resulted from much the same economic forces that have caused the present unemployment crisis.

Wayne County government, for example, has approximately 600 jobs vacant because the money to fill them is not available. Paradoxically, greater numbers of qualified people are apply for county jobs than in many years, due to the job shortage in the private sector. To make matters worse, Wayne County faces a potential deficit of \$10 million this fiscal year, due to the rising cost of goods and services. In the light of such a deficit, the county would be hard pressed to avoid laying off employees, let alone filling already vacant positions.

The city of Detroit has had to lay off some 600 employees within the last year, in spite of the fact that 2,000 city positions are vacant because of the city's dire financial crisis.

I am sure that the bleak picture I have drawn of the crisis in Wayne County reflects the situation in most or all the other large urban areas of the Nation. The jobs are there, but local governments have exhausted all their normal revenue sources and do not have the wherewithal to fill the vacancies. The Emergency Employment Act would provide the revenue to fill at least some of the vacancies. As a result, unemployment would be reduced and vital public services would be improved.

In terms of specific observations, allow me to suggest that the legislation be kept broad enough to allow local governments to have flexibility in determining which jobs should be filled. Each local government is in the best position to determine its own priorities. In Wayne County, for example, our juvenile court is one of the departments which is severely understaffed. So is our jail, our health department, our prosecuting attorney's office, our courts, and our school for retarded children.

Every county department is short staffed because of our budget crisis. The county legislative body, the board of commissioners, therefore, are in the best position of anyone to evaluate the overall needs of the county agencies and to determine priorities. Other counties and other cities may have priority needs different from ours. The broad categories set forth in the legislation—health, recreation, public safety, education, conservation, and beautification—provide a workable framework for the program. But I believe it would be unfortunate if the legislation were to be made any more restrictive.

The Congress is to be commended for the leadership it exercised in passing a similar act last year. As we all know, the bill was vetoed by the President on the grounds that the unemployed would be placed in dead-end jobs. Let me point out in passing that, in Detroit, thou-

sands of our citizens enjoy the cultural riches of libraries built under the Works Progress Administration. Many Detroiters walk on sidewalks constructed under the WPA.

In view of the fact that unemployment has doubled in Wayne County in the last year, we urge the administration to reappraise the merits of the Emergency Employment Act. We have the jobs. They are not dead-end jobs. We could fill hundreds of vacancies in practically any job category tomorrow, from hospital attendants and recreation leaders to sheriff's deputies, drug counselors, computer programmers, draftsmen, lawyers, social workers, and public health officers. The list is practically endless.

We have entry-level jobs and jobs that demand years of training and experience. We also have a civil service merit system that guarantees that every employee has an equal opportunity for advancement, regardless of the level at which he enters county service. Therefore, if the program were not renewed after fiscal year 1973, I am confident that many who had entered county service under the program would, by then, have won permanent jobs on their own merits.

Looking beyond Wayne County's own situation, I would suggest that the question of job permanence is not the main issue, in any event. We are faced with an employment crisis which, we certainly hope, is only temporary. In the long run, this Nation must control inflation and generate employment of all who are willing and able to work.

In dealing with the immediate crisis at hand, we in Wayne County, Mich., government believe the Congress would be taking a giant step forward by passing the Emergency Employment Act.

Thank you for the opportunity of appearing before you.

Senator NELSON. Thank you very much, Mr. FitzPatrick.

Senator NELSON. Mr. Mulroy.

Mr. MULROY. Mr. Chairman and Senator Taft, my name is John H. Mulroy, and I am here today representing the National Association of Counties and its 22,000 members, to support Senate bill 31, the Emergency Employment Act of 1971.

Senator NELSON. Let me say, Mr. Mulroy, as you know, Senator Javits is the senior minority member of the committee and he notified this office that he probably couldn't get here, so he will be here late, and extends his regrets.

Mr. MULROY. Yes, sir; I have had the message. Thank you.

I am presently the elected county executive of Onondaga County, N.Y., a position which I have held since 1962. Onondaga is in central upstate New York, is the sixth largest county in the State, has a population of 473,000 people, and contains the city of Syracuse.

It is also my privilege to have served on the board of directors of the National Association of Counties since 1965.

And I would like for a moment to introduce to you, from the audience, a fellow New Yorker, Mr. Henry Parry, who is chairman of the Orange County legislature. Mr. Parry.

Mr. PARRY. Good morning, Senator.

Senator NELSON. Mr. Parry.

Mr. MULROY. Mr. Parry's county is located just north of New York City, and I am sure that he could tell a story here, too, today, along these same lines.

My purpose in coming here today is to impress upon the members of the subcommittee the grave concern felt by the 3,049 counties in the United States regarding the accelerating number of unemployed Americans. The unemployment crisis is no longer a problem limited to the central city areas but rather has become manifest in the counties, large and urban, as well as small and rural. The problem is particularly keen at the local government level where fiscal limitations are curtailing the local governments' capacities to employ people and provide public services for an ever-expanding population.

Onondaga County encompasses the city of Syracuse, 15 villages and 780 square miles of unincorporated area. The population of the county is 473,000, and these people are becoming increasingly dependent upon the county to supply needed public services including recreation, police, health, water and sewer service, and education.

The county is the logical area for the performance of areawide functions resulting in a noticeable trend toward transferring functions from smaller, less viable units of government. In this attempt to provide an expanding variety of services to the community, county governments have felt the strong pressures for manpower development.

Greater responsibility is being given to the county for urban development, better fire and police protection, recreational facilities, less crowded schools, and improved health care and medical facilities. We are becoming involved in environmental programs, including air, water, and solid waste pollution control.

To illustrate this, I might mention that Onondaga County has entered into joint ventures with two of our large industrial corporations in order to abate the pollution of Lake Onondaga, one of the most polluted bodies of water in the United States. My point is that, if county services are to expand to meet new growth needs, then financial support will be essential. We can no longer depend on the real property tax base for this. Public service employment must be developed in order to allow for improved governmental services at the local level as well as to meet the unemployment crisis.

The county of Onondaga had an overall unemployment rate of 5.9 percent in November of 1970. Although this figure is not as critical as that in King County, Wash., or Wayne County, Mich., it is rapidly increasing and becoming a serious problem. Not included in the 5.9 percent figure are the large number of people who are underemployed.

Eight hundred families, as documented by our welfare department, are receiving supplemental grants and income to maintain themselves above the poverty level as defined by the New York State Board of Social Services. These people, the underemployed, face problems almost as severe as the unemployed. For them, there exists little or no job challenge as training opportunities and potential for career advancement are almost nonexistent.

My unemployment situation can be thusly stated. Our records indicate that 15,000 people were unemployed in November of 1970. Of this number, 5,031 were collecting unemployment benefits.

In fact, the characteristics break down to 4,686 whites, 296 blacks, 13 Spanish, and 30 classified as others. Rather more indicative are the statistics on welfare recipients. In our county, we have a total of 12,880 cases (this includes 15,000 adults and 22,888 children) receiv-

ing some form of public assistance. Home relief is given to 3,216 families, old age benefits to 1,544, aid to dependent children is distributed in 17,337 households, 39 people receive blind aid, and 744 are disabled and supported by the county.

Our unemployment rate increased greatly from October 1968, when it was 2.7 percent to November 1970, at which time it jumped to 5.9 percent. However, the causes for these sharp increases are rather evident. Onondaga County is basically an industrial community, highly diversified in that 500 companies are located around Syracuse. The 20 largest corporations in the United States have facilities within the county boundaries. The industry is primarily of three types—warehousing, transportation, and food distribution.

Our largest firms include General Electric (heavy military equipment); Carrier (air conditioning and heating); Allied Chemical; Bristol Laboratories (pharmaceuticals); and General Motors (automobile components). Our large increase in unemployment between October 1968 and November 1970, may partially be seen in terms of these industries. The General Electric Co. which subsidizes one-quarter of its operations through Federal contracts has released 3,000 people from its employ in the last year. A new statistic has now entered the county welfare roles—that of the unemployed white-collar worker.

Our other industries have similarly reacted to the shift in Federal expenditure priorities. Goods and services for the Federal Government are no longer needed. And without the need, the production has dropped in many areas, company profits have slackened, expenditure cuts have followed, and the end result is employee layoffs—more unemployment. Many of the industrial layoffs were blue-collar workers, but for the first time in history, the white-collar worker found himself without a job and standing in unemployment lines.

Two problems exist, we are faced with an unemployment crisis and an employment shortage at the public service level. How fortunate that there is one solution to both problems—that is to hire the unemployed in public service jobs. This is somewhat of an oversimplification. Regretfully, local government is also suffering from the ills of inflation. County budgets cannot absorb new employees. Onondaga County has 3,500 employees but carries 450 vacancies. We suffer a severe personnel shortage.

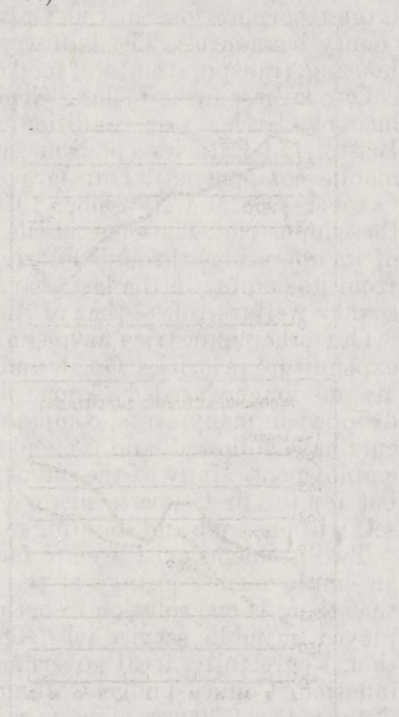
Our county provides some 26 countywide services including health programs, welfare, parks, recreation, civil defense, water and sewer service, sewage treatment, road maintenance and even a community college. Potential jobs exist in almost every department of our county government, jobs to provide and expand services which we are being asked to respond to on a daily basis. These service jobs are not "make-work" jobs, rather they are a response to the new needs of the community, and I dare say that each of our 3,049 counties in this country could cite similar examples.

We at the National Association of Counties would definitely support a major legislative authority to fill hundreds of public service employment jobs. We condemn the current level of unemployment and the curtailment of services to our citizens. It is for this reason that we endorse generally the Emergency Employment Act of 1971. I need

more police, health aides and recreation officials in my county and I feel that Senate bill S. 31 can answer my needs and the needs of many other county officials.

Senators, this concludes my formal testimony. At this time, I am hopeful that Mr. Spellman, Mr. FitzPatrick, and myself will be able to answer any questions you or other members of the subcommittee may have. Let me say that it has been a distinct honor for me to have been here.

(The information referred to follows:)

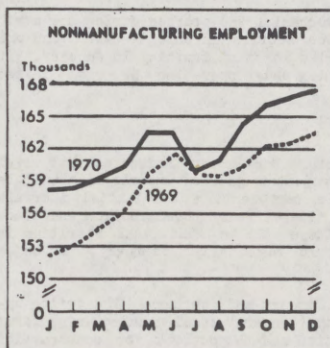
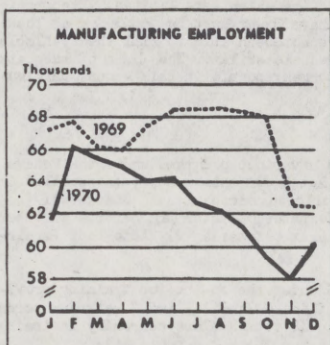


# MANPOWER REVIEW

The Syracuse Labor Area includes  
Onondaga, Madison and Oswego Counties.

**SYRACUSE**

JANUARY 1971



## AREA MANPOWER RESOURCES

The unemployment statistics for the Syracuse Labor Area continue to reflect a large reserve of unused manpower. There was a moderate reduction (during December) in the number of job seekers classified in the processing, machine trades and benchwork occupational categories. This is primarily a reflection of the recalls by machinery (including electrical) producers. The number of available job seekers in most other occupational classifications increased. The greatest

## EMPLOYMENT AND UNEMPLOYMENT

Manufacturing employment increased to 60,100 in December 1970 - a gain of 1,900 over November. This was the first time factory employment has risen since June. The primary reason for this increase was the return to work of strikers from General Motors and Armstrong Cork at the end of November. Encouragingly, part of the rise was a moderate increase in machinery (including electrical) manufacturing which resulted from the recall of people laid off earlier in the year.

Nonmanufacturing rose very slightly to 167,100 which was only 200 above November. There was a seasonal rise in trade and government which was offset by reductions in other sectors. Contract construction fell as the weather turned colder while transportation employment was down mainly because of an airline strike. Service industries also fell slightly from November to December.

A strong improvement in the unemployment picture came about in December principally because of the ending of two strikes and the recalls from layoff of some factory workers. The number of unemployed fell from 15,900 in November to 13,200 in December, reducing the rate of unemployment from 5.9 to 4.9 percent. However, the number of unemployed in December 1969, one year ago, was 9,400, for a rate of 3.5 percent.

P 750.4 (12-70)

STATE OF NEW YORK  
Nelson A. Rockefeller, Governor

DEPARTMENT OF LABOR  
Louis L. Levine, Industrial Commissioner

DIVISION OF EMPLOYMENT  
Alfred L. Green, Executive Director

increases occurred among clerical workers and structural workers. By age group, job seekers under 24 and between 40 and 44 continued to increase, but at a slower rate than last month.

#### AVAILABLE JOB OPPORTUNITIES

The demand for persons in the medical fields continued to outrun the number of trained and available workers. While the number of openings for insurance salesmen and domestic workers was high, it remained difficult to fill these positions because of the income levels, duties and hours involved.

Opportunities for professionals and skilled tradesmen were limited. Electronic engineers and technicians in particular have been hurt by cutbacks at local manufacturing firms. Clerical workers have not been able to fill the available openings because of inexperience and inadequate skills. The lack of adequate transportation has also been a hindrance to many people in this group, particularly for residents of Madison County.

#### MANPOWER PROGRAM ACTIVITIES

During December 161 trainees were enrolled in various programs under the Federal (MDTA) and State (SMTA) Manpower Training Acts. Of this number, 44 enrolled in SMTA On-the-Job Training projects in the following occupations: Checker II (4), Nurse Aide (29), Programmer (1), Digital Computer Operator (2), Service Engineer (2), Refrigeration Unit Repairman (2), Manager Cafeteria (2), Auto Body Repairman (1), and Painter, Auto (1).

Three new veterans programs were approved under the on-the-job training provisions of Public Law 90-77 (Post Korean Conflict G.I. Bill) and 7 veterans began training. Within the Syracuse Labor Area, 148 veterans are currently in training and 51 completed training in 1970.

One new upgrade training program in auto mechanics was started during the month of December with 10 trainees enrolled. One section in Auto Mechanic and one section of Maintenance Mechanic are scheduled to start training in January. At present, a total of 164 are actively training under upgrading programs in ten occupations.

#### EMPLOYMENT AND UNEMPLOYMENT OUTLOOK

A preliminary look at the unemployment picture for January indicates that total unemployment should reach 14,500. The projected rate of unemployment will be between 5.4 and 5.6 percent. Although this represents a substantial increase over December, it is not unusual for this time of year. Construction and trade will suffer the most severe cutbacks. There will be additional attrition in manufacturing, but seasonal recovery should begin after February. No major layoffs are anticipated at this time.

Employment will decline seasonally during January and February. The spring upturn should begin to materialize in March. Several local manufacturing firms have announced plans for expanded production and the outlook for construction projects is promising.

Senator NELSON. Then as I understand it, each and every one of your counties, you have a need for filling public service slots for services that need to be performed in the county, and that they would not, in your judgment, be classified as dead-end type, make-work jobs?

Mr. SPELLMAN. Senator, at the present time, we have an employment program, which of course is an emergency program to provide work for 18 weeks. We have 750 people in our county, and the city of Seattle has a similar number, who are filling very vital jobs at the present time, that had not been filled in the past.

Were it possible to make those people in those jobs full-time employees, we would today. But, we are not really getting down to the other project which I mentioned, where we can really attack the solid waste problem, the recycling problem, and the pollution problem, but even within the existing framework, we have these 750 jobs now, where we could probably fill twice that many.

Senator NELSON. Is it the same in your county?

Mr. FITZPATRICK. Yes; that would hold true in Wayne County. We have many professional jobs that have gone wanting, because we don't have the funds available to us. Our mill levy is set by State statute. It is never increased, although we are continually mandated by the State to provide additional services, without increasing the tax base, and consequently, this legislation would help us out immensely.

Mr. MULROY. We have the same situation, Senator. An example of it is, in New York State, the State has put every community, every local government, under order to abate water pollution. This means the construction of not only primary but secondary and tertiary sewerage treatment works, and the transportation of sewage to the treatment facilities.

In our community alone, within the next 3 years, we will probably have under contract \$100 million worth of sewage treatment facilities.

Now it takes a good number of men to operate these plants and they have to be trained at all levels, from sewage maintenance mechanic up to a treatment plant operator. These are jobs that have been vacant for years in our county.

We are just not able to obtain the people, and to fund the training of these people. We are making attempts at it, but it certainly would be helpful if we had some type of outside help.

Senator NELSON. Well, thank you very much, gentlemen, for taking time to come here.

Excuse me, Senator Taft, I didn't see you come in.

Senator TAFT. Thank you, Mr. Chairman.

Mr. Chairman, before I begin to question the witnesses, might I say, I think this is my first appearance at this subcommittee, and I am very happy to be a member of it. I would like to inquire as to the chairman's desire, regarding the timing and so forth, with respect to the questioning of witnesses.

Senator NELSON. All the time you want.

Senator TAFT. Thank you. I shall try to be, I might say, reasonable.

I do have some questions, however, gentlemen, that bother me a good deal, about your testimony, and about the tenor of this legislation. Let me put it this way, first, so that we can try to meet it head on.

Each of you has testified as to the absence of sufficient funds to meet the present requirements of your billets, so to speak, in your county government, and your local government. You say that there are vacancies existing here.

You have two problems: One is a shortage of funds, the other is unemployment. They may or may not be related. The triggering of funds in the bill, as you understand it, is one which relates to an unemployment rate.

What I want to know is, for example, what are you going to do, if under this bill, financing were provided for 400 or 500 slots already existing, as I believe Mr. Mulroy just testified in his circumstance, and these jobs are filled. Presumably, these become civil service employees, or perhaps not, which is another question on which I would welcome your comment; but presumably, these billets are filled, and then the rate of unemployment naturally goes down, and the bill is untriggered, eliminating further Federal funds coming in to take care of these employees.

What would your comments be upon the situation in which you would then find yourselves? I can see an emergency here, in the nature of this bill by its very title. The language in it calls for emergency financing, aimed at unemployment.

It is not aimed primarily, I think, at the problem that I have raised with regard to vacant slots existing because of insufficient funds, not because of unemployment. Unemployment should be exactly the opposite. The labor market should be full of the kind of skills you need, if you could merely afford to pay for them.

Would any of you care to comment on that?

Mr. FITZPATRICK. We are assuming in Wayne County, if there was not unemployment, Senator, that there would be additional revenues to provide the moneys for these jobs, and they are protected by Civil Service.

Senator TAFT. How would the additional revenues come in?

Mr. FITZPATRICK. Well, ours in Wayne County is by the mill levy.

Senator NELSON. What?

Mr. FITZPATRICK. Ours is by the mill levy, in Wayne County.

Senator TAFT. You are assuming that because the employment rate went up, the millage would go up?

Mr. FITZPATRICK. No; I am assuming that we would receive additional funds, because the State, in turn, would receive additional funds. The additional revenue would partially come from funds that are now used to pay for welfare costs and unemployment insurance, et cetera. We estimated that we would have a \$200 million budget in Wayne County this year, but the revenues are falling far short of that. Consequently, we won't have that large a budget.

And had we had that projected figure, we would have been able to employ people presently, where there are vacancies.

Senator TAFT. From what has the fallout in Wayne County resulted from?

Mr. FITZPATRICK. Well, it is generated, I am sure, by the General Motors strike, and by several strikes that we have had in the State of Michigan, in addition to the national trend of vast unemployment throughout the country.

Senator TAFT. Yes, but in Wayne County, I want to know, what revenue sources have fallen off that are county revenue sources?

Mr. FITZPATRICK. Well, as I said, we are a creature of the State. Let me say, Senator, that there is not one health program, in Wayne County that is fully financed, 100 percent, by the State of Michigan.

If in turn, we received new legislation, which we propose in the State of Michigan, to get additional revenues, we would have additional revenues to fill those vacant jobs, and presently, as I said, we are at 6.07 mills, our local taxation limit. We have no power to tax in Wayne County.

Senator TAFT. But have the revenues actually fallen off?

Mr. FITZPATRICK. They have in the State of Michigan.

Senator TAFT. And in the county?

Mr. FITZPATRICK. Well, yes, the county is affected by the general overall picture of the State of Michigan. And I think the Governor is talking about \$183 million deficit or something of that nature, in the State of Michigan.

Consequently, the State departments then cut back on the reimbursement of local services. That is why we suffer financially.

Senator TAFT. You are assuming in answer to my question, assuming that if unemployment fell off, that State revenues would then increase; thereby, you would be able to take over the financial load of carrying these additional employees who had been financed under this bill. Is that correct?

Mr. FITZPATRICK. Yes; and in addition, we have, as I said before, legislation that would put the onus on the State to pick up some of these services that we are now providing and paying for. We are mandated by the State to provide certain services.

Senator TAFT. And if the unemployment rate goes down, will you be back here telling us, "That is all right. We do not need any more money from the Federal Government, where you have been financing all these employees?"

Mr. FITZPATRICK. We would like to have all the money we could get from the Federal Government, but I am saying that if the employment situation were better in the State of Michigan, the reimbursement formula, from the State to county, would be much greater than it is now.

Consequently, we would be able to supply the funds for these additional jobs.

Mr. SPELLMAN. Senator, I think I certainly agree with your point, and we have tried to emphasize not only in this program, but in other proposals we have made to the Federal Government, and we have made a number of them in the last 6 or 8 months, that what we are looking for, primarily, is twofold: One, a temporary stopgap measure to provide for the emergency situation which exists in terms of unemployment in our area; second, we are looking for some assistance in EDA funds and otherwise, to diversify our industry and build on a more solid base, but we acknowledge that the Federal Government is not going to solve our problems, and we don't expect them to solve it. We do hope to get the assistance in this temporary transitional period from severe unemployment to average unemployment.

Senator TAFT. I am concerned because it seems to me that when we are attacking this employment problem, we are talking about a far broader problem than you refer to insofar as public service employees, or vacancies in public service employees are concerned. Yet this thread ran through the testimony of all of these witnesses here this morning.

It seems to me that what you should be talking about—in the case of Washington, we were talking a little bit about this—if you are going to go ahead with an emergency employment program, is a public works type of program, not merely picking up the current, everyday load.

Now if you are going to talk about picking up the current, everyday load of employees for which there are vacancies today because you don't have sufficient funds at the local governmental level, this is something else again about which I would like to ask each of you.

Mr. SPELLMAN. I think that is a separate question.

Senator TAFT. I would like to ask each of you in regard to this what your position is on the President's revenue-sharing proposal.

Mr. SPELLMAN. First, I completely agree with you. I don't think we are merely talking about creating new jobs in King County. We are talking about getting people in a training program, to convert their skills, so they will be available to other governmental entities (not the county as such) and the private sector.

Certainly, the proposal which I have submitted this morning envisages and requires the private sector to work as a close part of this team that puts it together.

For instance, in the oceanographic field, we know we have got an industry building. We have to convert the talent.

Senator TAFT. I have some problems that I want to get back to, with regard to your particular area.

Mr. SPELLMAN. With regard to revenue sharing, my county, the National Association of Counties, is wholeheartedly in support of the concept, and in support of the concept as announced by the President in his State of the Union address.

Senator TAFT. Mr. FitzPatrick.

Mr. FITZPATRICK. Yes, the concept of revenue sharing, I agree with it. However, there are many questions in our county, our congressional delegation, questions whether some of the present ongoing programs and funds being provided by the Federal Government might not collapse, fold in, and consequently in that transitional phase—

Senator TAFT. What was the other thing?

Mr. FITZPATRICK. Well, specifically, OEO, which is being reduced in Wayne County now, and some of these public assistance programs.

Senator TAFT. As I understand it, of course, the category programs haven't come to us yet from the President. The recommendation has only been a general one, insofar as the additional \$11 billion revenue-sharing and so-called consolidated or functional grants are concerned, but presumably the State of Michigan would then have control, or might well have control, under that kind of approach, over what would be done, in substituting for, say, a program such as OEO, if that, indeed, were taken over, under such a program.

Mr. FITZPATRICK. I would ask, then, if the State of Michigan is the granting agency, Senator, would there be a direct pass-through of local units of Government?

Senator TAFT. There is provided a direct pass-through to local units of Government of the \$5 billion. Whether or not there would be on the direct pass-through \$11 billion, I can't tell you at the present time. I do not know.

I would think that the State of Michigan would see to it that there would be, and I would think that under the general plan, the State would have the discretion to make that decision.

Mr. FITZPATRICK. As I said, Wayne County has not taken a position yet. I believe that the majority of County Commissioners believe in the concept. However, we have to see the complete details of the program, before we would take it.

Senator TAFT. I can sympathize with that. All you have presently is the direct revenue-sharing proposals, and there would be a pass-through on that. I do not know exactly what amount Wayne County would pick up, but I think you would probably do very well, because I imagine your tax effort is relatively high.

Mr. FITZPATRICK. Yes; it is.

Senator TAFT. How about Mr. Spellman?

Mr. MULROY. Mulroy, sir.

Senator TAFT. I am sorry, sir.

Mr. MULROY. I, coming from a New York county, a large New York county, I am totally in favor of the revenue sharing. I have a problem slightly different than my two colleagues, in the fact that in New York, the counties pick up slightly less than 30 percent of the welfare load.

Now in my county, the welfare budget has gone from \$19 million to \$63 million, in 8 years. In the last 12 months, the number of people involved in our social services program has gone from 22,000 to 33,000, an increase of 30 percent.

Now a third of this is being picked up at the local level. And in fact, many of our counties—Mr. Parry, who I introduced earlier—I believe his county is at 97 percent of its constitutional tax limit. My county situation is not nearly so bad, being about 81 percent.

But we see, unless there is some type of revenue sharing, or as an alternative, a realignment of welfare costs, there will be disaster for local governments, in New York State, and this generally means the counties.

The city of New York, and a couple of other cities, do have a welfare program of their own. But the three big nuts are health, education, and welfare, and the counties are picking up 50 percent of the cost of health, about 30 percent in welfare, and about 50 percent in education. And I am referring to community colleges, here. We do not enter into the primary and secondary educational field.

But this is our serious concern, when we are talking about Federal revenue sharing in New York State, of each dollar that comes to the Federal Government, 11 cents is returned. We have many of these mandated programs that define service programs and welfare programs, for instance, that are causing a tremendous burden on these local governments, across the State.

And we have this usual problem of not only immigration to the State, but also migration from the rural counties into the urban counties, within the State. And we are deeply concerned with some type of revenue sharing, and our concern is primarily based on the three large programs that I mentioned to you.

Senator TAFT. Yes.

Let me ask you specifically, what is the source of the unemployment figures that you quoted just a few minutes ago?

You mentioned 5,000 as receiving unemployment compensation at the present time, and 15,000 or better being unemployed at the present time? What is your source?

Mr. MULROY. New York State Department of Labor.

Senator TAFT. Am I correct in understanding the implication is that some 10,000 of this 15,000 have been out of work for a period more than exceeding the 26-week unemployment coverage, or whatever length of time is covered by unemployment in New York?

Mr. MULROY. Exceeding the period. Generally, these people are going to have to be on some type of welfare program. We noticed a substantial increase in our welfare load, as I mentioned to you earlier. The increase is 30.6 percent in 12 months, from November of 1969 to November of 1970.

This also is caused by six major strikes, within the county. And these strikes have been settled now, and we are hoping that maybe this welfare and unemployment load will tend to reduce itself, although the outlook is not bright.

Senator TAFT. Coming back for a moment to Washington, Mr. Spellman, and to the problem that I think exists throughout the Nation, particularly in your situation, is the question of these highly skilled people. What level of pay are you talking about in providing compensation for these highly skilled people?

Take for example the engineer you described at one point in your testimony, early in the testimony. What was his level of pay when he was in private employment?

Mr. SPELLMAN. I don't think there is any question he was in the \$20,000 and up bracket.

Senator TAFT. Are you suggesting that under this program, we should be picking up people at the \$20,000 level?

Mr. SPELLMAN. No; I am not.

Senator TAFT. Do you think we ought to pick up training for a man who has been at the \$20,000 level?

Mr. SPELLMAN. Yes; there is no question about it. That is really the tremendous problem which we have—a whole new group of unemployed. These are not the average unemployed people, these are the people who built the community, who built the hospital, you know, the primary citizens, who probably have a large home, and have large payments.

Senator TAFT. Let me ask you, what kind of training are you going to give a man who has been a skilled engineer, who has been making \$20,000 a year? What are you going to give him, and where are you going to send him to be trained, and what are you going to pay for it?

Mr. SPELLMAN. That is part of the manpower plans which I submitted today with my testimony. We are talking about a retraining of

the aerospace hydraulics engineer, into the hydraulics pollution engineering of the water pollution, sewage, this type of thing.

We are talking about taking their skills and merely turning them around by retraining and starting them in the public sector. No question about it. This legislation would allow us to do that. But by working very closely with the private sector.

Senator TAFT. At what level of pay in the subsector?

Mr. SPELLMAN. In the subsector, this bill says at a comparable level of pay to public employees in a similar job.

Now our proposal, for instance, talks about those engineers getting about \$10,000 or \$11,000 a year, despite the fact that they used to get much higher, in their training period.

Senator TAFT. How do we sit here and say that a man of this sort ought to be paid at the rate of \$10,000 or \$12,000, and also presumably be paid his retraining expense, and at the same time face the problem that we have four or five other fellows, who are not particularly skilled, or not nearly so much skilled, for whom we are just not going to have enough funds under this bill to provide for them?

Mr. SPELLMAN. I think if we deal with the impacted areas of high unemployment, we do, indeed.

Senator TAFT. You mentioned pollution control. Why isn't the best answer, insofar as pollution control is concerned, a public works program, dealing with pollution control by putting additional funds into water quality and other facilities of this type, creating jobs in the private and public sectors through that type of financing, and then having the employee pay for his own training, or get his own special training at the expense of his new employer, with private reimbursement, and never come under this bill at all?

Why isn't that vastly preferable?

Mr. SPELLMAN. I think it goes hand in hand with this. As a matter of fact, this bill does refer to the public works sector. I do think, Senator, however, that there is a lack of state of the art in pollution control, and we have not devoted the same genius to pollution control that we have to the aerospace industry, by any means. The average industry today—

Senator TAFT. Well, I will agree with you on that. I have introduced several proposals to provide tax credits for the installation of additional equipment, which is going to provide an incentive to get training in this area, and provide for better jobs. There are almost unlimited jobs in this area.

Mr. SPELLMAN. But there is a lack of technicians in the field.

Senator TAFT. I agree with you. And the only way you are going to get them, from my point of view, is by putting the carrot in front of the donkey by creating the jobs, creating the demand for the jobs creating an incentive for people to get the training, rather than putting people at \$20,000 a year on the Federal payroll.

Mr. SPELLMAN. Well, I don't disagree. If you are talking about subsidizing industry in those fields, it is just another means of achieving the same goal.

Senator TAFT. Of course, we are now doing that to some extent. We have already fought 5-year rapid writeoff.

Mr. SPELLMAN. It is another means of achieving the same goal, but what we are talking about here is a temporary situation. I want to emphasize that; I emphasized that before. We are talking about a temporary, to tide them over, and if after this period, we can give them additional skills, so they can fit into industry, this is a real plus.

Senator JAVITS. Mr. Chairman, would the Senator yield to me just momentarily

Senator TAFT. Yes.

Senator JAVITS. I just wish to explain that I have other committee assignments, as the chairman has quite properly stated, but I did come by for a minute—and I am grateful to Senator Taft for yielding—to express my satisfaction at a very distinguished county executive of New York, John Mulroy, of Onondaga County, being present, and also to note the presence of another county executive from New York, Lou Mills, of Orange County. I ask unanimous consent that he may submit a statement for the record, Mr. Chairman.

Senator NELSON. Without objection.

Senator JAVITS. I come also to assure the witnesses—that this is a bill in which I have joined with the chairman and that I hope very much that we can get it passed and made into law. I am very sensitive to the issues raised by Senator Taft; indeed, this has been the main thrust of my care respecting this bill—that we have a continuity with respect to permanent public employment, or private employment, I am satisfied that we have adequate provisions in the bill for that purpose, and that it is not simply another form of revenue sharing or grants-in-aid, to local governmental units.

I hope very much that we can get action, and thank the Chair, and thank Senator Taft, for allowing me to speak.

Senator TAFT. Mr. Spellman, one other area I would like to come back to and talk about, as my Government policy relates to something that I am sure is rather sensitive in your area, and that is the SST. It happens to be rather sensitive in mine, too.

Mr. SPELLMAN. Yes, sir.

Senator TAFT. Don't you think that if we proceed with development of the SST, that the prospects for industrial employment in your area would be very considerably increased?

Mr. SPELLMAN. Well, let me first say, Senator, of course I agree that the SST would be good for our area, and I would say, parenthetically, I believe it would be good nationwide, and that if I just might plug in one other commercial, the cost of phasing out that program will be almost as much as the cost of going on with it, at this point.

But in very practical terms—

Senator TAFT. Let me just interject at that point that this is true with regard to the development phase of the two planes, which are the only ones we are talking about engineering and financing at this time.

Mr. SPELLMAN. Yes, sir.

Senator TAFT. However, if the engineering tests are successfully run, and a decision, on the basis of economic judgment at that time, is made to go ahead with the development of the airplane, then you are dealing with literally hundreds of thousands of jobs.

Mr. SPELLMAN. We are, indeed.

Senator TAFT. And if you do not proceed with the development of the SST, and other nations do proceed with the development of it, you may be faced with a permanent loss of hundreds of thousands of jobs. Is this correct?

