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MEDICAL FACILITIES, CONCERTED SERVICES, AND
EMPLOYMENT PROJECTS IN RURAL AREAS

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON RURAL DEVELOPMENT

OF THE

COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 1353

A BILL TO AMEND SECTION 306 (a) (7) OF THE CONSOLIDATED FARM
AND RURAL DEVELOPMENT ACT TO MODIFY THE DEFINITION OF
THE TERMS "RURAL" AND "RURAL AREA" FOR CERTAIN PURPOSES,

S. 1807

A BILL TO AMEND THE RURAL DEVELOPMENT ACT OF 1972

AND

S. 1916

A BILL TO AUTHORIZE THE SECRETARY OF AGRICULTURE TO CARRY
OUT RURAL CONSERVATION EMPLOYMENT PROJECTS IN RURAL
AREAS OF SUBSTANTIAL UNEMPLOYMENT

JULY 21, 1975

Printed for the use of the Committee on Agriculture and Forestry

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MEDICAL FACILITIES, CONCERTED SERVICES, AND EMPLOYMENT PROJECTS IN RURAL AREAS

MONDAY, JULY 21, 1975

U.S. SENATE,
SUBCOMMITTEE ON RURAL DEVELOPMENT OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 324, Russell Senate Office Building, Hon. Dick Clark (chairman of the subcommittee) presiding.

Present: Senator Clark.

STATEMENT OF HON. DICK CLARK, A U.S. SENATOR FROM THE STATE OF IOWA

Senator CLARK. The committee will come to order. We have scheduled this hearing today to receive testimony on three bills pending before the Subcommittee on Rural Development. There is a great deal of material to cover and many witnesses to hear from, so I am going to speak only very briefly.

For almost 3 years, during the time that I have had an opportunity to serve on this committee, we have held numerous hearings, gathering voluminous evidence on the conditions in rural America. In that time we have discovered that rural areas, in our judgment, have been still left behind. Too many rural Americans are disadvantaged and in dire need of all basic services.

Right now, about 30 percent of the population resides in nonmetropolitan areas. About half of the Nation's poor, about 60 percent of the Nation's substandard housing, and a disproportionate share of unemployed and underemployed people are located in rural areas. Support facilities and services taken for granted in urban areas are often inaccessible or they simply are not available, and because of insufficient resources and geographical barriers, the outlook for new and improved employment opportunities are not good.

In many rural areas there has been an increasing trend toward industrialization and an expansion in jobs for professional, skilled blue collar, and service workers. However, many local residents have not had the skills or educational requirements, employment and supportive services to benefit from these increasing job opportunities. Thus, many rural employers have recruited from outside local areas, leaving rural residents that much farther behind.

Now, there is one agency in the Federal Government that has recognized these problems and has taken concrete steps to help solve them, the Department of Labor's Rural Manpower Service.

That agency has broadened the range of employment services in rural areas, and it has increased the availability of manpower and supportive services to rural workers. Several innovative programs have been developed successfully under the direction of the Rural Manpower Service, such as Operation Hitchhike, the area concept expansion program, and the concerted services in training and education program.

These programs have provided comprehensive manpower services to a group of selected areas not previously served by regular employment service offices, and they have uncovered jobs not listed with the employment service. Together, they have increased placements, helped people obtain the necessary training and education to increase their employability and promoted job development.

With all these developments, it is very discouraging to learn that the Rural Manpower Service is being dismantled without a suitable replacement. With that agency will go the one focal point within the Department that has taken a completely rural outlook, and with the dismantling of that agency, the sensitivity to the special needs and problems of rural workers probably will be lost as well.

What makes this action particularly unfortunate is that there has been no empirical data to justify the Department's proposed action. That is one question we obviously will be examining here this morning. In fact, it is my understanding that one study conducted by the Labor Department's Office of Administration and Management concluded that the Rural Manpower Service ought to be strengthened and its focus sharpened. Abolishment of the Rural Manpower Service is not consistent with that goal.

It is also important to note that in the past 4 years, there has been a perceptible and significant decline in outmigration from rural areas and a growing trend back to rural America. That growth undoubtedly will be accompanied by an increased demand for the very programs that the Rural Manpower Service has initiated.

Dismantling the one visible agency within the Department of Labor will not help solve rural America's employment problems. It can only serve to deemphasize them. This is a time to upgrade programs and agencies that focus on rural areas, not deemphasize them.

That is why I have introduced S. 1807, providing for the Concerted Services in Training Education Task Force, and S. 1916, a rural employment conservation jobs bill. If enacted, they could help provide the kind of assistance that has been tried and proved in rural areas, bringing employment services and new jobs to the countryside.

Today's witnesses have come prepared to testify about these bills, and hopefully they can supply the Subcommittee with the information we need to compile a complete and full hearing record on this legislation. We also look forward to receiving testimony at this hearing on S. 1353, a bill introduced by Senator Williams of New Jersey, that would increase the size of communities eligible for community facility loans for the purpose of building medical facilities only.

Now, I said I would keep my statement brief. I know that Senator Gravel wants to testify at these hearings and should be coming at any moment. We look forward also to hearing from the other witnesses and are very appreciative to those of you from the Department of

Labor and Agriculture and other public witnesses that have taken the time to come over here this morning.

I think in the absence of Senator Gravel, that we will go ahead with the first witnesses from the Department of Labor, if they will come to the table.

William B. Lewis is Associate Manpower Administrator for U.S. Employment Service, Manpower Administration, and I understand you are accompanied by Dr. Dan Sturt, Director of Rural Manpower Service, Manpower Administration, U.S. Department of Labor, and anyone else you may wish to come to the table.

I would like to put in the record at this point a letter dated June 13, which I wrote to John Dunlop, Secretary of the Department of Labor, asking that Mr. William Kolberg, the Assistant Secretary of Manpower Services be present.

[The material referred to follows:]

JUNE 13, 1975.

HON. JOHN T. DUNLOP,
Secretary of the Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: As Chairman of the Rural Development Subcommittee of the Senate Committee on Agriculture and Forestry, it is my intention to hold a hearing at 10 a.m. June 25 on S. 1807, an amendment to the Rural Development Act of 1972 dealing with the Concerted Services in Training and Education Program. The hearing will be held in room 324 of the Russell Senate Office Building.

I would appreciate it if you would make Mr. William Kolberg of your staff available to testify on behalf of the Department of Labor.

Best wishes,

Sincerely,

DICK CLARK.

Senator CLARK. I will insert, at this point, copies of S. 1353, S. 1807, and S. 1916 along with the staff explanations of the bills and reports from the Department of Agriculture regarding the bills.

[S. 1353, 94th Cong., 1st sess.]

A BILL To amend section 306(a) (7) of the Consolidated Farm and Rural Development Act to modify the definition of the terms "rural" and "rural area" for certain purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 306(a) (7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a) (7)) is amended by inserting "and community medical facilities" immediately after "private business enterprises".

U.S. SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., June 30, 1975.

HON. DICK CLARK,
Chairman, Senate Subcommittee on Rural Development,
Russell Senate Office Building,
Washington, D.C.

DEAR DICK: In order that the intent of my bill, S. 1353, to amend Section 306(a) (7) of the Consolidated Farm and Rural Development Act may be made more clear, I would appreciate it if you would make the technical amendment below at such time that S. 1353 comes before your Subcommittee for consideration.

AMENDMENT TO S. 1353

Strike all that appears on lines 5 and 6, and insert in lieu thereof the following:
Amended by inserting "and for loans for community medical facilities under the subsection (a) (1) of this section" immediately after the words "and (d)."

Your assistance in this matter is greatly appreciated.

With best wishes,

Sincerely,

HARRISON A. WILLIAMS, Jr.

STAFF EXPLANATION OF S. 1353 (TO BE AMENDED)

This bill (to be amended by the author) would modify the definition of the terms "rural" and "rural area" under the Consolidated Farm and Rural Development Act for purposes of loans and grants for community medical facilities under the Act.

The purpose of the legislation is to raise from 10,000 to 50,000 the limit on the population of a community which could receive a five percent community facility loan for community medical facility construction.

DEPARTMENT OF AGRICULTURE,

OFFICE OF THE SECRETARY,

Washington, D.C., June 20, 1975.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of March 31, 1975, for a report on S. 1353, a bill "To amend section 306(a) (7) of the Consolidated Farm and Rural Development Act to modify the definition of the terms 'rural' and 'rural area' for certain purposes."

This Department recommends against enactment of S. 1353.

Section 306(a) (7) of the Consolidated Farm and Rural Development Act provides that the terms "rural" and "rural area" as used in the Act shall not include any area in any city or town which has a population in excess of 10,000 inhabitants except that "for purposes of loans and grants for private business enterprises under sections 304(b), 310B, and 312(b), (c), and (d)" these terms may include all territory within a State, Puerto Rico, and the Virgin Islands, that is not within the outer boundary of a city of 50,000 population or more and its immediately adjacent urbanized and urbanizing areas with a certain population density. S. 1353 would add the words "and community medical facilities" after "private business enterprises" in the phrase quoted above.

The intent of S. 1353 is unclear. Community medical facilities are considered private business enterprises for purposes of section 310B of the Act and loans for such facilities may be made or guaranteed now under that section in rural areas and towns of not more than 50,000 population. Loans for community medical facilities are also authorized under section 306(a) (1) of the Act as essential community facilities in rural areas and towns of not more than 10,000 population. But the change proposed by the bill does not affect the rural area definition applicable to section 306(a) (1).

In view of the above, we do not believe the bill, if enacted, would change existing authorities for making or guaranteeing loans for community medical facilities, and, therefore, see no advantage in, or necessity for, its enactment.

The Office of Management and Budget advises that there are no objections to the presentation of this negative report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,
Acting Secretary.

[S. 1807, 94th Cong., 1st sess.]

A BILL To amend the Rural Development Act of 1972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rural Development Act of 1972 (86 Stat. 674) is amended by adding at the end thereof a new title as follows:

**"TITLE VII—CONCERTED SERVICES IN TRAINING AND EDUCATION
TASK FORCE**

"FINDINGS

"Sec. 701. The Congress finds—

"(1) that various Federal programs and activities have a significant impact on the growth and economic development of many rural areas;

"(2) that sound public policy requires an assessment of present and anticipated resources and requirements of the Nation, including direct and indirect impact of Federal policies, programs, and activities and their inter-relationship with other sectors of the economy;

"(3) that the economic development efforts of many rural areas are greatly handicapped because local community officials are often not familiar with resources available to them through various Federal and State programs, and that such communities urgently need persons with the ability to gather resources appropriate to locally perceived rural development needs to 'tailor make' programs to serve the residents of such communities, consistent with the provisions of section 603(b) of this Act;

"(4) that an effective approach for meeting the need described in paragraph (4) has been provided by demonstration projects known as 'Concerted Services in Training and Education' which is in operation in forty-nine counties in fourteen States in collaboration with the Federal Interdepartmental Task Force (established administratively within the executive branch in 1964) and under which a local resident coordinator, provided with appropriate training, assists local governmental leaders in identifying needs, and then develops proposals for obtaining the resources required to meet those needs; and

"(5) that a higher level of coordination between all Federal departments and agencies is necessary to achieve the maximum beneficial impact on rural area development, and that such coordination can be more easily achieved by the special Federal task force hereinafter established.