Mr. SPELLMAN. I don't think there is any question about that, Senator, and what we are talking about now, for instance, if the program is killed tomorrow, we are talking about another 4,000 or 5,000 people, who are presently working in the program, being put out of work in our area.

Boeing has gone from 108,000 to 40,000 now. They protested, without the development of the SST, going down to about 30,000 employees by the end of this year. With the loss of the SST, it will be an additional drop of 4 or 5,000 jobs.

So it is jobs now, but I quite concur with you that the real difference is after we through the developmental phase. I didn't come here to testify on that today, but I believe that, to say, just in terms of other than an investment, to go through the development phase, and find out what the environmental problems are, if any, and I suspect that those same engineers who have solved the other problems we have referred to today can solve those.

Senator TAFT. This is really, I think, very important to note at this point, in making the kind of decisions we are going to have to be making with regard to national priorities. People talk about priorities, insofar as jobs are concerned, and priorities in various programs, particularly take a look at the SST, then suddenly jump to the conclusion that we have missed our priority.

I do not agree with that in the least, because the priorities relate directly back to this question of employment, and seeing the United States continue to proceed in a field where, without tariff protection, with the skills and the technical know-how that we have in this country, we have a jump on the other fellows, if we don't kick it away.

Mr. SPELLMAN. The other thing, Senator, I think the people forget that the Government is not paying for this airplane. Ultimately, it is not being paid for by the Government at all. This is how the Boeing Co. got into the situation it is in today—by going into new programs, development of major aircraft, and they were not relying on the Government; they were not defense planes, or anything else, the 737, 747, and so forth, and in this program, of course, the Government will be paid back the funds.

This is an investment in the future of the country, which I think is most important, and we are not just talking provincially at this point.

Senator TAFT. Let's come back for a moment, Mr. FitzPatrick, to another area, which I think is very directly related to this, and that is the whole question of the automobile industry, in which, of course, your State and my State are deeply involved.

There is not any single factor that is affecting employment more than the whole question of the automobile business, in the Nation, as it is reflected in the principal areas of its manufacture.

Is there some restraining involved of people that have been in the automobile industry that you are recommending, or is the problem one of more or less trying to level off and prevent disruptions in labor

situations, and other disruptions to the economy in the automobile business in attacking unemployment in your area on a broad basis?

Mr. FITZPATRICK. Well, I think, Senator, there are many skilled people who have been laid off in the automobile industry, allied workers and draftsmen, for instance, and those individuals certainly could be used on the local governmental level, and as far as the salary—

Senator TAFT. Do you propose to bring people like that in under civil service?

Mr. FITZPATRICK. Yes; they would have to be classified by civil service, and be paid comparably with other people in those classifications.

Now, it is not that they start at menial wages. They would get comparable wages for the skills that they have already acquired. In addition, they would have the opportunity of advancement. And there isn't an area in county government, in city government, in Detroit, where those people could be utilized and if they were, many of them, of course, I assume would stay on in Government.

Senator TAFT. Do you think that they are permanently phased out of the automobile industry, then?

Mr. FITZPATRICK. Well, I don't know. I don't run one of the automobile industries, but I am assuming that that uptrend will be some time before they hire those people back.

Chrysler Corp. showed a \$7 million deficit in the first quarter, and I would assume that it would be some time before they hire those skilled workers back, if and when they do make a profit for this year.

Senator TAFT. Thank you very much, Mr. Chairman.

I want to thank the witnesses for their answers.

Mr. FITZPATRICK. Thank you, sir.

Senator NELSON. Thank you, gentlemen.

Our next witness is Mr. Weldon Barton, assistant director of legislative services, National Farmers Union.

Mr. Barton, the committee is pleased to have you here today. Your statement will be printed in full in the record, and you may present it however you desire.

**STATEMENT OF WELDON V. BARTON, ASSISTANT DIRECTOR OF  
LEGISLATIVE SERVICES, NATIONAL FARMERS UNION**

Mr. BARTON. Thank you, Mr. Chairman, Senator Taft.

I am Weldon Barton, assistant director of legislative services, National Farmers Union.

The National Farmers Union strongly supports enactment of the Emergency Employment Act of 1971. We are convinced that the problem of unemployment in America today has indeed reached emergency proportions, and we urge favorable action on S. 31 early in this session of the 92d Congress.

Beyond the macroeconomic argument for jobs to stimulate the economy, we see at least two other compelling reasons for early

enactment of the public service employment programs authorized in S. 31.

First, as the professional polls have indicated consistently over the past several years, an overwhelming majority of the American people favor employment over welfare payments as the primary means of guaranteeing a decent economic livelihood to every American. Second, there are plenty of neglected and unfinished public job needs in America that are begging to be fulfilled by individuals seeking to work.

In light of the task to be done and the desire of our people to work, it simply makes good sense to expand public employment opportunities to all Americans who are able and seeking to work.

Mr. Chairman, in your first day of hearings on S. 31, about 2 weeks ago, you had an opportunity to hear the urban perspective on unemployment from big city mayors across the United States. Unemployment is indeed in large part an urban problem, and many clearly definable public service jobs available in the Nation's cities for placement of the unemployed. S. 31 can and should be the means of helping the cities to match up the unemployed with such public service jobs. Farmers Union fully recognizes and supports the need to meet the urban dimension of the unemployment problem.

We would urge, however, that acute unemployment and underemployment in rural areas not be glossed over, and lost from sight, in the rush to meet the urban segment of the problem.

In order to get a somewhat accurate idea of the demand for greater employment opportunity in rural America, it is necessary to look beyond unemployment statistics and in addition consider income and property figures. The reasons are well known. For one thing, underemployment—and disguised unemployment—are so prevalent among farm and other rural people that raw unemployment statistics greatly underindicate the need for increased work opportunities in rural areas. Sheer undercounting of the rural unemployed further minimizes the problem. The older unemployed are always undercounted—partly because, after experiencing the financial and psychological strains of many months of job hunting, they often give up and no longer actively seek employment. And rural America has more than its proportionate share of senior citizens.)

According to recently released Census Bureau figures based upon the 1970 census, 26.5 percent of the Nation's total population lives in rural areas. A more than proportionate segment of Americans in poverty live in rural areas, however; as of March 1965, 40.9 percent of the Nation's poverty stricken (13.8 million persons) resided in rural areas. These rural poor included nearly 3 million families, plus a million unattached persons.

I have at this point in my prepared statement a table adopted from the September 1967 Report of the President's Advisory Commission on Rural Poverty, which summarizes the extent of poverty in rural and urban areas.

(The table referred to follows:)

TABLE EXCERPTED FROM THE SEPTEMBER 1967 REPORT OF THE PRESIDENT'S  
ADVISORY COMMISSION ON RURAL POVERTY

According to recently-released Census Bureau figures based upon the 1970 Census, 26.5 percent of the Nation's total population lives in rural areas. A more than proportionate segment of Americans in poverty live in rural areas, however; as of March 1965, 40.9 percent of the Nation's poverty stricken (13.8 million persons) resided in rural areas. These rural poor included nearly 3 million families, plus a million unattached persons.

The following table, taken from the September 1967 Report of the President's Advisory Commission on Rural Poverty, summarizes the extent of poverty in rural and urban areas:

Item	Persons in poverty, by rural and urban residence, March 1965				
	Persons at all income levels		Poor Persons		
	Number (mil- lions)	Percent distri- bution	Number (mil- lions)	Percent distri- bution	Percent poor
United States	<u>189.9</u>	<u>100.0</u>	<u>33.7</u>	<u>100.0</u>	<u>17.7</u>
Total rural	55.3	29.1	13.8	40.9	25.0
Farm	13.3	7.0	3.9	11.6	29.3
Nonfarm	<u>42.0</u>	<u>22.1</u>	<u>9.9</u>	<u>29.4</u>	<u>23.6</u>
Total urban	134.6	70.9	19.9	59.1	14.8

Source: Adapted from Table I, The People Left Behind, Sept. 1967, P. 3.

Mr. BARTON. The figures confirm that poverty in America is substantially a rural phenomenon. And these rural people want work to pull themselves above the poverty line and toward a better life. They will accept welfare only as a painful last resort. It would be difficult to come up with a single person anywhere in rural America who is poor and who would rather receive welfare to some sort of employment—public or private—unless the person is physically or psychologically sick or handicapped.

National Farmers Union, on the basis of our experience in sponsoring the Green Thumb and Green Light public service employment programs, can assure you that there are plenty of meaningful and useful work opportunities in rural America for placement of those seeking work. Over 5,000 individuals have been employed by Green Thumb and Green Light over the past 5 years. Operating in 17 States and about 285 counties, Green Thumb and Green Light currently employ approximately 2,400 persons.

A simple projection of these programs, at their current level of operation, to all of the 2,000 rural counties in the Nation would yield about 17,000 placements. If this is expanded to employment models not covered by Green Thumb-Green Light (teaching aids, hospital aids, nursing home aids, etc.) and to all age brackets (Green Thumb employs only the aged), it is clear that there is no scarcity of useful work to be done in rural settings.

In sum, rural people who are unemployed or underemployed generally have a strong desire to work, and useful tasks for them to perform are available. To us, this means that the Emergency Employment Act of 1971 must be drafted so that not only the urban, but also the rural, dimension of the employment problem can be effectively met under the legislation.

S. 31, in our view, needs to be altered in at least two important respects in order to make it workable in rural America.

First, there should be an explicit declaration in the bill to the effect that the Secretary of Labor, in awarding contracts, must seek a reasonably balanced approval ratio between urban and rural contract applications. In determining the proper urban-rural ratio of contracts to be awarded, the Labor Secretary should be authorized and directed to use poverty and income statistics—not only raw unemployment statistics—as indicators of relative need among urban and rural places.

Such a statement of congressional intent—to achieve a proper balance of financial allocations between rural and urban employment programs—is, we think, essential to assure that the Department of Labor, in administering the legislation, does not ignore or unduly underemphasize rural needs and requirements.

Second, section 6 of S. 31, which deals with applications for financial assistance, is in certain respects too demanding to allow approval of applications for programs that are workable in rural areas.

The problem is that in rural settings, perhaps to a greater extent than in cities and urban places, work assignments tend to be discontinuous and ad hoc. They tend not to be structured into “job”—in the sense of a classifiable position into which an individual can be “placed” for an extended period of time. We have found Farmers Union has found that a Green Thumb worker, for example, may work on 15 dif-

ferent projects during the course of a year. Each of these projects can be highly useful and meaningful.

Indeed, it is because the country or other host agency is able to shift workers from one task to another as the need arises that it is possible to avoid holding a worker in a "make-work" situation beyond the time required for completion of the actual work.

Section 6(b)(8) of S. 31 calls, as part of any application, for "description of jobs to be filled, a listing of the major kinds of works to be performed and skills to be acquired, and the approximate duration for which participants would be assigned to such jobs." We are afraid that, if in applications you require the detail that is now written into this provision, you will be locking applicants such as rural counties into the necessity of making the actual jobs fit the artificially drawn applications rather than vice versa.

The result could be not only to make it very difficult for applicants for rural-based employment programs to secure Federal funding, but also to force such programs into an operating structure highly detrimental to the individual worker.

To avoid this, we urge that more discretion be left to the contractors to determine day-to-day job and work assignments. For Mainstream programs, the type of jobs is indicated in contract applications, but not the specific jobs. This precedent should be followed here. To require otherwise would, in our view, mean less meaningful work assignments and less training, with little actual increase in accountability of employment programs to the statutory guidelines.

These two suggestions for change in S. 31 obviously do not exhaust the changes that might make the legislation more workable to alleviate rural poverty and unemployment. We, of course, support any alterations in wording and detail that are consistent with the need to render the legislation more applicable to rural settings.

I would recommend finally two further changes in S. 31.

In section 7(2), we would urge a 90-10, rather than 80-20, matching formula. This would be one way to ease the strain on State and local tax sources that has given rise to the President's revenue-sharing proposals. A requirement that the applicant supply 10 percent of the funds would, we think, be sufficient to assure the responsibility and the accountability of contractors.

Finally, we would like to see S. 31 correct some of the bias against the aged that exists in current manpower programs. According to figures supplied by the Department of Labor, as of December 1970, 22 percent of the Nation's 4.6 million unemployed were 45 years of age or older. As of the same month, however, out of a total enrollment of about 463,000 in manpower programs administered by the Department of Labor, only about 6 percent were age 45 or over.

Even when youth programs (i.e., Neighborhood Youth Corps and Job Corps) are excluded, only 10 percent of manpower program enrollees were 45 or over.

Perhaps the substance of S. 555—the Older American Community Service Employment Act introduced by Senator Kennedy and others on February 2—could be incorporated into S. 31. We recognize the need to expedite action on S. 31, however, and would not want to burden the bill with inclusions that could delay its enactment.

In any event, we wanted to include a statement into the record at this point, showing the imbalance of current manpower programs against the aged.

Thank you. This concludes my prepared statement, Mr. Chairman, and I would be happy to respond to any questions that you might have.

Senator NELSON. Thank you, Mr. Barton. I think those who have followed the public service employment field and the history of the efforts of the Farmers Union and the Green Thumb and Green Light programs, are well aware of the fact that the Farmers Union has probably sponsored the most successful public service employment program in the country. It has been a highly successful program, affording opportunities for useful work by those in the 45 age bracket and older, even reaching as high as employees who are 80 years of age.

And I am one of those who would hope that we would dramatically expand this aspect of the program, because it has been successful, and has afforded an opportunity for people who otherwise would end up on the welfare roles, to work part of the year, in useful, local projects, under the management of the local community, the county or the town or the village, or the city, in which the Green Thumb and Green Light programs have operated.

Do you continue to have increased requests from other communities and counties for inclusion under the Green Light, Green Thumb programs?

Mr. BARTON. Yes.

I, of course, don't work directly with the program, but I understand that we have many more requests than can be filled with the current money that is available under the program; that the counties in which Green Thumb, Green Light are operating today could triple the number of people that are working in meaningful useful jobs in those counties, with no difficulty.

Senator NELSON. Within the counties in which you are already operating?

Mr. BARTON. That is correct, in addition to the fact that we are only operating in something like one-seventh of the some 2,000 rural counties across the Nation, so that there is work there—not only in increasing the jobs in the existing counties where Green Thumb and Green Light works, but also, of course, as I have said, the program only operates in a small percentage of the rural counties in the Nation.

Senator NELSON. Thank you, Mr. Barton.

Questions, Senator Taft?

Senator TAFT. Thank you, Mr. Chairman.

Mr. Barton, let me also commend you for the fine work that I know has been done in the past in trying to attach rural unemployment on the part of your organization. Let me ask, with regard to this bill specifically, just a couple of questions.

What kind of jobs and training do you think should be provided for an attack on rural unemployment under this program?

Mr. BARTON. Well, we feel for one thing that there are a lot of jobs in the general category of maintenance, maintenance of road rights-of-way, maintenance of parks, as opposed to new construction.

There has been a lot of emphasis in this country, in the last number of years, on construction, on doing new things, constructing new houses and so on.

We need to maintain and preserve these things, the parks, the roads, the housing and so on, and in particular, in this area, we know there are a lot of jobs that are being filled now, with green thumb-green light, and additional ones that are available.

Senator TAFT. Do you think this would be effective, even though it were done, say, on a temporary basis, that merely involved engaging in a maintenance operation for a limited period—an emergency, as this bill uses the word in the title? Would this approach be helpful?

Mr. BARTON. Well, Senator, certainly this would be quite helpful, even if it wasn't continuous. Much of the fixing up of things could be done, and this might just be an ad hoc, even if it was just a one-shot, ad hoc operation, this could be highly significant.

Senator TAFT. Are you of the opinion that there are any training programs that ought to be added to the current, ongoing training programs, so far as this type of work is concerned?

Mr. BARTON. Your question is whether this would require training?

Senator TAFT. I am asking whether there is a necessity for training in setting up these types of jobs.

Mr. BARTON. I think generally speaking, there would not be that much necessity for training. It is really a question, as we have emphasized in our statement, of giving enough discretion and enough flexibility to the host agencies, to the counties and so on, to allow them to shift the people about, to put them and keep them in meaningful, in a meaningful work environment, but it is more a question of placement and being able to have discretion in that respect.

I don't think generally speaking, there would be that much need for advanced training, in the type of jobs that we have in mind, in rural areas.

Senator TAFT. Thank you very much.

Thank you, Mr. Chairman.

Senator NELSON. Thank you very much.

Our next witness is Mr. Cliff Ingram, of Monterey, Tenn.

Mr. Ingram operates a community action agency, the L.B.J. & C. Community Action Agency in Appalachia, and over the last few years, Mr. Ingram has become one of the outstanding spokesmen for the neglected rural areas of America, a member of the board of directors of the National Association for Community Development, and has had extensive experience in the planning and operation of the rural programs.

We are very pleased to have you here today, Mr. Ingram.

**STATEMENT OF CLIFFORD INGRAM, EXECUTIVE DIRECTOR, THE  
L.B.J. & C. DEVELOPMENT CORP., MONTEREY, TENN.**

Mr. INGRAM. Thank you, Mr. Chairman.

Senator NELSON. Your statement will be printed in full in the record, and you may present it however you desire.

Mr. INGRAM. All right, sir.

The corporation that I work with serves 12 rural counties in middle Tennessee, through grants from the Department of Labor, OEO, and HEW and some local contributions. It was born in August of 1964.

This area is the birthplace of Cordell Hull and Sergeant York. It is part of the largest ghetto in America—Appalachia.

I would like to share with you a story that expresses my feelings today. I have an old uncle who was born in this area, not too far away, and he had a reputation for being quite a linguist in the mountains. He knew more curse words than anyone else in his village. One day he was out selling vegetables from his garden. As he drove up a hill in a residential section the wagon bed in the rear broke and down the hill rolled his tomatoes, watermelons, cucumbers, corn, and squash.

It was late in the afternoon and there were many residents out on their lawns. They saw the vegetables rolling down the hill. They saw my uncle. A curtain of silence fell—my old uncle bowed to the right, then to the left and said, “Ladies and gentlemen, I am unequal to the task.”

So I am here today, but I am forced to come—not by you, but by the plight of the mountaineers living in the upper Cumberland section of Tennessee.

Talmadge Polson sank wearily into a chair in my office last Friday. He is 46 years old, has been unemployed since last fall, is on food stamps and has a pregnant wife who is expecting any moment. She has not seen a doctor since her pregnancy and will not, because they have no money to pay a doctor. He begged for a job.

Mr. Polson has been to every county seat town within a radius of 50 miles looking for work and has even been to Employment Security three times. So far no luck.

He cannot get on welfare for two reasons. First, he does not want on welfare. He wants to work. Secondly, even if he did want on he could not get on because he is an able-bodied male living with his wife.

I called the local office of Employment Security located in Cookeville, 15 miles from Monterey, even though I knew he had been there three times before. I was told that they have in their files 2,100 current applications, 600 of whom are veterans, but that they would be glad to take another application if he would come down.

I looked at him, he stared at me. We agreed “What the hell is the use.” I made calls to various counties where we have outreach workers. Nothing available now, but maybe later.

Last fall we did a survey of the 15-county upper Cumberland development district in which we live. Last year we lost over 2,000 jobs, gained 500, or a net loss of about 1,500. We estimate that there must be 15,000, like Mr. Polson, in this area out of a total population of 190,000 or an unemployment rate of at least 8 percent if not more.

At the same time we surveyed industry and business, we went to public institutions and asked this simple question, if we had adequate Mainstream funds to pay the cost of wages, how many extra people do you really need. The total figure for the 14-county area was 2,371.

Mr. Chairman, I have a copy of this survey and with your permission will attach it to this report.

Senator NELSON. It will be printed in the record.

Mr. INGRAM. While I was reviewing in my mind the dismal prospect of a job for Mr. Polson, he interrupted my thinking with,

"I understand you have a Mainstream program—any chance of getting on that?"

And I responded sadly, "Mr. Polson, I wish there was. We have 80 slots, all filled, with 400 active applications. You can file, but you will become number 401."

Yesterday, there was a meeting of the CAA directors in the State of Tennessee, and I talked to some of the directors who run Mainstream programs. They are in the same predicament, or even worse. Upper east Tennessee has five counties. They have 80 slots, and 762 current applications. This can be multiplied, all across the State of Tennessee where there are Mainstream programs.

The corporation has operated a Mainstream program since July of 1966 with approximately 80 slots each year; 320 heads of households have been enrolled. Each enrollee had an average of six dependents. Sixty-one enrollees have been transferred from the program to permanent jobs or about 20 percent. The average educational level, 5.5 years of schooling; average age 51 years.

The aged poor have had 122 homes repaired, 31 more are under renovation now. In addition, 12 community centers have been renovated. Extensive repairs have been made on public buildings. Equipment has been built for day-care centers. There is almost an endless list of the work accomplished by these Mainstream men. Work that has been recognized publicly by the citizens of our area.

This program covers a five-county area; in addition we have a CEP program which covers another seven counties. We did have a Mainstream program in CEP. Now we don't. Let me explain.

During our first period of operation 1968-69, \$500,000 was earmarked for Mainstream. We used this and in 1970 we were cut back to \$375,400. In 1971 we have been cut to \$181,380, and we don't really have a Mainstream. This is why it must be used as an OJT.

As I understand it all CEP's are rated primarily on the basis of placements made, whether they be in rural Appalachia or the heart of Chicago. Before placing a man on Mainstream or training in public service careers as we now call it, you must have the possibility of a job opening up. Thus, you cannot place a man in a slot unless at the end of 2 or 3 months he will be permanently employed in that slot. This trend prevails in CEPs throughout the Southeastern region.

Last year a cross section of local citizens evaluated our CEP program. The group was chaired by the director of research for Tennessee Tech University of Cookeville. Three different times they recommended a massive Mainstream program for our area. A copy of their report is attached to this document, with your permission.

We have some recommendations to make for Mainstream programs or whatever you call it.

1. The guidelines must be changed. We have persons in our area walking the streets looking for jobs who were not poor last year. They made \$10-\$12,000, but now they are making nothing.

2. For a man \$1.60 an hour may not be enough, who was a middle-class American but lost his job last year.

3. What about 18-, 19-, 20-, and 21-year olds. We have nothing for them. Too old for NYC; too young for Mainstream. This is true of

most of your veterans, you see, because most of these men are returnees from the present war.

4. Heads of households are important. Many women fall into this classification in our area.

5. Training moneys are needed so that some may work 3 or 4 days a week and go to school 1 or 2 days.

6. Funding must be available on 100-percent basis for it will be impossible for some poor rural counties to raise matching funds. Some in kind up to 10 percent might be available.

7. Capital outlays are important. Our small rural counties have a desperate need for funds to construct buildings.

8. We don't need it tomorrow. We need it now. Why in God's name must the many Mr. Polson's beg for jobs in a Nation like this?

Now I don't think it is a political question, Mr. Chairman, I don't think it is a social question. I think it is a moral question. That is we have a responsibility to provide a man with a job, as a society, if he can't find one.

The only thing I could do for this man, I did make arrangements for a doctor to go by and see his wife.

Thank you, Mr. Chairman.

(The information referred to follows:)

## JOB SURVEY OF CUMBERLAND DEVELOPMENT DISTRICT, TENNESSEE

JOB CLASSIFICATION	TOTAL	Cannon	Clay	Cumb.	DeKalb	Fent.	Jackson	Macon	Overton	Pickett	Putnam	Smith	Van Bur.	Warren	White
Other (Sub. teachers, Nutritionists technical, vocational workers)	39		13		3							1		2	11
Aides	340	26	42	12	27	36	42	11	26	15	9	8	47	21	
Maintenance	195	22	11	15	26	30	14	3	9	24	4	1	27	9	
Cooks & Maids	132	19	15	23	13	16	10	5	10		2	1	2	5	12
Electricians	13		2				1					1		1	4
Secretarial	158	10	13	8	3	2	10	9	1	14	26	7	27	21	
Labor	654	36	39	23	36	32	60	53	102	29	95	25	81	5	38
Skilled Labor	68	1	20		19	2			9	6	1			2	8
Law Enforcers	111	3	6	11	7	3	2	14	6	6	24	4	2	9	15
Clerk	48	4	2	26		1			1	3				4	7
Nurse	23		2	6		5	1	4	2	4				1	2
Mechanic	24	2	3	2			2	3	5	4				1	1
Construction	32	2	2							2		2		12	12
Carpenter	17	4	2	1			3					1		4	2
Recreation	82	5	21	5		5	1	17	9	4		1	1	10	3
Truck Driver	47	7	1	2			11	12	9	1		1		1	2
Plumber	32	2	1	7			2			2	14	1		2	1
Heavy Equipment	31	2	7	1			5	5	8	1					2
Fire Department	75	7	1	6	3		6	6	3	2	7	3	3		28
Forestry	14	1	1	5						4		1			2
Administration	27	1	5	4	3		1		10					2	2
Sanitation	42	1	1	3	4	11		1	11	3	3	2		2	
Teachers	10								10						
P. O. Workers	4					3						1			
Bus Drivers	6						1		3			1		1	
Janitors	131	7	11	8	14		11	11	11	4	26	6	5	9	6
Engineers	16	1	2				1		1	5		4		2	
TOTAL	2,371	170	161	242	123	160	154	207	203	154	237	78	112	161	209

COUNTY	NEW INDUSTRIES (1969 - 1970)	NO. EMPLOYEES	CLOSED INDUSTRIES (1969 - 1970)	NO. EMPLOYEES
White	General Truck Sales	14	County Squire	3
	Computer Services Inc.	8	Spartan Industry Inc.	800
	Scotties	3		
	Mitchell Auto Parts	4		
	Evans Truck Sales	3		
	Dilly Shoppe	5		
	Joe's Carpet House	3		
	White County Industries	55		
Macon	Southern Sintered Metals	30	Kraft Cheese	35
			Furniture Store	2
			Dry Cleaning Establishment	2
			Ballou Cabinet Shop	2

COUNTY	NEW INDUSTRIES (1969-1970)	NO. EMPLOYEES	CLOSED INDUSTRIES (1969-1970)	NO. EMPLOYEES
Overton			Old Hickory Mfg.	80
			Thompson Upholstery	20
			Overton	10
Clay	Walker's Package Store	2	J&C Motors	4
	McLerran Gro.	2	Paul Wright Construction	3
	Meat Processors	5	Greers Service Station	2
	Jo Mel (clothing store)	2	Fox Food Sales	6
	Pool Hall	1	Young's Repair Shop	2
			Goodpastures Grocery	4
			Pac Electronics Corporation	90
			Clay County Construction	3
Fentress			Sperro Lumber	30
Dekalb	Vanco, Inc.	10	Spartan Industries	350
Jackson	Hibbon & Colvert	7	Hibbon & Colvert	7

COUNTY	NEW INDUSTRIES (1969 - 1970)	No. EMPLOYEES	CLOSED INDUSTRIES (1969 - 1970)	No. EMPLOYEES
Pickett	Family Shoes	2	C & H Motors	4
	Coles Fabric	1	S & H Building	2
	Duggars Clothing	2	A Gee Clothing	3
	Volunteer Electric	1	Pure Oil Service	3
	Copelands Body Shop	1	Baker's Hardware	3
	Byrdstown Flower	2	Pickett Motors	2
	Goodworth Service	2	Grissoms Barber	2
	Mascot Dairy	3	Roberts General Store	3
	Byrdstown American Service Station	3	Merrills Studio	2
			Family Shoes	2
			Halfmoon Cafe	2
			Goodworth Service	2
			Mascot Dairy	3
			Byrdstown American Station	3

County	New Industries (1969-1970)	No. Employees	Discontinued Industries (1969-1970)	No. Employees
Cannon	Lola Garment	45	Cannon Electric Tennessee Cheese Co. Pro-Tronics	100 30 30
Warren	Pallet Factory	12		
Van Furren	Mills Brothers Hat Co.	250	Spartan Industries	250
Cumberland	Remco	20	Tollett Sporting Goods	2
	Titanium Plant	5	Crossville Trading Post	5
	Dairy Queen	8	Crossville Furniture Co.	4
	Service Printing	5	Warner & Miller Alignments Co.	6
	Print Master	3	Peppert Slaughter House	2
	Plateau Real Estate	4		
	1st National Bank Drive-In	2		
	Cato's	3		
	Scotties Discount	3		
	Public Service Station	3		
	Scotties Restaurant	5		
	Kay's Ice Cream	4		

County.	New Industries (1968-1976)	No. Employees	Closed Industries (1968-1976)	No Employees
Cumberland Con't	Gifts & Things	3		
	Tenn Wholesale Lighting Center	3		
	Christina's Dress Shop	3		
	Traffic Store	2		
	Cumberland Trucking Lease	4		
	Hall's Motor Service	4		
	Kington Auto Ex.	3		
Smith			Marcellus Mfg. Co.	30
	TOTAL	595	TOTAL	2075

REPORT OF THE EVALUATION COMMITTEE  
TENNESSEE RURAL CONCENTRATED EMPLOYMENT PROGRAM

The Tennessee Rural Concentrated Employment Program (TRCEP) evaluation committee is composed of eleven persons representing a cross-section of local people from the seven county area served by TRCEP. The evaluation committee was approved by the Advisory Board May 21, 1970, upon recommendation of the TRCEP director.

The evaluation committee has held eight meetings including the organizational meeting June 30, 1970. During this two-month period, committee members have visited the Pre-Vocational centers and other sites where enrollees have been placed for training and employment. Each committee member has attempted to determine, through informal discussion, the attitudes of lay citizens, enrollees, and employers toward TRCEP.

All segments of TRCEP have supported and cooperated with the evaluation committee. The Central Records Unit and the Monitoring and Training Unit have furnished statistical data. A secretary has been available at each open meeting to record the minutes and distribute copies of these documents to each committee member and the administrative staff.

It was virtually impossible for a committee of lay citizens to become acquainted with a complex program such as TRCEP in two months and submit a comprehensive written report. The committee does, however, believe that it has acquired some knowledge about the strengths and weaknesses of the various components of the program and has attempted to summarize its findings. These comments represent subjective judgements based on statistical data, written reports, and oral reports available to the

committee. The committee decided, at the beginning, not to become involved with the fiscal component of the program.

#### Purpose

The purpose of the evaluation committee, as outlined by the TRCEP director, was to study, review and evaluate the performance of Tennessee Rural Concentrated Employment Program relative to past accomplishments based on standards stated in the Department of Labor contract. Its further purpose was to recommend procedures in accomplishing future projections.

#### COMMENTS AND RECOMMENDATIONS

The Operations Manual prepared by TRCEP states that the "Tennessee Rural Concentrated Employment Program's major objective is to provide employment and substantial expansion of employment and work - training experience for disadvantaged residents of a seven county target area . . . . To coordinate State and Federal manpower efforts to make an impact on the total economic conditions of the target area. To link together and administer manpower development and employment services, secure and utilize cooperative efforts of industry, community organizations, private and public agencies, provide employment placement assistance to some 1,050 unemployed and underemployed disadvantaged residents of the target area, and to prepare through training components and CEP service and place in meaningful employment 529 residents of the target area."

The evaluation committee endorses the basic objectives of the program and realizes the difficulties involved in working with disadvantaged persons who have experienced very little success in employment and other life experiences. These difficulties have been compounded during recent

months by a decline in the local and national economy. This decline and the resulting decrease in training and employment opportunities further emphasize the need to place disadvantaged persons in extended training programs especially designed to give them marketable skills.

The committee seriously questions the long-range impact of any program, such as TRCEP, that is funded on a year-to-year basis. It is also concerned about the duplication of effort by TRCEP and Employment Security in On-The-Job Training (OJT). TRCEP has coordinating responsibilities related to other autonomous governmental agencies, such as Employment Security, Manpower Development and Training, and vocational-technical schools.

RECOMMENDATION: It is imperative that a program of the magnitude of TRCEP be planned on a long-range basis. These plans should include educational training activities provided by existing agencies, previously mentioned, as well as counseling and basic education opportunities. Duplication of services provided by other agencies should be avoided.

Despite the objectives stated for each component of the program, the committee surmises, to some degree, that the general public, enrollees, representatives of private industries, public agencies, and some staff members view TRCEP as another "giveaway program."

RECOMMENDATION: The positive aspects of this program should be emphasized and communicated to these groups. A greater effort should be made to channel activities toward productive employment and/or training without the stigma associated with "giveaway programs."

Many disadvantaged persons will not be interested in, or capable of, benefiting from extended educational programs.

RECOMMENDATION: These persons should be provided with a public works program designed to physically improve public facilities and allow the participants to maintain their dignity as they contribute to the appearance of the local community. This type of program must include capital outlay funds as well as funds for program operation. Teams of painters, carpenters, et cetera, may be formed to develop skills in each activity. The public works program should be combined with a basic education program for enrollees interested in acquiring additional basic education skills.

The first group of enrollees expected to secure special training under the Manpower Development Training ACT (MDTA). A subsequent ruling by the U. S. Department of Labor restricted these classes to heads of households and youth. Therefore, many enrollees developed high expectations for additional training and upgraded positions, and these expectations were not met.

Some enrollees, nevertheless, have benefited from MDTA classes, job placement, and other services provided by TRCEP. Individual cases of success and failure have been presented to the evaluation committee.

The committee was impressed with the dedication of the administrative staff in its efforts to meet the objectives of the program. The committee also recognizes that these staff members must have empathy for and be dedicated to working with disadvantaged people, but many jobs included in the various programs, theoretically at least, require specialized training if staff members are to work effectively with disadvantaged persons.

The Operations Manual provides a list of job duties for each staff position. The original proposal outlines the training requirements and work experiences for each position, although the late funding and lack of long-range plans made it difficult to secure personnel who met all of the requirements.

RECOMMENDATION: The committee recommends that serious consideration be given to defining the specific skills needed in each staff position and the establishment of procedures whereby in-service training or other specialized training can be made available as needed. When new personnel or replacements are employed, they should meet the criteria outlined in the TRCEP Proposal.

Table 1 provides a statistical summary of the number of persons that each component expected to serve during the TRCEP '70 program and the current status of each component. The economic decline is reflected in low percentages for OJT, Job Entry, and Mainstream. A special effort is being made to fill the remaining slots for Mainstream. The number of OJT placements and the number of persons moving into Job Entry will fall below the expected goal. All other components are expected to reach their anticipated goals.