"ESTABLISHMENT OF TASK FORCE

"SEC. 702. (a) There is established a task force within the Department of Agriculture to be known as the 'Concerted Services in Training and Education Task Force' (hereinafter in this title referred to as the 'Task Force').

"(b) The Task Force shall be composed of three members as follows: the Assistant Secretary of Agriculture for Rural Development or his designee, one member from the Department of Health, Education, and Welfare, designated by the Secretary of Health, Education, and Welfare, and one member from the Department of Labor, designated by the Secretary of Labor.

"(c) The chairmanship of the Task Force shall be filled on an annual rotating basis, in the order in which the members are named in subsection (c).

"ADVISORY COMMITTEE

"SEC. 703. There is established a special advisory committee to consult with and advise the Task Force with respect to all functions of the Task Force under this title. Such committee shall be composed of the following members:

"(1) one member from the Department of Commerce designated by the Secretary of Commerce,

"(2) one member from the Department of the Interior designated by the Secretary of the Interior,

"(3) one member from the Department of Housing and Urban Development designated by the Secretary of Housing and Urban Development,

"(4) one member from the Department of Transportation designated by the Secretary of Transportation, and

"(5) one member from the Community Services Administration designated by the Administrator of the Community Services Administration.

"FUNCTIONS OF THE TASK FORCE

"SEC. 704. (a) To assist the Federal departments and agencies concerned with rural development, the Task Force shall (1) assess the problems of rural America relative to economic development of natural and human resources, and (2) conduct an assessment of present and anticipated resources and requirements of the Nation including the direct and indirect impact of Federal policies, programs, and activities and their interrelationship with other sectors of the economy, and (3) participate in the establishment of rural development goals consistent with the provisions of section 603(b) of this Act.

"(b) In carrying out such functions, the Task Force shall develop new, and continue existing demonstration projects in cooperation with State and local governments to:

"(1) Develop general operational patterns for concentrating the efforts of all of the available departments and agencies and all available resources on the alleviation and ultimate solution of occupational education problems; and, as necessary, on the health, welfare, socio-economic, and related problems of persons residing in rural America.

"(2) Identify existing and potential employment opportunities and occupational education programs available to youth and to adults who are unemployed or whose income is insufficient to maintain a respectable standard of living.

"(3) Develop ways through which rural communities can provide education, vocational guidance, training and other services needed to help the residents of such communities become employable, including development of plans for:

- "(A) increasing basic educational skills,
- "(B) improving general conditions of health,
- "(C) providing vocational counseling, and
- "(D) developing occupational competency.

"(4) Demonstrate that occupational education programs, in conjunction with other economic development activities, can significantly increase employment opportunities.

"(5) Demonstrate that a cooperative occupational education effort based on local involvement will develop indigenous leadership, individual dignity, initiative, and community awareness resulting in continuing community development.

"(6) Determine and improve the relationship of the traditional educational and occupational patterns of people in the communities to their present and emerging needs, and as warranted, make recommendations for necessary adjustments.

"(c) It shall also be a function of the Task Force to (1) receive, evaluate, and approve applications for demonstration projects for local and State agencies, (2) monitor and evaluate the effectiveness of such projects and submit a report to the heads of participating departments and agencies for transmittal to the Congress, (3) serve as a clearing house for local problems and, in coordination with the appropriate Federal department or agency, recommend solutions to such problems.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 705. There are authorized to be appropriated for carrying out the provisions of this title \$4,500,000 for the fiscal year ending June 30, 1976.

"ADMINISTRATIVE ARRANGEMENTS

"SEC. 706. In carrying out the provisions of this title, the Secretary of Agriculture shall provide (1) salary and administrative expenses for the three permanent Task Force members and for clerical and administrative staff as needed; (2) funds for travel and other expenses of the Task Force; (3) office space and equipment as required; (4) funds for project coordinators, salaries, and necessary expenses."

STAFF EXPLANATION OF S. 1807

Establishes the Concerted Services in Training and Education Task Force within the Department of Agriculture for the purpose of assisting Federal departments and agencies concerned with rural development.

The Concerted Services in Training and Education program was established by Executive Order in 1960 in an attempt to do two things:

1. To encourage a number of Federal agencies to work together across agency lines to deliver Federal services to rural areas on a priorities basis.
2. To use local leadership, in cooperation with the Federal Interagency Task Force, to deliver rural education, job training, manpower services and other rural development services.

S. 1807 would establish this program in law within the Department of Agriculture. It would create a new task force to operate the program. This task force would be called the "Concerted Services in Training and Education Task Force". It would be composed of three members: one designee from the Department of Agriculture, one designee from the Department of Health, Education, and Welfare, and one designee from the Department of Labor. The chairmanship would be filled on an annual rotating basis.

Since this program would be continued as a demonstration program, primarily to demonstrate to the States and the Federal government innovative methods by which to deliver services to rural residents, the authorization in the bill is limited to \$4.5 million.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 24, 1975.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of June 2, 1975, for a report on S. 1807, a bill "To amend the Rural Development Act of 1972."

The bill would amend the Rural Development Act of 1972 (86 Stat. 674) by adding a new title to establish a task force within the U.S. Department of Agriculture to be known as the "Concerted Services in Training and Education Task Force." The task force would include representatives of the Department of Health, Education, and Welfare, the Department of Labor, and the Department of Agriculture. The purpose of the task force is to assist Federal Departments and agencies assess the problems of rural America relative to economic development of natural and human resources, conduct assessment of resources and requirements of the Nation, and participate in the establishment of rural development goals. In addition, the task force would develop new and continue existing demonstration projects in cooperation with State and local governments to resolve occupational education problems, identify employment opportunities, and develop ways through which rural communities can provide education to assist residents of such communities to become employable. The task force would be involved in approving applications for demonstration projects for State and local agencies, evaluating such projects, and serving as a clearinghouse to bring certain local problems to the attention of appropriate Federal agencies. In addition, the bill provides that a special advisory committee be established to advise the task force with respect to carrying out its functions. The committee would include one representative each from the Department of Commerce, Department of Interior, Department of Housing and Urban Development, Department of Transportation, and the Community Services Administration.

We do not oppose the continuation of CSTE which we recognize to have provided an excellent service in many of the areas in which it operated. However, the present CSTE Interagency Task Force has been successfully operating for ten years under an executive order. We do not believe that reconstituting a limited form of the Task Force in law—which would be the effect of S. 1807—would make significant improvements in its performance. We also do not believe that given the authorities and funding already available in the CETA as discussed earlier, new funding is needed for CSTE activity. Funding of many CSTE projects has already been taken over by CETA sponsors; other projects are funded by the U.S. Employment Service and our Extension Service. For these reasons, our recommendation is that S. 1807 not be enacted at the present time.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

EARL L. BUTZ, *Secretary.*

[S. 1916, 94th Cong., 1st sess.]

A BILL To authorize the Secretary of Agriculture to carry out rural conservation employment projects in rural areas of substantial unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rural Development Act of 1972 (86 Stat. 657), as amended, is amended by redesignating title VI, and all references thereto, as title VII, by redesignating sections 601 through 606, and all references thereto, as sections 701 through 706, respectively, and by inserting after title V the following new title:

"TITLE VI—RURAL CONSERVATION EMPLOYMENT PROJECTS

"FINDINGS

"Sec. 601. The Congress finds and declares that—

"(1) unemployment levels are seriously high and widespread in many rural areas of the United States;

"(2) these rural areas include lands and facilities of the National Forest System as well as other lands and facilities under the administrative juris-

diction of the Secretary of Agriculture, public forests and other agricultural lands and facilities under the administrative jurisdiction of States and other non-Federal governmental units, and privately owned forest, range, and farm lands;

"(3) there are large backlogs of needed conservation work and other work of a public nature requiring large amounts of labor and relatively small capital investments within these rural areas;

"(4) rural conservation employment projects on public and private lands and at other facilities within rural areas could quickly provide employment and related benefits for thousands of unemployed rural residents, significantly contribute to the management of many rural lands by reducing the large backlogs of conservation work, allow the completion of other projects of a public nature, and stimulate private businesses in rural America; and

"(5) the Department of Agriculture has the experience, procedures, and field organizations needed to effectively administer rural conservation employment projects on lands and at facilities under its administrative jurisdiction and to provide financial and technical assistance to States and other cooperators for such projects.

"PURPOSE

"SEC. 602. It is the purpose of this title to provide employment for unemployed rural residents through rural conservation employment projects within rural areas of substantial unemployment.

"DEFINITIONS AND CONDITIONS

"SEC. 603. (a) For the purposes of this title—

"(1) The terms 'rural' and 'rural area' shall have the same meaning ascribed to such terms by section 306(a)(7) of the Consolidated Farm and Rural Development Act.

"(2) The term 'area of substantial unemployment' means any area of sufficient size and scope to sustain a rural conservation employment project, as determined by the Secretary of Agriculture, and which has had, for ninety consecutive days or more, a rate of unemployment equal to or in excess of 6.5 per centum, as determined by the Secretary of Labor.

"(3) The term 'rural resident' means any person who is a permanent resident of a rural area of substantial unemployment.

"(4) The term 'rural conservation employment project' means any project, carried out within a rural area of substantial unemployment, which (A) provides a significant increase in employment opportunities for rural residents; (B) is administered by the Secretary on lands or at facilities under his administrative jurisdiction, or for which the Secretary provides financial and/or technical assistance in cooperation with any State, Commonwealth, territory, possession, trust territory, public agency, organization, or individual; (C) is within the Secretary's authority and responsibility as set forth in existing law; and (D) accelerate or otherwise further existing programs of the Department of Agriculture.

"(5) The term 'Secretary' means the Secretary of Agriculture.

"(b) Individuals shall be eligible for employment under this title if they—

"(1) are rural residents;

"(2) have attained eighteen years of age; and

"(3) have been unemployed for a period of at least thirty consecutive days.

"PROJECTS ON FEDERAL LANDS AND AT FEDERAL FACILITIES

"SEC. 604. (a) Under such regulations as he may prescribe, the Secretary is authorized to employ, from funds appropriated pursuant to section 607(a) of this title, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and to pay without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title 5 relating to classification and General Schedule pay rates, individuals meeting the eligibility requirements of section 603(b) to carry out rural conservation employment projects on lands and at facilities within the National Forest System and on other lands or at other facilities under his administrative jurisdiction.

"(b) In carrying out his responsibilities under this section, the Secretary shall—

"(1) determine the areas under his administrative jurisdiction which are within rural areas of substantial unemployment;

"(2) determine and select appropriate work projects for individuals employed under this section, giving priority consideration to projects that (A) are highly labor intensive, (B) have work plans or for which work plans could be readily developed, (C) could be initiated promptly, and (D) could be substantially completed within twelve months after initiated;

"(3) determine rates of pay, hours, and other conditions of employment of individuals employed under this section; except that no person employed under this section may be paid a wage higher than the prevailing rate of pay for permanent, full-time employees of the Department of Agriculture doing comparable work or \$10,000 per year, whichever is lower.

"(4) provide, directly or by contract and without regard to chapter 57 of title 5, United States Code, such transportation, lodging, and subsistence, and supplies and other services and equipment as he may deem necessary or appropriate for individuals employed under this section to carry out their duties; and

"(5) promulgate regulations to insure the safety, health, and welfare of individuals employed under this section.