TABLE I

## A &amp; O PLANNED '70 TOTAL 927

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	220	364	523	660	768	858	927	927			
Actual-to-Date	104	205	394	488	589	708	800	863			
Variation + or -	-116	-159	-129	-172	-179	-150	-127	-64			
Percentage	47%	56%	75%	74%	77%	83%	86%	92%			

## PRE-VOC PLANNED '70 TOTAL 500

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	100	170	240	330	350	425	500	500			
Actual-to-Date	0	33	74	163	200	240	298	385			
Variation + or -	-100	-137	-166	-167	-150	-185	-202	-115			
Percentage	00%	19%	31%	49%	57%	56%	50%	77%			

## MAINSTREAM PLANNED '70 TOTAL 195

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	35	95	95	128	155	185	190	195			
Actual-to-Date	0	18	18	40	82	102	107	121			
Variation + or -	-35	-77	-77	-88	-73	-83	-83	-74			
Percentage	00%	19%	19%	31%	53%	55%	56%	62%			

## OJT PLANNED '70 TOTAL 205

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	0	41	82	97	144	191	205	205			
Actual-to-Date	0	3	4	55	85	106	134	142			
Variation + or -		-38	-78	-42	-59	-85	-71	-63			
Percentage	00%	07%	05%	57%	59%	55%	65%	68%			

## PSCD PLANNED '70 TOTAL 60

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	5	10	25	30	45	55	60	60			
Actual-to-Date	0	19	19	41	54	60	63	64			
Variation + or -	-5	+9	-6	+11	+9	+5	+3	+4			
Percentage	00%	190%	76%	136%	120%	109%	105%	106%			

## JOB ENTRY PLANNED '70 TOTAL 529

Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Planned-to-Date	8	28	57	88	140	205	278	341			
Actual-to-Date	3	7	28	54	95	125	154	183			
Variation + or -	-5	-21	-29	-34	-45	-80	-124	-158			
Percentage	38%	25%	49%	61%	69%	61%	55%	54%			

## EMPLOYMENT SECURITY - MANPOWER SERVICE PACKAGE

Statement of Purpose

The Tennessee Department of Employment Security Subcontract provides for all the services included in the Manpower Services Package. These are:

- Outreach
- Intake
- Orientation
- Assessment and Counseling
- Coaching
- Referral to Employability Development Services, including training
- Referral to Supportive Services
- Job Development
- Placement
- Intensive Follow-Up

The Employability Development Teams will recruit enrollees and officially enroll them in CEP. They will assess each enrollee's skills and desires and provide tests and orientation to prepare enrollees for employment. In addition, they will refer the enrollees to appropriate programs or training necessary to reach stated employment goals, monitor enrollee's progress in CEP, develop jobs, and place enrollees in suitable jobs. When enrollees are placed in jobs, adequate follow-through is provided.

Comments

Six (6) ED teams of seven (7) members each are responsible for providing the services outlined in the statement of purpose. These teams were handicapped in their efforts by problems created by and/or related to late funding and contract negotiations.

An Employability Development Plan (ED Plan) was developed for each enrollee during his assessment and orientation period, which usually lasted from three (3) days to two (2) weeks. The appropriateness of the ED Plan and the extent to which each enrollee progressed toward his goals appeared to be partly a function of the ED Team to which the enrollee was assigned. Enrollees did not always seem to understand the procedure and did not think that they had participated in developing the ED Plan.

Some enrollees reported that they were terminated from the program when they refused the first job, while others indicated that they were interviewed for more than one job before they accepted employment. One enrollee who completed Pre-Voc training was placed in holding and was not contacted for four weeks.

RECOMMENDATION: Although the ED Plan document has been revised during this evaluation period, there still exists an obvious need to provide each enrollee with a summary of his ED Plan. ED Teams should work toward improved communications with enrollees and develop plans for making frequent follow-up contacts while enrollees are in holding. Frequent personal contact by appropriate ED Team members appears to be essential. Written procedures to follow must be developed and adhered to if the ED Teams are to improve their service to enrollees.

## PRE-VOCATIONAL

Pre-Vocational training will be conducted in three centers located at North Springs, Bangham and Smithville. With these three locations, we will serve the seven-county TRCEP area, taking referrals from the six Employment Security teams. Pre-Vocational expects to handle approximately 525 enrollees. Of this number, approximately 75% will go on to additional training: MDTA, ORAU, OJT and Work Experience programs. Pre-Vocational training will be a bridge that will permit all of those of low performance and ability to be able to take advantage of this additional training. Pre-Voc training will be an effective means wherein an enrollee can develop appropriate work habits, and most importantly, experience a change in attitude from the negative to the positive. The enrollees will be able to take advantage of basic education without hostility, which they often feel toward traditional learning methods. Pre-Voc training will be concentrated into three areas: basic skills, basic education and attitudinal changes. The primary function of Pre-Voc training will be to implement the Employability Plan as received from the ED teams; however, this plan will be subject to change with the consent of the ED Team leader on the recommendation of the Pre-Vocational Center Manager.

Comments

The basic education program appears to be the brightest spot in the Pre-Voc component. From the last of March to August 31, 1970, thirty-one (31) enrollees prepared for and took the GED Test. Twenty of the enrollees passed the examination.

Committee members, staff members, and enrollees expressed concern over the lack of supplies, materials, and equipment available for the Pre-Voc component. Some sewing machines on loan from local factories and tools and equipment provided by instructors have been utilized in an effort to meet the basic skills needs of the enrollees.

RECOMMENDATION: If this phase of the program is to continue, additional materials and equipment should be available at each center, or arrangements must be made for work in basic skills to take place at the vocational-technical schools located in Crossville, Livingston, McMinnville, and Hartsville. Stipends and travel allowances should be provided to enrollees desiring to attend adult basic education and vocational-technical courses. Vocational-technical schools should be encouraged to develop courses geared to the educational level of enrollees. The quantity and quality of materials need to be improved for the basic education program.

The attitudinal change segment of Pre-Voc training is difficult to evaluate. Although improvement in the attitudes of workers is the responsibility of all members of the staff, the description of job duties in the Operations Manual does not include statements related to attitudinal change.

RECOMMENDATION: Definite guidelines for attitudinal change should be provided for the Pre-Voc staff. This will enable them to make personal ability evaluations in this area and better determine when assistance from professional persons is needed. The specific behavioral changes desired in enrollees should be defined and measured.

## ON-THE-JOB TRAINING

Statement of Purpose

The purpose of On-The-Job Training (OJT) is to train disadvantaged enrollees who otherwise would not have been employed in private industry, and to upgrade the underemployed so that they may have continued progress within the company where they are now employed.

Comments

On-The-Job Training is provided through a subcontract with the Stones River Economic Opportunity Commission, Inc., of Murfreesboro, Tennessee. This phase of the program is designed to encourage and expand the involvement of private industry in manpower training activities for the disadvantaged through a weekly payment to industry, usually \$25.00 per week, for each enrollee. Contracts are written for a period of twenty-six (26) weeks for new jobs and a period of eighteen (18) weeks for upgrading employees. An examination of the contract form suggests that the employer is being paid to provide regular training that the company would ordinarily provide for new employees and for upgrading employees. The primary difference is that the company would probably not otherwise be hiring disadvantaged persons, and the stipend pays for low-productivity during the training period.

OJT did not get underway until the final days in March, 1970. Industry is reluctant to employ the disadvantaged because of high absenteeism, a high dropout rate, and limited skills. Job opportunities have declined or stabilized in the seven-county area. Regular workers with good work histories have been laid off and are seeking employment at the same time the job developer is attempting to get industry to employ disadvantaged persons with less desirable work records.

RECOMMENDATION: The duplication of effort in OJT by TRCEP and Employment Security described on page 3 must be avoided. Personnel desiring OJT placement should be assigned to Employment Security for placement. Should placement attempts be unsuccessful, enrollees may be referred back to ED Teams for reassignment. The committee is unanimous in that it does not anticipate an increase in OJT opportunities until the economy is improved.

## OPERATION MAINSTREAM

Statement of Purpose

The purpose of this component is to provide placement for the chronically unemployed and disadvantaged workers. This individual, because of age, work experinece, education and training background will be unlikely to obtain employment without the aid of actual work training experience and will benefit least from other training in the TRCEP program.

Comments

Operation Mainstream basically operates as an emolover of last resort and is not structured to function as a training program. At the present time, a person is limited to two (2) years of service in the program.

RECOMMENDATION: The committee believes that a work supervisor should be provided to be with each group of workers at all times. Workers should be divided into skill groups to increase productivity and improve training opportunities. If these workers are to remain employed, a permanent program, carefully planned and executed, must be developed. This type of plan will require capital outlay funds and operational funds not currently available if the program is to have a significant impact on local communities where work is performed. Enrollees should be strongly encouraged to participate in adult basic education classes. The committee recommends that special vocational classes be organized at vocational-technical schools.

## PUBLIC SERVICE CAREERS

Statement of Purpose

The purpose of this arm of the component is to place the enrollees, both male and female, who are trainable and who will be able to become productive workers and wage earners, but due to their age, previous work experience, and training are not attractive to private industry for employment with the Public Agencies of the area. A contract for employment will be entered into with the public agency for a period of weeks depending on the type of employment. During this period of time, this component will pay the wages of the trainee and provide benefits and supportive services of the CEP program, with the agency furnishing actual on-the-job training. Upon completion of the training, the enrollee will enter into permanent employment with the agency in the job for which he is trained. Upon completion of training, the individual will be referred to an ED Team for Job Entry and follow-through.

Comments

The Public Service Careers Development (PSCD) component functions as an OJT program for public employees. PSCD has been well received by public agencies with limited resources.

RECOMMENDATION: This program must be developed on a long-range basis to provide employment for persons with marginal skills and to help public agencies improve their service. In view of present downward economic trends, the committee recommends that Operation Mainstream and PSCD be combined into a public works program. Additional money could be provided by redirecting money from other components of this program and utilizing funds available to community action agencies. Duplication of effort, in the area to be served, must be avoided.

## SUPPORTIVE SERVICES

Statement of Purpose

The Supportive Service component of Tennessee Rural Concentrated Employment Program is responsible for all enrollee services which will enhance the enrollee's chances of employment. These include a complete medical examination at \$12.50 and other medical services if necessary, day care for children at \$2.27 per day, legal services, relocation if needed, and referrals to both public and private agencies.

Prior to placing children in the Day Care Program, the Supportive Services Manager should check the residence and the person in whose care the children will be placed to be sure they will have proper care. The location and the person selected to care for the children will be mutually acceptable to the Supportive Services Manager and the parent.

Thus the Supportive Service component must provide the enrollee with those services which will make him gainfully employable.

Comments

The legal services phase of Supportive Services has not developed as expected. A shortage of funds and trained personnel has limited the ability of Supportive Services to provide legal services.

RECOMMENDATION: The committee believes that the Supportive Services component is necessary to the TRCEP program and should be continued. The program for next year should include funds and personnel to provide legal services.

## Central Records Unit

The Central Records Unit (CRU)--the Central Records Unit in TRCEP is the administrative unit responsible for collecting and processing all data pertaining to the program, aggregating this data and generating all reports required to meet the information needs of the CEP operations and management personnel in the local, regional, and national offices. It is the office through which all information flows.

The Central Records Unit functions under the Associate Director of TRCEP. The director of CRU is Geraldine Card, telephone number 526-9565. Brenda Johnson, Secretary II, is assigned to work in Central Records Unit in the afternoons. In addition, Drucilla Roberts, Coordinator of Reporting, is assigned to Central Records Unit Tuesdays, Wednesdays, and Thursdays to collect data. In the field three Statisticians II are assigned to the three pre-vocational centers; namely, Betty Baker, Bangham, phone number 526-3316; Janie Sircey, North Springs, phone number 621-3356; Sandra Puckett, Smithville, phone number 597-7386. The statisticians in the field are under the direction of Jim Warren, Director of Monitoring and Training. However, they serve a dual role in summarizing statistical data and reporting same to both the Central Records Unit and the office of Monitoring and Training.

Comments

The Central Records Unit staff is responsible for coordinating a program which serves a wide geographic area. Subcontracting the various components of the program to other agencies creates communications

problems. This makes it difficult to monitor and find solutions to problems as soon as they develop. Members of the Central staff stated that they had trouble keeping program emphasis on the enrollee and his problems. The Central staff has conducted in-service training sessions designed to improve the abilities of personnel involved in the TRCEP.

The evaluation committee discussed the physical appearance of the office space provided for the Central staff and concluded that better lighting and painting was needed to improve the work environment.

RECOMMENDATION: The Central staff should intensify its efforts to improve communications procedures. In-service training should be continued with special emphasis on helping each staff member understand his role in working with enrollees.

#### CEP CENTRAL

#### Objectives:

- A. Assist in the advancement of the general educational level of the program recipients.
- B. Assist in the development of job opportunities throughout the several communities.
- C. Assist in the improvement of general health of the community.
- D. Assist in the general economic advancement of program recipients and the community at large.
- E. Support and pursue the stability and integrity of the family elements.
- F. Provide for a brighter future and outlook as derived from the objectives of the total program.

#### Comments

The Central Records Unit and Monitoring and Training share the information provided by three statisticians assigned to the Pre-Vocational centers. Although the Central Records Unit staff has experienced difficulty in acquiring complete information, a reporting system which

meets the reporting criteria established by the U. S. Department of Labor has been evolved.

**RECOMMENDATION:** The Central Records Unit staff and the Monitoring and Training staff should seek additional ways to analyze existing data in an effort to provide each component with additional information about enrollees, especially the characteristics and abilities of enrollees.

SUMMARY OF RECOMMENDATIONS

1. It is imperative that a program of the magnitude of TRCEP be planned on a long-range basis. These plans should include educational training activities provided by existing agencies, previously mentioned, as well as counseling and basic education opportunities. Duplication of services provided by other agencies should be avoided.

2. The positive aspects of this program should be emphasized and communicated to the general public, enrollees, private industries, public agencies and some staff members. A greater effort should be made to channel activities toward productive employment and/or training without the stigma associated with "giveaway programs."

3. Many disadvantaged persons will not be interested in, or capable of, benefiting from extended educational programs, but should be provided with a public works program designed to physically improve public facilities and allow the participants to maintain their dignity as they contribute to the appearance of the local community. This type of program must include capital outlay funds as well as funds for program operation. Teams of painters, carpenters, et cetera, may be formed to develop skills in each activity. The public works program should be combined with a basic education program for enrollees interested in acquiring additional basic education skills.

4. The committee recommends that serious consideration be given to defining the specific skills needed in each staff position and the establishment of procedures whereby in-service training or other specialized training can be made available as needed. When new personnel or replacements are employed, they should meet the criteria outlined in the TRCEP proposal.

5. Although the Employability Development Plan document has been revised during this evaluation period, there still exists an obvious need to provide each enrollee with a summary of his ED plan. ED teams should work toward improved communications with enrollees and develop plans for making frequent follow-up contacts while enrollees are in holding. Frequent personal contact by appropriate ED team members appears to be essential. Written procedures to follow must be developed and adhered to if the ED teams are to improve their service to enrollees.

6. If the Pre-vocational phase of the program is to continue, additional materials and equipment should be available at each center, or arrangements must be made for work in basic skills to take place at the vocational-technical schools located in Crossville, Livingston, McMinnville, and Hartsville. Stipends and travel allowances should be provided to enrollees desiring to attend adult basic education and vocational-technical courses. Vocational-technical schools should be encouraged to develop courses geared to the educational level of enrollees. The quantity and quality of materials need to be improved for the basic education program.

7. Definite guidelines for attitudinal change should be provided for the Pre-Voc staff. This will enable them to make personal ability evaluations in this area and better determine when assistance from professional persons is needed. The specific behavioral changes desired in enrollees should be defined and measured.

8. The duplication of effort in OJT by TRCEP and Employment Security described on Page 3 must be avoided. Personnel desiring OJT placement should be assigned to Employment Security for placement. Should placement attempts be unsuccessful, enrollees may be referred back to ED teams for reassignment. The committee is unanimous in that it does not anticipate an increase in OJT opportunities until the economy is improved.

9. The committee believes that a work supervisor should be provided to be with each group of Mainstream workers at all times. Workers should be divided into skill groups to increase productivity and improve training opportunities. If these workers are to remain employed, a permanent program, carefully planned and executed, must be developed. This type of plan will require capital outlay funds and operational funds not currently available if the program is to have a significant impact on local communities where work is performed. Enrollees should be strongly encouraged to participate in adult basic education classes. The committee recommends that special vocational classes be organized at vocational-technical schools.

10. The Public Service Careers Program must be developed on a long-range basis to provide employment for persons with marginal skills and to help public agencies improve their service. In view of present downward economic trends, the committee recommends that Operation Mainstream and PSCD be combined into a public works program. Additional money could be provided by redirecting money from other components of this program and utilizing funds available to community action agencies. Duplication of effort, in the area to be served, must be avoided.

11. The committee believes that the Supportive Services component is necessary to the TRCEP program and should be continued. The program for next year should include funds and personnel to provide legal services.

12. The Central staff should intensify its efforts to improve communications in the CRU procedures. In-service training should be continued with special emphasis on helping each staff member understand his role in working with enrollees.

13. The Central Records Unit staff and the Monitoring and Training staff should seek additional ways to analyze existing data in an effort to provide each component with additional information about enrollees, especially the characteristics and abilities of enrollees.

GLOSSARY

CENTRAL RECORDS UNIT (CRU), the office through which all information flows, is the administrative unit that compiles and summarizes data in statistical form and generates reports pertaining to TRCEP.

CORDELL HULL ECONOMIC OPPORTUNITY CORP. (CHEOC) is a community action agency that operates programs under the Economic Opportunity Act of 1964 that are designed to have an impact on causes of poverty in communities in a specified area. CHEOC has subcontracted to operate Operation Mainstream and Public Service Careers Development.

EMPLOYABILITY DEVELOPMENT TEAMS (ED Teams) recruit and continuously work with enrollees to determine acceptable employment and training programs and assist with placement and follow-through. The teams, a part of Employment Security, include interviewers, counselors, and job coaches.

EMPLOYABILITY DEVELOPMENT PLAN (ED Plan) is designed by ED Teams to fit an enrollee's individual needs, including any training activities and Supportive Services that may be needed to make him job ready.

EMPLOYMENT SECURITY (ES) a state employment service, provides the Manpower Service Package for TRCEP through a subcontract.

FOLLOW-THROUGH is a function that determines status and progress of each enrollee for three months following Job Entry.

GENERAL EDUCATIONAL DEVELOPMENT (GED) describes a general educational development course which prepares students to take a test for the equivalent of a high school diploma.

JOB COMPLETION is a term used to designate the status of an enrollee after he has successfully completed a thirty-day Job Entry period. After thirty days the enrollee is terminated, and follow-through activities begin.

JOB ENTRY is the point when an enrollee enters regular unsubsidized employment, thus beginning the Job Entry period.

LIVINGSTON, BYRDSTOWN, JAMESTOWN AND COOKEVILLE DEVELOPMENT CORP. (LBJ & C) one of the oldest rural community action agencies, is prime sponsor of TRCEP. This community action agency operates programs under the Economic Opportunity Act of 1964 that are designed to have an impact on causes of poverty in communities in a specified area.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962 (MDTA) authorizes the Secretary of Labor and the Secretary of Health, Education and Welfare to conduct various skill and related training programs throughout the country.

## Glossary

MANPOWER SERVICE PACKAGE, provided by ES through subcontract, is responsible for recruiting and orienting enrollees, assisting in training and placement of enrollees, and conducting follow-through.

MONITORING AND TRAINING (M & T) monitors each component and compares actual performance with planned goals. M & T also recommends and conducts staff training.

NON-PROGRAM RELATED HOLDING is the status of an enrollee who is inactive for reasons other than Program or Job Entry. He may have a need for Supportive Services, Vocational Rehabilitation services, or extensive support services such as casework counseling, or he may have been placed in a penal institution or be too ill to participate.

OAK RIDGE ASSOCIATED UNIVERSITIES TRAINING AND TECHNOLOGY (ORAU-TAT) is a coordinated effort of the Associated Universities and Union Carbide Company to provide multi-occupational training under MDTA. Approximately 46 enrollees a year receive six months skill training in machining, physical testing, drafting and welding.

ON-THE-JOB TRAINING (OJT) encourages industry to train disadvantaged persons who otherwise would not have been employed or would not have made progress within the company by paying a weekly stipend to industry for each enrollee being trained.

OPERATION MAINSTREAM-PUBLIC SERVICE CAREERS DEVELOPMENT (OMS-PSCD) provides work experience to habitually unemployed, disadvantaged workers, who because of their age, work experience, education, and training background would be least likely to obtain employment without the aid of actual work training experience and who will benefit least from other training in TRCEP. This program is a combination of 60% Mainstream and 40% PSCD.

OPERATIONS MANUAL, required by Manpower Order 14-69, is the basic guidance system of day-by-day TRCEP operations. The manual was developed by the staff and may be amended as the need arises.

PRE-VOCATIONAL TRAINING (Pre-Voc) provides up to twelve weeks training for enrollees of low performance and ability in areas of basic education, and attitudes to prepare them for further skilled training. Basic education deals with three levels, the functionally illiterate, the average enrollee of 5th to 8th grade functioning, and those who can prepare for the GED test.

PROGRAM RELATED HOLDING is the status of an enrollee waiting for an opening in one of the program categories.

STONES RIVER ECONOMIC OPPORTUNITY COMMISSION, INC. (SREOC) is a community action agency that operates programs under the Economic Opportunity Act of 1964 that are designed to have an impact on causes of poverty in communities in a specified area. SREOC is subcontracted to operate OJT for TRCEP.

## Glossary

SUPPORTIVE SERVICES (SS), the component responsible for services that aid the enrollee's chance of employment, includes the provision of medical examinations, day care for children, transportation, and legal services.

TENNESSEE RURAL CONCENTRATED EMPLOYMENT PROGRAM (TRCEP) is a program designed to coordinate and concentrate various federal manpower resources to provide employment assistance to unemployed and underemployed disadvantaged residents of Clay, DeKalb, Jackson, Macon, Putnam, Smith, and Warren Counties.

TERMINATIONS are of three types:

1. Completed Job Entry Period includes those individuals who have completed the Job Entry Period by remaining on the same fully unsubsidized job for a period of 30 days.
2. Dropout includes those enrollees who terminate from the program without good cause for one of the following reasons:
  - a. Termination from the program for administrative reason, such as "dangerous conduct."
  - b. Termination for refusal to participate in the program.
  - c. Termination from the program because the individual cannot be located within a period of two weeks although several attempts to locate him have been made.
3. OTHER is the category that includes all those terminating from the program for reasons other than those mentioned in 1 and 2 above and indicates separation with good cause.

Senator NELSON. Thank you very much, Mr. Ingram.

What was the total in 14 counties of jobs that you could fulfill under Mainstream?

Mr. INGRAM. 2,371, sir. There is an attachment in the back of the report you have, that is attachment No. 1.

Senator NELSON. Are these broken down as to types?

Mr. INGRAM. Yes, sir; the type jobs, by county, and the number. That is your first. It is at the top of the page of job classifications.

Senator NELSON. And all of these are for jobs that you would consider necessary, important public service jobs?

Mr. INGRAM. Yes, sir.

Senator NELSON. In those counties?

Mr. INGRAM. We went to the various directors of public institutions, and asked them, what jobs, you know, did they have a real need, that needed to be filled, if they had the money, just to pay the salaries? Now not for capital outlay. Just money to pay for that salary. And these are the answers they gave us.

Senator NELSON. What is the average Mainstream employee enrollee getting in those 14 counties?

Mr. INGRAM. \$1.60 an hour, sir.

Senator NELSON. And what is the maximum per year? Isn't there a maximum that they can earn in a year, in the Mainstream program?

Mr. INGRAM. No; just straight \$1.60 an hour.

Senator NELSON. Then these are employed year round?

Mr. INGRAM. Yes, sir.

Senator NELSON. And do they stay on that job, or do you replace them after a certain period of time?

Mr. INGRAM. Each year, sir; and it is a difficult task, we review each slot, each man. You see, we have 80 employed; as I say, we have 400 current applications. With the staff and with the local advisory committee, we review that man. You see, our standard is simply this: That the men who need it the worst ought to have the job. And sometimes, we turn them over.

For instance, I remember one case last year, one man who had two children, who had finished high school, had been on the program for 2 years. We had another man with eight children, all small. He was replaced. He came into my office, and said, "I understand why I was replaced. My children are now through school. But I have a wife, and I have myself."

He said, "I don't have any job. I don't know how we are going to live." He said, "I am not mad at you, because the man who got my job had eight children."

But we go through this process every year. Now some of the men have been on 2 or 3 years, because of their need, and the families they have.

Senator NELSON. Would all or most of those who are employed require welfare assistance, if not employed by Mainstream?

Mr. INGRAM. Yes, sir; but they can't get on welfare. You know, here is an able-bodied man, under the laws of Tennessee, who is living in the house; the only way he can get on welfare is to desert his family. Then they can go on welfare.

Senator NELSON. What about the dependent children? Can't they receive?

Mr. INGRAM. Not as long as there is an able-bodied man in the house.

Senator NELSON. That's the law of Tennessee?

Mr. INGRAM. Yes.

Senator NELSON. Thank you.

Do you have any questions, Senator Taft?

Senator TAFT. Yes; thank you, Mr. Chairman.

I gather, then, you do not have aid to dependent children in the unemployment program in Tennessee?

Mr. INGRAM. Yes, sir; if there is ADC, but that is where the wife—

Senator TAFT. I am referring to aid to parents of dependent children, of the unemployed, which is another program under ADC.

Mr. INGRAM. No, sir.

Senator TAFT. Some States do not have it. I gather Tennessee does not have it?

Mr. INGRAM. Yes, sir. I misunderstood you. Yes, sir.

Senator TAFT. I just wanted to confirm it.

You mentioned, Mr. Ingram, that you had lost 2,000 jobs in the area.

Mr. INGRAM. Yes, sir.

Senator TAFT. What were the industries, et cetera?

Mr. INGRAM. I have them listed, sir.

Senator TAFT. In which those losses occurred?

Mr. INGRAM. They are listed, sir, in the attachment, if you will turn over to the next page, the job classification sheet, you will see new industries and closed industries. We list them by name.

Senator TAFT. I am sorry. Where is that? Which attachment?

Mr. INGRAM. It is the first attachment, the first page is job classification, and now the second page, at the top, you will see listed "New industries."

Senator TAFT. Yes.

Mr. INGRAM. "Number of employees. Closed industries, number of employees," sir, and that gives you a list of the new industries and the number employed, a list of the industries closed, and the number discharged.

Senator TAFT. What was Spartan Industries?

Mr. INGRAM. Garment.

Senator TAFT. Many of these, I see, are trade, are service-type jobs. Are they not? The only one that really seems to be major, insofar as manufacturing is concerned, is Spartan Industries.

Mr. INGRAM. Yes, sir; and Old Hickory Manufacturer, that is at the top of the second page, went bankrupt. That was a cabinet shop.

Senator TAFT. A what?

Mr. INGRAM. A cabinet shop, a woodworking, cabinet shop.

Senator TAFT. And you lost an electronics company?

Mr. INGRAM. We don't have any electronics.

Senator TAFT. You lost PAC.

Mr. INGRAM. Oh, yes, that is right. Yes.

Senator TAFT. How did that come about? Do you know?

Mr. INGRAM. No, sir; I do not.

Senator TAFT. Cannon Electric? I don't know what that was. Was that a manufacturing company?

Mr. INGRAM. Cannon? I don't see where you are talking about.

Senator TAFT. That is on the fourth page or fifth page of the table, at the top, under jobs lost.

Mr. INGRAM. Yes, sir. That was an electric company that manufactured some electrical equipment.

Senator TAFT. And the major new jobs coming in were White County Industries. That is on the first page, an increase of 55 jobs, and Mills Bros. Hat Co., providing 250 jobs.

Those seem to be the principal ones entering in?

Mr. INGRAM. Yes, sir.

Senator TAFT. To what do you attribute the loss of jobs in the area? Just general economic conditions in the area?

Mr. INGRAM. As far as I know, sir, yes.

Senator TAFT. Do you think training programs, additional training programs, financed by this legislation, should it pass, would be of assistance, or not?

Mr. INGRAM. Yes, sir. I feel that when you put a man—well, we put a man in school, a man on Mainstream, he is in school, 1 day a week, and he works 4 days. We are trying to institute a program to train him in many facets of the building trades, so that well, he knows something about plumbing, he knows something about wiring.

He is not going to be a skilled man, sir. He knows something about masonry. To give him, so that if there is an opening, he can become somebody's helper.

Senator TAFT. Are there any openings in the building trades down there?

Mr. INGRAM. Not right now. Hopefully, there will be some, you know, when the weather breaks. There will be some public housing projects built.

Senator TAFT. Do you think that increased public service jobs would be any solution to this problem? You mentioned going around and talking about vacancies that exist in county institutions and the like.

Do you think that this is a permanent solution to this type of problem?

Mr. INGRAM. Well, I am not sure it is a permanent solution, sir, but there is an understaffing of all of our institutions in the area. There is a need for additional personnel. Obviously, they can't absorb all of the unemployment.

Senator TAFT. Do you think the Federal Government ought to come in on a permanent basis and support those employees?

Mr. INGRAM. Well, I don't know how it ought to be done, sir. I don't profess to be that intelligent.

My concern is this: I think that we as a society, if a man can't find a job, have a moral responsibility to see that he finds a job somewhere.

Senator TAFT. Well, I think that we all have that feeling, I am sure, that we ought to have a society in which that is true. We are just trying to figure out how best to approach this problem.

I wonder if the county job situation you describe, as I suggested earlier, really is not a matter that relates not so much to unemployment, but rather, to providing adequate finances for our State and local governments, so that they can still fill jobs if they are necessary to be filled, but it seems to me the unemployment problem is a lot broader, and

unfortunately, much more difficult than the problem of public service employment.

Mr. INGRAM. That is right. I agree.

Senator TAFT. It is the general economy that we are talking about, to which we have to turn our attention.

Mr. INGRAM. Yes.

Senator TAFT. Is there a need for additional sizable public works in the area you are talking about?

Mr. INGRAM. Yes, sir.

Senator TAFT. Do you feel that there is any prospect of a sizable increase in public works in the area?

Mr. INGRAM. I don't—with the tax situation as it is, and the economy and the revenue that the counties and the cities receive, unless they receive outside assistance.

There is also a need for a complete revision of the tax structure in our area. We are blessed or cursed with a lot of absentee landlords who don't pay much taxes. And there is some effort going on in this direction to revise the tax structure in the area.

But unless there is some sort of outside assistance, I don't see that the counties, in the immediate future, will be able to involve themselves in much construction of buildings.

Senator TAFT. Has that area gotten any assistance under the Appalachian program?

Mr. INGRAM. Some; some.

Senator TAFT. What type?

Mr. INGRAM. They have some assistance with construction of some physical facilities, such as sewerage, water supply districts, and this sort of thing. They have had a little. I know that Jamestown got some help, sir. This is one of the towns in our area.

This is handled by the economic development district. We have worked with them, supplying them with information. I do know there has been some along this line.

Senator TAFT. Thank you. Thank you very much.

Thank you, Mr. Chairman.

Senator NELSON. Thank you very much, Mr. Ingram.

Next Tuesday at 10 a.m., the Secretary of Labor will appear on the same bill.

(Whereupon, at 11:57 a.m., the subcommittee adjourned, to reconvene at 10 a.m., Tuesday, February 23, 1971.)

# EMERGENCY EMPLOYMENT ACT OF 1971

TUESDAY, FEBRUARY 23, 1971

U.S. SENATE,  
SUBCOMMITTEE ON EMPLOYMENT, MANPOWER, AND POVERTY,  
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE,  
*Washington, D.C.*

The subcommittee met at 10:35 a.m., pursuant to recess, in room 3110, New Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson (presiding), Schweiker, Javits, and Taft.

Committee staff members present: William R. Bechtel, Subcommittee Staff Director, William Spring, professional staff member; and John Scales, minority counsel.

Senator NELSON. This morning the Subcommittee on Employment, Manpower and Poverty continues hearings on the Emergency Employment Act of 1971, S. 31.

On Monday, February 8, we heard from some 14 mayors of large American cities. Last Wednesday representatives of the National Association of Counties testified. This morning we are privileged to have the distinguished Secretary of Labor, Mr. James Hodgson. Tomorrow a number of Congressmen and Governors will testify, tomorrow's hearing will conclude the subcommittee's consideration of the legislation. We hope to go quickly into markup sessions and to move the bill to the Senate floor.

The bill is designed to meet an emergency situation. We are facing a 10-year high in the rate of unemployment. Unemployment in the inner cities and in our poor rural areas has been at a catastrophic level even when national levels of unemployment were as low as 3.8 percent.

During the present period of unusually high unemployment, we feel it is a national responsibility to provide additional funds for emergency public service employment programs. The bill is based on the trigger concept proposed by the administration as part of its Manpower Training Act back in 1969. At that time the administration suggested that a substantial automatic addition to manpower funds during times of high unemployment would be useful. The idea was refined by Senator Javits and included as one small part of the Employment and Manpower Act which Congress passed last December. At that time the administration objected to a permanent public service employment program.

Mr. Secretary, the committee is very pleased to have you here today and I apologize for being delayed. The majority leader called a conference of the Democratic Members yesterday afternoon. I appreciate

your courtesy in changing the time of your appearance and apologize for the 10-minute delay in getting here.

**STATEMENT OF HON. JAMES D. HODGSON, SECRETARY OF LABOR,  
ACCOMPANIED BY MALCOLM R. LOVELL, JR., ASSISTANT SECRETARY FOR MANPOWER**

Secretary HODGSON. Thank you, Mr. Chairman. I assure you we were not unduly inconvenienced by the delay.

Senator NELSON. Your statement will be printed in full in the record. Feel free to present it however you wish. If you wish to elaborate at any time on your statement, just go ahead and do so. If you wish to ask Mr. Lovell to speak, we would be pleased to hear him.

Secretary HODGSON. I was going to say I have with me this morning Assistant Secretary Lovell, the Assistant Secretary for Manpower in the Department. I will, if I may, read from my statement, and then we will proceed with the questioning following that reading.

This is the first time since I became Secretary of Labor that I have had the pleasure of testifying on manpower legislation before this subcommittee. I hope that today will open a period of direct discussions leading to early agreement on far-reaching reform of the Nation's manpower program effort. We think the time for that reform has arrived.

I appear today to present the administration's views on S. 31, the Emergency Employment Act of 1971. In proposing this bill last month, Mr. Chairman, you noted it was being introduced at a time when the rate of national unemployment had reached 6 percent. This situation calls, you noted, for action.

I agree that action is needed. In his state of the Union address the President proposed a bold, broad program for action to quicken the pace of the economy and make comprehensive reforms for more effective Government. This program is addressed to immediate needs. But equally important, when placed into a legislative framework and enacted, it will bring permanent—and long overdue—reforms in employment, job training and income support programs.

It is in the context of this comprehensive program of action and reform that we respond to the specific proposals of the Emergency Employment Act of 1971.

The President has proposed a four-pronged effort for more jobs, better incomes, and expanded public services.

First, a full employment Federal budget, calling for \$229 billion in Federal expenditures, over \$11 billion more than anticipated receipts.

Second, general revenue sharing, which in its first full year will provide \$5 billion in unrestricted funds to State and local governments, which may be used among other things to provide new jobs for the unemployed and expand needed public services.

Third, a \$4 billion welfare reform measure, which will assure all poor families of a basic level of support, and include a significant amount for utilizing public service jobs as a device for getting people off welfare rolls.

And fourth, a manpower revenue sharing proposal which the President will transmit shortly to the Congress. With an anticipated \$2 billion available for the first full year this bill would provide State and local governments with the broadest discretion in using manpower funds for needed job training and employment activities, including public service employment.

I shall discuss in turn each of these major initiatives of the President.

#### BASIC FISCAL AND MONETARY POLICIES

The best "job creation" program is a healthy economy. No single legislative proposal or categorical Federal program can approach in overall employment generation a farsighted, well-planned series of national fiscal and monetary policies.

When this administration took office it was faced with hard decisions—and it made them.

At that time the Nation was already gripped by rising inflation. These last 2 years we have paid for earlier excesses. During the first half of 1969, the Consumer Price Index rose at an annual rate of 6.4 percent. Inflation ate away at the wages, salaries, savings, pensions of tens of millions of Americans.

Inflation cooling has been started by a series of hard budget choices and a tighter money supply. Though the effects have not been as quick or as deep as we would have liked, over the last 6 months of 1970, the annual rate of increase in the Consumer Price Index has dipped below 5 percent. Wholesale prices, which usually move before the prices consumers pay, have slowed down even more, from a 5.3-percent annual rate in the first half of 1969 to a 2.1-percent annual rate in the second half of 1970. We expect the fires of inflation will continue to cool.

The cooling in demand, plus the transition stemming from shifts in national priorities has been accompanied by an increase in unemployment. But the prospects for an improvement this year are good. We now project that the unemployment rate will fall off markedly as the pace of the economy quickens. A major instrument in this economic resurgence is the President's fiscal year 1972 budget. Coupled with more flexible monetary policies, a full employment budget in fiscal year 1972 should stimulate our economy to provide several million additional jobs by July 1972. The target is to reduce the number of jobless workers by over 1 million over the next 18 months, as these new public and private jobs absorb both currently unemployed and new workers.

Certainly in terms of overall impact the Government's fiscal and monetary policies must be viewed as the most important single step which can be taken to help unemployed men and women return to satisfying, self-sustaining jobs. Eight out of 10 jobs are in the private sector, so stimulation of growth in this sector is the key to substantial job growth.

Beyond the massive impact on job creation of these policies, the President's other three proposals would provide hundreds of millions of dollars for new job creation.

## GENERAL REVENUE SHARING

Two weeks ago the President submitted his General Revenue Sharing Act. It is now before the Congress. Effective January 1, 1972, this new proposal would provide \$5 billion in unrestricted funds to State and local governments during its first full year. How these funds would be used shall be left to the discretion of State and local governments. If only normal proportionate spending occurred by States and cities, at least 50 percent of this money would be spent on employment costs. Given the constant pressure on State and local government to expand public services, an even larger part of such shared general revenues might be devoted to expanding public services and thus create vast numbers of new jobs. If State and local governments chose to put a traditional portion of this new revenue into such efforts, this could readily create several hundred thousand new public sector jobs. And they would be regular payroll jobs to meet needs determined by cities and States.

## WELFARE REFORM

In August 1969 the President submitted his family assistance plan. It was—and is—the most important social legislation proposed in 30 years. Passage of welfare reform legislation is a primary challenge to action for the 92d Congress.

I do not intend to describe all the features of the President's welfare proposals now. The members of this committee are well aware of the issues involved and the crucial importance of this legislation.

However, in the waning days of the previous Congress, the administration agreed to support the Ribicoff-Bennett amendment earmarking \$150 million of existing funds for public service employment for welfare recipients for whom other suitable employment could not be found. We shall expand upon that commitment within the context of welfare reform. The administration will shortly submit to the House Ways and Means Committee new amendments, including the authorization of a substantial number of public service jobs for welfare recipients.

The President's welfare reform proposals are an integral part of the effort to meet human needs and to move people off welfare rolls into the world of work. Under current legislative authority we are projecting a fiscal year 1972 budget of \$197 million for 154,000 training opportunities in the welfare area—up from outlays of \$123 million and average enrollment of 111,500 in fiscal year 1971. With enactment of welfare reform legislation proposed by the President, which I most earnestly urge this Congress to accomplish, we would expand this effort significantly.

## MANPOWER REVENUE-SHARING ACT

Finally, within a few days the President will send to Congress his proposed manpower revenue-sharing bill. This far-reaching proposal is a major part of the "special revenue sharing" concept which the President enunciated in his state of the Union address last month.

This bill will likely be referred to this subcommittee for action. I hope that we can work together to move it forward into law quickly.

The final provisions of the bill are not complete. Thus, I cannot give you this morning more than a brief indication of its general provisions.

The basic principle of the manpower revenue-sharing bill is that State and local governments should have broad authority to carry out manpower programs shaped to their State and local needs. This concept was first set forth by the President in August 1969, and, in some measure, was endorsed by both Houses of Congress last year. Indeed the bill builds upon a number of the basic features of manpower legislation considered in the 91st Congress.

Consistent with the President's concept of special revenue sharing, these funds would be made available subject to only the most basic and essential conditions such as the need to assure accountability to the general public and to the Congress over the shared use of Federal tax revenues.

The bill will replace the Manpower Development and Training Act and the manpower provisions of the Economic Opportunity Act. An anticipated \$2 billion will be available for the first full year. The major portion of this amount would be distributed by formula among the States and major units of local government.

These State and local governments shall have broad discretion as to the uses of shared revenues. They must, of course, be used for "manpower programs." However, such a manpower revenue-sharing bill will provide opportunities for locally established public service employment of the nature already endorsed by the administration. Public service employment will be subject to the minimum number of conditions and limitations consistent with the spirit of revenue sharing. The role and extent of public service employment within any State or local area's total manpower effort will be determined by eligible State and local governments.

This bill will build on the groundwork laid over the last 2 years. It is another—and crucial—element of the administration's broad strategy to reform our Federal system and revitalize our economic activity.

Thus, overall, we are proposing these things:

A fiscal and monetary strategy which is expected to yield several millions of additional jobs over the next 18 months; general revenue sharing, which will likely generate hundreds of thousands of new jobs providing essential State and local government services; welfare reform, which, as a part of its total impact, would support a significant number of new job and job training efforts for welfare recipients; and manpower revenue sharing, where State and local governments will be given considerable discretion in balancing public service employment with other manpower program needs within available resources.

How do the provisions of S. 31—the Emergency Employment Act of 1971—relate to these far-reaching proposals?

S. 31 would authorize the creation of public service jobs over the next 2½ years. Its statutory authority would expire July 1, 1973. When the national unemployment rate has equalled or exceeded 4.5 percent for 3 consecutive months, appropriated funds would be released for public services employment. The amount would be determined by the extent to which the actual unemployment rate exceeded

the trigger level. Up to \$750 million could be triggered in the current fiscal year and \$1 billion each in fiscal year 1972 and fiscal year 1973. To administer the program the Secretary would enter into direct contracts with a wide range of State and local governments and private, nonprofit agencies.

Against the broad reforms proposed by the President the administration can only view S. 31 as another categorical, well-intentioned but piecemeal addition to our manpower programs where there is already a long demonstrated need for total overhaul. Moreover, it is questionable that \$750 million could be effectively utilized in what remains of this fiscal year. Also, given political realities, one must question whether a program of such magnitudes could be ended by either falling unemployment rates or impending statutory expiration.

The administration cannot support a separate public service employment program which is not an integral part of manpower reform, welfare reform, and revenue sharing. We are, in fact, obliged to oppose it.

We believe that the Emergency Employment Act of 1971 will detract from the effort to achieve lasting reforms. Rather than temporary legislation I would hope we could join together to support permanent reforms which provide State and local governments with sustained resources to meet their communities' employment and job training needs—and in so doing better meet the needs of the Nation.

I would urge your prompt consideration and approval of the manpower revenue-sharing proposals, which shall be submitted very soon, and seek your support of the other major elements of the President's program.

Thank you, Mr. Chairman.

Senator NELSON. Thank you, Mr. Secretary.

When will the President's special message on manpower come?

Secretary HODGSON. I noticed that in your opening observations to this committee hearing, you seemed to have some impression that it would be several months before this bill would be transmitted. That is not the case.

It will be here within about 2 weeks. Maybe well within 2 weeks.

Senator NELSON. It seems to me we have several problems here.

First, as you know, what we have taken here is the public service employment concept accepted by the administration itself. The President stated as one of his reasons for vetoing the comprehensive reform, the most comprehensive manpower reform bill in the history of the country, that there were permanent public service employment provisions in it.

So now we have embraced the President's temporary public service employment provisions, and yet the administration opposes that, because it isn't part of a bigger bill.

Secretary HODGSON. Well, you bring up what is the first and most obvious concern that we had in developing our response to S. 31. You have, and I suppose it is flattering to say this, taken cognizance of several of our objectives, the triggering mechanisms, to some degree at least, the kinds of public service employment which would be desirable, and the temporary aspect of such employment.

So these provisions are present in your bill, and they have to be taken into consideration. As I sat the other evening trying to think how you must react to our current position, it seems to me that you would find yourself thinking that you have come to play ball in our court and we have moved the court.

Senator NELSON. That is a better way than I could express it.

Secretary HODGSON. To some extent I have to admit that that is true, you see, because we have moved on to what might be called a macro-objective in manpower programing tied to general revenue sharing. We are thinking of not just a mere change or simple revision of the traditional approach, but a real major change—a whole conceptual change.

This is an integral part of the President's program and we are sold on it. We want to drive forward with it and we don't want to be deterred by other approaches.

Senator NELSON. You weren't Secretary at the time and none of my remarks about the history of this are intended to reflect on anybody personally. But just let me give you the history so that you see it from the legislator's standpoint.

Secretary Shultz, for whom I have great respect as a dedicated, able public servant, a very fine man, and I consider him a personal friend, came to me in November of 1969 and said:

The administration is most anxious to get a comprehensive manpower reform bill passed. Would you proceed to conduct hearings on the administration proposal at an early date.

I undertook to do just that. The first delay we had on the bill was that the Secretary himself, because of something that arose, could not appear at the first hearings we scheduled, so we rescheduled it at the earliest date the Secretary could appear.

Then we proceeded with hearings that involved traveling to San Francisco, Los Angeles, Corpus Christi, Cleveland, and Milwaukee for 23 days of hearings, including those here. When we started, I said to the Secretary and to Mr. Weber that we were going to hear from witnesses, and any time you wish to come in and respond or answer any testimony that is given, you will be given the opportunity.

That was our position all of the way through, and, in fact, the Secretary or Mr. Weber came back repeatedly. We had any number of personal conferences that went on over a period of time. In the midst of this herculean effort that our committee was putting forth, somebody wrote a speech for the President attacking the Congress for not acting on legislation and specifically citing the manpower bill.

I was working my head off on the bill. So were Senator Javits and other members, conducting hearings as fast as we could. I know that speech was written for the President by somebody who either didn't know what he was talking about or didn't care and wanted to give the President a nice line to attack the Congress.

Then we moved into markup. Several times we were delayed because we couldn't get enough minority members to have a caucus. That is well documented. Then several times we were delayed again—yes, Senator Schweiker, you and Senator Javits were regular attenders—then several times the minority members, as we were marking up, couldn't take, or didn't wish to take a position on some specific proposal until they found out the administration position.

And it would sometimes, to the frustration of the whole committee, including the minority, take a week to get an answer from the administration on a specific proposal.

In the midst of all this somebody wrote a speech for the President again attacking us for delaying the manpower bill. Now, none of the delays came from me. I was ready, available, prepared, working as hard as I could.

No. 2, the delays didn't amount to anything anyway. As a matter of fact, I think in the history of my 22 years in public service, I never saw such a comprehensive bill put together so rapidly and secure such diverse support from the League of Cities, the mayors, counties, Governors, and every manpower expert in the country that I know of said it was a great comprehensive manpower reform.

I didn't respond to either of those attacks, because I knew that they were written for the President and he wasn't aware of what the facts were.

We passed the bill on the floor with just six dissenting votes in our House. We passed a similar bill in the House of Representatives. We went to conference. We were in conference for a week. We brought the conference report out, we adopted it.

I then wrote a letter to George Shultz saying if there is any consideration of vetoing the bill—and I had heard some rumors to that effect—I would appreciate it very much if we could have an opportunity from the congressional side to present our case.

I don't think the case was ever put to the President; that is, our case.

Now, I know they are busy over there, but we gave you a bill in which every major particular asked for by the administration was in the bill. We put the responsibility back to local prime sponsors, State prime sponsors, yet the President vetoed it and in his veto statement he objected to the public service part because it was permanent or could be permanent, and indicated they were some kind of WPA-type jobs.

Well, quite frankly I have been in the manpower business here long enough to know the difference. If there are any WPA-type jobs, and I don't call them that, it is in the President's family assistance plan, where it is temporary employment. They run them in and out of slots for 3 or 4 or 5 months.

Whereas the jobs in the permanent bill were jobs which every mayor in this country says we need to perform—real public service jobs. So now you come back and say you have got another comprehensive plan. I don't know what in heaven's name it could be.

But I am concerned about asking my committee and myself, to put in another 10 months passing a bill, writing to the White House again and saying, will you hear our viewpoints before you act, if you are going to veto it, and then have the bill vetoed, with no notice to the chairman on the House side, no notice to me, no notice to our committee, no consideration for the effort we put in at the request of the administration.

If it were my bill, my idea, I would still think after that much work, that the administration would at least hear our view. But since it was the request of the administration, I think that is pretty shoddy treat-

ment and I think it is very difficult for the administration to take the position that the Congress is not cooperating, when I never saw such cooperation before in my life, bipartisan.

The bill was vetoed on grounds that I think, if the President knew what was in the bill, I think he would be embarrassed by the words that were put in his mouth. The veto doesn't stand up at all in my judgment. Mr. Secretary, we put the power in the Secretary's hands, the final plenary power to say to a prime sponsor "Your manpower plan is no good and I won't take it."

He had the power not to accept any public service employment if he wanted to. He could say from looking at your city, your State, I don't think that is a good plan for you, and we refuse to accept it. So the total power was in the hands of the Secretary. The argument regarding public service employment doesn't really seem to me to hold very much water, because the Secretary could control that.

The public service employment program had to be reviewed each year. We gave the Governor the right to comment on every prime sponsor's plan in a community of 75,000 or more.

I don't know what more we can do. Now, you say you want us to go that route again. I say how in good faith can we proceed here if we are going to face the same thing at the end of the trail?

It took me 10 months of hard work to finally understand all of the parts of the bill, so I don't expect the President just to pick it up right away. But are we going to go that route again and at the end of all of this work, after passing both Houses, the conference committee which went on for a week and then have the bill vetoed without consideration.

This is a problem. What do we do about that?

Secretary HODGSON. Well, I sympathize with your distress. All of us know from experience there is nothing less satisfying than hard work with no fruition.

I am a little surprised to find evidence here that you didn't realize that the administration had trouble with your concepts toward the latter part of the working out of the bill. I know I personally set down in a letter six issues that I thought were problems in connection with the bill and mailed the letter to every member of this committee.

Senator NELSON. That was when we were in conference with the House.

Secretary HODGSON. That is right. And it didn't seem to have any effect. So, at least from my standpoint, you were well aware of the concerns we had with the bill and you knew that we were more closely attuned to what had been done on the House side. Therefore, we don't think that it really should have come as a surprise that the reception your bill received from the administration was less than favorable.

But, believe me, we are very serious about this program that I have outlined here to you this morning. It is not a diversion. It is not an attempt to move people away from concentrating on manpower legislation. It is actually to get them to concentrate on it, to concentrate on what we believe now is the most useful and appropriate approach.

I am a little hampered by not being able to outline the full scope and details of the manpower proposal here this morning, because it is not in final form. But, it is close to completion. It will be here very, very soon, and much sooner I guess than you had envisioned it might be.

Senator NELSON. Well, I can't tell, of course, much about the language, but I would hope that the administration is not going to just recommend that we hand the money over to the States, that we abolish all current manpower programs and hand the States \$2 billion, and say, run a manpower program.

It has been my feeling for a long time you can't have 10,000 prime sponsors operating programs out of Washington. We all agree on that. I think what the administration forgets is that a complicated legislative proposal that involves all of the groups this involves—not only the beneficiaries of a program but local governments, State governments, the Federal Government and concerned citizens across America—trying to put together something that all units of government from the grassroots back home to the Congress of the United States can agree on is a very tough business.

If you had told me in the beginning that we could have done it without having powerful opposition from either State governments or local governments or county governments or mayors, or the League of Cities, or the black community, or the Puerto Rican community, the Mexican-American community, or the labor movement or somebody else, I would have said that is a package that can't be put together.

We put it together. We put it together. That meant we had to compromise. We put together a package with the most unified support nationwide on a manpower program involving all of these prime sponsors, States and local governments, all of the political units involved.

I don't think it had ever been done before in history. It was a very delicate proposition. It included, as you know, vocational schools which had a constituency of their own, it involved all of the employment services which have powerful political positions of their own, and none of them were perfectly happy.

We put together something that I don't think can be put together again quickly. And if it can, it will take another year. If I am going to work on it another year, I am not going to do it unless I know when we get done we have a chance to make the case for it to the President.

I hope we are not put in an embarrassing position saying we are going to hand over \$2 billion because I don't think that would work.

This last bill would have required all the concerned groups right at the local level—mayors, vocational schools, the CAP's and the school system, manpower people, employment services—to get together at the local level, the way it should be done, and write up a manpower plan. It says this is the manpower plan that will do the most good for our community in this community. They are required to sit down and all elements have to be involved.

They are required to review it annually. It is required to be submitted to the Governor so the Governor can comment on it. It is required to pass the muster of the Secretary who can reject it. That puts the responsibility at the local level to come up with something. And it gives the authority to the Secretary to say that is a bad plan which I think he needs to have.

Now, if that were instituted and went on for 2, 3 or 4 years, the local governments will develop an expertise and an experience in a

practical way. If at that stage we are going to say all right, no strings attached, here is the money, run your own show, it might make sense. But to do it before they have developed the critical mass of expertise at the local level would be a big mistake.

Maybe that is not what the President is going to propose.

Secretary HODGSON. There certainly will not be the many constraints which you have described the series of steps and measures and clearances and approvals that are characteristic of the current arrangement. And I sense here that if you really feel less strongly about making significant changes, then perhaps we do have a distinct difference of opinion, because we want to increase substantially local responsibility and local flexibility. This will be done within a well-defined concept of manpower, so that State and local efforts must meet manpower purposes. But within that financial local and State governments will respond to their own needs.

I think there may be a difference in judgment between us as to what are the capabilities of the localities in regard to their capacity to undertake this type of program activity. We have a feeling that they have that kind of capacity. They have the knowledge of the local needs, and they have a capacity for responding to them. That is where we are going to place the primary responsibility.

We will, of course, retain a certain amount of funds at the Federal level for national initiatives, for exploratory and experimental activities, and that kind of program which is complementary to local efforts. But as far as the spending of money that we actually turn over to the States and cities, there will be broad latitude for them to do that on their own, and there will be latitude to use it for public service employment.

Senator NELSON. Well, I suppose it is not very fruitful to get into the details of a proposal that I haven't seen yet.

Secretary HODGSON. No; it is not final yet. I agree.

Senator NELSON. There is no way that I can think of that you could have more flexibility at the local level than in the manpower bill we passed, except that we did reserve the right to the Secretary to approve or disapprove a manpower plan.

The purpose of that was to protect the Federal dollar against what may very clearly be a ridiculous useless manpower plan. That is all that was for. But the total responsibility in the bill, total responsibility for developing the manpower plan was totally within the local prime sponsor.

Nothing would come to them from the Secretary. Nothing would come from the Congress. They would just set down and work up their own plan. So I don't see how you could have it more flexible unless you are going to say there will be no control, even if they come up with a very bad plan.

The expertise is there, on the local level, but the experience is not. I think the concept of requiring them to involve everybody who has some responsibility in the field—from vocational school to employment service to mayor to the CAPs, to all groups—is something that just ought to be automatic. We guaranteed it in the bill.

Sure, the time will come when you can drop all of that too, because in the long pull I agree with what I take to be your position, that the

local units of Government, and the people at the local level can better discover, evaluate and solve their problems than we can here from Washington.

Even though we have got some lousy State governments and lousy city governments and lousy county governments, in the long pull that is better than leaving it up to the Federal Government to try to manage something that they are incompetent to manage in the first place, just because of distance, size and all of the rest.

So I agree with that. But I wanted you to understand that it is very hard to ask this committee to do another year's work and then get vetoed.

Secretary HODGSON. I believe we did respond. I will try to verify this and submit the letter for the record.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D. C. 20503

January 2, 1971

Honorable Gaylord Nelson  
Chairman, Senate Subcommittee on  
Employment, Manpower and Poverty  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Thank you for your letter in support of the Employment and Manpower Act. The positive features of the bill, which you describe, were carefully weighed against the undesirable ones, and the views of many concerned agencies and organizations, including the Department of Labor, were considered before the final decision was made.

It is true that some of the objectives of the President's manpower message would have been met by this bill: it would have consolidated major programs in the Department of Labor, and it would have decentralized administration to States and local communities. But these accomplishments were not accompanied by other basic reforms which are so necessary, such as the decategorization of program authorities. Moreover, the bill included public service employment provisions which would not have ensured that persons enrolled in such programs were provided adequate opportunities to move into unsubsidized employment.

I can understand the difficulties that will be encountered in considering a new manpower proposal next year, even building on the hearings and other work of the last year. However, I know you agree that there is an urgent need for manpower reform, and reconsideration of the kinds of proposals made by the President. I would hope that the Congress will be able to reconcile the problems on the legislative side with the serious manpower problems of the country.

Sincerely yours,

(Signed) George P. Shultz

Director

Secretary HODGSON. With regard to your comments about continued Federal approval, the fact of Federal control too often significantly conditions and also slows down whatever actions are necessary at the local level. We must begin speeding up and tailoring the Federal support as best we can (to respond to how the cities and States feel it should be tailored for their own local needs. That is the triumph of this new special revenue sharing concept.

There are unquestionably going to be mistakes made, but they will be made locally, and not on a nationwide basis. State and local governments will learn. People can learn from each other's mistakes.

Manpower programs in this Nation are relatively new overall, at the Federal, State, and local level. We have all been learning together. There is not that much concentrated expertise in any one place. There is some experience to build on. There is experience in the Federal Government to build on. But it is not all in one place.

Senator NELSON. Let me ask you something about the public service side. As you know, we drafted this Emergency Employment Act based upon the proposal developed by the administration and Senator Javits. Here is what the mayors put to us. We desperately need employees to perform necessary jobs—not WPA make-work-type jobs, which I never considered them to be. There were many nice hospitals and schools and projects built by the WPA, so I hate to see anybody run it down. But the cities have desperately needed slots that are not being filled.

The mayors have laid off people. They say we need them right now, we need the public services performed. And we had a serious internal employment problem within the city. It has some explosiveness in it that I needn't describe to you or anybody here. You are more aware of it perhaps than I am. So they say we desperately need it now and we can place these people in the constructive public service jobs right now. And the manpower bill, whatever the President proposes, you and I know no matter how hard we work, and I will put in all of the work that is necessary, we are still talking about a year before we get a bill passed and signed by the President.

You are talking about a good many months after that before the program really gets implemented, before the checks are written to send back to the municipalities, however you do it. In the meantime they have critical unemployment problems and they are in testifying before us desperately asking for this emergency bill now.

Don't you think that under those circumstances, for temporary purposes, that this is a sound measure? You expressed a concern that what is temporary might become permanent. Well, the Congress would have to renew the authorization for it to become permanent. If we have another plan of action that is acceptable Congress is not going to do that.

I might point out, too, that several times the administration spokesmen have said to me we are worried about these things becoming permanent.

In 1939, in a country with a little more than half the number of people we have now, we had 4 million people in public service jobs, 4 million. It did a great thing for the country. But that is 4 million. We are only asking for 150,000 in a country with some 80 million more people.

Those jobs did not become permanent. They performed a very important function. That is what the mayors are saying to us.

Secretary HODGSON. The mayors have a real problem all right. But I would think, Senator, even this bill, S. 31, will take some time to go through the congressional machinery. This is not something that will happen in the next 5 minutes.

The administration's manpower bill that will be submitted will have so many features and measures building upon what has gone before, it doesn't seem to us that it could take all of the time that you had to take before to go through, as you say, the vast balancing mechanisms or problems that you had to resolve there.

So we are not nearly as pessimistic about the amount of time required for the legislation process. We think that both S. 31 will take some time and the administration's bill should take some time. Therefore, why not put our time and energies on the latter. That is about our approach to the problem of the possibly limited amount of time available for manpower legislation.

Senator NELSON. Senator Javits has some questions and I have a call from the majority leader. Would you take over, Senator Javits.

Senator JAVITS (presiding pro tempore). Mr. Secretary, as I see it now, you are facing us with a question of concept. The trigger concept in Senator Nelson's and my proposal of course answers a good deal of what was worrying the administration about permanent public service employment. But, if you pass this money on to the States and cities they can put in the very kind of a public service employment program that the administration said it did not want including what it called the dead end program. They are not going to be stopped from doing it.

The real difference is therefore, shall we get something which will be immediately available and what the mayors testify is a great emergency, and we feel is a serious emergency, especially in view of the unemployment situation, or shall we wait until some aspect of special revenue sharing gets passed? Could you tell us, Mr. Secretary, whether, if we pass a bill very much like the one which is before us, the President will again veto it?

Secretary HODGSON. I would think there are strong possibilities that he would.

Senator JAVITS. Is that based on any time estimate by the administration as to when they can produce with the cooperation of the Congress a special revenue-sharing measure which will fill this gap?

Secretary HODGSON. It is based, as you say, on a concept of a two-pronged approach to the current economic situation. First, the utilization of Government devices to produce expansion of the economy, which will be the major force to reduce unemployment in the Nation. As the Senator pointed out, it is a very modest number of jobs we are talking about under S. 31. We must do more than just provide jobs for a modest number. And we must do it where the jobs are—namely—in the private sector. So that is the basic area we plan to emphasize. And it is the reason for the President's new expansionary budget and his other expansionary measures. That, then, is one part of the picture.

The other part of the picture would be the congressionally enacted measures in revenue sharing, coupled with some handling of our existing manpower programs in the interim until new programs are effec-

tive. We would hope those would become effective very soon. But, in the meantime, we are increasing our manpower budget, and we are spending some of that money in areas that are related to public employment, with which you are familiar, including programs such as public service careers, neighborhood youth corps, and Operation Mainstream.

However, of primary concern to us at this time is assuring that no piece of temporary—what I have described here as piecemeal—legislation delays, or gets in the way of, or provides an opportunity for deferring consideration of revenue sharing. More particularly the special revenue sharing manpower bill must not be delayed. We would hope that it could go forward rather rapidly, building on our experience in previous legislative efforts.

Senator JAVITS. It is a fact, is it not, that the program which you would submit to the Congress would not prevent any State, city or county from putting into effect a public service employment program which would be contrary to the very point the administration has made here, that such employment should only be transitory?

Secretary HODGSON. Transitional employment would be, as currently conceived, an authorized use of funds under the special revenue-sharing proposal.

Senator JAVITS. It would be transitional. In other words, are we to anticipate that it could be conditioned upon its being transitional, or will the localities be free to do whatever they please?

Secretary HODGSON. Well, I am a little bit at a loss to be able to respond specifically as to just how we will accomplish this. It may be accomplished, Senator, through definition of what constitutes a manpower program. But in any event, there will be some way of accomplishing that objective.

Senator JAVITS. Now, in view of the fact that the administration itself has been responsible for this 4½ percent trigger, don't you think that there is certainly an obligation on the part of the administration to tell us why, if we now give them employment with their own trigger, they reject it?

Secretary HODGSON. Well, the trigger is not the reason for rejecting it, sir. The trigger, as you say, was something the administration originally proposed. We think the trigger is a useful mechanism. We used it in the Unemployment Insurance Act. And no doubt in the upcoming piece of manpower legislation we will incorporate the trigger concept again. So we are not rejecting that concept as such.

Senator JAVITS. But the concept of the trigger, Mr. Secretary, was based on the fact that when you exceeded 4½ percent unemployment for 3 consecutive months you were in some kind of emergency, some kind of trouble. And we are giving you an emergency measure. Your measure is going to take time, without any question. I do not see how it can possibly be consummated even in this particular session of the 92d Congress perhaps.

Why isn't that a proper argument? You say 4½ percent unemployment or more is so serious as to require special attention. We now have 6 percent unemployment. We offer you some thousands of jobs to try to break that somewhat, and you say no, we are sorry, we would rather take a nice long time and do special revenue sharing.

Secretary HODGSON. Well, it looks like it might be a conflict, but it is not, Senator. First of all, the original trigger was not for the purpose of producing solely public employment jobs; it was for any kind of manpower activities, training, market service activities, and other provisions. Second, we are accomplishing the same thing with our next budget by increasing it by 10 percent. It is not in the trigger form because we do not have manpower legislation for it; it is done by appropriation. There is an increase of 10 percent. So we are really accomplishing the same thing, and going along with the basic idea.

Senator JAVITS. Well, from the appearance of the summer youth jobs, which is one of the things you referred to you are going to try to make last year's money fit only by reducing the number of hours worked, et cetera. Isn't it true that the 10 percent, that inflation has eaten that up already? Incidentally, we have just released today a letter we sent the Vice President and 12 Senators, including Senator Nelson, pointing out that now is the time to increase that program.

Mr. LOVELL. Of course there is some effect on inflation, Senator. The appropriation estimate for fiscal 1972 is for about \$200 million more than in fiscal year 1971. So that is more than a 10-percent increase actually, because we are at \$1.6 billion now. A 10-percent increase would be \$160 million. We are going to about \$200 million. So I think it is a real increase.

Senator JAVITS. The total amount of the increase in manpower training opportunities is \$49,600. Is that right?

Mr. LOVELL. The total number of jobs?

Senator JAVITS. According to the figures we got from you the slots are increased from a million forty-four thousand to a million ninety-four thousand.

Mr. LOVELL. Senator, I believe the slots are increased by about 60,000 to 65,000 for this summer.

Senator JAVITS. That is not very appreciable, especially as you are 25 percent over the trigger.

Mr. LOVELL. I think when you look at the total number of slots from year to year you have to be careful not to compare apples and oranges. The slots are very different in nature. We are concentrating more money in programs such as Operation Mainstream and in the STEP program, which are in effect job creation efforts. We have committed probably \$100 million to those two programs in this fiscal year, and depending on economic conditions, we will try to be sensitive to job creation in fiscal 1972. We program as it is needed.

Senator JAVITS. Mr. Secretary, what would you say if we wrote into this legislation a provision that it may be superseded at any time by this special revenue-sharing measure or some diminution on the local level to manpower training programs when and if they are financed by special revenue sharing? Then we could act immediately on this public service employment, but it would phase out immediately if we did what the administration wants to recommend. Of course we could write that in the bill when it came up. In other words, there is nothing inconsistent between the two. Right now there is nothing along this line that is appreciable.

So we say OK, give us something and we will phase it out as soon as we do something else.

Secretary HODGSON. I wish you would take a look at our bill first before we start using this as an interim measure. We are seriously concerned that the Emergency Employment Act or any other interim measure would have the effect of making less vital, less important, less urgent, the enactment of our manpower bill, which we will have before you shortly. From your standpoint, that may seem like it is not as sensitive a position as we might possibly take. But it is most important to us, and we simply do not want to do anything to detract attention from these major proposals, particularly from the manpower revenue-sharing reform proposal that we will be putting forward.

Senator JAVITS. I am just looking here at the testimony of Secretary Shultz given in 1969 before this subcommittee, which emphasized at that time the importance of this trigger, and that unemployment would be serious, really serious, if you got over 4½ percent. But I gather from what you say that you do not feel quite that strongly about it, or the Department does not right now.

Secretary HODGSON. No, the effect of the trigger would be to make 10 percent more money available. We are not only by action outside of the manpower bill proposing a 10-percent increase, we are proposing more than this. We are not only proposing \$160 million, we are proposing close to \$200 million more. So we are accomplishing the objective of the trigger. If there was a manpower bill in effect to do it that way, that would be fine. There is not, so we are going to do it another way, that is all.

Senator JAVITS. You do not need any other legislative authority for this increase?

Secretary HODGSON. The \$200 million we are proposing is in our regular appropriations request.

Senator JAVITS. The plea we are making to you, is to increase the summer jobs—to take account of the existing situation both in terms of the hours worked and in terms of the additional number of slots which the mayors and we feel are so urgently needed by \$144 million. Now, is that going to be taken into account when you submit your special revenue sharing bill?

Secretary HODGSON. Well, since this is something that concerns you and have talked to the mayors about bringing to our attention, we will take a careful look at such a request Senator. But we have not seen it yet. As you say, you just sent it down. I have no indication of what is in it.