"(c) Individuals employed under this section shall not be deemed to be Federal employees other than for the purposes of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code.

"(d) Individuals shall be employed under this section without regard to race, color, religion, sex, or national origin.

"(e) Existing but unoccupied Federal facilities and surplus or unused equipment, or both, of all types including military facilities and equipment may be used by individuals employed under this section, where appropriate and with the approval of the Federal agency involved.

"COOPERATIVE PROJECTS

"SEC. 605. (a) The Secretary is authorized, from funds appropriated and made available under section 607(b) of this title, to extend the provisions of this Act to lands and facilities owned by States and other non-Federal governmental units and to lands in private ownership, within rural areas of substantial unemployment, by accelerating those cooperative programs within his administrative jurisdiction, under existing law, which can best provide rural conservation employment projects.

"(b) In determining which cooperative programs shall be accelerated under subsection (a) of this section and in making the allocations of funds under subsection (c) of this section, the Secretary shall give priority consideration to those cooperative programs which can best provide rural conservation employment projects that—

"(1) are highly labor intensive;

"(2) have work plans or for which work plans could be readily developed;

"(3) could be initiated promptly; and

"(4) could be substantially completed within twelve months after initiated.

"(c) Whenever funds are made available by the Secretary under this section for the acceleration of any cooperative program such program shall be administered in accordance with all applicable provisions of law authorizing such program, except provisions relating to—

"(1) requiring allocation of funds among the States;

"(2) limits upon the total amount of Federal financial assistance for any period; and

"(3) the maximum Federal contribution to any State or local government, whenever the Secretary determines that any non-Federal contribution cannot reasonably be obtained by the State or other cooperator concerned.

"(d) Payments to cooperators under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary shall determine.

"(e) Individuals employed with funds appropriated for carrying out the purposes of this section shall—

"(1) meet the eligibility requirements of section 603 (b);

"(2) be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the State or other cooperator, except such laws, rules, and regulations, if any, relating to tort claims of compensation for injuries which occur while engaged in work pursuant to this section;

"(3) be employed without regard to race, color, religion, sex, or national origin;

"(4) not be paid a wage higher than the prevailing rate of pay for permanent, full-time employees doing comparable work for the State or other cooperator or \$10,000 per year, whichever is lower; and

"(5) not be deemed to be Federal employees for any purpose.

"LIMITATIONS ON USE OF FUNDS

"SEC. 606. Not more than 25 per centum of the funds made available for any rural conservation employment project under this title may be expended for nonlabor costs.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 607. (a) There are authorized to be appropriated for carrying out the provisions of section 604 of this title \$40,000,000 for the fiscal year ending June 30, 1975, and \$40,000,000 for the fiscal year ending June 30, 1976.

"(b) There are authorized to be appropriated for carrying out the provisions of section 605 of this title \$120,000,000 for the fiscal year ending June 30, 1975, and \$120,000,000 for the fiscal year ending June 30, 1976.

"(c) Notwithstanding any other provision of law, funds appropriated to carry out the provisions of this title for the fiscal year ending June 30, 1975, shall remain available for obligation until June 30, 1976, and such funds appropriated for the fiscal year ending June 30, 1976, shall remain available for obligation until September 30, 1977."

STAFF EXPLANATION OF S. 1916

Amends the Rural Development Act of 1972 to authorize the Secretary of Agriculture to carry out rural conservation employment projects in certain high unemployment rural areas.

S. 1916 would authorize expenditures for two years to permit the Secretary to hire persons to carry out conservation projects under the auspices of the Forest Service, Soil Conservation Service and Cooperative Federal-State programs.

The bill would authorize \$40 million annually for rural conservation employment projects on public lands. It would authorize \$120 million annually for cooperative rural conservation employment projects on State and local lands and on private lands.

The legislation would be triggered in areas in which the unemployment level was 6.5 percent or higher for more than 90 days. Those persons eligible for work would have to be: (a) rural residents, (b) at least 18 years of age, and (c) unemployed at least 30 consecutive days.

Persons hired under the provisions of this bill would not be considered Federal employees.

Priority would be given to projects that are: (a) highly labor intensive, (b) have work plans or for which work plans could be readily developed, (c) could be initiated promptly, and (d) could be substantially completed within 12 months.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 13, 1975.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR MR. CHAIRMAN: As you requested, here is our report on S. 1916, a bill "To authorize the Secretary of Agriculture to carry out rural conservation employment projects in rural areas of substantial unemployment."

The Department of Agriculture recommends that S. 1916 not be enacted.

S. 1916 would amend the Rural Development Act of 1972 (82 Stat. 657, as amended) by adding a new "TITLE VI—RURAL CONSERVATION EMPLOYMENT PROJECTS." The Secretary of Agriculture would be authorized to employ unemployed rural residents to carry out rural conservation employment

projects on lands and at facilities within the National Forest System and on other lands or at other facilities under his administrative jurisdiction. The Secretary would also be authorized to extend the employment program to lands and facilities owned by States and other non-Federal governmental units and to lands in private ownership by accelerating selected existing cooperative programs. All provisions of the new title would apply only within areas of substantial unemployment, as defined therein. There would be an annual authorization of \$40 million for Federal projects and \$120 million for cooperative projects during fiscal years 1975 and 1976. Funds would remain available through the following fiscal year.

In the Department of Agriculture, we are especially mindful of problems and opportunities facing the people of rural areas. We are seriously concerned about high rural unemployment, and from that one viewpoint, it is difficult for us to oppose legislation that seeks to improve employment opportunities and natural resource conditions in rural areas. However, in a larger sense, we must also look at the unemployment problem from a national perspective, and we must evaluate that problem within the scope of the overall Federal budget and the national economy. Our opposition to the enactment of S. 1916 is based upon three fundamental and overriding considerations.

First, while the Federal government has an important role in providing some emergency jobs during periods of high unemployment, it is the private sector, in rural as well as urban areas, that must provide the long term solution. The Administration's primary approach to the current unemployment problem is through Federal policies that stimulate the economy so as to provide lasting employment in the private sector. We believe these policies will prove to be of long term value to both rural and urban areas. Enactment of S. 1916 would conflict with these policies in that additional temporary Federal employment would be provided at the expense of permanent private employment.

Second, in recognition of the Federal government's role to provide some emergency employment, there are already several established Federal programs and mechanisms that are helping both the urban and the rural unemployed. Primary among these are activities authorized by the Comprehensive Employment and Training Act (CETA) of 1973, as amended (29 U.S.C. 801 *et seq.*). CETA provides a flexible, decentralized system of State and local unemployment and training programs. The President's budget for fiscal year 1976 includes almost \$3 billion to maintain over 300,000 public service jobs under CETA programs during fiscal year 1976. We defer to the Department of Labor for a more detailed discussion of this program, but it appears to us that enactment of S. 1916 could be undesirable because it would superimpose a program designed to serve one segment of the population over the coordinated CETA programs that serve all areas of the country.

Third, enactment of S. 1916 could increase the Federal deficit by an additional \$160 million during fiscal year 1976. While this may not appear to some as a substantial amount in terms of the overall Federal budget, we are increasingly concerned as each dollar of deficit effectively removes another dollar of potential capital from the private sector, thus weakening the nation's major source of permanent employment.

The Office of Management and Budget advises that there is no objection to the presentation of this report, and that enactment of S. 1916 would not be consistent with the Administration's objectives.

Sincerely,

EARL L. BUTZ, *Secretary.*

[The prepared statement of Senator Clark follows:]

STATEMENT OF HON. DICK CLARK, A U.S. SENATOR FROM THE STATE OF IOWA

We have scheduled this Hearing today to receive testimony on three bills pending before the Subcommittee on Rural Development. There is a great deal of material to cover and many witnesses to hear from, so my statement will be very brief.

For almost three years, I have been chairman of the Subcommittee on Rural Development. During that time, we have held numerous hearings, gathering a great deal of evidence on the conditions in rural America. In that time, we have discovered that rural areas have been left behind—that too many rural Americans are disadvantaged and in dire need of all basic services.

Right now, about 30 percent of the population resides in nonmetropolitan areas—but half of the nation's poor, over 60 percent of the nation's substandard housing, and a disproportionate share of unemployed and underemployed people are located there. Supportive services and facilities—taken for granted in urban areas—often are inaccessible or they simply are not available. And because of insufficient resources and geographical barriers, the outlook for new and improved employment opportunities are not good.

In many rural areas, there has been an increasing trend toward industrialization and an expansion in jobs for professional, skilled blue collar and service workers. However, many local rural residents have not had the skills or educational requirements, employment and supportive services to benefit from these increasing job opportunities. Thus, many rural employers have recruited from outside local areas leaving rural residents that much further behind.

There is one agency in the federal government that has recognized these problems and has taken concrete steps to help solve them: the Department of Labor's Rural Manpower Service.

That agency has broadened the range of employment services in rural areas and it has increased the availability of manpower and supportive services to rural workers. Several innovative programs have been developed successfully under the direction of the Rural Manpower Service, such as Operation Hitchhike, the Area Concept Expansion Program, and the Concerted Services in Training and Education Program. These programs have provided comprehensive manpower services to a group of selected rural areas not previously served by regular employment service offices and they have uncovered jobs not listed with the employment service. Together, they have increased placements, helped people obtain the necessary training and education to increase their employability and promote job development.

With all these accomplishments, it's very discouraging to learn that the Rural Manpower Service is being dismantled without a suitable replacement. With that agency will go the one focal point within the department that has taken a completely rural outlook. And with the dismantling of that agency, the sensitivity to the special needs and problems of rural workers probably will be lost as well.

What makes this action particularly unfortunate is that there has been no empirical data to justify the department's proposed action. In fact, one study conducted by the Labor Department's Office of Administration and Management concluded that the Rural Manpower Service ought to be strengthened and its focus sharpened. Abolishment of the Rural Manpower Service isn't consistent with that goal.

It's also important to note that in the past four years, there has been a perceptible and significant decline in outmigration from rural areas and a growing trend back to rural America. That growth undoubtedly will be accompanied by an increased demand for the very programs that the Rural Manpower Service has initiated.

Dismantling the one visible agency within the Department of Labor will not help solve rural America's employment problems. It can only serve to deemphasize them. This is a time to upgrade programs and agencies that focus on rural areas—not deemphasize them.

That's why I've introduced S. 1807, the Concerted Services in Training and Education Task Force, and S. 1916, a rural employment conservation jobs bill. If enacted, these bills could help provide the kind of assistance that's been tried and proved in rural areas, bringing employment services and new jobs to the countryside.

Today's witnesses have come prepared to testify about these bills, and hopefully they can supply the Subcommittee with the information we need to compile a complete and full hearing record on this legislation. We also look forward to receiving testimony at this hearing on S. 1353, a bill introduced by Senator Williams that would increase the size of communities eligible for community facility loans for the purpose of building medical facilities.

Senator CLARK. I must say we are delighted to have you here, Mr. Lewis. We are most disappointed that the Assistant Secretary did not feel that these hearings were important enough to attend. But we welcome you, and we ask you to proceed in anyway you think appropriate.

STATEMENT OF WILLIAM B. LEWIS, ASSOCIATE MANPOWER ADMINISTRATOR, U.S. EMPLOYMENT SERVICE, MANPOWER ADMINISTRATION, U.S. DEPARTMENT OF LABOR

Mr. LEWIS. Good morning, Mr. Chairman, and members of the subcommittee. I would like to introduce to my right my colleague, Dr. Dan Sturt, also of the Department of Labor.