Senator JAVITS. Without fencing around, Mr. Secretary, what you are really asking us to do is to take a look at your bill, which you promise us within 2 weeks, and see if what we should not do is get off this track and get on that track.

Secretary HODGSON. Exactly, and quickly.

Senator JAVITS. And is it fair to say that you are giving us also a correlative commitment that if we do that you will, if your bill drags, give just as responsible and serious consideration to our approach? I just have the deep concern, Mr. Secretary, that this business of special revenue sharing is going to take real time and that this first installment is not going to be considered as a specialized application for manpower, but is going to be considered the issue, the bone of contention; it is the first one and the fight will be staged around that,

and it is going to take months. I hesitate to say this, but I am very concerned whether we can even get it out this session.

Secretary HODGSON. Well, Senator, in your usual deft way you have outlined a program or a concept that has the smell of sweet reasonableness. We are so passionately committed to the need for our concept and for what is behind it that we want to pursue it. We are deeply committed not only to the manpower revenue sharing itself, but also manpower as part of a larger macroconcept of effective government in this country.

What we will do if our proposal meets, as you say, more than the objections we anticipate is difficult to say. I will just have to reserve judgment for that time.

Senator JAVITS. Thank you, Mr. Chairman.

Senator NELSON (presiding). On the question of the time schedule, have you considered this problem of delay? I think Senator Javits is correct, it will certainly take a considerable amount of time to conduct hearings in both houses and to pass a bill and get a markup. I think we moved expeditiously and met a very early time schedule by starting in November 1969, and finishing the bill in August last year, something like that.

But we have this other problem, we have the expiration of the OEO authorization in June—the Economic Opportunity Act. Senator Javits has put in an extension of the bill. I will also have one. That is going to have to be heard and acted on before expiration. So your revenue sharing will have to come after that in any event. So in addition to the problem of considering the revenue-sharing proposal, getting it passed, however many months that takes, it will still have to come behind the OEO.

So we are talking here about a temporary public service employment program which will terminate under the authorization in July of 1973 or the last day of June 1973. That is about as soon as we could get any revenue sharing act I suppose into effect anyway.

Secretary HODGSON. We would hope you could get it into effect at the start of next year. In the meantime we are proposing increases in our manpower budget to accommodate for increased needs. That is why I say we have proposed this \$200 million increase.

Senator NELSON. How much?

Secretary HODGSON. \$200 million.

Mr. LOVELL. That is conservative.

Secretary HODGSON. Yes; that will be minimal.

Senator NELSON. I am a little puzzled about that. In the 1971 manpower budget it was \$1,517,462,000. On February 3 the administration submitted its manpower budget request, February 3 this year, and that is \$1,565,326,000. That is just \$50 million above the 1971 budget.

How do you reconcile that?

Secretary HODGSON. I will let the expert on budgetary matters, Mr. Lovell, answer that.

Mr. LOVELL. I am not sure the expert is right. We are proposing \$2 billion for the first full year. Now, for the first half it will be only \$200 million. It will be about one-sixth or one-eighth of the amount, for the first half of the year.

Senator NELSON. You are talking about fiscal 1973?

Mr. LOVELL. No, fiscal 1972.

Senator NELSON. Fiscal 1972—this is the President's budget for fiscal 1972, \$1,565 million.

Mr. LOVELL. Sir, we are assuming in our budget the passage of special revenue sharing.

Secretary HODGSON. With an effective date of January 1, 1972.

Mr. LOVELL. It would go into effect January 1. That is the assumption. In addition to that, you will notice we are expanding the WIN budget by about \$70 million over 1971.

Senator NELSON. The which?

Secretary HODGSON. The WIN (work incentive program) budget, a program that is under the Social Security Act. We are dealing with much the same clientele in training programs under the Social Security Act, MDTA and EOA. The WIN program now has about 109,000 people enrolled. About 70 percent of the people we served under the MDTA and EOA legislation are people that would be served under WIN-type programs after enactment of the President's welfare reform proposals. In terms of manpower programs, we look at them together.

Secretary HODGSON. I have a feeling, Senator, that you are puzzled about some of the figures we are discussing in fragmentary fashion here. If you like, we will put together a more orderly approach to this that we can put in front of you, so you will see the concept we have in mind.

Senator NELSON. I think the committee would appreciate that. You are right, I am confused.

Secretary HODGSON. We haven't done much to eliminate it, I realize.

Senator NELSON. I was a little puzzled about Mr. Lovell's statement about adding to the Mainstream program?

Mr. LOVELL. I said we were putting more money into Mainstream this year taking it from some of the other public service programs, and putting it into Mainstream.

Senator NELSON. Again then, the budget here is confusing because Mainstream did once have \$41 million, last year, fiscal 1971, \$38.8 million. And in your February 3 budget, \$38.8 million. Are you talking about something additional, on top of that?

Mr. LOVELL. It has gone from \$38 million to about \$60 million and that includes the title I-E programs.

Senator NELSON. What is I-E?

Mr. LOVELL. That was added to the Economic Opportunity Act, it is a Mainstream type program.

Senator NELSON. Is this the new career program?

Mr. LOVELL. That is part of it. Part of it has gone into new careers, and part of it has gone into Operation Mainstream.

Secretary HODGSON. If that is the question, title I-E is now just new careers.

Mr. LOVELL. New careers is part of the I-B and I-E programs.

Senator NELSON. You say adding to Mainstream—you are not talking about using Mainstream money for the concentrated employment program?

Mr. LOVELL. No, sir, we are putting more money in Operation Mainstream.

This year there will be about \$60 million in Operation Mainstream.

Senator NELSON. Again we have to wait for the President's proposal, but you aren't anticipating then that you will wipe out all categorical programs that are of that type?

Mr. LOVELL. The sponsors would have their choice of what to do.

Secretary HODGSON. We are anticipating eliminating specific requirements for a number of programs. We would no longer have the requirement that certain programs exist or that they exist in their present form.

It merely changes who shall decide on the continuance of those programs. And it means that cities and States will have that decision to make. That is the concept that we are currently considering. But as I say, we should really wait to talk definitively until the manpower message and the bill comes up.

Senator JAVITS. Would the Senator yield at this point?

Senator NELSON. Yes.

Senator JAVITS. You said something about Mainstream. I have your budget breakdown here, just submitted this morning. It says Operation Mainstream, 1970, \$51 million; 1971, 38.8; 1972, 38.8. I don't see where it is going up.

Mr. LOVELL. What we have done is to reprogram money from the public sector on-the-job training category into Operation Mainstream. Also, as part of this effort, we took \$28 million and used it in States where unemployment was very high in the local areas. We let them choose the kind of manpower effort that they wanted, that they felt was most important.

Secretary HODGSON. This reprogramming that the Assistant Secretary talks about is an effort by the Manpower Administration to keep its activities and its program relevant to the needs of the times. So there has been considerable reprogramming during this last year. And this is just one instance.

Senator JAVITS. But the total sum is the same, 1971, 165.8; 1972, 165.8. So you are taking it out of something else if you say you are putting it in Operation Mainstream, directly or indirectly. The only thing I see here that has shown an increase over 1971 at all is State, county, and local government grants-in-aid.

And that is compensated by the fact you eliminated the STEP program.

Mr. LOVELL. We have just been talking in terms of the kinds of public service programs that we are running currently in 1971.

Senator JAVITS. But it is as broad as it is long. The fact is your overall program is no greater than it was. You have shifted around within it. The fact is we feel the overall program has to be greater with a 6-percent unemployment. Isn't that the real issue between us?

Secretary HODGSON. And evidently you are also proposing that as one of the bases of your proposal in this letter to the Vice President?

Senator JAVITS. Right.

Mr. LOVELL. Yes, I think that is true, Senator. I think you are suggesting more money be spent than the Administration. I think that is true. However, as the Secretary mentioned earlier, let us organize this material and submit it in the record.

Senator JAVITS. Right. No matter how you slice it, you have got to come out with more money or you are not adding to the total stock of jobs.

(The information referred to follows:)

U.S. DEPARTMENT OF LABOR  
OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER  
WASHINGTON, D.C. 20210



**MAR 5 1971**

Honorable Gaylord Nelson  
Chairman, Subcommittee on Employment,  
Manpower and Poverty  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

The Secretary and I appreciate very much the opportunity we had February 23rd to present the Administration's views on S. 31, the Emergency Employment Act of 1971.

During the course of the hearing some confusion arose about the Manpower Administration's FY 1972 budget request. The confusion centered principally on size of the overall training budget and funds available for Operation Mainstream in FY 1972.

During the hearing I stated that an additional \$200 million for manpower programs had been requested in the FY 1972 budget. In effect, this would have an impact equivalent to what might have occurred had the Administration's Manpower Training Act become effective in FY 1972.

One reason for the ensuing confusion is that there are two contexts in which approximately \$200 million could be viewed as being added to the FY 1972 budget for manpower programs.

First, in his budget request the President indicated that the proposed manpower special revenue sharing bill would be allocated \$2 billion for the first full year of operation after January 1, 1972 (its proposed effective date). Enactment would be the occasion for a request for an additional \$217 million for the remainder of FY 1972, as indicated by the following table:

Table I -- FY 1972 Manpower Budget Under Special Revenue Sharing\*  
(in millions of dollars)

Manpower Training Services (EOA - MDTA)	\$1,565	(\$1,565)
Additional Amounts for Revenue Sharing Fiscal Year 1972-half year	217	
(Full Year)		(435)
	<hr/>	
Total, Fiscal Year 1972	\$1,782	
(Total, First Full Year)		(\$2,000)

\*Source: Special Analysis, FY 1972 (p. 136)

Second, even under current legislative authority there will be an increase of almost \$200 million available for DOL-administered manpower training programs in FY 1972 as compared with FY 1971. The Labor Department's basic sources for manpower training program appropriations are the EOA and MDTA (whose programs have been consolidated under the general heading of "Manpower Training Services" in Fiscal Year 1972 budget materials) and Title IV, Part C of the Social Security Act which provides funds for the Work Incentive (WIN) program. Budget and program planning for these two activities are generally carried out in a coordinated manner within the Department of Labor. As the following table demonstrates, the combined increase for these programs in FY 1972 under existing authority totals \$185 million:

Table II -- Manpower Training Services and WIN  
(in millions of dollars)

	Manpower Trng. Services	Work Incentive (WIN Program)	Total Manpower Training Programs
FY 1971	\$1,517	\$60	\$1,577
FY 1972	<u>1,565</u>	<u>197</u>	<u>1,762</u>
Increase	\$ 48	\$137	\$ 185

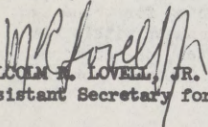
With regard to the increase in funds for Operation Mainstream, I indicated that its program level had risen to approximately \$60 million. The Manpower Administration's budget request indicates that Operation Mainstream would be funded at the same level in FY 1972 as in FY 1971 (i.e., \$38.8 million).

However, in the second half of FY 1971, in response to the requirements of Title I-E of the Economic Opportunity Act (which became effective in FY 70) and as one of a number of adjustments to make manpower programs more responsive to changing economic conditions, we contemplate making available an additional \$10 million for Operation Mainstream projects from the \$126.8 million originally programmed for "Public Sector On-the-Job Training". In addition, \$5.9 million in Operation Mainstream-type projects are funded through the Concentrated Employment Program and are conceptually a part of overall Operation Mainstream activity. Thus, in FY 1971 Operation Mainstream projects should receive about \$54.7 million, if our proposals are approved by the Office of Management and Budget and the Appropriations committees.

If economic conditions warrant such action, we anticipate that in FY 1972 through similar adjustments in funding levels we shall be able to continue to support Operation Mainstream at approximately that level.

I hope that this information will clarify our discussion of last Tuesday on these points.

Sincerely,

  
MALCOLM H. LOVELL, JR.  
Assistant Secretary for Manpower

U.S. DEPARTMENT OF LABOR  
 OFFICE OF THE ASSISTANT SECRETARY FOR MANPOWER  
 WASHINGTON, D.C. 20210



MAR 5 1971

Honorable Jacob K. Javits  
 United States Senate  
 Washington, D. C. 20510

Dear Senator Javits:

The Secretary and I appreciate very much the opportunity we had February 23rd to present the Administration's views on S. 31, the Emergency Employment Act of 1971.

During the course of the hearing some confusion arose about the Manpower Administration's FY 1972 budget request. The confusion centered principally on size of the overall training budget and funds available for Operation Mainstream in FY 1972.

During the hearing I stated that an additional \$200 million for manpower programs had been requested in the FY 1972 budget. In effect, this would have an impact equivalent to what might have occurred had the Administration's Manpower Training Act become effective in FY 1972.

One reason for the ensuing confusion is that there are two contexts in which approximately \$200 million could be viewed as being added to the FY 1972 budget for manpower programs.

First, in his budget request the President indicated that the proposed manpower special revenue sharing bill would be allocated \$2 billion for the first full year of operation after January 1, 1972 (its proposed effective date). Enactment would be the occasion for a request for an additional \$217 million for the remainder of FY 1972, as indicated by the following table:

Table I -- FY 1972 Manpower Budget Under Special Revenue Sharing\*  
 (in millions of dollars)

Manpower Training Services (EOA - MDTA)	\$1,565	( <del>\$1,565</del> )
Additional Amounts for Revenue Sharing		
Fiscal Year 1972-half year	217	
(Full Year)		(435)
Total, Fiscal Year 1972	\$1,782	
(Total, First Full Year)		(\$2,000)

\*Source: Special Analysis, FY 1972 (p. 136)

Second, even under current legislative authority there will be an increase of almost \$200 million available for DOL-administered manpower training programs in FY 1972 as compared with FY 1971. The Labor Department's basic sources for manpower training program appropriations are the EOA and MDTA (whose programs have been consolidated under the general heading of "Manpower Training Services" in Fiscal Year 1972 budget materials) and Title IV, Part C of the Special Security Act which provides funds for the Work Incentive (WIN) program. Budget and program planning for these two activities are generally carried out in a coordinated manner within the Department of Labor. As the following table demonstrates, the combined increase for these programs in FY 1972 under existing authority totals \$185 million:

Table II:-- Manpower Training Services and WIN  
(in millions of dollars)

	Manpower Trng. Services	Work Incentive (WIN Program)	Total Manpower Training Programs
FY 1971	\$1,517	\$ 60	\$1,577
FY 1972	<u>1,565</u>	<u>197</u>	<u>1,762</u>
Increase:	\$ 48	\$137	\$ 185

With regard to the increase in funds for Operation Mainstream, I indicated that its program level had risen to approximately \$60 million. The Manpower Administration's budget request indicates that Operation Mainstream would be funded at the same level in FY 1972 as in FY 1971 (i.e., \$38.8 million).

However, in the second half of FY 1971, in response to the requirements of Title I-E of the Economic Opportunity Act (which became effective in FY 70) and as one of a number of adjustment to make manpower programs more responsive to changing economic conditions, we contemplate making available an additional \$10 million for Operation Mainstream projects from the \$126.8 million originally programmed for "Public Sector On-the-Job Training". In addition, \$5.9 million in Operation Mainstream-type projects are funded through the Concentrated Employment Program and are conceptually a part of overall Operation Mainstream activity. Thus, in FY 1971 Operation Mainstream projects should receive about \$54.7 million, if our proposals are approved by the Office of Management and Budget and the Appropriations committee.

If economic conditions warrant such action, we anticipate that in FY 1972 through similar adjustments in funding levels we shall be able to continue to support Operation Mainstream at approximately that level.

I hope that this information will clarify our discussion of last Tuesday on these points.

Sincerely,

MALCOLM R. LOVELL, JR.  
Assistant Secretary for Manpower

Senator NELSON. We have a newspaper clipping quoting Mayor John Driggs of Phoenix.

Mayor John Driggs confirmed today that there is no hope of continued Federal funding of Phoenix Operation Mainstream. Phoenix was notified earlier by the Department of Labor that Mainstream would be terminated. Driggs made the report on his return from a meeting of the Legislative Action Committee of the U.S. Conference of Mayors in San Francisco. The city of Phoenix was notified by the Department of Labor that funds for the manpower program would be terminated as of April 1st.

We are getting reports like this from all around the country.

Mr. LOVELL. I would be interested in seeing these reports which you have been receiving from all around the country, Senator.

Senator NELSON. We had testimony last week from Tennessee, I believe it was. They cut way back there.

Mr. LOVELL. I think in this specific case the regional manpower administrator, to whom we give quite a bit of authority in terms of the allocation of resources, transferred funds to some of the rural areas which seemed to be in greater need.

What we have been doing is looking at programs where they have not been utilizing all of their money. Strange as it may seem, there are a number of programs where the sponsors have not been able to get moving, and use the money in such a way that the services are rendered.

We have been deobligating that money. We are taking it away and putting it in areas where we thought it could be used more quickly and more effectively. We have already done that with some \$28 million that had been obligated. Areas were not spending it, they were not using it effectively, and we deobligated it and obligated it elsewhere.

We have that same kind of problem, frankly, in our MDTA institutional programs. We have some money that is not being used. It is tied up, and the training institutions are holding on to it for future use. We are doing everything we can to break loose some of that money, so that it results in people getting services now.

I think that could be the problem.

Senator NELSON. But that doesn't square with Mr. Ingraham's testimony which I don't know whether you read last week, a very able and dedicated man from Monterey, Tenn. This is all rural. He is operator of manpower programs in 12 counties in rural Tennessee—

Last year we lost over 2,000 jobs and gained 500,  
this is in private employment—  
or a net loss of about 1,500. We estimate there must be 15,000 who can't find work in this area.

At the same time we surveyed industry and business and public institutions and asked them if we had an adequate Mainstream fund to pay the cost of wages, how many extra people do you really need. The total figure was 2,371. We have 80 slots, all filled, with 400 active applicants.

During 1968-69, we had \$500,000 earmarked for Mainstream; in 1970 it was cut to \$375,400; in 1971 we have been cut to \$181,380.

Now if you are reallocating, you are reallocating from as poverty stricken and unemployed an area as you can find.

Secretary HODGSON. In fact, Senator, we are not prepared to talk about individual locations around the country and what goes on there and why something happened there.

If there is any place we can help you, or give some reasons for the action that was taken, we will be glad to get it for you. But I certainly am not prepared to justify actions in particular localities of the country today.

All we can give you is the overview. This is what Mr. Lovell was trying to do when he said that what we have been attempting to do during the last year, as economic circumstances have changed, is to make the flow of our available resources meet the economic conditions of the time as best we can.

In doing that, we have moved funds from one program to another, from areas where they weren't being used to areas where they could be used, and this is all part of making our manpower effort meaningful to the needs of the times.

I am sure that for every place we have satisfied with what we have done, there are several that probably are not satisfied, because the needs are great, and a lot of people have a feeling that their needs are beyond what we can supply resources for.

But we will give you data on Mainstream in Tennessee and on any other locations if you want specific observations.

(The information referred to follows:)

## DATA ON OPERATION MAINSTREAM IN TENNESSEE

Mr. Clifford Ingram of the L. B. J. and C. Development Corporation, Monterey, Tennessee, in his testimony before the subcommittee on February 17, 1971, indicated that the Operation Mainstream program was being reduced by the Department of Labor in areas of Tennessee.

The records of the Department of Labor's regional office, which has responsibility for Tennessee, provide the following data for EOA Title I-B Operation Mainstream programs.

Entire State of Tennessee:

<u>Fiscal Year</u>	<u>Enrollment Opportunities</u>	<u>Funds</u>
1969	440	\$1,588,010
1970	440	1,704,630
1971	490	1,876,520

The Mainstream program in Tennessee is a rural poverty area program. Funds and enrollment opportunities increased in FY 1971. No funds have been reprogrammed from rural Tennessee.

The L. B. J. and C. Development Corporation, Monterey, Tennessee:

<u>Fiscal Year</u>	<u>Enrollment Opportunities</u>	<u>Funds</u>
1969	80	\$321,690
1970	80	312,640
1971	80	306,800

The FY 1971 funds together with unexpended prior year funds permitted continuation of the project without a reduction in services.

Enrollment opportunities in the twelve counties served by the L. B. J. and C. Development Corporation have remained constant although the funds were somewhat reduced.

Upper East Tennessee:

<u>Fiscal Year</u>	<u>Enrollment Opportunities</u>	<u>Funds</u>
1969	81	\$290,740
1970	81	304,930
1971	81	310,620

The Upper East Tennessee Mainstream project was originally a component of a CEP. It was separated from the CEP but continues to operate without any reduction in authorized enrollment or funds.

In addition to the Title I-B program, 375 Operation Mainstream enrollments were funded under Title I-E in both fiscal years 1970 and 1971 in Tennessee. Less money was provided for these enrollments in FY 1971 (\$525,600) than in FY 1970 (\$712,500) because of the availability within the projects of unused 1970 funds at the time of the FY 1971 re-funding. The counties served by the Title I-E program did not include those of Upper East Tennessee or those served by the L. B. J. and C. Development Corporation.

Senator NELSON. Well, I do not expect you to carry this around in your head, but if you would provide the answer, we would appreciate it. Here is a case of high unemployment. I understood Mr. Lovell's statement to be we were taking money from where they were not using it, surplus, could not use it, which is fine if they cannot. But this certainly is not a case like that. And I know of other cases very similar to this. We would be glad to have a response to it. But do I take it that it is the administration's position there will not be any of the experimental programs of this kind under the new manpower program?

Secretary HODGSON. No, under the new Manpower bill, there will be retained a certain amount of money at the Federal level for various kinds of limited activity. We are putting in shape now the kinds of these activities and the level of funding. But there will be some opportunity for national initiative programs.

Senator NELSON. I am sure you appreciate that Mainstream is not a national program in the sense that it is being operated equally around the country. It is only being used in a few places. And the concept of the bill was, since I drafted it, I think I can speak about the concept, was that you would give an opportunity for employment to chronically unemployed, needy citizens.

Well, I think it remains uncontradicted that it has been the one program in the whole poverty field that has yet to receive its first criticism that I know of. It was the one project that State and local officials such as Governor Faubus would fly up to testify that it was a great program and he wanted it continued. At the time, we were having difficulty getting support from conservatives for manpower programs. It has been run as the President likes to see things run—at the local level.

I drafted the legislation 6 years ago and insisted it be administered by the local counties, towns, villages, cities, and local organizations, and it has been remarkably successful. It has taken people who otherwise would be on relief and put them into work projects which have been very successful all over the country. If you go into any Mainstream area in America—I have been in several—that is the one program that people at the local level say is great, it is the one program that does something in terms of income maintenance for elder citizens.

I would hate to think that it was the concept of the administration that they were going to dispose of it. You say you will give the money to the local government and let them decide. That really will not work. Some of these Mainstream programs extend over a 23-county area. And they are not quite the same, they are not a major manpower program. It is just quite a different animal. But we have learned a lot from it. The fact of the matter is I look forward myself to someday when the Federal Government will fund this kind of a program, nationwide in very single State. Among the many tragedies of our country, the poor, deprived, those who have not had an opportunity for education, high unemployment among all groups, one of the greatest tragedies we have not paid much attention to is the elder citizen who cannot get a job, who wants to work and can work.

And we have people in the program as old as 81 years of age; I think we have one 85 that I know of in my State. And I watched him work. And they only need to get in enough work each year for a few hundred dollars, which is good for their health, and which keeps them

from going onto relief, and which gives them the feeling, correctly, that they are useful, contributing citizens in their community. And I think we cannot go on forever ignoring the elder citizen who is not seeking a full-time job, but who is trying to live on modest retirement, who for his own mental health, physical health, needs something to do and the community needs his contribution. And I think the program ought to be expanded dramatically.

As a matter of fact, it has been supported by every manpower expert that I know of. So I would hate to see a bill come that aims at eliminating all of these kinds of programs. I will right off the bat oppose that.

Secretary HODGSON. As you point out, Senator, it is a popular program in the localities where it exists. But, under our manpower bill, I think the locally popular program is the one that will be locally continued. And probably the concept will be expanded if special revenue sharing goes into effect, because the programs that prove out locally are the ones the local people will emphasize. So it may be that local acceptance of this program and concern for this group of workers will actually work to the advantage of this group and to this kind of program under the revenue sharing.

Senator NELSON. Well, I guess I better not ask more questions about a bill I have not seen yet. We will await it to see it. I just think personally no matter how hard we work at it you are being very optimistic about the deadline for passage.

Secretary HODGSON. I will join with you to work on it.

Senator NELSON. Considering that we have the OEO legislation to go through ahead of it. That is why I feel that a temporary public service employment, authorized until July 1973, would be a very useful approach and most helpful to the areas of the most intense unemployment for which we have no other substitute program at this stage. And in many ways I think you can say that it does not cost any money, because it is all coming from the taxpayers. If they are not working, they are on relief. And why not give them the dignity and give the cities the benefit of their services for this period of time while we are gearing up to change the whole Manpower concept? That is my feeling about it. Maybe I cannot get it passed, but I want you to know I will work hard on it. You will probably be working just as hard on the other end.

Well, thank you very much, Mr. Secretary.

Secretary HODGSON. Thank you.

(The following information was subsequently supplied for the record.)

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

MAR - 9 1971

Honorable Gaylord Nelson  
Chairman, Subcommittee on Employment  
Manpower and Poverty  
Committee on Labor and Public Welfare  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request for my views on S. 31, a bill entitled the "Emergency Employment Act of 1971." This bill would provide for a public service employment program, triggered by a national unemployment rate of 4.5 percent, existing over a consecutive three month period. Upon a determination by the Secretary of Labor that this had occurred, the Secretary would be authorized to make funds available for public service employment programs conducted by States, cities and other local governmental units, and public and private nonprofit agencies or institutions.

The bill authorizes the appropriation of enough funds to make \$500 million available when the 4.5 percent level is reached; and to make \$100 million available for each one-half percent increment over that level. The maximum funds available would be \$250 million above the initial \$500 million level during the first year after enactment, and \$500 million over the initial level in subsequent years.

The purpose of the bill is to combat the present high unemployment rates and to provide, at the same time, for the conduct of necessary and desirable governmental services. I agree with these aims, but I believe the programs proposed by President Nixon stand a greater chance to fulfill them than does S. 31.

As you will recall, I discussed the President's proposals in some detail when I appeared before your Subcommittee on February 23, 1971. Without going over the same ground again, I would like to

emphasize exactly what these programs are. Specifically, the President has proposed:

- (1) a full employment budget of \$229 billion in Federal expenditures;
- (2) a general revenue sharing measure which in its first full year of operation would provide \$5 billion in unrestricted funds to State and local governments. Funds which may, among other things, be used to provide new jobs for the unemployed and an expansion of needed public services;
- (3) a welfare reform measure which will assure all families a basic level of support and will provide a significant public service employment program, authorizing 200,000 public service opportunities during its first year in operation; and
- (4) a manpower revenue sharing proposal making \$2 billion available in its first full year of operation -- one-third higher than current levels -- and providing State and local governments with the broadest discretion in using manpower funds for training and employment activities, including public service employment.

These programs will provide an important stimulus to the economy, but, more importantly, will open up significant employment opportunities for persons who might not otherwise have had such a chance. They will, in addition, tie public service employment to manpower training, enabling those persons who participate to obtain the help and experience necessary to become competitive in the job market.

The difficulty with S. 31 is that it merely provides another categorical addition to existing manpower programs, severely limiting the flexibility necessary to deal with various types of situations. Therefore, I cannot support it. I would hope that instead of dealing with piecemeal legislation we could move quickly towards the permanent, long-range reforms the President has proposed; reforms which will provide opportunity for persons who cannot otherwise obtain employment and make government operate more efficiently and more effectively for the people as a whole.

The Office of Management and Budget advises that enactment of S. 31 would not be in accord with the program of the President.

Sincerely,

/s/ J D Hodgson

Secretary of Labor

The first part of the report is devoted to a general survey of the situation in the country. It is followed by a detailed account of the events of the past few years, and a discussion of the causes of the present state of affairs. The author then proceeds to a consideration of the various proposals for reform, and finally to a summary of his own views on the subject.

The author's analysis is based on a thorough study of the historical and social conditions of the country. He points out the influence of the foreign powers, and the effect of the internal divisions of the population. He also discusses the economic and political changes that have taken place since the beginning of the century.

The author's proposals for reform are based on a sound knowledge of the country's needs and resources. He advocates a system of free trade, and a government that is responsive to the interests of the people. He also suggests various measures for improving the education and health of the population.

The author's views are based on a deep understanding of the country's history and culture. He believes that the only way to achieve progress is through a system of free trade and a government that is responsive to the interests of the people. He also suggests various measures for improving the education and health of the population.

# EMERGENCY EMPLOYMENT ACT OF 1971

WEDNESDAY, FEBRUARY 24, 1971

U.S. SENATE,  
SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY  
OF THE COMMITTEE OF LABOR AND PUBLIC WELFARE,  
*Washington, D.C.*

The subcommittee met at 10:15 a.m., pursuant to recess, in room 4200, New Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson and Schweiker.

Committee staff members present: William R. Bechtel, subcommittee staff director; Richard Johnson, subcommittee counsel; William Spring, professional staff member; and John Scales, minority counsel.

Senator NELSON. The Subcommittee on Manpower, Employment, and Poverty will continue its hearings on S. 31, Emergency Employment Act of 1971.

We are privileged to have with us this morning Congressman Louis Stokes of Ohio and Congressman Ron Dellums of California.

I understand, Congressman Stokes, you have a formal statement to open with.

## STATEMENTS OF HON. LOUIS STOKES OF OHIO, HON. RON DELLUMS OF CALIFORNIA, AND HON. PARREN MITCHELL OF MARYLAND, REPRESENTATIVES IN CONGRESS OF THE UNITED STATES

Mr. STOKES. Yes, we have, Mr. Chairman.

Senator NELSON. Is it a joint statement of the two of you?

Mr. STOKES. I appear here this morning as spokesman for the "Black Congressional Caucus" of the other body, and accompanying me of course is Mr. Ronald Dellums, Member of Congress from the State of California, also a member of that caucus, who will make additional remarks.

Senator NELSON. And the remarks you are making are on behalf of the caucus?

Mr. STOKES. That is correct.

Senator NELSON. Congressman, your statement will be printed in full in the record. You may present it however you desire. If you wish to depart from it to make any additions, feel free to do so. Congressman Dellums, feel free to make any additions you desire as we go along.

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

Mr. Chairman, members of the subcommittee, we appreciate the opportunity to come before you to share our collective thoughts on a situation which is of critical importance to our constituents, our cities, and our Nation. We speak, of course, of unemployment.

There is no problem that is more damaging and of more urgent concern than joblessness. It cuts across all other social ills. Without dignified and rewarding employment our people have neither the will to confront other domestic issues nor the means to overcome them. In each of our central city areas it is reducing our tax base, curtailing retail markets, increasing the already overwhelming welfare costs, and driving more skilled workers to the suburbs.

Yet these crippling external effects of joblessness will probably bring less permanent harm to our cities than the cumulative psychological impact it has on the people who reside there. Specifically, it fertilizes the popular theory that the city stands as a dying, anachronistic phenomenon, destined to live out its last few decades in poverty, hopelessness, and despair. It thus cuts deeply into the heart of that sense of community spirit and responsibility which must form the basis for future civic improvements.

Few who have bothered to analyze the situation will deny either the scope or the gravity of the current employment crisis. National unemployment is now above 6 percent. But a recent Department of Labor study of employment patterns for the final quarter of 1970 clearly indicates that this national figure, upsetting though it may be, is much lower than those for the communities which we represent.

While national joblessness during that period averaged 5.4 percent, the level for urban poverty neighborhoods was 8.5 percent. As usual, blacks and other minorities fared the worst, experiencing a 10.3-percent rate. For the 16-19-year-old black males, a group containing many of the most embittered and angry members of our society, the figure was an incredible 42.2 percent, up over 50 percent from the comparable 1969 rate.

Jobless numbers from our own congressional districts and for black service veterans are equally enraging.

Senator NELSON. May I ask a question at that point? In the age group, 16 to 19, what percentage of those are out of school? Are some of them in school?

Mr. STOKES. The figure which I have just quoted to you, Mr. Chairman, was taken from the Department of Labor—Bureau of the Department of Labor Statistics. Those figures did not indicate whether they were in or out of school. We do have that—

Senator NELSON. My staff advises me that by definition they have to be out of school and looking for work to be included in the Labor Department statistics.

Mr. STOKES. Very good. Thank you.

In Detroit the unemployment rate for several inner-city neighborhoods is put at 25 percent. Similar areas in Cleveland are estimated at 20 percent; sectors of Baltimore at close to 40 percent. These are only examples. Similarly gruesome figures could be quoted for other cities. They differ only in degree.

Black veterans returning from the war in Vietnam have also become victims of the joblessness/discrimination spiral. The unemployment rate for all returning veterans is a sad 6.7 percent, for white returnees, 6.2 percent. But if you are a typical black veteran without a high school diploma you leave the country's service facing almost a 1 in 5 chance, 18.5 percent, that you will not find work opportunity.

There can be little doubt that these statistics reflect a desperate need for a job creation program of some nature. Before reaching our analysis of the specific measure in question, however, we wish to add a few comments on the figures we have just related.

Initially we would remind the committee that grim as the unemployment statistics may be, they probably indicate a much lower unemployment rate than actually exists. Definitional changes by the Bureau of Labor Statistics over the past few years, especially one counting manpower training program enrollees as employed, have added at least 1 million persons to the paper work force that may not be a part of the real work force.

Also, the jobless totals do not show the hundreds of thousands of persons who have lost all hope of every getting a job, and thus have slipped out of the Bureau's definition of unemployed. If anyone doubts that such a large group exists, we are here to confirm that it does. A large number of these economic pariahs are black, and many live in the areas we represent.

Also there are million of other blacks and other minorities who have jobs and are therefore classified as employed, but who nevertheless remain at the foot of the economic ladder. For example, an October 1969 Department of Labor reported showed one-fifth of the employed adults in New York City poverty areas working as semiskilled operatives, laborers, or domestics.

Senator NELSON. Do you mean one-fifth? Your paper says three-fifths.

Mr. STOKES. I am sorry.

It is three-fifths. I am sorry, Mr. Chairman.

Since many of these jobs are not protected by minimum wage, this meant many of these families were earning less than \$65 per week. A June 1970 survey in Detroit found similar results, with 25 percent of all inner-city families grossing under \$3,500 per year.

We would further point out to the committee that the alarming 6.2 percent national unemployment average is nothing new to black communities across the country. In 1967 when the national rate was at the full employment figure of 3.2 percent, the rate for black males was still 9.3 percent. Indeed a 6.2-percent unemployment average would be a cause for celebration in most of the communities we represent. With jobs, as with drugs, no problem existed in the eyes of white America until the miseries of the ghetto began creeping upon their own communities. Now the situation is alarming. It has always been alarming for us.

Turning now to the legislation in question, the black congressional caucus unanimously believes that a Federal emergency public service employment program can play a role in eradicating some of the glaring social and economic ills which we have just discussed. We recognize that the assistance local communities could glean from such a program would be limited. At best, it can provide only about 150,000 jobs. A larger, permanent, more comprehensive program must follow. Nevertheless, we feel that it is a necessary first step to the economic rebirth of our central cities.

Hopefully we have demonstrated the need for such a program in the labor market, particularly in the minority labor market. That

need is equaled by the needs presently being felt for manpower by the municipal governments in the cities we represent. This desperate situation was well articulated to the committee by the distinguished mayors of 16 major cities in their testimony on February 8.

Our local governments must find added resources if they are to continue to perform the essential services they have traditionally provided to urban residents. Let there be no mistake—the jobs which are needed by these governments are the very antithesis of the make-work variety which President implied they would be when vetoing the Manpower Act of 1970. The city of Detroit, for example, was forced to lay off more than 600 city employees during the past year, and now has 2,600 vacancies at city hall. There is no money to fill them. Similarly, in Cleveland, Mayor Carl B. Stokes has had to drop more than 1,000 employees from his payroll in the past 3 months, with no bottom in sight.

A survey of Mayor Stokes' cabinet last week reveals what this has done to municipal services in Cleveland. Department heads were asked how many men they would need tomorrow to restore their services to an acceptable level. The answers were: Community development, 25; recreation, 600; port authority, 20; public safety, 200; utilities, 50; service, 200; and human resources, 25. There are 1,120 jobs in just one city government which must be filled before that government can even begin to think of expanding existing services.

And the need is not limited to urban centers in the North and West. In the South the new political awareness of blacks made possible by the Voting Rights Act of 1965 has brought black chief officials to many small communities in that sector of our country. They too share the woes of fiscal desperation. The plight of Mayor Charles Evers in Fayette, Miss., is well known to all of us, and his experiences are only an example of scores of similar communities. Nor are the problems isolated in municipalities with black leadership. The recent decision by the U.S. Fifth Circuit Court of Appeals requiring equalization of municipal services will force white southern city officials to either add new services in black neighborhoods or cut back services in white neighborhoods. For most of these officials the former choice is an economic impossibility, the latter a political impossibility. They also will need outside economic assistance.

Now in view of this deep nationwide need for both jobs and services, we find the administration's negative position on public service employment both cruel and perplexing. In December the President vetoed the Manpower Act because of the public service section, then in January he announced that revenue sharing to save State and local governments from fiscal disaster was his No. 1 domestic priority. Who, we must ask, is kidding whom? Where does the President think municipal governments are going to spend their Federal windfalls if not for the manpower they do not have to meet the minimal level of city services?

This bill is revenue sharing, and revenue sharing of the most gravely needed kind. We can only hope that the President will recognize this simple fact when he has the opportunity to pass on this current measure.

We were a little disappointed in reading this morning that the testimony of the President's representative before this committee yesterday indicated that he opposes this particular bill.

Before closing, we do have three amendments to S. 31 which we feel will be necessary to insure its proper administration. The first involves the 4.5-percent trigger level. Many economists regard the figure as a reasonable one, marking a rate that is acceptable assuming relatively stable prices and industrial growth. But as the statistics we have offered earlier indicate, the national average fails to reflect the pockets of much higher joblessness in the disadvantaged areas of our urban communities, as well as higher rates among minorities all across the country. Thus we believe that if the goals of this legislation are to be properly achieved, the national average cannot be the sole criterion for triggering its provisions. Accordingly, we would suggest that section 4(b) (1) of the act be amended to read:

... determination, or when for any city, or part of a city, as defined and determined by the Secretary, the unemployment rate equals or exceeds 9 percent. ...

The same qualification should be applied to section 4(c).

The other two suggestions we would offer relate to section 6 of the bill which sets forth the assurances local proposals must offer to qualify for emergency funds. Now we have no quarrel with those requirements that are delineated. We do feel, however, that more assurances need to be written into section 6 if unemployed minorities are to share proportionally in the fruits of this measure.

Specifically, we would propose section 6(b) (15) be strengthened to require the recipient institution to either positively demonstrate a history of nondiscriminatory hiring or to set forth a workable and acceptable affirmative action program, including outreach, which in the Secretary's determination will lead to the elimination of past inequities.

In the same vein we see little reason to except technical, supervisory, and administrative personnel from the requirement that all persons hired under the act be either unemployed or underemployed. We fear this will result in the usual pattern of whites in the better paying positions while minority workers again are relegated to the low-paying, dead end slots. Of course, we realize that occasionally technical and administrative personnel will have to be sought among those already employed. Consequently, we recommend that the provision be amended to read:

... assurances that all persons employed thereunder, including, when possible, necessary technical, supervisory, and administrative personnel, will be selected from unemployed or underemployed persons.

This concludes our testimony. We would be pleased to answer any questions the committee might have.

Thank you.

I yield at this time to my colleague, Mr. Dellums, for additional remarks.

Senator NELSON. Thank you, Congressman.

I think that is a fine statement. The issues you raised, particularly about the trigger, were raised in previous testimony, and I think they are meritorious. The staff is examining that part of the bill

to see if there is some acceptable formula that can be adopted. You may very well have a situation in which some city has catastrophic unemployment rates such as, say, Seattle today, and yet the national rate is under 4½ percent so you do nothing about that problem there. This could be true in any part of the country.

I certainly agree with you that we need to move toward a permanent public service employment program.

The reason we are proceeding with this bill is that this was the one part of the bill—that is, the temporary public service employment part—that the President himself endorsed in the manpower bill that was introduced by Senator Javits of our committee and was in fact part of the administration's Manpower Training Act with a 4½-percent trigger. I would hope we can aim toward a permanent program.

Let me just raise one question to see if either of you have a comment on it. I think the statistics document the grave need for additional employees in the public service sector to perform necessary public service work. Not make work, as you pointed out in your statement.

The thing we haven't addressed ourselves to—and should—is this question. We have taken—the Congress, the President, the Governors—the position that private employers have a moral obligation to seek out and train and offer employment to those who are disadvantaged, either because of lack of training, lack of education or lack of opportunity.

Some employers have done a pretty good job, although the depression in the labor market just about wipes out that effort because there isn't any way for an employer who is laying off employees to start hiring new employees.

The one question we haven't addressed ourselves to is the responsibility of the biggest employer in America, which is the public employer, at the city, State and local level. The public sector employs more people than any other single employer.

While we are saying that the private employer has an obligation to train and afford opportunity to the disadvantaged, we are in fact denying a similar opportunity in the public sector to the disadvantaged all over this country because we have a whole lot of rules about how you qualify. You can be a very talented person, but you may not have had enough training or educational background to pass a civil service test.

It seems to me we have to take, at some stage, a good, hard look at what the biggest employer in America is doing and what obligation the public employer has toward opening up opportunities in the largest single field of employment in this country to those who are disadvantaged.

Do you have any comment to make on that aspect of the problem?

Mr. STOKES. I would like to yield to my colleague, Ron Dellums.

Prior to doing that I would like to introduce another colleague and a member of the black congressional caucus, Congressman Parren Mitchell from the State of Maryland.

At this time I would yield to Mr. Dellums.

Mr. DELLUMS. Mr. Chairman, members of the committee, I would like very much to respond to your question but with your consent I

would like to respond within the framework of the present S. 31. I think section 6 addresses itself to your question and I have some specific recommendations I would like to make and at the same time at least raise other questions about this measure.

Senator NELSON. Go ahead.

Mr. DELLUMS. First of all, I join with my colleagues in the joint statement presented to you by Congressman Stokes. Now, I would like to make an additional response.

One, as a one-time poverty statistic, two, having been a professional in the early days of juvenile delinquency programs, prototype programs funded by Ford Foundation prior to the Economic Opportunity Act, having worked in the early days of the EOA, having been a director of a CEP program, having worked with virtually every CAP west of the Mississippi, having worked in 35 States of the United States with CAP agencies, manpower programs, model cities and for the past 2½ years having worked as a senior consultant in manpower, in those 35 States, I would like to make some programmatic responses to this legislation and also to address the broader question of how this legislation does or does not fit into the whole need for a comprehensive approach to manpower programs.

First of all, according to the information available, this legislation attempts to serve 150,000 people on \$500 million—mathematically this works out to \$3,333 per individual per year—and to suggest that that is not enough in any way to help an individual get himself—

Senator NELSON. \$3,300, you mean.

Mr. DELLUMS. \$3,300, yes. Per individual per year.

First I would like to suggest that that is not enough to help anyone get out of poverty and that the funds are pitched essentially at the minimum wage level. That would mean there would be no funds available for training or manpower services—or for that matter for anything other than at the barest level.

Since the bill itself requires that the minimum wage or prevailing wage—whichever is highest—will be paid to the individual in the program, we cannot assume that in no case will prevailing wage not be higher than minimum wage. Therefore there is not enough money, I would suggest, to pay salaries or any other services.

The sum of \$3,270 per year is the amount one person would earn working at the rate of \$1.60 per hour 40 hours a week for a full year. This is \$60 less than the maximum amount if we use the figure 150,000 for \$500 million.

If the prevailing wage at any point is higher—for example, in rehab and construction—the prevailing wage would be higher than the minimum wage and could not be paid although the bill requires payment of minimum or prevailing wage, whichever is the highest.

Now, if we make the assumption that in the first year there would be a phase-in by the Department of Labor, we have to then assume that after the first year—and that this legislation at some level has to be perceived as continuing legislation on the assumption that high unemployment is going to continue for a while—in the second year, with people being in the full year program, even if they are different, all the slots would be filled.

On that basis, there would be no money to pay for anything except the minimum wage. If there is to be any opportunity for upgrading

it must provide for these costs within the Department for monitoring and evaluation. Funds must also be made available for some effort to break through civil service barriers.

Many things are required under this bill. However, I would suggest there are no provisions for funds for these other requirements to be performed under the act. The 150,000 figure is totally unrealistic and dishonest. Recognizing the tendency of the Department of Labor to take Congress literally, even if we move people in and out on a phase-in basis—whether or not they should be moved in or out—whatever the Department of Labor would do, it certainly will handle 150,000 people.

If we have a commitment to anything other than leaf raking, and even if we have leaf raking in this program, we must have some supervision and we have not provided any money in the bill for administrative costs.

Now I would suggest that \$5,000 per person, paying the individual on an average of \$4,000 per year and allowing at least \$1,000 per individual for training, supervision, support services, is an absolute minimum that should be allowed for this program.

To quickly summarize what I am suggesting is that if you use the 150,000 figure for the \$500 million, your act essentially says that you will pay either minimum wage or prevailing wage, whichever is the highest. I believe you don't have any money to pay anything other than the minimum wage and certainly there are no resources to pay for any additional services if we are committed to upgrading, if we are committed to training, support services, etc.

I think this is an issue that has to be dealt with. My \$5,000 figure, using \$4,000 as an average for the person and a minimum of \$1,000 for administrative support services, training and other upgrading commitments, is an absolute minimum.

Even though our unemployment rate is extremely high, I think the 150,000 figure is unrealistic on its face and has to be adjusted down or more funds must be allocated for the program.

I know there has been some testimony on the triggering mechanism and some have stated that perhaps the triggering mechanism we propose may be a little too complicated. I am not sure. But I would like to give you another alternative for your perusal. I want to deal with the 4½ percent.

I would place it on a regional basis where the unemployment rate for a given region is 0.5 percent or more above the national average, that region would share a portion—I would suggest 25 to 50 percent—of the amount allocated to other regions where unemployment rate is 0.5 or more percent below the national average. The allocation of funds within a region should be allocated strictly on the basis of the percent above or below the national average—same as above.

For example, if a suburban area is 0.5 percent below the national average and the central city is a percent above the national average, then 25 to 50 percent of the funds potentially allocated to the suburban area which has the lower unemployment rate than the national average, would go to the central city with 0.5 more percent above the average.

What I am saying here is that the money must get to where it is most desperately needed. As it is now, the funds are supposed to go

to the areas which have the most serious problems but the bill in no way requires that it be done and decisionmaking is left to the Secretary alone.

Based on the allocation of eligible applicants, it could even mean that funds could go to States and cities with virtually no unemployment. There is no requirement that funds be allocated specifically to States or cities, because public and private nonprofit agencies and institutions are just as eligible.

Now that takes us to a very critical question: the issue of prime sponsorship. We often talk about coordination. We often talk about cooperative coordination. We do have created by Executive order—the cooperative area manpower planning system.

I have seen some horrendous examples of what is called cooperative coordination where a multiplicity of agencies meet and staple together their individual statements of intent for the coming year, and the only coordination is the stapling process itself.

Essentially what we have is each agency protecting its own prerogatives. Each agency does its own outreach, its own intake, its own recruitment, its own selection. Yet there is no coordination so that individuals can be referred from one agency to another.

Thus we find tremendous duplication, overlap, and redtape. I suggest that if we are committed to the concept of cooperative coordination, it has not and will not work, unless there is a mandatory requirement that agencies come together above and beyond their own agency prerogatives, in order to get the job done.

If there is commitment to the comprehensive manpower planning concept, and once we clearly understand there is no agency in this country capable of amassing the necessary funds to put its own comprehensive manpower program together, then this bill must address the question of prime sponsorship, because someone at the local level has to be charged with the responsibility of seeing to it, that this piece of legislation is tied into the on-going manpower resources at the community level. Otherwise what I see here is another system built on top of several other systems, a tremendous waste of resources, redtape, duplication, overlap, and what you end up with is no coordination whatsoever.

So, I think in section 5 of this act that the committee should address itself to the prime sponsorship issue.

The Department of Labor is saying that perhaps it will enact CWTP. I think it is already 3 years overdue. The Congress by legislative mandate stated that all title 1(b) programs shall be coordinated under one prime sponsor and that was supposed to be done way back in either July of 1968 or 1969. It has never been implemented.

There was some effort to engage in CWTP all over the country. Approximately 95 to 98 percent of the selected prime sponsors were CAP agencies, and I think you and I probably understand the reason why CWTP never went into existence. I think that issue needs to be addressed in section No. 5.

In section 6(a), training and manpower services are declared to be used where or when appropriate. However, there is no designation of who is to determine when it is appropriate. I make the assumption that it is appropriate anywhere if there is to be any guarantee of permanent

civil service opportunities for people who move into these jobs to be able to qualify for permanent civil service status.

I think that issue at least needs to be pinned down as specifically as possible in section 6(a). In section 6(3)(a):

Promote the advancement of participants in employment and training opportunities suitable to the individual involved whether in the public or private sector of this economy.

I think that the bill should state very specifically, Mr. Chairman, about the individual in the position, and maybe this begins to address the earlier question you made.

I think section 6(3)(a) should state very specifically that the individual in the position will be assisted to qualify for permanent civil service positions and not just loosely for public or private jobs.

I think there is a basic notion that we have in manpower, that an agency is more than capable of training for its own needs. When we use loose language that agencies will train for some other public or private agency, what ultimately will happen is that that agency will not address itself to hiring the participants of this program into its own civil service and make jobs permanent for those persons who have been placed in the agency under this act.

Now, I want to go into that in another way, addressing the question of permanency and preferential criteria in another section of the act. In section 6(13), and I quote, "Procedures for periodic review by appropriate agency," the manpower bill provided for a system where the individual had the right to appeal directly to the Secretary, to have a review of their opportunities for upgrading and their opportunities for training.

There was a specific qualification in that legislation which protected the right of the individual. If you turn over the review process exclusively to a—

Senator NELSON. You are referring to the manpower bill we passed last year?

Congressman DELLUMS. Yes. I'm sorry. From now on I will address it as the comprehensive manpower bill.

If you turn over the review process exclusively to an "appropriate agency," that agency can end up being the employment service or the mayor's office, and in no way provide the communities the opportunity for self-protection or for coming together as a community in an advocacy role. Take for example MA 1268 and the idea of the right of participants to organize within the program. Although the Department of Labor enacted these regulations, they never activated them. My point is that this section does not provide sufficient protection for the individual.

If some agency is to review, then I think you have to require the protection of the individual's right to appeal. What I am saying here is that if you give the right of periodic review to an "appropriate agency," then I think at the same time you have to—as you did in the comprehensive manpower bill—protect the individual right to appeal.

That is not in this present bill. It is in the Manpower Act as it was passed by the House and the Senate. MA 1268 requires that the planning, evaluation, and monitoring of programs must have a committee of the participants themselves to review the programs, for

them to have the opportunity of planning new programs, and a specific appeal mechanism first at the local level and next, to the Department of Labor. So that you not only have the local political agencies involved but you also have some protection for the local community and the local participants.

Here I would opt for MA 1268. It was developed by the Department of Labor, and unfortunately it was never enacted—at least virtually never enacted.

Now, I want to turn to section 7.2 which deals with matching funds. Eighty percent of the funding cost of the program is picked up by the Federal Government; 20 percent by the State or local community. Anyone who has ever dealt with these type programs knows full well that the 20-percent figure is totally meaningless. It doesn't add any money to the program; what it does add is "in-kind" contribution—14 desks in a backroom or a few hours service of some supervisor or director who has no awareness, no understanding, or perhaps not even any direct involvement in the program itself.

We are not talking about dollars. We are talking about in-kind services. What we do is place a tremendous burden upon these programs to scramble, to come up with a 20-percent matching figure that only means something that already existed there. We are not talking about any additional revenues. If we admit that the cities and the States are either broke, busted, or certainly at best, badly bent, then what can be the justification or the rationale for asking for such a high matching rate—a 20-percent matching level—when we know it won't produce \$1 in any kind of additional revenue.

If we are trying to help State and local communities, I think we should address the issue realistically. I am saying that the proposed matching-funds requirement is totally unrealistic. If we are going to do it, we might as well do it 100 percent. Otherwise, we are not giving anything to the State or local communities, and we are certainly not helping the cities as typified in the presentation by my colleague, Congressman Stokes, when he gave you a specific example concerning Mayor Stokes of Cleveland.

In section 8 on the question of apportionment of funds, it says:

Funds shall be apportioned in proportion to the unemployment in each area.

But it adds:

To the extent practicable.

I would rather go back to the 1/2-percent double-triggering mechanism that I explained to you earlier, rather than this kind of nebulous statement "to the extent practicable." In addition, allocation should be tied as specifically as possible to the prime sponsorship. There shouldn't be any loose change sprinkled around, and allocation very definitely has to be in proportion to unemployment. It should be very tightly set up, not just on an equitable basis to be determined by the Secretary.

I think there should be much tighter language. Maybe in light of the double-triggering mechanism—if we take into consideration a very specific response on prime sponsorship under section 8—we can come up with some more specific language than "to the extent practicable" putting the decision in the hands of the Secretary.

In section 8, 9(d) deals with the possibility of the Department of Labor making 15-percent cuts in present manpower programs to add additional revenue.

If there is any validity to the categorical programs at all, I say they should not be cut. If there is no validity to the categorical programs, I think we should get rid of them.

I raise this question: Is the Department of Labor, if given the power, likely to cut 15 percent out of the Employment Service? I would suggest not.

The cut will probably come out of categorical programs. So I say that if there is any validity to the categorical programs, and certainly if they are working, and we already know they are grossly underfunded, it is ridiculous to slash away at them. Why cut 15 percent out of programs which work and are unfunded? Why give this decision-making to the Secretary of Labor without giving any consideration to local planning and local input, so that any determination as to which programs should be cut will be a planned consideration?

We keep saying to local communities, we keep saying to States and regions: Plan, coordinate. Then, suddenly we come back with a piece of legislation that willy-nilly says, without any planning, you have the option to cut. I think if you are committed to categorical programs, if there is any validity to them, then they shouldn't be cut because they are already grossly underfunded. If there are going to be any cuts, let local communities, let local involvement vis-a-vis a plan, make determinations where the cuts might come. I certainly don't see the Department of Labor making any cuts from BES.

Section 10(h) says that the Secretary should compile certain kinds of programmatic information and it states specifically under this section that the Secretary shall compile certain program information on a State, regional, and national basis. I think you must include the local level. Otherwise, the figures obscure what is happening programmatically, program by program. There becomes no way to determine whether any protection exists for individuals participating in the program, whether there is any commitment to upgrading, or even what levels of intent really are there.

The State is much too broad a base in order to accumulate appropriate programmatic statistics so that we can make intelligent considerations as to whether the program works or not. I suggest that the Secretary should be required to provide data on all major cities if not a participant in the program with the exception of one: seniority.

Seniority within the civil-service system that the individual is individual. I think this again comes back to a point that the chairman raised. There are a tremendous number of protections for the individual participant in the program with the exception of one: seniority.

Seniority within the civil-service system that the individual is placed has not been dealt with at all in this bill. What rights does the individual have to seniority. Does it begin to build at any level in the program? Does it start anywhere? There is no statement of methodology as to how the person becomes permanent in the job. There is no statement as to prior rights of the individual who is placed in a civil service job, whether or not he has any preference for the job when it opens up.

Now, I think very specifically, to your question, Mr. Chairman, we clearly realize there are significant barriers to employment on the part of the disadvantaged. Race still is a major barrier. Language still is a major barrier. Culture still is a major barrier, et cetera.

If we are committed to any degree of permanency in this program, then I think we have to raise the question of prior rights and preferences. Do we say that 6 months or 9 months or a year in the program gives people some credits to permanent jobs? Do we say that there should be some performance criteria which allows the person to go into full-time employment? Because if we opt back to the pre-civil-service mechanism, you are perfectly correct.

Most people who go into public employment via this program will end up outside the civil service mechanism. It would be some effort to counsel them generally into some other area of public or private employment. And I am saying that some specific civil service mechanism indicating where the individual is placed should be required.

It seems to me, if we are going to break through the whole civil service mechanism for the disadvantaged and racial minorities, that there has to be some methodology by which you say some longevity vis-a-vis this program and some performance criteria allows the person to get into the job around the barriers of the test and other criteria which historically have excluded racial minorities and other disadvantaged persons.

Let me wrap up by saying this: If the specific question were raised, should this bill be passed, my response to you would be yes. We obviously have high unemployment. We obviously desperately need some instruments. But I would like to deal within a broader context. Until we address ourselves to the \$2 billion madness within the field of manpower which we presently have, we are falling into the same trap of dealing with symptoms and effects and not basic causes. We are only adding additional legislation in an area with massive legislation that we have not corrected as yet.

So if we are going to pass this piece of legislation—hopefully with the kind of corrections and considerations that we tried to give you this morning—immediately you have to opt for either a serious consideration of revenue sharing vis-a-vis manpower, or go back to what was done 2 months ago and to pass a comprehensive manpower act which ties this public service agency concept right into it.

Otherwise, all we have done is to add another piece of legislation, to build another system outside of several other systems, and that means duplication of every cost, duplication of outreach, intake, recruitment and counseling. Duplication of agencies going out to do their own recruitment, bringing in their own people, and you get a mad scramble for warm bodies in various programs.

If we look at the Neighborhood Youth Corps out of school across the country, we started off very specifically saying this is not a training program. We said it is a prevocational program. It would provide some opportunities for young people to move them into more sophisticated forms of training. But if you look very specifically—and sometimes the States don't really tell us the story—but where I have worked as an administrator and consultant, I say to you very specifically that there have been virtually no Neighborhood Youth Corps graduates moving into MDTA training, although we talk about it all the time.

It's that kind of absurdity that we have to address. One-half billion dollars for this program, without dealing with the \$2 billion already out there, only adds to the madness more tremendous redtape, duplication, and overlap.

I am committed to comprehensive manpower. We have to make some sense out of manpower legislation. We have to find some way of bringing additional revenue into the manpower field to deal with the extraordinary unemployment problems we have in this country. We have to make some sense out of the money we are already spending because it's totally and grossly inadequately spent at this moment in time.

Two months ago you made a commitment. The act you passed wasn't perfect but it was the best possible compromise that the House and the Senate could make. Given the present economy only God in his infinite wisdom will understand why the President chose to veto that legislation.

Now we can pass this act directed specifically to the President to veto and in the presidential elections we will have a political issue. But I am saying the people in this country can't wait for political issues. The people in this country desperately need employment. People in this country, the 40 percent of America who are blue collar employees earning between \$5,000 and \$10,000 a year and who are in fact in the ranks of the working poor, desperately need upgrading. Hundreds of thousands of people in America are locked into menial jobs. Millions of people locked out of employment.)

To solely pass this act as a political act will in no way address those concerns. So I am saying: Pass the act and move rapidly to either consider revenue sharing vis-a-vis manpower or perhaps—where I am most comfortable—go back to a comprehensive manpower act that ties this act right in so that we have coordination, we have one planning mechanism, and we can start to make some sense out of the muddled area of manpower.

I think that it's extremely important—extraordinarily important—when we do these kinds of things, I think it becomes a very specific statement to the American people that we are committed not only to those who are underemployed and disadvantaged and to the racial minorities, but we are also saying that we are committed to the millions of people who are already working, black, white, brown, red, or yellow, who desperately need additional income to break themselves out of the vicious cycle of poverty and minimal wages in this country.)

That concludes my testimony. I thank you very much for your time.

Senator NELSON. Thank you for your eloquent and thoughtful statement. Quite obviously you have a very deep understanding of the manpower problem that confronts the country.

Every major criticism you make of this bill I made myself, perhaps not quite so eloquently but just so we have it in the right setting, I agree with what you said. I agree that we need a comprehensive manpower bill. But, as you know, the title of this bill is the Emergency Employment Act of 1971, with an expiration date of the last day of June 1973.

Our objective here is a very, very limited one. The Kerner Commission, as you know, recommended about 3 years ago that over a 3-year

period, we hire a million people in public service employment. This is 15 percent of that, one-sixth, so we are barely touching the problem, as suggested by the Kerner Commission, 3 years or more after they suggested it.

So I am certainly mindful, and I know all the members of the committee are mindful, of the limitations of this emergency public service employment proposal. We will get back to the comprehensive bill of some kind or another later this spring.

It seemed to us we ought to be able to have very brief hearings on this and immediately pass this bill so that there would be not only some basic assistance but some encouragement to the people who need jobs and to the mayors, Governors, and county officials around the country that we are at least moving in the right direction.

We were advised yesterday that the administration may very well take quite a negative view even of this limited act, and that the President will recommend a comprehensive manpower proposal within the next 2 weeks.

What it will be, I have no notion, but we will get to the question of some basic reforms, whether it is some kind of tax sharing as the administration seems to be talking about or the manpower bill concept that we dealt with and passed last year will remain to be decided by the committee and by the Congress.

So I agree with everything you say about the bill but just have to see it as a very limited concept which is not a complete answer to me but a very modest and minor step.

Mr. DELLUMS. Yes; I concur with your judgment and concur with your strategy. Obviously this is desperately needed; 80 percent of the present labor force is in the private sector. Figures indicate that over the next 10 years 80 percent of the jobs in the private sector will be expanding at the rate of 20 percent but that 20 percent of the jobs in the public sector will be expanding at the rate of 80 percent. There will be a massive expansion in the field of public service and I think that this bill does begin to address itself to that. I think the concept is vitally important, necessary, and urgent at this moment and I concur with your strategy to come back with a comprehensive bill.

When I hit this very hard I am trying to say hopefully to those who must make the decision: once you choose to pass this bill, we must not play political games because the reality of unemployment is very real out in the communities and the people are desperately in need.

I think for the administration to come back so that we grind out for the next 18 months a political issue in no way deals with the interest of the American people. I concur with your strategy and hope you pass the bill and I hope there will be some consideration to the recommendations we made as a joint body of the black caucus and, hopefully, statements that I made, as a result of my experiences—some of them good and many not so good—in the field of manpower over the past 8 or 10 years.

Senator NELSON. Senator Schweiker?

Senator SCHWEIKER. I just want to comment on a few aspects. I really don't have any questions. I am deeply shocked by the presentation of the black congressional caucus when they say that the Department of Labor unemployment figure for the final quarter of 1970 was 42.2 percent in a 16- to 19-year-old black male group. I think this is

very alarming. It is very disturbing to me, and it certainly is cause for action in the field, including this limited bill as well as local programs.

As a member of the Senate Armed Services Committee, I am concerned when we see that the black veteran without a high school diploma, after leaving the service of his country, faces an 18-percent chance of not finding a work opportunity. I think these are very serious indictments of the present situation.

I think the situation calls for national action, and I feel that you gentlemen did us a service by presenting these facts and figures to us here this morning.

Mr. STOKES. Thank you very much.

Senator NELSON. Thank you very much, gentleman, a very fine presentation.

Our next witness is the Honorable John Gilligan, Governor of Ohio.

Governor Gilligan, the committee is very pleased to have you appear here today. You have a formal statement, Governor?

**STATEMENT OF HON. JOHN GILLIGAN, GOVERNOR OF THE STATE OF OHIO; ALSO DAVID SWEET, DIRECTOR, DEPARTMENT OF DEVELOPMENT**

Governor GILLIGAN. Yes, Mr. Chairman, I do, and I would like to present Mr. David Sweet who is director of our department of development and who has responsibility in the field of economic development in the State of Ohio under my administration.

I was very pleased to have had the opportunity of hearing some of the comments of the two distinguished Congressmen who preceded me to this table, especially since one of them, Congressman Louis Stokes, is from my own State and represents a district in Cleveland—one of the cities I intend to talk about this morning.

I would like to thank you for this opportunity to testify before the committee on S. 31, the Emergency Employment Act of 1971. I need not remind the chairman and other distinguished members of this committee of the unemployment crisis facing the Nation.

As you, Mr. Chairman, so vividly pointed out in your statement on the floor of the Senate when you introduced this bill, four and a half million Americans are out of work, a 9-year high. For the Nation's youth and for those in our innercities, unemployment has reached positively catastrophic levels.

Ohio has suffered with the rest of the Nation.

In January 1970, Ohio's average monthly unemployment rate was 3.4 percent. By December the monthly average had jumped to 4.7 percent.

In several of our larger counties the rates long ago passed anything resembling acceptable levels. In the Toledo area, for instances, unemployment is above the 5-percent level. In Lorain it is at 5.5 percent. The Springfield area shows an unemployment rate of more than 5.5 percent.

Mr. Chairman, for some areas in Ohio the problem is even worse. In many of these areas the unemployment rate for 1970 was triple that of the State average. For instance, in the inner-city areas of both

Cleveland and Toledo the unemployment rates were 15 percent or higher for 1970. The inner-city areas of Columbus, Cincinnati and Youngstown all showed unemployment rates of higher than 10 percent.

I would add at this point that even these gloomy statistics are deceptive. They do not paint the whole picture that confronts us in Ohio. People are dropping off the unemployment rolls, having exhausted their benefits. They are not counted. Many inner-city youth, many young people who have never been part of the work force, and have never been employed, cannot find jobs. They are not counted in this statement summary.

The same picture appears in female employment and minority group employment, where people have been working part time in industries not covered by unemployment compensation. When they can no longer find work, they are not counted in these statistical tables.

Some of our more rural counties, particularly in Ohio Appalachia, have unemployment rates more than double that of the State as a whole. That, again, does not yet begin to paint the true picture.

Mr. Chairman, we in Ohio feel the need for Federal legislation to deal with these present critical needs. No city, no county, no State has the resources to deal with this problem. In Ohio the city of Cleveland has had to cut back its own work force by some 1,000 people because it was unable to obtain sufficient revenue to keep them.

At the present time the city is considering dismissing another 1,000 people from the work force for the same reason.

And I would remind the committee that the problems posed by the present disastrous levels of unemployment stem directly from policies initiated by the Federal Government.

The Nixon administration, as is widely known throughout the country, has deliberately used fiscal and monetary policy at the Federal level to slow the economy down in an effort to stop inflation. It has accomplished the former goal without achieving the latter. Since increased unemployment is therefore no accident, but the result of deliberate Federal policy, I think the Federal Government, which has the resources for dealing with this problem, also has the basic responsibility for solving it.

I was, therefore, deeply disappointed when the President vetoed the Emergency Employment Act of 1970. While I accept the President's right to disagree with certain sections of the bill, I believe the veto of the entire program worsened at a critical time an unemployment crisis for he bears a large share of the responsibility.

In introducing S. 31 this year, Senator Nelson told the Senate that he and Senator Javits had taken into consideration the President's objections and written the bill to avoid a confrontation on the issues of public service jobs and manpower reforms. I wholeheartedly concur in their decisions to let those controversial issues be worked out in future months and I wholeheartedly concur with their statements that the present crisis cannot wait for a resolution of those issues that will only come much later this year. Jobs are needed now, in Ohio and all over the United States.

The time we have remaining to deal with this question is very short. We are going to be confronted this spring, in my judgment, with a

crisis of major dimensions if we have not acted to turn this employment picture around.

When our schools let out this spring, and when we add literally thousands of young people who cannot find employment to the present unemployment list—the throngs of idle people in our inner-cities, we are going to create a very disastrous situation indeed.

Mr. Chairman, I believe the provisions of S. 31 to be prudent and reasonable while still striking at the root of the problem—the rapidly rising need for jobs for millions of unemployed Americans.

The bill provides for the appropriation of funds to provide public service jobs only when the national rate of unemployment surpasses 4.5 percent for 3 consecutive months and it includes a provision that all persons hired under the bill undergo periodically an employment possibility review so that as many as possible may be transferred to the private sector as the unemployment rate slips below 4.5 percent.

I think it is time that all of us be confronted with this basic fact of economic life. We have work of all kinds that needs doing in every community in the country today. It is not being done because it has to be done by the public sector. We have to learn that if we are going to live in the kind of Nation we want to live in, in the kind of cities we want to live in, we are going to have to employ permanently far more people in the public sector than we have employed hitherto.

S. 31 is a stopgap measure, meant to deal with an emergency situation, yet I hope that it will be a prelude to the general recognition in this country that spending and employment in the public sector are going to have to increase dramatically in the years just ahead, not only to keep our people employed but also to do the kind of work that needs doing throughout the Nation.