I appreciate this opportunity to appear before you to discuss S. 1807, a bill introduced by you, Mr. Chairman, which would authorize in law and expand the concerted services in training and education, CSTE, and related demonstration programs.

If the committee has no objection, I would like to go through most of my prepared statement, paraphrasing parts of it, and answer any questions.

Senator CLARK. That will be excellent, and we will put the entire testimony in the record.

Mr. LEWIS. First, let me say that the Department of Labor recognizes the special manpower needs of rural areas. I would like to briefly review some of our efforts to meet those needs.

Most employment and training programs administered by the Department are now authorized under the Comprehensive Employment and Training Act of 1973, known as CETA. As you know, under CETA, the initiative for planning and implementing programs has shifted to local governments and States. These prime sponsors receive funds based on the formulas set forth in the legislation. The formula distribution has had the effect of shifting proportions of funds from the central cities to the suburbs and balance-of-State areas, avoiding the problem of grantsmanship that in the past has placed nonurban areas at a competitive disadvantage in obtaining funds.

While the distribution of CETA funds within a prime sponsor's jurisdiction is determined by the prime sponsor, Department of Labor regulations require that prime sponsors consider the relative number of unemployed persons in areas within their jurisdiction in allocating these funds. Furthermore, prime sponsors have a special responsibility for providing satisfactory arrangements for serving all geographic areas that are not served by other prime sponsors.

There are other rural efforts by the Department that have significantly expanded under CETA. Particular note should be given to the establishment of an Indian manpower program under section 302 of CETA. The Manpower Administration provided about \$52 million in fiscal 1975 under section 302. Most of these funds will serve Indians living in rural areas.

Under CETA section 303, we have established a program for migrant and seasonal farm workers with an increased funding level in fiscal year 1975 of more than 50 percent above fiscal year 1974, from \$40 million to nearly \$63 million.

Since 1972, the Employment Service, another component of the Manpower Administration of the Department of Labor, began a consolidation process which has been pointing to an integration and increase of services at the local level in rural areas. Such consolidation

is aimed at offering the complete spectrum of employment services to rural markets and employers.

In this regard, employment service man-years in rural counties have increased 10 percent from 1970 to 1975. This was during a period when total employment service man-years remained constant or even slightly declined. This, plus the reorganization of some servicing units, has had a positive impact on improving both the quality and quantity of available employment services.

I would now like to turn to the concerted services in training and education program, the subject of the proposed legislation under consideration today. As you know, it is a cooperative Federal, State, and local venture, conceived as a demonstration effort to improve smaller communities and rural areas by demonstrating that education and occupational training in conjunction with economic activities can significantly increase employment opportunities; and that local involvement will develop local leadership.

The Department of Labor endorses and supports the CSTE approach. In spite of its limited application it has brought about significant economic changes in several rural communities. The history of this program goes back many years. In October 1959, President Eisenhower issued an Executive Order No. 10846, creating a committee for rural development programs. This committee was replaced by a rural development committee in 1963 under the authority of Executive Order 11122 issued by President Kennedy. The Executive orders were prompted by the large number of rural people who had not equitably shared in the economic progress of the Nation. Overall strategy was to identify existing needs and assist in their alleviation through a series of concerted actions.

An 18-member interdepartmental task force was appointed in 1965, representing as many different education, training, and job development programs. The task force was drawn from the Departments of Health, Education, and Welfare; Labor; Agriculture; Commerce; Interior; and Housing and Urban Development; the Office of Economic Opportunity; the Small Business Administration; and the regional commissions.

The CSTE task force continues to function today under Executive order authority, headed by an executive committee composed of the representatives of the Departments of Agriculture, Labor, and Health, Education, and Welfare.

A major function of the 18-member task force is to plan and coordinate concerted services programs at the Federal level. From the outset, the task force recognized the urgent need of rural people for more education and training; noting that only about half as many eligible rural youth as compared to urban youth, were getting vocational education and occupational training or going to college.

The task force selected three States for pilot projects—Arkansas, Minnesota, and New Mexico—from among those with a high incidence of disadvantaged workers in their rural areas. With the enthusiastic support of State and county leaders, the three projects were implemented in 1965. Thus, the growth pattern was established. From the initial three project areas, the program expanded to encompass 19 projects in 13 States in fiscal year 1975.

The objectives developed by the CSTE task force were as follows:

1. To develop general operational patterns for concentrating all of the available departments and agencies and available resources on the alleviation and ultimate solution of occupational education problems.

2. To identify existing and potential employment opportunities and occupational programs.

3. To develop ways in which these rural communities can provide educational guidance and other services needed to help people become employable and secure employment.

4. To demonstrate that occupational education programs in conjunction with other economic development activities, can significantly increase employment opportunities.

5. To demonstrate that a concerted occupational education effort, based on local involvement, will develop indigenous leadership.

6. To determine the relationship of the traditional education and occupational patterns of people in the communities to their present and emerging needs and make recommendations for necessary adjustments.

Mr. Chairman, I know that you are fully aware of the operation at the CSTE program, as well as its results.

Therefore, rather than taking up the committee's time by reviewing these matters, I will turn directly to the current status of the program and then discuss the bill itself.

In fiscal year 1975 there were 19 CSTE projects in 13 States and Puerto Rico, serving 49 counties. These projects were funded by the Departments of Agriculture, Labor, and Health, Education, and Welfare. In October 1974, States with CSTE projects were notified that for fiscal year 1976, the Department of Labor would no longer fund the projects out of the national account. It was explained that while the Department had in the past established and proven local models for the delivery of services to rural areas through federally controlled discretionary funds, in accordance with the thrust of decentralizing responsibility for planning and operating manpower programs, their continued funding would now be within the discretion of State and local sponsors. In the past, manpower delivery models were restricted to selected States. They would now be available to all States at the discretion of State and local sponsors.

We are pleased to report that many of the projects formerly funded by the Department of Labor directly from Washington have been picked up by State prime sponsors. In addition, other projects are now being funded by employment service State grants, and by the U.S. Department of Agriculture's Extension Service.

For the committee's information, a status report on the individual State CSTE projects is attached to my statement.

I would now like to turn to the bill under consideration, S. 1807. As we understand it, the bill would put into law and expand the CSTE program. Related, although unspecified, demonstration projects would also be authorized. A 3-member CSTE task force would replace the present 18-member task force, assisted by an advisory committee with representatives from five other Federal agencies with rural interests. The bill also would authorize appropriation of \$4.5 million for fiscal year 1976 administered by the Department of Agriculture.

As I said earlier, the Department of Labor supports the CSTE approach. However, we have serious reservations about the bill under consideration today.

We do favor the concept of promoting the coordination of rural services funded by various Federal agencies and departments. However, the interagency task force has been successfully operating for 10 years under the authority of Executive Order 11307, dated October 4, 1966. Under the Executive order, the Secretary of Agriculture is vested with broad authority for coordinating Federal programs in rural areas. We do not feel that establishing the CSTE task force in law and defining its membership and functions would make the task force necessarily more effective. In fact, it might even impede the effectiveness and remove some of the flexibility of the task force.

We have a number of reservations regarding the wisdom of establishing statutorily the CSTE program. First, I would again point out that CSTE was established as a demonstration program. We feel that its effectiveness has been demonstrated and that the funding of the projects should now be picked up by the States. As I indicated earlier, States now have both the authority and the manpower funds under CETA to make operational CSTE and related demonstration projects. Of course, each State and local government and prime sponsor must determine its individual priorities and projects to fund, based on the needs of areas within its jurisdiction.

Second, funding the CSTE program on a national categorical basis may even lead State prime sponsors to divert their attention and resources from rural areas.

Third, we feel that fixing this one program in law is unwise because it removes the flexibility to change the program as conditions change. Programs and projects established in law have a notorious tendency to continue unchanged and inflexible even when they have outlived their original purpose.

Fourth, we would point out that this bill runs counter to the basic thrust in the manpower program area, as reflected in legislation passed by the Congress. That thrust is to decentralize funds and responsibility for manpower programs to those who are closest to the problems and those who are in the best position to determine local priorities.

A final resolution about the bill concerns funding. While we defer to the Department of Agriculture regarding the present program, we do wish to point out that the funding proposed in S. 1807 is inconsistent Federal spending. Although some might regard the \$4.5 million as an insignificant increase over the current budget ceiling, the precedent established is contrary to the President's position regarding efforts necessary to combat inflation and restore a healthy balance to our Nation's economy.

Thank you for this opportunity to testify, Mr. Chairman. I will be pleased to answer any questions you may have.

Senator CLARK. Thank you very much. We appreciate having your testimony, Mr. Lewis.

In late March, Senator Humphrey and I—Senator Humphrey is the former chairman of this subcommittee—after having reviewed the decision by the Department sent to a letter to Secretary of Labor, John Dunlop, which I will have included in the record at this point, dated March 28.

[The letter referred to follows:]

U.S. SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C., March 28, 1975.

HON. JOHN DUNLOP,
Secretary of Labor, U.S. Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: We are writing to you in a cooperative spirit to discuss the continuing deterioration of the Rural Manpower Service. In the past months, despite a successful law suit (in connection with migrant worker programs) and additional action taken by Congress to end this deterioration, the Administration continues to persist in its effort to eliminate services to rural Americans.

We are hopeful that given the new spirit of cooperation engendered between President Ford and the Congress, and given the serious economic circumstances persisting in rural as well as urban America, that we can sit down and examine what might be done to provide a balanced level of job creation and training services for all Americans.

Under Title III of the Concentrated Employment and Training Act, you are authorized to use national funds to provide manpower and supportive services, as well as training programs, to special, target disadvantaged groups and areas, including rural areas, having large concentrations of low-income, unemployed persons and substantial outmigration to urban areas.

Most of rural America can be classified as disadvantaged and in dire need of all basic services. Rural areas (outside SMSAs, and those areas within SMSAs with a population density of 200 persons per square mile or less) contain about 30 percent of the population, but half of the nation's poor.

In rural America supportive services and facilities, which are generally taken for granted in urban areas, are often either inaccessible or of a much poorer quality and quantity than in urban areas.

Local bonding capacities are limited and local governments are usually unable to hire high-level professional staff to deal with local problems.

Many rural residents and employers are not within commuting distance of local employment services offices. Because of inadequate resources and the geographic constraints of sparse populations spread over wide areas, regular employment offices either provide no services to large sections of rural America, or only periodic, itinerant assistance.

There is an increasing trend toward industrialization in some rural areas. However, many local residents have not had the skills or educational requirements to benefit from these increasing job opportunities. Thus many employers have recruited from outside rural areas.

Despite a recent stabilizing trend, rural poverty, underemployment and a lack of services has tended to force rural people to move to already congested metropolitan centers, where they have found it difficult to locate jobs or adjust to urban living. This factor has intensified social, economic and environmental problems in urban areas.

Further, because of gaps in data gathering in rural areas (outside SMSAs) by the Bureau of Labor Statistics, we feel that the seriousness of the current economic recession is not being tended to locate in rural areas, such as shoes, textiles, plastics, wood and paper products, have been especially hard hit. Yet we have found no one within government who can give us a fair assessment of the economic condition of rural America in the recession. The only information we are receiving is from hard-hit constituents, whose data can only be measured for the quality of grief.