The bill also specifies that employment be made available in such fields as environmental protection, health care, education, transportation, development and maintenance of parks, solid waste removal, housing and neighborhood improvement, and rural development and conservation—again, all the fields in which we need work done and in which we presently cannot employ the manpower because we lack the resources at the State and local levels to do the job.

Mr. Chairman, there is no need to argue the need for useful work in these areas. As but one example, there is at present in Ohio and indeed throughout the Nation a severe shortage of manpower in the field of health care. We need not fear then that this program will become a make-work program.

Every member of the public would benefit from the jobs made available by this bill. In sum, this bill would match the critical need for jobs with the vital necessity of work in the public sector.

Mr. Chairman, I strongly urge the members of this committee to report this bill favorably to the Senate and I further urge its swift passage by that body.

I will continue in my capacity as Governor of Ohio to work for its passage—for the benefit of all our people and particularly for the benefit of millions of Americans who have already waited far too long for our response to their plight.

Senator NELSON. Governor, the committee is very appreciative of your taking the time to come here and present your statement today.

They are very useful contributions to the hearings we are conducting and I would hope we will be able to get a bill out of this committee in a reasonably short period of time.

Thank you very much.

Governor GILLIGAN. You are quite welcome, sir.

Senator NELSON. Our next witness is the Honorable John West, Governor of South Carolina.

Governor West, your Honor, the committee is very pleased to have you here today to present your views.

**STATEMENT OF HON. JOHN C. WEST, GOVERNOR OF THE STATE OF SOUTH CAROLINA, ALSO JAMES E. CLYBURN, ASSISTANT TO THE GOVERNOR FOR HUMAN RESOURCES DEVELOPMENT**

Governor WEST. I am delighted to have the opportunity, sir. We have a formal statement that we will file or have filed with the committee, and with your permission I thought I would just briefly and informally summarize it.

Senator NELSON. All right, your statement will be printed in full in the record along with your extemporaneous remarks.

Governor WEST. I am here to testify in support of this bill for several reasons, I suppose primarily because it offers some immediate aid to South Carolina in a situation that we find ourselves in.

I might say by way of background I am probably the junior Governor of the United States having been in office less than 2 months now, only about 30-odd days, but we are faced with a real crisis in South Carolina relating directly to our textile problem. Because of the import situation we have had 17,000 jobs eliminated in our industrial community in the last year.

Without some relief from the Congress—and this Senate did pass a bill last year, but it has not been enacted, there has been disagreement, and that of course is another matter—but the point is, without some textile import relief quota we are going to have an acceleration of the unemployment in South Carolina in the textile field.

Over 50 percent of our manufacturing jobs are textile or textile oriented and they employ large numbers of semiskilled and relatively unskilled persons. There has been some testimony I heard, while waiting, about the black involvement, and this also is a part of our situation in South Carolina.

The textile community has provided the basic opportunity for additional employment of black individuals. In fact, in the last 5 years over 40 percent of our new hirings in the textile industry have been black and today our present ratio of employment in the textile area is almost the same as our proportion of blacks to whites in overall population. So when we face a textile unemployment problem or a layoff problem, we also face a subsidiary problem that this deprives many of our blacks of the only feasible opportunity for employment that they have had or will have, so there is another related unemployment problem that faces us in South Carolina in some areas, a relatively high defense-oriented type employment.

Some say it is because of our late beloved Congressman Mendel Rivers, Chairman of the House Armed Services Committee, but of

course I would prefer to think that we have that defense-oriented employment because of the natural advantages we have in South Carolina and that Congressman Rivers' unfortunate death will not affect that, but rather if it is—

Senator NELSON. You would agree he was a natural advantage also.

Governor WEST. He was certainly an asset and a very great man, but I would prefer to think that the unemployment which is being, and perhaps will be increasingly created, will be because of a lessening of our involvement in the Vietnam war rather than any political favoritism or lack of it that might have resulted from the late Congressman's position. But the fact is that we will have in my judgment pockets of unemployment of a critical nature because of this factor.

Now I find the bill which your committee is sponsoring to be exciting because of two things—it can help us with some programs and help us with people. Now the program involvement is basically the type of activity, the type of public works which presumably would be forthcoming if the bill is enacted, would help us considerably. For example, South Carolina is still basically a rural-oriented State. We have started a program of industrial development that has been most successful, but we want to avoid the problems of the metropolitan areas—the inner city decay—and so on, and we want rural-oriented industries.

Our industrial development program is taking now the thrust of putting industry in the basic rural areas. A necessary part of that program is such things as water systems, sewage disposal plants, all of which I visualize could well be consistent with the objectives of this bill. If we can get assistance right now, we do not have the funds in many instances or the capacity to develop our rural areas by providing the basic tools which are water and sewage.

So I like the general thrust of this proposed legislation in that it would be consistent with what we think is a necessary preparation for better employment opportunities for all of our people in South Carolina, avoiding some of the pitfalls that the more industrialized areas have experienced in years past. Secondly, not only would we be able to help people who are temporarily unemployed because of situations such as defense cutbacks and textile import problems, but we also could offer initial employment opportunity to the rather large group in our State who are basically illiterate, untrained, and who will have no real employment opportunity or have it diminished especially in view of the deteriorating textile situation. This would provide an initial entry into the job field for them.

Now in considering the bill we would like very much to stick to the philosophy that this would be a temporary employment opportunity which would help control the peaks and valleys as to the general employment system, but also give to those who otherwise would not have it, a chance to become working members of society and we would utilize this as a means to give them new skills as well as a certain amount of self-confidence.

That is why we think that the bill should be structured so as to provide at least the option for the State administering the program under existing administrative organization. We would not like to see a separate administrative organization insofar as the program is concerned

in South Carolina. We have, we think, a rather strong program, manpower program, administering our MDT programs and so on, and we would like to see the State have the responsibility for administering the programs within its existing administrative structure and that way we can prevent the opportunities from becoming fragmented. We can keep them consistent with our State plan and we believe serve a real need for our State.

Basically that is our position, Mr. Chairman. If you have any questions we will be happy to try to respond.

I have with me Mr. Clyburn, who is my assistant for human resource development, who, of course, is quite interested and quite knowledgeable about this.

Senator NELSON. Do your cities have the same kind of problem in terms of the mayors being unable to fill positions for needed public service jobs that have been testified to by witnesses from other cities?

Governor WEST. Yes. Not as acutely perhaps as in the larger cities. You see, we have no city of 200,000 and have only three of those that are over 100,000, I would say, but certainly the problem does exist but not as acutely as elsewhere.

Senator NELSON. Thank you very much, Governor. We appreciate your testimony. The minority counsel had a question.

Mr. SCALES. Governor, Senator Javits suggested there might be included in this legislation a provision that a governmental sponsor of the emergency program might as a condition of the receipt of funds give some assurances that when the trigger goes off and the funds no longer become available under this program, there might be an attempt to work the participants into any slots generated by revenue sharing.

Governor WEST. That is a novel approach. I feel that it would probably be difficult by legislative act to make such a provision really workable. There may be some way that it could be done. I would rather think, as we state in our prepared testimony, that we would look upon this strictly as a temporary stopgap employment measure and that the responsibility would be squarely upon the State not only to seek other employment opportunities, but also to provide the necessary skills and training which would make those employment opportunities meaningful.

That is the pledge that we on the State level would make. If we are given this program we would not use it as a make-work sort of a thing, but we will actively train, motivate hopefully, counsel these persons and get them into the mainstream of the private sector as soon as possible, and we think we can do that. Any legislative mandate such as Senator Javits proposes certainly would be consistent with our intentions. Again I question perhaps the administrative problems that might result from—

Mr. SCALES. Governor, if not a mandate, couldn't it be said though that there may be an opportunity if revenue sharing goes through at a \$5 billion level, as jobs are created, to pay particular attention to those persons who are in the previous—

Governor WEST. Well, of course the question, when you talk about revenue sharing, are you talking about the \$5 billion or the \$11 billion?

Mr. SCALES. I am talking about the \$5 billion.

Governor WEST. It is my understanding that the theory of the \$5 billion general revenue sharing, which I support wholeheartedly, is that it would go unrestricted to State legislatures. If that is true, then it would be increasingly difficult to tie in a legislative mandate that would really insure that the persons employed in this program would be otherwise—well, just for example, the teachers of South Carolina held a 1-day strike, unfortunately, last week in one of our major districts to emphasize the need for increasing teacher pay. I must admit that I have held out to them that if we get revenue sharing we will use substantial parts of that or perhaps all of it within certain limits to help our educational effort including teacher pay.

So again, unless there were some definite restrictions written into the law, and again I question, despite that I suspect that you may have a part in drafting such a proposal, and I would not say it could not be done, but from a State administrative standpoint I just think it would create all sorts of problems. That is, on your general \$5 billion. Now when you get to your categorical grants I think you have perhaps more fruitful areas where you might put some restrictions in. But again you are really into a rather difficult field there, I think.

Mr. SCALES. Thank you.

Senator NELSON. Thank you very much, Governor.

(The prepared statement of Governor West follows:)

PREPARED STATEMENT OF HON. JOHN C. WEST, GOVERNOR  
OF OHIO

Mr. Chairman, Members of the Subcommittee:

Thank you for the opportunity of appearing before this subcommittee and discussing means by which this nation can address itself to the special manpower problems it now faces. The objectives of the legislation now under consideration cannot be questioned. At a time when our nation's unemployment rate is rising far above acceptable levels, there is no more important undertaking of the federal government than the easing of this situation, whether through fiscal policy, or direct frontal attacks such as this on unemployment itself. It is also appropriate that the new thrust of this employment program be aimed toward public service, and that projects authorized carry a high priority need in the areas concerned.

If I may, I should like to make some general observations about Public Service Employment, and then I should like to direct some specific remarks to the matter of administering the program. South Carolina is a state which lost some 16,000 jobs in the textile industry alone last year, due in large part to two factors: the

general economic slowdown in the nation, and (2) the special problem of rising textile imports which seriously jeopardize the future of the domestic industry. We therefore are a state which has felt an additional jolt from the present economic slowdown, and we would hope that Washington's attempts to ease our problems would take on many aspects, including policy changes with regard to imports as well as new programs such as you are discussing today.

It would be my further suggestion that in structuring the priorities for this employment program, primary consideration be given to public projects which would have the effect of stimulating economic growth in underdeveloped areas. In the State of South Carolina, we would welcome particularly the development of federal projects under this program which would provide water and sewerage systems in many of our rural counties which are now suffering severe financial problems. In many cases, the development of such systems could provide the catalyst which would reverse the area's economic decline, and make it a prime area for economic development. Thus, Public Service Employment could serve the dual role of aiding the economically-deprived individuals, as well as the economically-underdeveloped areas.

Of primary concern to South Carolina, however, is the means by which funds would be administered below the federal level.

It is my hope that sufficient flexibility would be built into the funding procedure so that states would have reasonable discretion to make use of existing programs and structures where possible. Any provision which would require the creation of a new administrative entity at the state or local level would, in my opinion, lead to a serious waste of funds as well as needless duplication and overlap of efforts at these levels. By the same token, I would discourage any approach which would not require a high degree of administrative coordination at the state level for all projects coming into a state.

It is important to recognize that any program designed to serve as a "crash" approach to unemployment is, by its very nature, transitional and temporary. But by the same token, unless it provides permanent avenues of opportunity, its effectiveness will be limited only to that period during which it is funded. It is therefore highly desirable that we look beyond the immediate employment benefits and project development, and determine whether the structure of the program will permit its participants to become more permanently employed, better trained, and more likely to pursue a meaningful career. For many persons entering this program, it may be their initial opportunity for employment. In South Carolina in particular, we would hope that we could reach the unskilled, the many thousands of illiterates,

and many others who have become locked in what we have come to call the poverty cycle. Their involvement in this pastime should be more than simply therapy for idle hands.

Unless this program is so structured at the state level to flow in with existing manpower and training programs, then we seriously restrict the long-range benefits to be realized from it. Unless the potential participant can look beyond the immediate public project and move into opportunities for advancement and further training, then this program becomes nothing more than a blind alley.

Public Service Employment should, and must be, people-oriented. As such, it must address itself basically to two major groups: those who have been temporarily displaced from their jobs by economic conditions and require retraining, and (2) those who have never had regular meaningful employment, and require heavy educational and job-training input in addition to their specific job under the program.

It is my specific recommendation that states such as South Carolina which have a strong manpower development program at the state level, be permitted to administer the Public Service Employment programs through their existing manpower structure.

Such an approach, I feel, would have the following benefits:

1. Administrative costs for the startup and implementation of the program would be greatly reduced;
2. Inasmuch as a program to ease extreme unemployment should, by its very nature, be a temporary or transitional one, the economic dislocation at the conclusion of the program would be considerably eased if program participants were a part of an ongoing state or federal program;
3. Strong coordination with existing manpower development programs would facilitate the job training aspect of the Public Service Employment program;
4. Participants in the Public Service Employment program would have greater lateral and vertical mobility within the structure of the existing manpower development programs, thus providing greater long-range career opportunities for program participants;
5. The overall cost of the training aspect of the PSE program would be reduced if it were administered through existing manpower programs, thus freeing more of the new PSE monies for specific project activity.

6. Strong coordination at the state level could provide a more orderly approach to setting funding priorities for projects within the state, thus permitting the state to determine projects which could stimulate maximum economic growth within target areas.

My remarks are, of course, oriented to the special situation which exists in South Carolina, and the special role which we would hope this program would play. I do not necessarily recommend that our approach would be universally and acceptable. Like all states, we have special problems which we consider to be of a priority nature, and our manpower problems have special characteristics. Any program designed to improve employment opportunities for those now unemployed must be designed with these special characteristics in mind. We must reach and motivate those who are illiterate, those who may have physical and mental handicaps. We must provide employment opportunities for mothers who are breadwinners, and develop a coordinated Day Care system to extend opportunities to these individuals. Public Service Employment can be a major vehicle in achieving these goals, but it should be considered in the context of our total approach to manpower needs.

It is for that reason that I strongly recommend that any approach to Public Service Employment be strongly coordinated at the state level with other ongoing programs, and be made a part

of such programs where administratively feasible. Such an arrangement is not only efficient, it also provides a built-in means of developing project priorities with state and local agencies in whose areas the PSE projects would be carried out. It further reduces the possibility that program funds under this legislation would be absorbed in non-priority items, or diverted into local projects which do not fit into a comprehensive state set of priorities.

Thank You.

Senator NELSON. Our next witness is the Honorable Governor Sargent, Governor of Massachusetts.

Governor, I didn't anticipate I was going to have an opportunity to visit with you twice today in the same morning but I welcome it.

**STATEMENT OF HON. FRANCIS W. SARGENT, GOVERNOR OF THE STATE OF MASSACHUSETTS**

Governor SARGENT. I appreciate very much being here. I apologize for being on your neck twice today. I want to say again thank you for the two cups of coffee I had in your office this morning.

Senator NELSON. We appreciate your presence very much. You have a prepared statement?

Governor SARGENT. I have a brief prepared statement and I can submit it for the record. I might just say that I am here as part of the Governors Conference and I appreciate very much the chance to make a brief statement today. Ordinarily I wouldn't have the opportunity perhaps of appearing before you.

Senator NELSON. Your statement will be printed in full in the record. You may present it as you desire. If you wish to elaborate at any point, feel free to do so.

Governor SARGENT. Thank you very much. I am pleased to offer testimony today on behalf of the Emergency Employment Act of 1971. I support this bill for reasons that are both clear and compelling.

Massachusetts, like the rest of the Nation, has been strongly affected by the decline in the economy. In December over 159,000 people were unemployed in Massachusetts. That is 6.5 percent of our work force and an increase of over 59 percent of those unemployed in December 1969.

Defense spending in Massachusetts has decreased 20 percent from 1969, a loss of \$350 million. These cutbacks alone have put 20,000 people out of work, and would probably result in a further loss of 25,000 jobs in the next 2 years. People who can't find work need assistance. Last year I signed into effect legislation that extended the period of unemployment compensation from 30 to 39 weeks, but this is not enough.

Of the 29,289 individuals who have received these benefits, over 9,000 people have exhausted them and have been forced now to apply for welfare. At the same time, however, the need for the vital public services that government offers is growing rapidly, often beyond the ability of the State and local governments to provide.

There was a recognition among concerned officials and the general public that our past technological advancements in productivity, are in many instances, now actually threatening our survival. Public services must be expanded to meet some of the problems like those presented by pollution, for example, which is of great concern to you, Mr. Chairman, developing an effective system of transportation, and providing new housing and better housing, and ensuring quality health care to all.

I am supporting S. 31 because I believe that we are faced with a situation that is particularly acute at this time; the economy has forced

many people—from the skilled scientists to the high school dropout—to become unemployed. The demand for more and new kinds of public services to protect the quality of life is imperative.

Thus we have a situation in which there are people who need jobs, on the one hand, and public needs which require people, on the other. The Emergency Employment Act provides a constructive approach to this situation. Expanding employment in the public sector means that individuals don't have to accept the demeaning and insufficient assistance of public welfare. Instead, their skills can be put to use improving the public services for the good of everyone.

By contributing to society, rather than draining its fiscal resources through welfare, we can assist in the recovery of our economy and the types of skills and technologies developed through public service employment are an incentive for the growth of private business and industry in these areas as well.

I do, however, have several comments regarding specific aspects of S. 31, which I would hope you might consider. One of the objectives of the bill is to act very quickly. I think implementation of the bill would be facilitated in fact if it provided for simultaneous review of proposals prior to submitting them to the Department of Labor. Requiring review by community action agencies and local and State governments encourage an exchange of information which can strengthen the quality of proposals.

This process should not become time consuming. Simultaneous review, within a 10-day time period, would allow revisions to be made where necessary without a prolonged delay. A noteworthy aspect of the bill is the provision that State and local units of government, and the public and private nonprofit agencies can all submit proposals for employment.

Unemployment and the needs for public services, however, are frequently not a localized problem. I would suggest that a provision be made for reasonable proposals to be submitted. In this way, scarce fiscal resources and facilities can be combined, overlapping avoided and valuable time saved.

The need for employment and the types of public services required such as the effective transportation system, are often regional problems. As such, they may best respond to a reasonable approach.

A final point I would like to make concerns the figure of 4½ percent unemployment, a national average, unemployment above which triggers the release of the funds in S. 31 for employment. The national unemployment rate is the aggregate of local unemployment rates which may be far more severe. While the current national average of unemployment is 6 percent, the average in Massachusetts is 6.5 percent. And within areas of our State unemployment exceeds 12 percent.

Two major labor market areas have suffered unemployment exceeding 9 percent. I urge, therefore, that a means be developed to insure that regions with the severest unemployment receive the larger share of the funds available. This determination should include analysis of the numbers of people unemployed, not just merely the percent of unemployed.

I would like to conclude by urging for prompt action passage of this Emergency Employment Act. As one who has made a career of public service, I am aware of the needs, perhaps more aware than some, of expanded public services. Today, more than ever before, public service employment offers opportunities to meet, and solve, some of the problems of our society but inflation has limited the ability of government to do so; economic decline has caused high unemployment.

I support the objectives of the Emergency Employment Act. I support them strongly. Of course, it's not a cure-all. We all recognize this. But it's a constructive approach to reconciling these two problems by providing meaningful employment that would be of benefit to our society as a whole.

I thank you very much, Mr. Chairman, for permitting me to break into your list of witnesses and have this opportunity to make this brief statement.

Senator NELSON. The committee appreciates very much your coming. As I recall it, you supported the comprehensive Manpower Act that was passed last year and vetoed, as I recall.

Governor SARGENT. I didn't actually appear in person but we supported the concept, yes.

Senator NELSON. As you know, this really is a small part of that act as an emergency measure and we in the committee recognize that it's a very modest step in the direction of meeting a small part of the problem. Your State's own unemployment rate doesn't recite any specifics about some of your major cities. I take it that some of them are—you may have parts of those with a much higher employment rate than is indicated statewide.

Governor SARGENT. Very serious in a number of cities. I think you have been to our State many times. You perhaps know that for instance in the New Bedford-Fall River area it's very serious. In the Lawrence area it's very serious. These are cities that have been relying on the textile and shoe industries that are going out. They have likewise been involved in defense industries that are being cut back. They are extremely serious at the present time.

Senator NELSON. I understand from your statement that in the cutback in defense spending, it involved 350 million in the cutback last year in Massachusetts alone.

Governor SARGENT. I believe that was the statement.

Senator NELSON. That reflects about 20,000 jobs, I understand?

Governor SARGENT. I am not certain of the figures. I think that is correct. We can check that for you and correct it in the record, Mr. Chairman.

Senator NELSON. Thank you very much, Governor, for taking time to come here this morning.

Senator Schweiker?

Senator SCHWEIKER. No questions.

Senator NELSON. Thank you very much.

Governor SARGENT. Thank you very much, Mr. Chairman.

(The prepared statement of Governor Sargent follows:)

TESTIMONY OF GOVERNOR FRANCIS W. SARGENT BEFORE THE SENATE SUBCOMMITTEE ON  
EMPLOYMENT, MANPOWER, AND POVERTY, IN FAVOR OF S 31, EMERGENCY EMPLOYMENT  
ACT OF 1971

Mr. Chairman, Members of the Subcommittee:

I am pleased to offer testimony today on behalf of the Emergency Employment Act of 1971. I support this bill for reasons that are clear and compelling.

Massachusetts, like the rest of the Nation, has been strongly affected by the decline in the economy. In December, over 159,000 people were unemployed in Massachusetts. That is 6.5% of our work force, and an increase of over 59% of those unemployed in December, 1969.

Defense spending in Massachusetts has decreased 20% from 1969 - a loss of \$350 million. These cutbacks alone have put 20,000 people out of work, and will probably result in a further loss of 25,000 jobs in the next two years.

People who cannot find work need assistance. Last year I signed into effect legislation that extended the period of unemployment compensation from 30 to 39 weeks. It is not enough. Of the 29,289 individuals who have received these benefits, over 9,000 people have exhausted them, and have been forced to apply for welfare.

At the same time, however, the need for the vital public services that government offers is growing rapidly, often beyond the ability of state and local governments to provide. There is a recognition among concerned public officials and the general public that our past technological advancements and productivity are, in many instances, now threatening our survival. Public services must be expanded to meet some of the problems, like those presented by pollution, to develop an effective system of transportation, to provide new and better housing, and to ensure quality health care to all.

I am supporting S.31 because I believe we are faced with a situation that is particularly acute at this time. The economy has forced many people - from the skilled scientist to the high school drop out - to become unemployed. The demand for more and new kinds of public services to protect the quality of life is imperative.

Thus we have a situation in which there are people who need jobs on the one hand, and public needs which require people on the other.

The Emergency Employment Act provides a constructive approach to this situation. Expanding employment in the public sector means that individuals do not have to accept the demeaning and insufficient assistance of welfare. Instead, their skills can be put to use improving public services. By contributing to society, rather than draining its fiscal resources through welfare, we can assist in the recovery of our economy. And the types of skills and technologies developed through public service employment are an incentive for the growth of private business and industry in these areas as well.

I do, however, have several comments regarding specific aspects of S. 31, which I hope you will consider. One of the objectives of this bill is to act quickly. I think implementation of the bill would be facilitated if it provided for simultaneous review of proposals prior to submitting them to the Department of Labor. Requiring review by Community Action Agencies, and local and state governments encourages an exchange of information which can strengthen the quality of proposals. This process should not become time-consuming. Simultaneous review, within a ten-day time period, would allow revisions to be made where necessary, without a prolonged delay.

A noteworthy aspect of the bill is the provision that state and local units of government, and public and private non-profit agencies can all submit proposals for employment. Unemployment and the need for public services, however, are frequently not a localized problem. I would suggest that a provision be made for regional proposals to be submitted. In this way, scarce fiscal resources and facilities can be combined, overlapping avoided, and valuable time saved. The need for employment and the types of public services required, such as an effective transportation system, are often regional problems. As such, they may best respond to a regional approach.

A final point I would like to make concerns the figure of  $4\frac{1}{2}\%$  unemployment, a national average, unemployment above which triggers the release of the funds in S. 31 for employment. The national unemployment rate is the aggregate of local unemployment rates which may be far more severe. While the current national average of unemployed is  $6\%$  the average in Massachusetts is  $6.5\%$ . And, within areas of the state unemployment exceeds  $12\%$ . Two major labor market areas have suffered unemployment exceeding  $9\%$ . I urge therefore, that a means be developed to ensure that regions with the severest unemployment receive a larger share of the funds available. This determination should include analysis of the numbers of people unemployed, not just the per cent unemployed.

I would like to conclude by urging for the prompt passage of the Emergency Employment Act. As one who has made a career of public service, I am aware of the needs for expanded public services. Today, more than ever before, public service employment offers opportunities to meet, and solve, some of the problems of our society. But - inflation has limited the ability of government to do so;

economic decline has caused high unemployment. I support the objectives of the Emergency Employment Act. Of course, it is not a cureall, but it is a constructive approach to reconciling these two problems by providing meaningful employment that would be of benefit to our society as a whole.

Senator NELSON. Is Governor Shapp here? I understand that Senator Phil Hart of Michigan is available to make a statement.

**STATEMENT OF HON. PHILIP HART, A U.S. SENATOR FROM THE STATE OF MICHIGAN**

Senator HART. Mr. Chairman, members of the committee: May I file for the record a rather brief statement which I have prepared in support of your legislation, of which I am a cosponsor?

Senator NELSON. Your statement may be printed in full in the record.

Senator HART. Because I have an obligation to get to the Senate floor, let me make just three points, each of them more fully discussed in the memorandum I have filed.

To use the currently accepted bipartisan phrase, let's not set up a lot of promises and then fail to deliver. Isn't there a great danger that we are kidding ourselves to think that any administration, any administration, is going to come in and ask for the appropriation projecting a possible 6 percent unemployment figure as the justification for it?

How likely are we to get any kind of solid commitment to do more than simply talk about this? Where is the money going to be? Let's be very honest with ourselves. What the bill does not do is authorize the Secretary to obligate when the rate reaches the specified level. It authorizes him to obligate only out of the amounts that have been previously appropriated.

I hope the administration currently is right when it predicts an unemployment rate of 4.5. But we will need public service employment if they are wrong, and I am afraid that they will be wrong and that we will not have the appropriation to finance the program when the financing is needed. This isn't an insoluble problem but it just takes some tough talk to ourselves about what we really should do.

On the second point, although it is suicide to be critical of comprehensive planning, I wonder if we haven't in section 6(b)(2) been a little too all-inclusive in that the preliminary study would prevent a quick start in situations we are all familiar with.

A local hospital, for example. For a long time they needed more nurses' aides. They have been unable to pay them. There are unemployed people right in the neighborhood who are ready to do the job. Why should there have to be a fancy study in order to do that? Why couldn't the local manpower agency run in with a letter and say "go" and let them get the money and the plan started?

Last, Mr. Chairman, along with you and many others, I have been concerned with cushioning unemployment resulting from military spending cuts. None of us want to use the Pentagon as a modern WPA but we do have an obligation to ease the transition whenever we can convince ourselves we can afford to cut armaments.

I think this bill, with some slight modifications, could be the vehicle that would provide the transition opportunity that all of us are seeking. However, unless we amend it, the difficulty is that the Secretary has to find a certain rate of unemployment nationally before this program is triggered.

Could we not conceive of some local trigger where the Secretary finds a substantial impact on local employment caused by the cut in Federal military spending in that locality?

Some of the money we can save by trimming back on the Pentagon very appropriately could be used for the more socially desirable purpose of funding that kind of transition. I think this bill might very well offer us that kind of opportunity.

If any of these suggestions have any merit, I would be glad to work with any of your staff in an attempt to develop that kind of language.

Senator NELSON. Congressman Dellums, who testified an hour ago raised the same point on the 4½ percent trigger and allocations of funds to local areas which may have a high unemployment whereas the national average might well be below 4½ percent.

It raises a serious problem that the committee staff is exploring now, which was raised by a witness last week also, and I think it is a very important point.

Do you have any questions?

Senator SCHWEIKER. No.

Senator NELSON. Thank you very much.

Senator HART. Thank you, Mr. Chairman.

Senator NELSON. Governor Shapp didn't appear yet. He also had an appointment with the Finance Committee so the record will remain open for the printing in the record of any statement that Governor Shapp presents.

Senator NELSON. At this point in the hearing I order printed all statements of those who could not attend and other pertinent material submitted for the record.

(The information referred to follows:)



American Federation of STATE, COUNTY, and MUNICIPAL EMPLOYEES · AFL-CIO

1155 FIFTEENTH STREET, N.W./WASHINGTON, D. C. 20005

TELEPHONE 202/223-4460

March 2, 1971

Senator Gaylord Nelson, Chairman  
Senate Subcommittee on Employment,  
Manpower, and Poverty  
Senate Office Building  
Washington D. C. 20510

JERRY WURF  
PRESIDENT  
JOSEPH L. AMES  
SECRETARY-TREASURER

Vice Presidents

DOMINIC J. SADDOLATO  
NORTH HAVEN, CONN.  
IRA A. BICKEL  
GOSHEN, IND.

REV. ALBERT B. BLATZ  
ST. PETER, MINN.

JEROL L. BROWN, JR.  
SACRAMENTO, CAL.

JAMES A. BROVER  
BOSTON, MASS.

CONSTANCE CABELL  
NEW YORK, N. Y.

JAMES B. CORBETT  
NEW YORK, N. Y.

ERNEST S. CROFOOT  
BALTIMORE, MD.

ARTHUR G. HAMM  
JEFFERSON CITY, MO.

GEORGE L. HAMMOND  
MISSOULA, MONT.

CHARLES L. HENDRIX  
TOLEDO, OHIO

SEATURNIN S. MAUCÉ  
CANAL ZONE

LARRY MCKIBBEN  
SEATTLE, WASH.

MOXELL MCNORRIELL  
DETROIT, MICH.

ROBERT J. OBERBECK  
MADISON, WISC.

WALTER L. OLIVER  
LANSING, MICH.

VICTOR C. SOLITO  
HOUSTON, TEX.

EARL STOUT  
PHILADELPHIA, PA.

LEE A. TAFEL  
MIAMI, FLA.

JOSEPH R. ZURLO  
NEW YORK, N. Y.

Dear Senator Nelson:

We are pleased to submit for the record a statement on behalf of S.31, the Emergency Employment Act of 1971.

Our Union, representing 500,000 state, county, and municipal employees, fully supports this legislation and urges its immediate enactment. A nationwide program of public service employment, as proposed in S.31, is essential if we are to effectively attack rising and persistent unemployment in our urban labor markets and to provide state and local governments with the funds they need to finance vital public services.

Thank you for this opportunity to present our views on this important legislation. If you have any questions, please do not hesitate to contact me.

Sincerely,

Paul J. Minarchenko  
Legislative Representative

Enclosure



STATEMENT BY THE AMERICAN FEDERATION OF STATE, COUNTY  
AND MUNICIPAL EMPLOYEES, AFL-CIO  
SUBMITTED TO THE SENATE SUBCOMMITTEE ON EMPLOYMENT,  
MANPOWER AND POVERTY - ON BEHALF OF S.31,  
THE EMERGENCY EMPLOYMENT ACT OF 1971

March 2, 1971

The American Federation of State, County and Municipal Employees, AFL-CIO, is the largest union in the public employee field, with 500,000 workers at the state and local government level. Our interest in the Emergency Employment Act is therefore twofold: (1) we support a program which can be translated directly into vitally needed public employment on a priority basis -- as a "here and now" attack on persistent joblessness in urban labor markets; and (2) we support S.31 as a realistic means of channeling monies to the cities which will assure the furnishing of services either threatened with curtailment or already cut back as the result of municipal budget crises.

The issue for our communities is not just money, it is viability. The very survival of our federal system is threatened when some cities are near bankruptcy and others are unable to provide public services effectively.

Our union and its municipal employee members are not idle bystanders in the urban crisis. Our members live with the problems, as well as work with them.

Inadequate financing for public services means that important jobs don't get done -- and it is our members who know how badly the job needs doing and who are kept from getting the job done.

Layoffs of city employees and threats of layoffs are spreading. Some of the talk is politically motivated, but much of it is for real.

Even more critical is the number of cities that have initiated "job freezes," not filling vacancies left by resignation and retirement. This means less service at a time when the demand for services is soaring and the quality of life is sagging.

Our union is aware of the financial pressure placed upon municipal governments by municipal employee wage increases. We do not deny that they are among the factors increasing the total cost to government of doing business. We are also aware that it is inaccurate to cite wage hikes as the reason for the financial plight.

Wages are not an increased factor in municipal budgets, nationwide. As a percentage of revenue, state and local government payrolls are virtually unchanged from 1965. In fact, they are a little bit less. In 1965, payrolls were 55.1 per cent of state and local government revenue. In 1969, that figure dropped to 55 per cent.

Secondly, wages for public employees have for years lagged behind those for workers in business and industry, even though the nature of work and the skills required are identical in many cases. In an inflationary economic cycle such as that we are now experiencing, this lack of wage comparability adds to the problems of municipal employers in trying to keep a wage scale that is fair and competitive, a wage scale that will enable cities to keep good quality personnel.

The taxation straitjacket of the cities is the single most important barrier to adequate financing of local government. It would be unwise to get so caught up in trying to end-run the problem via federal and state aid that the problem itself is forgotten.

Unlike companies that can increase prices along with wages to preserve profit margins, government must often increase taxes to meet its increased cost in wages -- and tax hikes are slower and more unlikely than price hikes in the business sector. Consequently, public workers are asked by government employers to accept less than what is required to match rising costs or to close the gap between private and public sector wages.

Thousands of public employees have been told their jobs are jeopardized because of this financial crunch on state, county, and municipal governments.

We have great concern for what has happened already, but we are even more concerned about what we see on the horizon. For while the impact of the war in Southeast Asia on the economy has already been substantial and severe, it will probably be much greater over the next five-year period as the backlog of financial needs -- many of which have been deferred to this point -- come home to roost.

Continued frustration of long-term municipal borrowing and unrealized capital expenditure plans would probably force higher taxes, which are self-destructive in the central cities. It would also destroy the all-important planning capability of local governments.