The Rural Manpower Service of the Department of Labor has developed over the years a number of innovative approaches to deal with rural manpower problems. Examples are:

1. OPERATION HITCHHIKE

This program was initiated in 1971 to test an innovative approach for delivering manpower services in rural areas. It uses the resources of existing rural institutions to deliver Labor program resources to areas not served by normal employment office operations. In fiscal 1974, the Labor Department funded 18 Hitchhike projects in 17 states for a total of \$1.5 million. Nonagricultural placements accounted for almost four-fifths of total placements in fiscal 1974, compared with about two-thirds in FY 1973.

An in-house evaluation has shown marked benefits from this program, and that a high level of services has been provided at low cost. However, from the \$1.5 million expenditure in FY 1974, spending for the program in fiscal 1975 dropped to \$147,415, and the program is to be discontinued in fiscal 1976.

2. CONCERTED SERVICES IN TRAINING AND EDUCATION

CSTE was initiated in 1965, and has been a low cost approach to pooling the resources of numerous Federal, State and local agencies in activities to promote community development and training activities in rural areas. Principle CSTE activities here involved improvement of supportive services (child care, health, housing and transportation facilities), development and improvement of training, basic education, and vocational education programs, initiation of manpower resource surveys, leadership in economic and industrial development, and the promotion of soil conservation.

During fiscal 1974, there were 17 CSTS projects in 13 states funded by the Departments of Labor, Agriculture and Health, Education and Welfare. The cost to the government of all projects was \$270,157. It is our understanding that the 1976 budget has no provision for the continuation of this program. Nevertheless, our evaluation of this program through hearings and other methods, shows that it is one of the most successful of Federal programs. It should be continued and expanded on a pilot basis if for no more than as a guide to the states on how best to use Balance-Of-The-State CETA money. While the CSTE program has never been formalized into law, it represents the best effort yet at inter-agency coordination and cooperation to get a job done.

3. AREA CONCEPT EXPANSION PROGRAM

This program began in 1971 to provide a single manpower delivery system to a large geographic multi-county rural area where the individual political units within the area are related economically or in other ways. Using the state and local employment security system, all manpower services are centralized in a dominant city within the area. This office is then linked to satellite offices in more remote regions of the area.

During fiscal 1974 there were 10 ACE projects in 10 states. In that year, the government spent \$648,000. There is no provision in the budget to continue this program.

In the interest of space and your time, we have not mentioned the Employment Service staff training program to help the staff improve services to rural areas; the Smaller Communities Program; Operation Greenthumb (which apparently will be funded by Congress); or the circumstances which led to the filing of *NAACP, Western Region, et. al. vs. Peter J. Brennan*.

The point is that the extremely modest rural programs of the Department of Labor have been successful in providing comprehensive manpower services to rural people not previously served by regular ES services. They have uncovered jobs not previously listed with the ES. They helped rural people obtain the necessary training and education to increase their employability, and they have promoted job development.

The rural people who communicate with us feel there is a definite need for these programs to continue and expand. Further, other innovative approaches need to be developed to serve neglected rural areas.

A mandate issued by the Secretary of Labor in 1972 requires that rural areas be provided with equity of access to comprehensive manpower services comparable to that available to urban residents. To meet this goal, national guidelines indicate that states will have to design a variety of delivery systems. Traditional manpower systems will not suffice to handle the needs of the widely dispersed rural population.

We do not feel that the problem of equity will be resolved simply through the Balance-Of-The-State money available through CETA. We cannot accept this as an argument for disposing of proven rural manpower programs. As you know, the large metropolitan areas can also compete for Balance-Of-The-State money. Given their large professional staffs, we expect them to be able to lay heavy claims upon these funds.

The Rural Development Act of 1972 mandates that Federal, State, and local governments take steps to carry out the basic goals under the Act, including creating more and better job opportunities, increased incomes, and a higher quality of services to rural areas.

The Employment Service has never been adequately funded and staffed to help overcome the serious economic disparities between urban and rural areas. The amount of DOL outlays for manpower services and training programs going to metropolitan areas more than doubled between fiscal 1970 and 1972, while the amount to rural areas increased only 23 percent. The share distributed to rural areas declined from 29 percent of the total in 1970 to only 19 percent in 1972. This is far below the rural representation in the total population and the rural share of poor people.

Under Title III of CETA you are authorized to provide additional manpower services to segments of the population to persons determined to have particular disadvantages in the labor market, or to areas having substantial outmigration to urban areas. Further, you are authorized to establish experimental pilot projects which demonstrate the effectiveness of methods to meet manpower, employment and training problems.

We urge you to use these authorities to maintain proven rural programs on a pilot basis.

We would be pleased to meet with you to discuss our concerns further. We do not feel that in this letter we are even asking for what should be a fair share for rural America, but rather for crumbs.

NOTE.—In the event that you do not feel that certain programs now under the jurisdiction of the Rural Manpower Service are properly functioning there, please consider this a formal request for bill drafting service. We would like to have drafted four separate bills, all similar in nature. We would wish that as drafted, these bills would incorporate the Small Communities Program, CSTE, ACE and Operation Hitchhike into the Rural Development Service of the U.S. Department of Agriculture under the provisions of Title VI of the Rural Development Act of 1972. In the case of CSTE, we are desirous that the language would in no manner interfere with the existing cooperative initiative between Federal agencies. We feel that this can be done by using the Rural Development Service as a home base, while maintaining a strong Federal Advisory Committee, whose chairmanship rotates annually between participating agencies.

As we indicated previously, it would also be most helpful if better rural data was maintained by the Bureau of Labor Statistics. In this connection, your staff might find it useful to initiate dialogue with the Economic Research Service of the Department of Agriculture so that they may help you identify data needs.

As we said at the outset, we have no wish to be contentious, and will work with you in any cooperative fashion which you may deem worthwhile. However, we cannot stand by and watch worthwhile innovative programs be blown away because of an apparent lack of interest at the Department of Labor.

We look forward to working with you in this regard in the future.

With every good wish, I am,

Sincerely,

DICK CLARK,

HUBERT H. HUMPHREY.

Senator CLARK. Which goes into our view in a number of respects our disappointment about the decision and so forth, and in that letter we specifically asked for some drafting services from the Department.* Let me just read the relative sentence or two. Please consider this a formal request for bill drafting service. We would like to have drafted four separate bills, all similar in nature. We would wish that as drafted, these bills would incorporate the small communities program, CSTE, ACE, and Operation Hitchhike into the Rural Development Service of the U.S. Department of Agriculture under the provisions to title VI of the Rural Development Act of 1972.

Now we received a letter back from Mr. Dunlop about 6 weeks later dated May 5 in which that section of the letter was not answered. We are particularly concerned about drafting legislation. We felt that you were in the best position to do that since you were administering these programs. But because, and I make Mr. Dunlop's letter dated May 5, part of the record as well.

[The letter referred to follows:]

*See p. 17.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: Thank you for your letter of March 28, 1975, expressing your concern relative to the equitable provision of manpower services in rural areas as well as the continuation of various specific manpower projects.

Under the Comprehensive Employment and Training Act (CETA) and related legislation, the initiative for planning and implementing programs to increase the effectiveness of service delivery has been shifted from the Federal Government to the States and their subordinate jurisdictions. More specifically, the Balance-of-State formula ensures that nonmetropolitan areas receive what each State considers a fair share of manpower program resources. While we have established and proven local models for delivery of services to rural areas through federally controlled discretionary funds in the past, their continued funding or expansion is now within the discretion of CETA prime sponsors. In fact, 7 of the 13 Hitchhike projects now funded totally or in part by the Department of Labor will continue in the next fiscal year, funded entirely from State resources.

Whereas in the past manpower delivery service models were restricted to selected States under discretionary national office funding, they are now available to all States at the discretion of Balance-of-State prime sponsors under the provisions of CETA legislation.

In 1971, the Department recognized the fact that services were not being provided to migrants and seasonal farmworkers on an equal basis with nonagricultural workers. The Special Review Staff (SRS) reviewed the problem, and on the basis of their report the Secretary of Labor issued a 13-point directive outlining steps to be taken immediately in both the Rural Manpower Service and the Employment Service to begin a consolidation process which would result in integrated services at the local level. Such consolidation is aimed at offering a broader spectrum of services to rural workers and employers and at providing sufficient resources to accomplish the objective. This directive provides guidelines for implementing this point and those portions of the additional points which require immediate planning and action in the field. Since 1972, some portion of each of the 13 points have been accomplished and some points have been completely accomplished.

To ensure timely compliance with the 13-point directive, a monitor-advocate system has been implemented on a national scale. This system is designed to monitor activities of State ES agencies regarding rural services and to resolve complaints involving rural service delivery deficiencies and abuses.

The Employment Service has been especially sensitive to the need for expanding in rural areas, partly in response to the recent Court Order resulting from the case, *NAACP, Western Region et al vs. Peter J. Brennan*. In its move to provide greater equity of access to employment services in rural areas, employment service man-years in rural counties have increased 10 percent from 1970-1975. The increase in man-years, plus the reorganization of some servicing units to coincide with functional economic areas with outreach into smaller communities, has had a positive impact on improving both the quality and quantity of available employment service.

In response to the Court Order, the Department has established a Task Force on Rural Equity. This task force is in the process of reviewing actions being taken to comply with the Order as well as developing substantive program approaches which will ensure an equity of access to manpower services for all rural residents.

There are other rural efforts by the Department that have significantly expanded under CETA. Particular note should be given to the establishment of an Indian Manpower Program under Section 302 of CETA. Aside from public service employment funds available for Indians, the Manpower Administration will provide about \$52 million in FY '75. Most of these funds will serve rural Indians.

Under CETA Section 303, we have established a program for migrant and seasonal farmworkers that increased the funding level in FY '75 more than 50 percent above FY '74—from \$40 million to nearly \$63 million, with the same higher level projected for FY '76.

In order to initiate a discussion on some of the issues raised in your letter, Assistant Secretary for Manpower William H. Kolberg would welcome the opportunity to meet with you, or to arrange for meetings between your staff and the Department's.

Again, I thank you for your concern in this matter.

Sincerely,

JOHN T. DUNLOP,
Secretary of Labor.

Senator CLARK. Since we are concerned about that, we called over to the Department and asked that that section be complied with and received another letter back in answer saying that the Department did not wish to draft such legislation. I understand your opposition to it but we had always been under the impression that that was a regular practice. Is it not a regular practice to meet requests of that kind from Senators to draft legislation on our behalf or did you feel that it was inappropriate?

Mr. LEWIS. Senator, I believe that we do provide that service although I am not intimately familiar with that aspect of the Department's administration. I do not recall what was in the last letter you referred to.

I will presume and hope that it was because we felt like we were not as expert in those areas as others were. But I just do not remember that.

Senator CLARK. I would like to on behalf of the committee and particularly Senator Humphrey and myself, to ask you to reconsider that decision.

Mr. LEWIS. We will reconsider your request.

Senator CLARK. What percentage of the Department of Labor's manpower funds are now being funneled through CETA?

Mr. LEWIS. I guess it is about a third.

Senator CLARK. About a third.

Now, is it not true—

Mr. LEWIS. I am sorry; was the question what percentage of the total manpower funds go through CETA?

Senator CLARK. That is correct.

Mr. LEWIS. I am sorry, I will have to supply that for the record. It is a substantial proportion.

Senator CLARK. Can you give us any rough idea to work from in these hearings?

Mr. LEWIS. I just do not have the figure, I am not directly responsible for all the CETA programs. I get into only pieces of it.

Senator CLARK. The reason I wonder and the question just occurred to me as you talked about your testimony; the emphasis on shifting in this direction, I just wonder how much shift there has really been?

Mr. LEWIS. Decentralization?

Senator CLARK. Yes; in terms of CETA funds. Are we talking about 10 percent or 80 percent?

Mr. LEWIS. Oh, no, I would say leaving unemployment compensation aside, which as you know varies with the state of the economy and is probably somewhere around a \$17 billion outlay now. I would guess that we are talking about \$3.5 to \$4 billion. Against that you would have to stack up a little less than \$0.5 billion for the Employment Service. So, a substantial proportion on the manpower funding is through CETA.

Senator CLARK. An eighth or so according to those figures?

Mr. LEWIS. No.

Senator CLARK. Half a billion?

Mr. LEWIS. I say through the Employment Service we would get about \$500 million. The CETA number which I can provide you a precise figure for, must be somewhere around \$3.5 to \$4 billion.

[The following information was subsequently received for the record:]

CETA appropriations requested for FY 1976 represent approximately 78 percent of total Department of Labor manpower funds. The total does not include Federal and State unemployment compensation benefits and funds transferred from the Department of Health, Education and Welfare for the Work Incentive Program. The FY 1976 appropriations request for programs authorized by CETA, exclusive of Federal program administration, is \$4.02 billion. The request for Employment Service Grants to States is approximately \$0.5 billion.

Senator CLARK. And now with regard to the decision to abolish the Rural Manpower Service, is it your understanding that that question was brought to the attention of the Secretary of Labor and he was involved in that decision?

Mr. LEWIS. The Secretary and I have not discussed the organizational change plan for the Employment Service.

Senator CLARK. The Rural Manpower Service?

Mr. LEWIS. That is right, the Rural Manpower Service is now a small staff unit within the U.S. Employment Service in the national office.

Senator CLARK. So Secretary Dunlop was not involved in this decision?

Mr. LEWIS. Normal departmental procedures. Senator, require organizational change plans to be forwarded to the Secretary's office but reviewed on behalf of the Secretary by the Assistant Secretary for Administration, and the planning is now in that stage of approval.

Senator CLARK. Well then, does that mean that he was not involved in the decision to abolish the Rural Manpower Services or that he was involved?

Mr. LEWIS. At this point that is a plan and not a decision.

Senator CLARK. It is a plan, I see.

Mr. LEWIS. That is correct.

Senator CLARK. There has been no final decision to abolish the Rural Manpower?

Mr. LEWIS. There is nothing yet on which to execute a reorganization.

Senator CLARK. We are particularly interested in this because several Senators sent a telegram to Secretary Dunlop which I would like to make a part of the record.

Senators Abourezk, Mondale, Symington, Haskell, Hartke, Humphrey, Burdick, myself, Hart—Gary Hart of Colorado that is—McGovern, McGee, Culver; 3, 6, 9, 10, 11, 12 Senators saying that, just to read the first sentence:

We are disturbed by the decision of the Labor Department to eliminate the Rural Manpower Service, including successful programs such as Operation Hitchhike, Concerted Service in Training and Education, and the Area Concept Expansion Program.

That telegram is dated June 27, and because of the interest of that many Senators in this program, I would hope that you would call this

telegram to the attention of Mr. Dunlop and that he would take a very careful look at it. I think that he would owe us that.

Mr. LEWIS. Senator, I believe that we sent forward a reply late last Friday to that telegram and I am quite sure the Secretary is aware of your concern over the planned organizational change.

Senator CLARK. That Secretary Dunlop is——

Mr. LEWIS. I am quite sure he is aware of it.

Senator CLARK. You think this has been called to his attention, this telegram?

Mr. LEWIS. I believe it has although I have not spoken with him personally.

[The telegram and response thereto follows:]

[Telegram]

JUNE 27, 1975.

Hon. JOHN DUNLOP,
Secretary, Department of Labor,
Washington, D.C.:

We are disturbed by the decision of the Labor Department to eliminate the Rural Manpower Service (RMS), including successful programs such as Operation Hitchhike, Concerted Service in Training and Education, and the Area Concept Expansion Program.

Even in times of high national employment, rural areas face serious underemployment and receive fewer manpower services than their urban counterparts. Now that unemployment is approaching 10 per cent, with 8 million Americans out of work, the need for job creation, placement and training programs is critical in Rural America.

Federal government programs aimed at helping the poor have always been heavily concentrated on urban areas. However, the poverty rate is two-thirds higher in Rural America than in urban areas. Now the Department is proposing to compound this neglect by eliminating the RMS.

There is no human and no economic justification for a cutback in rural manpower services. What the country needs most, and what economists agree is the only way to solve the federal government's budgetary problems, is to help people find jobs so they can be productive, tax-paying citizens.

We urge that the Rural Manpower Service be retained.

Sincerely,

James Abourezk, Walter Mondale, Stuart Symington, Floyd Haskell,
Vance Hartke, Hubert Humphrey, Quentin Burdick, Dick Clark,
Gary Hart, George McGovern, Gale McGee, John Culver.

Hon. JAMES ABOUREZK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ABOUREZK: This is in response to your telegram of June 27, 1975, in which you expressed concern over the reported plan to eliminate the Rural Manpower Service and to discontinue certain manpower programs designed specifically for rural areas.

The proposed reorganization within the Manpower Administration will not adversely affect services to rural residents. On the contrary, its goal is to provide comprehensive employment services for all Americans in the most efficient fashion. It is an integrated approach which we believe will bring about improved and more equitable services for rural residents.

I agree that the current economic crisis in Rural America is unacceptable; but I must submit that it is an integral part of the total problem which confronts our nation, and that continued fragmented and piecemeal approaches to relieving rural pressures serve only to exacerbate the problem.

The Department of Labor is sensitive to the special problems in rural America, and we are proud of the programmatic efforts we have made to provide better manpower services to rural residents. In the past five years, the proportion of man-years devoted to rural employment services has increased 10 percent. The reorganization of some servicing units to coincide with functional economic areas, with outreach into more remote communities, has had a positive impact on improving both the quality and quantity of available employment services.

Under the Comprehensive Employment and Training Act (CETA), approximately \$52 million was made available for Indian manpower programs in FY '75, and the funding level for migrant and seasonal farm worker programs rose from \$40 million in FY '74 to nearly \$63 million in FY '75. In response to allegations of service disparity made by agricultural workers through the courts, the Employment Service has integrated service delivery at the local level. This has the effect of offering a broader spectrum of services to agricultural workers, because they receive the same services as nonagricultural workers.

The Comprehensive Employment and Training Act assigns to the States and their subordinate jurisdictions the responsibility of developing human resources through manpower programs. The Federal role in this area has been mandated as one of policy establishment, technical assistance, and general oversight. Accordingly, many of the pilot programs developed over the past five years (for example, Hitchhike and Concerted Services in Training and Education) will be funded with CETA, monies made available to the States.

Under CETA, rural residents should receive an equitable share of a State's resources. Funds are allocated to the Balance of State on the basis of a formula. It avoids the problem of "grantsmanship," which in the past has placed nonurban areas at a disadvantage in obtaining funds.

While the CETA prime sponsor determines the allocation of funds within its jurisdiction, Department of Labor regulations require the prime sponsor to consider the relative number of unemployed persons in different parts of its jurisdiction. Furthermore, State prime sponsors have a special responsibility for providing satisfactory service to all areas within the jurisdiction. States are specifically authorized to provide financial assistance "for special programs and services designed to meet the needs of rural areas outside of major labor market areas."

The Department of Labor, while recognizing the unique problems of rural areas which inhibit the effective delivery of manpower services, strongly feels that the consolidation of resources and a singular and nondiscriminative system of service delivery will strengthen the U.S. Employment Service. We are motivated not by operating economics, but by the desire to devise a public service system which will treat all our citizens equitably.

I appreciate your concern in this matter, and would welcome the opportunity to brief you on the planned reorganization if you consider it appropriate.

Sincerely,

JOHN DUNLOP,
Secretary of Labor.

Senator CLARK. Now this question of whether a decision has really been made with regard to abolishing the Rural Manpower Services, I had understood your original statement to say that there were no funds in fiscal 1976 for this purpose. Would that not indicate that the decision has in fact already been made?

Mr. LEWIS. Senator, if you will bear with me a minute, I would like to make the distinction between rural services, and the organizational change you brought up. They are two vastly different things.

Senator CLARK. I understand I am speaking of the organizational change.

Mr. LEWIS. The organizational change, no. I believe that part of the statement that referred to funding applied to the individual pilot projects under CSTE and not to organizational change.

Senator CLARK. Go ahead, you were going to give an explanation between the two.

Mr. LEWIS. Well, we believe understanding the organizational intricacies would really require me to go into an explanation of how the whole Manpower administration is set up. But, over a period of years within the Federal Department of Labor we have been decentralizing authority to our 10 regional offices. By and large, the offices remaining in our headquarters in Washington are staff offices which provide technical and program design and policy-type services to the Assistant Secretary for Manpower.

Essentially, within approved plans, the decisionmaking for everyday operations resides in the 10 Assistant Regional Directors for Manpower and not the staff offices. With respect to the Rural Manpower Service unit, it is authorized somewhere around 20 staff members presently. It is a relatively small staff advisory office within another advisory staff office known as the U.S. Employment Service.

I think if I took the time I could persuade you, and I did have the opportunity last week to give a presentation to the rural caucus where I had some organizational charts present. But I think at least some of the staff persons there realized at the end of that session that as far as providing services to rural communities, the existence or nonexistence of a small staff office in Washington is probably of no significance whatsoever.

Senator CLARK. I am not so sure of that. But then that is a matter of judgment. Let me ask about that though, in a little more detail in terms of how—and I am not quite sure that I agree that if you eliminate the Rural Manpower Services that you are going to have a greater emphasis on some rural manpower programs—I am not sure that those two follow all that logically.

Mr. LEWIS. Senator, one of the principal advantages of this is that, more and more, as you and others have called to our attention the need for services in rural areas, the full staff services of the U.S. Employment Service national office, and I would submit even much broader than that, all of the manpower administration offices in the national office, are needed to zero in on those problems.

Senator CLARK. But you have special offices that you are not proposing to eliminate? Veterans Employment Services—you are not going to eliminate that?

Mr. LEWIS. A Veterans Employment Service is specifically required by law.

Senator CLARK. Well that is exactly what we had hoped to do with the Rural Manpower Services. But you are not recommending that we drop the Veterans Employment Services and that fits this category you are talking about. Now, admittedly, it is required by law, but you could recommend that that law be repealed. Do you feel that Veterans Employment Services with that approach, with having a separate service in the Department of that kind is wise?

Mr. LEWIS. I have not considered asking for a legislative change which would have any effect at this time on the Veterans Employment Service. But by and large, I believe that many of the professionals in the Department of Labor hold the view that special Federal program offices really have not and would not organizationally be a benefit to those services.