Additionally, the year-to-year increase in grants-in-aid from the Federal government to the states and localities is estimated to be a great deal less in the 1970-75 period than it has been in the 1965-70 period. The average annual increase from 1965 through 1969 was about 17 per cent. It is expected to average only about 11 per cent over the coming five years.\*

Thus it is clear we face even greater difficulties in the next five years. The relationship of the war to these difficulties is very real and very great. Even if the war were to miraculously end today, and even if new federal or state assistance was forthcoming, the damage of the last five years could not be fully repaired. Many scars are permanent.

The financial plight of the cities overall -- with or without the impact of the war's expense upon it -- however, does not need further documentation before this Committee. The real question for many of our cities is what do they do right now. They have to keep on giving service; they have to pay decent wages. The money to do those things -- pick up the garbage, clean up sewage, fix up parks, repair roads -- the money is just not available in a few cities right now and it appears that other communities will join the parade.

We therefore find it difficult to debate long-range solutions, such as revenue sharing, at a time when some cities are literally fighting to pay their bills.

The Emergency Employment Act of 1971 (S.31) represents a first significant step toward providing an immediate, substantial and flexible Federal response to meet the emergency situations that are occurring increasingly in the cities. Our union wholeheartedly endorses S.31. Clearly this Bill is not the whole answer -- but it has the overriding advantage of providing funds to create public service jobs immediately, with a minimum of administrative delay.

AFSCME condemns the posture of the Nixon Administration, not only in vetoing the Employment and Manpower Act of 1970, in part because of its public service employment provisions -- but in attempting to blunt the will of Congress by threatening yet a second veto, as was disclosed by Labor Secretary James Hodgson in his testimony of February 23 on the present Bill. In all too characteristic fashion, the President presents a facade of concern for the millions now without work, but uses the power of the White House to undercut Congressional attempts to build a solid and workable structure behind that facade.

To the man or woman making the rounds of employment offices in search of work, a pious reminder from the Administration of the need for permanent reform in state and local government revenue resources sounds like more bureaucratic baloney. The question which S.31 effectively confronts is what the 92nd Congress will do now, in the next months, to create a meaningful job opportunity for that man or woman -- while the machinery for more permanent reform and restructuring of state and local revenue sources is being blueprinted and developed.

\*Eliot Morss, Urban Institute

As members of the Senate Labor and Public Welfare Committee, you are well aware of the breadth and incidence of joblessness today -- 40 of the 150 major labor areas in this country (those labor markets having a central city with a population of 50,000 or more) have an unemployment rate of six per cent or better, the highest such total since March of 1964. Alarming as this kind of aggregate statistic may be, the rate at which unemployment has been mounting in our cities during the last year lends even greater urgency to the adoption of S.31.

Insured unemployment, i.e., those workers currently collecting benefits under state unemployment compensation programs (normally about 70% of total unemployment in a community) has increased from January 1970 to January 1971 by 74% in Los Angeles, 117% in Anaheim, and 48% in San Francisco, in the State of California; by 87% in Denver; by 92% in Chicago; by 271% in Minneapolis; by 158% in Cleveland; 55% in Cincinnati, and 217% in Dayton, Ohio; by 85% in Buffalo, 38% in New York City, and 106% in Rochester, New York; by 64% in Boston, 126% in Lawrence, and 85% in Springfield, Massachusetts.

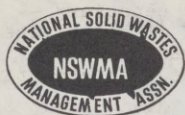
The testimony of the various mayors, county officials, and governors who have appeared before this Subcommittee, eloquently documented the fiscal bind in which many states and virtually every major city are now caught -- in substantial part because of the slump in economic activity reflected in these unemployment statistics.

The Administration's counter-ploy to S.31 -- the creation of 200,000 public service jobs for welfare recipients, proposed as a "sweetener" to its welfare-reform package -- is not responsive to the broad-based objectives of the Emergency Employment Act. We support, of course, the creation of viable job opportunities for those on public assistance who are physically capable and whose family circumstances will permit the undertaking of full-time employment -- but such persons are a pitifully small proportion of the sick, the aged, the disabled, the mothers with small children who constitute the great numbers of welfare clients.

The Administration's proposal is, in reality, a cynical appeal to the stereotype of the welfare recipient as a shiftless drone living off porkchops at the taxpayer's expense. To tie a public service employment program to the Administration's moralistic approach to welfare reform is to ignore the hard facts of urban joblessness today.

What is needed is a direct channeling of funds into those cities and states where services are in short supply because money is limited -- to establish meaningful employment for job-seeking

workers, with an appropriate training component where necessary -- and with effective consultation with, and involvement of established public employee organizations. The Emergency Employment Act of 1971 meets this objective and our Union urges the speedy enactment of this legislation by the 92nd Congress.



## National Solid Wastes Management Association

1145 NINETEENTH STREET, N.W. • SUITE 214 • WASHINGTON, D. C. 20036  
TELEPHONE 202 659-4032

HAROLD GERSHOWITZ  
EXECUTIVE DIRECTOR

March 5, 1971

The Honorable Gaylord Nelson  
Chairman  
Subcommittee on Employment, Manpower and Poverty  
Committee on Labor and Public Welfare  
U. S. Senate  
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing with regard to S. 31, the emergency employment legislation now being considered by your Subcommittee. This legislation is of great interest to the numerous companies, many of which are small businesses, in the solid wastes management industry, as well as to the public officials, engineers, manufacturers and members of the academic community that our Association represents.

We support the objectives of the "public service" employment legislation. We agree that the public sector can serve a vital function in bringing the unemployed back into the economy through employment and training programs. We are concerned, however, that public employment legislation, if not carefully designed and implemented, could have the totally unanticipated and undesired effect of causing unemployment in the private sector.

Solid waste collection and disposal is a large and rapidly expanding industry. Responsible private companies handle the great majority of refuse from commercial and industrial establishments and multiple-family housing units. They also handle, it is estimated, over a third of the country's single family dwellings. In most of the larger cities, public sanitation departments are also actively engaged in refuse collection, principally from single-family residences. Typically, where public and private facilities are found in the same city, they serve different but often contiguous areas.

The private sector is undergoing considerable growth in order to meet the needs of a growing population for waste removal. It can and will provide a substantial area of employment and training opportunity for the unemployed and disadvantaged. Its efforts, however, could be badly undermined by shortsighted expansion of refuse collection capacity in the public sector through the use of federal subsidy under the pending legislation. Public sanitation departments should and will appear as an obvious recipient of funds with which to hire more employees, bigger crews, etc.

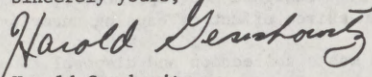
In the short run, expanded payrolls in the public sector of our field may seem fully consistent with the purposes and limitations of the proposed law. But when the unemployment level subsides and the flow of federal dollars also subsides, we must consider what long-term implications this expansion may have. In the waste removal field, it might logically compel the public sanitation departments to spread their operations over much wider areas in order to generate the revenue to pay for their expanded payrolls once Federal monies were withdrawn. Under such circumstances unemployment in the public sector would merely be traded for unemployment in the private sector.

We recognize the efforts already made in the drafting of S. 31 to ensure that federal funds will not be used in such a manner to displace "currently employed workers" (Section 10(a)(1)), and that special consideration will be given to jobs "which are most likely to expand within the public or private sector as the unemployment rate recedes." (Section 6(b)(4)). Still we feel that not enough attention has been given to the kind of displacement that could occur so easily in an industry such as ours which already shares a large part of its field with the public sector. We hope that your Subcommittee will make it unmistakably clear in its report and other legislative history on the emergency employment bill that such long-term adverse results are to be anticipated and must be avoided.

We respectfully request that this letter be included in the record of your current hearings and that the final legislation and report reflect the Subcommittee's desire to avoid the long-term problems discussed above.

I appreciate your consideration of these views and I trust that you or your Subcommittee staff will not hesitate to call upon us if we can be of any assistance.

Sincerely yours,

  
Harold Gershowitz  
Executive Director

HG:jh

LAW OFFICES

LINDA K. LEE

1700 PENNSYLVANIA AVENUE, N. W.  
WASHINGTON, D. C. 20006TELEPHONE  
(202) 296-8056

February 17, 1971

Mr. William Spring  
Professional Staff Member  
Subcommittee on Employment, Manpower and Poverty  
Senate Committee on Labor and Public Welfare  
359 Old Senate Office Building  
Washington, D.C.

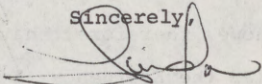
Dear Bill:

Attached is the statement of the National  
Recreation and Park Association on S. 31. We would be  
grateful if it could be included in the hearing record  
as we discussed last week.

Please call me if you have any questions or  
if you need additional copies of the NRPA recommendations  
attached to the statement.

With best regards,

Sincerely,

  
Linda K. Lee

Enclosure ( as stated)

Statement of the National Recreation and Park Association  
Before the Subcommittee on Employment, Manpower and Poverty,  
of the Senate Committee on Labor and Public Welfare, February 1971

---

Mr. Chairman, The National Recreation and Park Association very much appreciates this opportunity to present our views on S. 31, the legislation before you, and on the question of federal funding for public service employment.

As you know, we strongly supported the public service provisions of the 1970 Act and shared your disappointment when the legislation enacted by the Congress was disapproved by the President. As an association composed of more than 30,000 professional and lay leaders in the park and recreation field, we are acutely aware of the need for expanded year-round programs for our nation's young people, particularly those in our cities. We are equally concerned about the development of career opportunities in the park and recreation field. We hope, therefore, that the legislation before you, while entitled the Emergency Employment Act of 1971, will contain within it before final passage, clear legislative history indicating that the urgent needs both for employment and for leisure programs are not restricted to the summer months, and should not be used solely as instruments of social control.

On February 8 and 9, in response to the concerns of our membership, NRPA convened here in Washington more than 90 local park and recreation directors to discuss summer programs for

Summer 1971 and for the years to come. Last year, as many of you are aware, local park and recreation program directors were not notified until July 1 that funds would be available. They were then directed to have plans developed by July 8 and programs operational by July 15. Not only is this type of programming inefficient, it came too late for adequate leadership and manpower development to deliver the services properly.

Thus far, we have no indication that funding for Summer 1971 will be any different. It is for this reason that our group divided its recommendations into short and long-term packages. We would be grateful if the recommendations of the group, hammered out after weeks of correspondence and two days of intense discussion, be included in full in the Subcommittee record. NRPA is convinced that park and recreation activities must be an integral part of any public service employment and we are pleased to note that recreation has specifically been included in S. 31 as it was in the 1970 proposal.

Mr. Chairman, it was merely by coincidence that our meeting with local park and recreation directors occurred on the day that the President sent his environmental message to the Congress. In that message, as you know, he called for an expanded program of "parks to the people" and increased funding for such a program. We support that program, but in a letter to the President accompanying our overall recommendations,

we stated the following:

The "legacy of parks" you proposed must consist not only of physical facilities but of people: people inspired to become career professionals in the park and recreation field, people whose needs for community participation and individual achievement can be fulfilled, people who find new pride in their neighborhoods.

We would like to think, Mr. Chairman, that S. 31 is a bill for people. We share your concern about the high, and in many cities, rising level of unemployment. We believe that the concept of the legislation before you can achieve two major goals: the provision of new career opportunities for the unemployed, and the provision through them of recreational services that can improve the quality of life in our cities and give some of their most disadvantaged residents a new pride and hope for the future.

Attachment (1)

- 1. Additional equipment needed to carry out the project.
- 2. Local park and recreation authorities will receive cash credits for in-kind services, i.e., operating costs, personnel services, supplies, equipment, maintenance, local resource contributions.
- 3. Budget summary detailing the utilization of local and federal funds.
- 4. Number of job sites and cities.
- 5. Specific job descriptions.
- 6. Number of disadvantaged to be served.
- 7. Project description.
- 8. Project location.

NATIONAL RECREATION AND PARK ASSOCIATIONPublic Park and Recreation Programs for the DisadvantagedGeneral Policy

1. Legislation should be enacted as soon as possible providing funds directly to agencies of political subdivisions directly responsible for park and recreation functions to expand their existing programs, implement new programs, and provide services and career opportunities for disadvantaged residents. We recognize that the most immediate need for park and recreation programs is among the disadvantaged urban residents, but we emphasize that the need exists for all citizens.
2. A single federal agency should be responsible for: the coordination and selection of local political subdivisions and the determination of their levels of funding; the negotiation of contracts with those subdivisions; the approval of grants/plans; the allocation of resources; the provision of funds, technical assistance, research, evaluation and education; the drafting of appropriate legislation, with input from local park and recreation authorities; for continued program support; the dissemination of research products; the provision of available surplus federal lands, supplies and equipment; and fiscal management.
3. Park and recreation authorities will submit a program indicating their present level of service and proposed levels, indicating how their resources and those of the federal government can be combined to achieve general program goals -- expansion of existing and implementing new programs, services, career opportunities for the disadvantaged, and opportunities for community involvement.
4. Proposed programs shall include:
  - a. Project description
  - b. Number of disadvantaged to be served
  - c. Timetable for implementation
  - d. Number of job slots and titles
  - \*e. Budget summaries indicating the utilization of local and federal funds
  - \* Local park and recreation authorities will receive cash credit for in-kind services; i.e., operating costs (personnel services, supplies equipment, maintenance), local resource contributions.)
  - f. Additional equipment needed to carry out the project.

National Recreation and Park Association  
Public Park and Recreation Programs for the Disadvantaged  
General Policy

Page 2

5. Program planning will reflect local goals and priorities -- and the needs and preferences of the local residents.
6. National, and where appropriate, regional, state and local advisory committees composed of park and recreation professionals and lay citizens shall be established to provide the resources and expertise to the federal administrative agencies to upgrade the quality of park and recreation programs and services, leadership, facilities, research, evaluation, and comprehensive planning.

These committees shall:

- a. Support and encourage multiple-resource use in providing programs and services.
  - b. Encourage the inclusion of park and recreation planning as a part of the planning process at all levels of government.
  - c. Identify methods of integrating existing park and recreation services into human service programs; i.e., manpower, housing, health, education, social services, transportation and law enforcement.
7. To accomplish these goals, some suggested guidelines are presented for Executive consideration:
    - a. A funding formula based on the number of disadvantaged residents in an urban area.
    - b. Prompt indication to local political subdivisions of the level of funding they can expect so that programs can reflect the proper utilization of resources.
    - c. Local proposals must be submitted by the prescribed date.
    - d. Fifty (50%) per cent of the political subdivision's allocation should accompany approval of the local program and completion of contract agreements.
    - e. The balance of the contract should be reimbursable on submission of monthly vouchers.
  8. Federal funds will only be used to expand existing or to implement new programs, services, and jobs. Local political subdivisions must maintain their level of effort.
  9. Grant appropriations will be based on the number of residents whose income falls within the current federal poverty guidelines.

National Recreation and Park Association  
Public Park and Recreation Programs for the Disadvantaged  
General Policy

Page 3

10. Should a change in projected federal funding levels occur, local political subdivisions will be given prompt advance notification.
11. Federal audit procedures should coordinate as closely as possible with existing practices of local political subdivisions.

National Recreation and Park Association Recommendations:Public Park and Recreation Programs for the DisadvantagedSummer 1971

- Program Goal -** The expansion of existing and the initiation of new park and recreation programs, services, and job opportunities for urban residents by local park and recreation departments. While there is immediate need for park and recreation programs for the disadvantaged, this need is also community-wide, year-round and continuous.
- NRPA Purpose -** To indicate how federal resources can be utilized more effectively when coordinated with local park and recreation department resources in implementing the summer 1971 program.
- Suggested Guidelines -**
1. The following federal administrative actions should be completed by March 1, 1971.
    - a. Approval of a supplementary appropriation for the program.
    - b. Establishment of a single, federal administrative agency for program and fiscal management.
    - c. Selection of cities, determination of funding levels, and prompt notification.
    - d. Program duration--May 15 to Sept. 30, 1971.
  2. The local administrative authority and prime sponsor and recipient of funds shall be the local park and recreation department.
  3. Funds should be made available as soon as possible to local political subdivisions for the development of coordinated programs.
  4. Local political subdivisions will submit programs indicating how park and recreation department resources and those of other public and non-profit organizations will be coordinated with federal resources to provide the required services. Work programs will include:
    - a. Project descriptions.
    - b. Number of disadvantaged to be served.
    - c. Number of job slots and titles.
    - d. Timetable for implementation.

## e. Project operators.

## f. Budget summaries.

5. Program planning will reflect local goals and priorities.

6. Program will be submitted to the federal administrative agency by April 15, 1971, in order that it may receive approval not later than May 1, 1971.

7. Contract negotiations should be completed not later than May 15, 1971.

8. Local political subdivisions may begin program implementation upon federal approval with employee selection, orientation, training, planning, etc.

9. A national advisory committee of recreation professionals shall be established to provide the single federal authority with resources and expertise for program management.

10. All federal agency facilities and equipment should be made readily available for local use.

**Funding** - 1. Fifty (50%) per cent of the local political subdivision's allocation will accompany contract authorization--the balance is reimbursable on submission of vouchers.

2. Allowable costs shall include operating costs (personnel services, supplies, equipment, maintenance), transportation and meals.

3. The federal procurement act will be waived to allow local political subdivisions to use equipment in on-going recreation programs.

**Evaluation****Purpose:**

To retrieve and analyze data on project and fiscal management from the program to make recommendations about continuing, modifying or terminating federal or local projects.

**Guidelines:**

1. Evaluation will be conducted by an organization with demonstrated capability in park and recreation evaluation.

2. Local park and recreation departments shall be included in the evaluation process.

3. All data should be collected by Nov. 1, 1971, and the final report made available to the participating authorities by Dec. 15, 1971.

# Oil, Chemical and Atomic Workers International Union

ANTHONY MAZZOCCHI, DIRECTOR  
CITIZENSHIP-LEGISLATIVE DEPARTMENT



1126 - 16TH STREET, N. W.  
WASHINGTON, D. C. 20036  
PHONE: 223-2188

March 5, 1971

Mr. William R. Bechtel, Staff Director  
Subcommittee on Employment, Manpower and Poverty  
Committee on Labor and Public Welfare  
359 Old Senate Office Building  
Washington, D. C. 20510

Dear Mr. Bechtel:

Enclosed is a copy of my statement on S. 31,  
Emergency Employment Act of 1971, which I would like  
to have included in the permanent record of the hearings.

Sincerely yours,

Anthony Mazzocchi, Director  
Citizenship-Legislative Department

Enc.

STATEMENT OF ANTHONY MAZZOCCHI, CITIZENSHIP-LEGISLATIVE DIRECTOR  
OIL, CHEMICAL AND ATOMIC WORKERS INTERNATIONAL UNION  
BEFORE THE SENATE SUBCOMMITTEE ON EMPLOYMENT, MANPOWER AND POVERTY  
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE  
ON S. 31, "EMERGENCY EMPLOYMENT ACT OF 1971"

March 5, 1971

Unemployment has become the major concern of American workers. More than 6.6 percent of the work force cannot find work. The remainder of the work force is under constant fear of layoffs and plant shutdowns. Most of the men and women who are now losing their jobs will never work again at their current wage level. Many will never work again.

The Oil, Chemical and Atomic Workers International Union is deeply disturbed by recent trends in the job market. The statistics on unemployment have reached alarming proportions - 5,400,000 men and women are unable to find work. And these official counts always understate the problem because they do not include several categories of unemployed: people who have given up looking for work, people who have never worked before and are just entering the labor market, housewives, and people on welfare. If all these people were included, the official unemployment figure would be much higher than 6.6 percent.

At this time, unemployment is high amongst workers at all skills levels. The rates for engineers, technicians and other white collar workers are at unprecedented levels. However, if the present recession continues, we will see a reduction in the rate amongst highly skilled workers and an increase in the rate amongst semi-skilled and unskilled blue collar workers. This is because of the "trickle down" effect of unemployment in the labor market -- when labor is in abundance, employers will prefer to hire workers with more skills and years of schooling even if the jobs do not require the use of those skills. During the Great Depression it was not uncommon to see men and women holding doctoral degrees working as sales clerks in Macy's. We are seeing this process begin now, as highly trained people are being forced to accept lower level jobs. Thus the full impact of the recession falls upon working class men and women who are laid off as their plants slow down production and who are the last ones to be hired for new jobs. Even if the unemployment rate does not increase during the next year, the rate for blue collar workers will go up substantially.

The present state of the job market cannot be dismissed as a temporary recession which will correct itself as the economy shifts from wartime to peacetime production. Although the present crisis is a "national emergency" by any definition of that term, unemployment will

continue to be a problem for workers for a long time to come. This is because of certain structural changes in the economy that have taken place during the last decade. The rise of the multi-national corporation and with it, new patterns in world trade, is threatening to undermine much domestic manufacturing employment. With U. S. multi-nationals producing an estimated \$200 billion worth of goods overseas every year in countries with substantially lower wage rates and living standards, American workers are being rendered uncompetitive in the world labor market. Every time a U. S. corporation shifts its production to overseas, the jobs are exported and workers are laid off at home.

Another factor that continues to pose a threat to American jobs is rapid technological change. Automation, though often an index of progress, also changes or destroys the job market for many traditional types of employment. At this moment, coal miners are being replaced by Push-Button Miner machines, Southern farm laborers are being replaced by mechanical cotton pickers and type-controlled machine tools are doing the work of highly skilled mechanics.

These developments indicate that high unemployment rates will be a persistent problem for the next decade. Therefore, we urge Congress to pass legislation that will not only ease the present crisis, but will also contain an automatic mechanism to deal with unemployment whenever it becomes severe.

The concept of public service job-creation programs, as contained in the Emergency Employment Act of 1971, S. 31, is the only solution to the plague of unemployment. Unemployment compensation never replaces 100% of the pay check. And for men and women who suffer long duration unemployment, the welfare system has been proven time and time again inadequate to meet human needs. Even if unemployment compensation and welfare were federalized and their benefit levels were raised, no cash income could compensate for the degradation and boredom of being out of work. There is no doubt that earned income is much more valuable than the same amount of "gift income" -- both to the individual who receives it and to the economy as a whole.

Private industry has proven that it cannot provide employment for all Americans who want to work. In the 25 years that have elapsed since the Second World War, only once, in 1953, has the unemployment rate fallen below 3.0%. The average unemployment rate over the last 25 years has been 4.7%. These rates make a pitiful comparison with the unemployment

rates of other advanced industrial countries. The table below presents unemployment rates for the 1960's for the U. S., Japan, and five European countries.

Unemployment Rates Adjusted to U.S. Definitions							
Year	United States	France	Great Britain	Italy	Japan	Sweden	West Germany
1960	5.5	2.5	2.0	4.3	1.7	a/	.8
1961	6.7	1.9	1.9	3.7	1.5	1.5	.5
1962	5.5	1.8	2.8	3.2	1.3	1.5	.4
1963	5.7	2.1	3.5	2.7	1.3	1.7	.5
1964	5.2	1.6	2.5	3.0	1.2	1.5	.3
1965	4.5	2.0 <sup>b/</sup>	2.2	4.0	1.2	1.2	.3
1966	3.8	2.1 <sup>b/</sup>	2.4	4.3	1.4	1.6	.3
1967	3.8	2.7 <sup>b/</sup>	3.8	3.8	1.3	2.1	1.0
1968	3.6	3.2 <sup>b/</sup>	3.7	3.8	1.2	2.2	1.2
1969	3.5	2.8 <sup>b/</sup>	3.7	3.7	1.1	1.9	.7 <sup>b/</sup>

a/ not available

b/ preliminary

SOURCE: Bureau of Labor Statistics

It is interesting to note that in no year in the 1960's did the unemployment rates in France, Great Britain, Italy, Japan, Sweden, or West Germany, even approach the U. S. average.

The failure of the private sector to provide employment for the domestic labor force stems from many factors. In their efforts to reduce costs and maximize profits, corporations are forced to automate production processes and often to relocate plants overseas. The effect of these actions is that profits stay high, while workers suffer the consequences.

The solution to the problem of unemployment is not to be found in massive retraining programs, because the problem is not fundamentally a shortage of skills. Labor at all skills levels is suffering during the current recession. Retraining affects the supply side of the labor market, but the figures show that the supply of all types of labor is overabundant at this time. The problem in the market lies on the demand side of the equation. Jobs simply must be created -- and they must be created in the public sector because there is no incentive for the private sector to do it.

Public service employment should not be construed as "make-work" or "dead-end jobs." Public services are the deepest need for our society. In the areas of health care, education, public transportation, and sanitation our record has been dismal. Furthermore, we are becoming increasingly aware that somebody is going to have to start meeting the environmental crisis that technology has wrought. In addition to the more traditional types of public

servants, we need a whole new army of health and environmental inspectors, scientists, and consumer agencies to guard the public interest. City and state governments do not have the revenue to hire and train enough people to meet the country's pressing need for public services. It is up to the Federal Government to make these services available.

Two studies done for the government during the Johnson administration called for the creation of massive public service employment programs. A study done by the Commission on Technology, Automation, and Economic Progress (1966) calls for 5.3 million new jobs to be created in the following fields:

<i>Field</i>	<i>Number of jobs (millions)</i>
Medical institutions and health services .....	1.2
Educational institutions .....	1.1
National beautification .....	1.3
Welfare and home care .....	0.7
Public protection .....	0.35
Urban renewal and sanitation .....	0.65
	<hr/> 5.3

Another study done for OEO in 1965 called for 4.3 million jobs in the public sector distributed as follows:

<i>Public service group</i>	<i>Number of jobs (millions)</i>
Health, including hospitals and mental health ...	1.355
Education .....	2.017
Day care .....	0.014
Recreation and beautification .....	0.136
Libraries .....	0.063
Public welfare .....	0.065
Probation and parole .....	0.016
Institutions for dependent and delinquent children .....	0.039
Public works .....	0.150
Police and fire .....	0.050
Prisons .....	0.024
Defense .....	*0.350
	<hr/> 4.3

It is the role of government to provide those goods and services which the public needs and that cannot or are not being provided by the private sector. The increasing complexity of our society has necessitated more and more public services. These services can and must be provided by workers who are temporarily or permanently unemployed.

A large-scale public service employment program would have an impact upon the job market in the private sector as well. The general tightening of the labor market would give

increased job security to workers who are at present under continual anxiety for their jobs. Public service jobs will also affect wage rates for jobs in the private sector. For that reason, it is imperative that any emergency employment legislation specify that jobs created under the program pay at least the Federal minimum wage. Without that provision, the unemployed may be used as a cheap labor pool which would ultimately depress wages throughout the whole economy.

The Oil, Chemical and Atomic Workers International Union is committed to the goal of full employment. We feel that S. 31, Emergency Employment Act of 1971, is a necessary first step toward solving the recessionary tendencies in the U. S. economy. However, we feel that it is only a first step. The automatic trigger for public service jobs to be created when unemployment goes above 4.5% must eventually be moved up. Four and a half percent unemployment is no target for the most industrialized and wealthiest nation in the world. Ultimately unemployment must be reduced to a fraction of a percent. The U. S. government must guarantee every man and woman a job.

## STRASSER, SPIEGELBERG, FRIED, FRANK &amp; KAMPELMAN

1700 K STREET, NORTHWEST

WASHINGTON, D. C. 20006

202 - 296-3300

CABLE "STERIC WASHINGTON, D. C."

TELEX 440335

NEW YORK OFFICE

STRASSER, SPIEGELBERG, FRIED &amp; FRANK

120 BROADWAY

NEW YORK, N. Y. 10005

212 - 664-9500

FELIX S. COHEN (1932-1983)

MAX H. KAMPELMAN

ARTHUR LAZARUS, JR.

RICHARD SCHIFFER

DANIEL H. SINGER

MILTON EISENBERG

JOEL R. FRIEDMAN

RICHARD S. BERRYMAN

PETER D. EHRENHAFT

WILLIAM JOSEPHSON

PATRICIA ROBERTS HARRIS

DAVID E. BIRENBAUM

STEPHEN R. GOLDMAN

S. BOBO DEAN

MATTHEW S. NELSON

JAMES S. BLINKOFF

ALFRED P. BERGMER

STEVEN D. HEUBURG-RINN

—

HAROLD R. GREEN

COUNSEL

March 4, 1971

The Honorable Gaylord Nelson  
Room 404  
Old Senate Office Building  
Washington, D. C.

Re: S. 31

Dear Senator Nelson:

We are writing on behalf of the following Indian tribes represented by this firm: the Oglala Sioux Tribe of South Dakota, the Nez Perce Tribe of Idaho, the Pueblo of Laguna in New Mexico, the Metlakatla Indian Community of Alaska, the Hualapai Tribe, the Salt River Pima Maricopa Indian Community and the San Carlos Apache Tribe of Arizona.

On the Indian reservations occupied by all of these tribes, massive unemployment is the most serious and pervasive economic and social problem. The programs which S. 31 would authorize go directly to the heart of one of the major causes of such unemployment, the lack of skills and mobility necessary to move into job opportunities generally available to other Americans. Each of these reservations also has a desperate need for such public improvement projects as are described in Section 2 (1) of the bill.

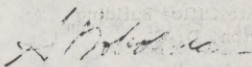
The above-mentioned tribes support S. 31 and urge that it be enacted with the minor modifications necessary to insure Indian reservation participation in the program on an equitable basis.

The changes required consist of insertion of the phrase "including Indian tribes" at the end of clause (2) of section 5, and insertion of ", including Indian reservations," after the words "local areas" in the second line of section 8.

The first amendment is necessary because of the self-governing status of Indian tribes as guaranteed by Federal law, 25 U.S.C. §476 and 25 U.S.C. §1321(a) and (c). The second amendment is intended to insure that Indian reservations, the geographic unit of Indian tribal government, will be given the same status as are geographic areas of non-Indian governments in allocating funds under the program.

Indian tribes throughout the United States will be very grateful for your assistance on this matter. If you have any questions, or wish any additional information, please do not hesitate to call upon us.

Sincerely,



S. Bobo Dean

# AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

## EXECUTIVE COUNCIL

**GEORGE MEANY**

PRESIDENT

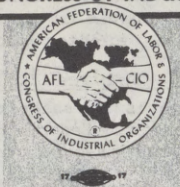
**LANE KIRKLAND**

SECRETARY-TREASURER

JOSEPH CURRAN  
JACOB S. POTOPSKY  
LEE W. MINTON  
KARL F. FELLER  
I. W. ABEL  
PAUL JENNINGS  
JOHN H. LYONS  
C. L. DENNIS  
THOMAS W. GLEASON  
FREDERICK O'NEAL  
JERRY WURF

M. A. HUTCHESON  
A. PHILIP RANDOLPH  
JOSEPH A. BEHNE  
PETER T. SCHUEMANN  
DAVID SULLIVAN  
WILLIAM POLLOCK  
A. F. GROSPICRIN  
PETER BONMARTO  
JOHN F. GRINER  
FLOYD E. SMITH  
S. FRANK RAFTERY

JOSEPH D. KEENAN  
RICHARD F. WALSH  
JAMES A. SUFFRIDGE  
PAUL HALL  
HUNTER K. WHARTON  
MAX GREENBERG  
MATTHEW GUINAN  
PETER ROSCO  
CHARLES LUNA  
LOUIS STULBERG  
ALEXANDER J. ROHAN



815 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006

(202) 293-5000

February 22, 1971

Honorable Gaylord Nelson  
United States Senate  
Washington, D. C.

Dear Senator:

The enclosed statement on "Public Service Employment" was adopted by the AFL-CIO Executive Council on February 18, 1971.

I thought you might be interested in this statement.

Sincerely,

Andrew J. Biemiller, Director  
DEPARTMENT OF LEGISLATION

Enclosure

## Statement by the AFL-CIO Executive Council

on

Public Service EmploymentBal Harbour, Florida  
February 18, 1971

A large-scale federal effort to create public service jobs is needed without delay to provide work for the unemployed, bolster the sagging economy and make available public services that would otherwise not be provided.

The AFL-CIO urges the Congress to immediately enact a nationwide public service employment program -- with sufficient federal funds to state and local government agencies and private non-profit organizations to create at least 500,000 productive jobs this year, for the unemployed and seriously under-employed. This program should offer these public service employees a ladder for upgrading and job improvement.

Adoption of such legislation would help to meet two of America's pressing needs. It would create useful jobs for the unemployed and seriously under-employed. It would also provide badly needed services in parks, schools, health care, recreational centers, libraries, public safety agencies, pollution control, conservation, public buildings and similar institutions in the government and private non-profit sectors of the economy.

Indeed, a job-creation program, along these general lines, could already be working, if it weren't for a presidential veto of the Manpower-Public Service Employment Bill in the closing days of 1970.

The veto was outrageous. It represented a shocking disregard for the plight of the unemployed as well as a denial of the pressing problems of state and local governments in providing needed services.

Studies for the Urban Coalition and the tripartite National Commission on Technology, Automation and Economic Progress have documented the existence of a huge job potential -- as great as 5 million -- in providing needed public services. These services to the public are not now available, because the state and local government agencies lack sufficient funds.

People hired under such a program would not displace those presently employed. They would be filling job vacancies which would not otherwise be filled. They would be adding to the nation's total employed workforce and expanding the nation's investment in public services.

There can be no doubt about the urgent need for job creation. Over five million Americans are out of work -- an increase of 2.3 million in two years. And the prospects for substantial improvement in the near future are not good.

In fact, the tragic unemployment situation is far greater and more serious in human terms than the government's monthly statistics indicate. According to the Labor Department, 11.7 million Americans were unemployed at some time during 1969, the most recent information on the unemployment-impact on people. About 2.6 million were without work for 15 weeks or more. And during the past 12 months of increasing unemployment, the figures are certainly considerably greater.

The creation of 500,000 public service jobs this year will not, in itself, solve the country's unemployment problem. However, its beneficial effects would multiply. Newly-hired workers and their families would spend their earnings, adding to sales, production and employment.

The dollar-cost of such a program will be offset by savings in welfare costs, the tax payments of employed workers and the social benefits generated by the productive employment of otherwise idle workers in expanding needed services to the public.

The job-potential exists. The unemployed are ready to go to work. All that is lacking is a federal program, with adequate funds.

The facts demand immediate action.

Senator NELSON. That will conclude our hearings.  
(Whereupon, at 12 noon, the hearing was concluded.)