We have planning systems which call for needs and information coming up from the regional offices which, by the way, is based in large part on information that comes from State and local sponsors, and we feel that the needs for those jurisdictions can be much better met than when the programing and the policy decisions are made from a separate categorical office in Washington.

Senator CLARK. But you do have one for veterans? I mean everything you say, it seems to me, fits the Veterans Employment Service just as clearly as it does the Rural Manpower Services and certainly the Secretary of Labor or Mr. Kolberg or you are not recommending

that we follow the theory which you have just described with regard to veterans, are you?

MR. LEWIS. We just have not addressed that issue.

Senator CLARK. But you have addressed this one on that theory. It seems to me that the theory ought to apply not just to rural but that it would apply across the board if that is a sound theory.

MR. LEWIS. There is a whole different set of circumstances with regards to veterans.

Senator CLARK. Than there is with rural areas?

MR. LEWIS. Yes. And with regard to veterans, that particular service has been in existence probably for three or four decades. It calls for employment security agency, State veterans employment representatives in each State, and in addition, a small office in the national office. We have recently instituted an organizational change in that service to begin to bring it up to an organizational form more consistent with other parts of the Manpower Administration.

While programs, dollars, and authority were being decentralized to our regional offices, there was no representation of the Veterans Employment Service at the regional level. We have within the last 2 or 3 months established regional representatives of the Veterans Employment Service to begin to overcome that gap. While no particular consideration was given to the organizational change questions you are asking, the current strategy for the Veterans Employment Service would be to bring it more closely into the Manpower family and give it some regional representation to bring it about up to where the rest of the Manpower Administration apparatus is now.

So even if it were to be considered, it probably would be premature at this point to do anything.

Senator CLARK. I would like to go on record as saying that at least as far as Senator Humphrey and I are concerned, and I suspect the remainder of the subcommittee—we think that it would be wise to treat the rural areas in a similar fashion, bring it in as a part of the whole program.

But let me ask you this, I do not want to dwell too long on the elimination of this, even though it is a most significant fact that I think that we are discussing here. Many of us feel that the Rural Manpower Service ought to be mandated in the same way and we have the intention to do so. Obviously, the one piece of legislation that we have discussed goes part way in doing that. But what is the empirical data that really led the Department of Labor to decide that they ought to abolish the Rural Manpower Services? You have given us the theoretical basis just now—but what is the empirical evidence that somehow rural areas are going to be treated better or under the present system—that they are being treated more unfairly. What is the real evidence? Have you done any studies on it? What is the evidence?

MR. LEWIS. Well, there are no particular empirical studies that were done to underlay any organizational change. Studies are mostly done on the basis of grouping of functions. I would say that in many of these things you boil it down to faith and symbolism. I am sure we feel that as far as the employment service is concerned, leaving aside all the other parts of the Manpower Administration for a moment, that we have demonstrated good faith in recognizing the needs of rural areas.

A part of my statement which included the point about a shift in man-years in the employment service of, roughly, 2 percent a year for 5 fiscal years, is highly significant because that institution in man-year terms has been roughly stable or fluctuated within about a 1,000 man-year range since 1966. Meanwhile, the work force has gone up over some 20 percent. The ratio of employment service man-years to work force has gone from something like 1 in 2,500 to 1 in 3,400 in that period of time.

In 1966 about 11 million individuals experienced a spell of unemployment. Probably in fiscal year 1977 that figure will be somewhere around 20 million. Meanwhile, there is the same size institution out there trying to deal with the problems, and within that context we have so shifted resources, which may not sound substantial in the numbers we normally use in the Federal bureaucracy, but given the situation we faced over that period, it has been a substantial shift of resources. In addition, given a lot of ideas and concepts that have been used in various groups of experimental projects which you have mentioned, we have plowed those concepts, to the extent that we could within our resources, into regular operations. Itinerant point servicing, which is a very important aspect of getting services to people, even mobile units, special office arrangements, and the like. We feel we have demonstrated that faith.

Senator CLARK. Well, let me ask you this, Mr. Lewis. You have described again, as you did in your opening statement, the progress that you feel has been made in rural areas with regard to the man-hours, and so forth, but has this, in fact, been done because of the Rural Manpower Services, or was that done exclusively without them?

Mr. LEWIS. They certainly have played a part in it, I think, and now what our focus and strategy must be is to broaden that and to build these concepts into the whole delivery system and to work more toward linking up CETA with the employment service, which is also an important program emphasis item for the whole Manpower Administration for fiscal year 1976.

I think this program office is certainly no longer essential to that, it having done its part in getting some things started. Service to rural areas now must become a Manpower Administration-wide issue.

Senator CLARK. But you would agree that part of the reason you have made this progress which you have described is because of the activities of the Rural Manpower Service?

Mr. LEWIS. I would say that they are a part of it; I would not, on the other hand, say that these things would not and could not have occurred had they not been in existence.

Senator CLARK. Well, that is speculative, of course. We know that is what happened. We know that the record shows that, as you indicated, that they have been responsible for a part of this. We cannot be sure, of course, whether those things would have gone forward without their kind of assistance, but let me ask, I understood you to say that you had not had any particularly empirical data or any particular studies analyzing rural manpower services. Is that correct?

Mr. LEWIS. No, there are studies going on all the time, but there was no particular study which gave rise to the planned reorganization.

Senator CLARK. Let me just quote a couple of phrases from a study that was prepared by the Division of Management Analysis, Office of

the Management and Administrative Services, Office of Administration and Management, dated August 1974—that would be 1 year ago—entitled, “A Review of the Role of the Rural Manpower Service.”* Now that is right on the subject that we are talking about, and I would like it made part of the record.

It is a 15-page study, looking at the role of Rural Manpower Service. Let me quote a couple of sections of conclusions and ask that you comment on them.

“There is solid legislative support for the position that rural areas and populations have severe manpower problems and special measures to correct these problems are demanded.” Now, that special measures are demanded. That would seem to me—maybe I could get you to comment on each of these separately—that by eliminating this role of Manpower Service that, indeed, this study would indicate that they feel that some special measures to correct these problems are demanded. What is your response to that?

Mr. LEWIS. Senator, that study was requested internally. Let me go back, although I was not in the Manpower Administration at that time—

Senator CLARK. How long have you been in the Manpower Administration?

Mr. LEWIS. I have recently returned there and been there a year. I originally came to the Department of Labor in 1960, but I was away doing other things since 1971.

Senator CLARK. How long have you been in your present position?

Mr. LEWIS. Just about a year, roughly, since late August of last year. The Manpower Administration had recently completed a large-scale reorganization which left the U.S. Employment Service and its components relatively unchanged, but among other things, transferred a lot of functions to other units, such as policy evaluation, research data gathering and analysis, and things of that sort. The study which you are quoting, I am quite sure, was done largely to defend the grade structure in the Rural Manpower Service, and particularly the grade level of the Director, Rural Manpower Service. In planning the current organization change about which you have asked questions, the same management analysis unit which prepared the study you quoted and entered into the record, also worked with me in designing the proposed organization. As a matter of fact, I am not 100 percent sure, but about 90 percent sure, that the same management analyst who wrote the report you quoted was also the one who assisted in the revision of the mission and function statements in the planned organizational change that would abolish the Rural Manpower Service.

But the message is that there are a number of ways that you can slice things; there are a number of ways you can address things, and a number of vantage points that one can take.

Senator CLARK. Which means you can get about any conclusion from even the same guy studying the same function.

Mr. LEWIS. I would say that some sciences are that way, or maybe the art of management analysis leads itself to that kind of blending. I cannot help but smile when I think of what I just said, but it is true.

Senator CLARK. I think it probably is. I think it probably is.

*See p. 51.

Mr. LEWIS. You can go to a management consulting firm, as you know, and get a number of different answers, depending on who works the contracts and who the consultant must report to for monthly invoicing.

Senator CLARK. I am curious as to what your next August report will show.

Mr. LEWIS. Well, hopefully, it will show that we have continued to make progress in the rural areas and have already implemented the proposed reorganization.

Senator CLARK. Let me read the one other conclusion here, just again, it is kind of edifying in regard to whether or not we ought to eliminate the Rural Manpower Services, assuming that these studies mean something.

There is a need for the United States Employment Service component responsible for the performance of staff functions aimed at improving employment services for rural people. Its focus should be sharpened and reoriented. It should be strengthened by the realignment of its structure and the addition of some functions from other parts of the United States Employment Service.

This is the summary of the entire 15-page study, with a couple of other sentences.

Mr. LEWIS. Senator, there is another point which is germane. Since the request for the study that you are quoting there have been subsequent adjustments to the staff ceiling in the Manpower Administration and in the U.S. Employment Service in a downward direction, which also called for another look at how staff are distributed.

Senator CLARK. How many staff members have you lost as a result of that?

Mr. LEWIS. A 920 staff ceiling reduction has occurred in the Manpower Administration as a whole over 3 fiscal years. For the USES part, in just the headquarters portion of the Manpower Administration, there has been a decrease of from something over a 300-ceiling level in fiscal year 1972 to about 185 in fiscal year 1975, which is also the temporary ceiling for fiscal year 1976.

Senator CLARK. I said in my opening statement that there were 30 percent of the people of this country living in nonmetropolitan areas. Do they have a higher unemployment figure according to our latest available statistics than people living in metropolitan areas?

Mr. LEWIS. Dan, do you have this data?

Mr. STURT. It runs about the same. We have a difficult problem in measuring unemployment of rural areas because a good deal of it is underemployment, instead of unemployment.

Senator CLARK. Yes, but is it your understanding that the latest available statistics would not show a higher unemployment in non-metropolitan areas than in metropolitan areas?

STATEMENT OF DR. DAN STURT, DIRECTOR, RURAL MANPOWER SERVICE, MANPOWER ADMINISTRATION, U.S. DEPARTMENT OF LABOR

Dr. STURT. We can check on this, but it is not as significant as you might think, and the reason it is, is the way unemployment data is gathered. A lot of it tends to not get into the system, particularly in remote, rural areas, and the other fact is that there is a good deal of

underemployment. A good number of these people are employed in agriculture, of course, as well as in nonfarm work.

Senator CLARK. Certainly, underemployment is an enormous problem. There is no question about that, but I had the impression, and this is only an impression, I do not have any data in front of me, that the first quarter of year, flat unemployment in nonmetropolitan areas was something around 9.3 percent, which would be higher than the national average. No one here has those statistics, the latest statistics on unemployment in nonmetropolitan areas?

Mr. LEWIS. I believe, if you divide it, separate it out, metropolitan and nonmetropolitan areas, they came out about the same, but we would be happy to supply this for the record.

Senator CLARK. Yes; supply this for the record.

[The following information was subsequently received for the record:]

For the Second Quarter of 1975, the unemployment rate for metropolitan areas was 8.8 percent, and for nonmetropolitan areas was 8.3 percent. The comparable figures for the First Quarter of 1975 were 9.1 percent for metropolitan areas, and 9.2 percent for nonmetropolitan areas. (Source: Bureau of Labor Statistics, *Employment and Earnings*, April 1975 and July 1975.)

Senator CLARK. Dr. Sturt indicated about underemployment. There is a kind of natural inclination for the services to be available in metropolitan areas to some degree, almost unavoidably I think. I am looking at your organization chart for the U.S. Employment Service. Well, I suspect every U.S. Employment Service office in this country is in a metropolitan area.

Mr. LEWIS. To the contrary, Senator, about half of our offices, according to information available to me, are in rural areas.

Senator CLARK. What is your definition of a rural area?

Mr. LEWIS. Dan, do you know what definition we are using at this point?

Dr. STURT. We are defining the rural areas as nonurbanized areas; that is, areas of less than 10,000.

Senator CLARK. Less than 10,000?

Dr. STURT. Right.

Senator CLARK. So half of your offices in this country are in communities of under 10,000?

Mr. LEWIS. No; I am not certain.

Senator CLARK. Well, isn't that what you just said?

Dr. STURT. No; I am giving him the definition of rural areas which we use to develop data.

Senator CLARK. I thought an urban area by the Census Bureau was under 2,500. We are using 10,000 in this case?

Dr. STURT. There are a number of definitions around that we use for measuring; depending upon which definition you want to use, you will get a different breakdown in the number of offices. I think it is important to point out, though, that over the last few years we have made a very great effort in order to take services out to rural areas, and we have done this through such projects as Hitchhike, and various other types of projects in a number of States.

Senator CLARK. I know, but those programs have been administered under your office, under the Rural Manpower Services.

Dr. STURT. Many of them had been watching each other's systems, though. Nearly all of the ACE projects, of the out-reach projects, have been built into the State employment service systems, and, as such, are continuing. Now, we would like for there to be more, of course, and this is what our office does. We encourage this kind of thing.

Mr. LEWIS. Senator, I think it is important to note that because of the way the Department of Labor is organized, or at least the Manpower Administration, in the true sense of the word, nothing is administered in Washington at all. As you know, the Department of Labor provides no direct operating services. We merely plan and program and monitor other deliverers if there is anyplace where programs are administered, regional offices would be the place.

Senator CLARK. I should have said coordinated, I think, rather than administered.

Mr. LEWIS. Policy and program design initiative comes out of headquarters. The packaging and the implementation is done out of the regional offices.

Senator CLARK. Let us for the record get this other question stated, straightened out. I am under the impression, Mr. Lewis, that you said over half of all the U.S. Employment Service offices are in rural areas.

Mr. LEWIS. I would have to submit to you the definition of rural that was used for that calculation.

Senator CLARK. Yes. Do you know what that must be? That must be rural areas of a couple of hundred thousand.

[General laughter.]

Mr. LEWIS. I do not know whether it was nonmetropolitan or rural. I believe the statement should read, nonmetropolitan, rather than rural.

Senator CLARK. Nonmetropolitan.

Mr. LEWIS. We can give you the definition of that.

[The following information was subsequently received for the record:]

The number of rural local Employment Security offices is 1,528, or 56 percent of the total 2,727 local ES offices. "Rural" is defined for this purpose as located in an area with less than 10,000 population.

Senator CLARK. In Iowa I go to virtually every community. I have never seen an employment service office in a community of under 50,000 that I can recall. You know, I would like you to have you, maybe, submit those for the record, with my own State just as an example. I certainly do not ever remember seeing an Employment Service office out in the small towns. Do you think they are?

Mr. LEWIS. The sentence I read in an internal data piece only this morning was to the effect that of 2,752 Employment Service locations, 56 percent were in nonmetropolitan areas. Now, I will give you the definition of a nonmetropolitan area.

[The following information was subsequently received for the record:]

IOWA EMPLOYMENT SECURITY COMMISSION—PRIMARY AND SATELLITE OFFICE
LOCATIONS AND 1970 POPULATION

AREA I

Charles City (Floyd) * 9,268; New Hampton (Chickasaw) 3,261.
Dubuque (Dubuque) 62,309; Decorah (Winneshek) 7,458; Manchester (Delaware) 4,641; Maquoketa (Jackson) 5,677; Waukon (Allamakee) 3,883.
Mason City (Cerro Gordo) 30,379; Algona (Kossuth) 6,032.
Waterloo (Black Hawk) 75,533; Independence (Buchanan) 5,910; Oelwein (Fayette) 7,735; Waverly (Bremer) 7,205.

AREA II

Sheldon (O'Brien) 4,535; Primghar (O'Brien) under 2,500; Sibley (Osceola) 2,749.
Sioux City (Woodbury) 85,925; Cherokee 7,272; Le Mars (Plymouth) 8,159.
Spencer (Clay) 10,278; Emmetsburg (Palo Alto) 4,150; Esterville (Emmet) 8,108.

AREA III

Atlantic (Cass) 7,306; Harlan (Shelby) 5,049.
Carroll (Carroll) 8,716; : Denison (Crawford) 6,218.
Council Bluffs (Pottawattamie) 60,348.
For Dodge (Webster) 31,263; Clarion (Wright) 2,972; Humboldt (Humboldt) 4,665; Pochontas (Pochontas) under 2,500.
Shenandoah (Page) 5,968; Clarinda (Page) 5,420; Red Oak (Montgomery) 6,210.

AREA IV

Cedar Rapids (Linn) 110,642; Monticello (Jones) 3,509.
Iowa City (Johnson) 46,850; Washington (Washington) 6,317.
Marshalltown (Marshall) 26,219; Grinnell (Poweshiek) 8,402; Iowa Falls (Hardin) 6,454.

AREA V

Clinton (Clinton) 34,719.
Davenport (Scott) 98,469.
Muscatine (Muscatine) 22,405.

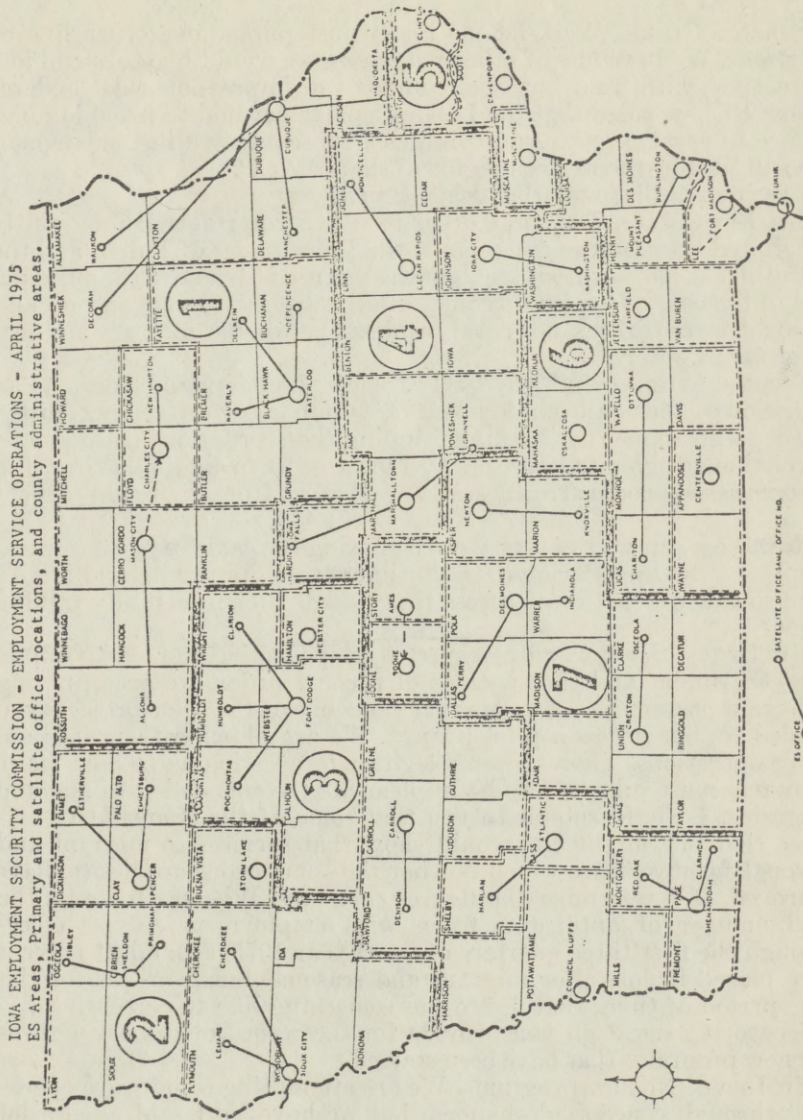
AREA VI

Burlington (Des Moines) 32,366; Mount Pleasant (Henry) 7,007.
Centerville (Appanoose) 6,531.
Fairfield (Jefferson) 8,715.
Fort Madison (Lee) 13,996.
Keokuk (Lee) 14,631.
Ottumwa (Wapello) 29,610; Chariton (Lucas) 5,009.

AREA VII

James (Story) 39,505.
Boone (Boone) 12,468.
Creston (Union) 8,234; Osceola (Clarke) 3,124.
Des Moines (Polk) 201,404; Perry (Dallas) 6,906.
Newton (Jasper) 15,619; Knoxville (Marion) 7,755.

* County.



SATELLITE OFFICE SAME OFFICE NO.

ADMINISTRATIVE CONTROL ONLY-SEPARATE OFFICE NO.

Senator CLARK. Well, let me really just pursue one other line of questions. We have lots of other witnesses; we would like to spend lots more time with you, but I am under the impression that Federal Judge Richey, ruled that the Labor Department had to provide equal service to rural people. And this was a subsequent ruling, subsequent to a suit filed by the western region of the NAACP.

Are you familiar with that decision in anyway?

Mr. LEWIS. Yes, The court order to which you referred was jointly negotiated between the defendants, the Department of Labor, and the plaintiffs. It has not been tried on the merits. It is under the jurisdiction of the court. It refers to equity of access of services to migrant and seasonal farmworkers, not rural residents per se, but migrant and seasonal farmworkers.

Senator CLARK. Well, the CSTE offices, I understand, serve as an extension of the State employment office into many of the rural areas, and it seems to me that by discontinuing these programs rural people are obviously going to have to travel more miles to obtain services, and in some cases, people are at least 60 or 70 miles from their employment office.

Now, how can we say that we are offering the same services to rural people that we are offering to people in metropolitan areas, and justify your so-called equality of access that Judge Richey is really talking about?

Mr. LEWIS. Senator, with respect to steps we have taken to implement the intent and the specifics of a court order, we are applying right now a lot of the concepts that came out of the pilot projects you alluded to, but not as a pilot project. We are plowing them into ongoing operations. There is some legitimate question as to how many years one must pilot before he implements the concepts into ongoing programs. I would submit to you that some of the quantitative evidence that one might cite would show that services to migrant and seasonal farmworkers, which is what the court order applies to, have improved, if I remember the figures correctly. Whereas for, say, the total number of applicants filing with employment service offices through the first three quarters of fiscal year 1975, around 21 percent were placed in jobs. For migrant and seasonal farmworkers for the same period of time; that figure was something like 40 percent.

Senator CLARK. Can you provide for the record or discuss with us any new programs that have been started?

Mr. LEWIS. No new programs. We are attempting to improve operations through conceptual changes; but we have, as I said, used a lot of concepts that have come out of pilot efforts. For example, putting microfiche viewers for exposure to job banks in distant locations, use of itinerant services and the like, even outreach. That is not a new program, as I sense you have used the term.

Senator CLARK. Right.

Mr. LEWIS. When one has a conceptual arsenal of things that have been used in the past and some feel for whether they fit a particular situation, I think adopting the concepts in regular operations is a much better way to go than labeling something a new program. The former is the route we have gone.

Senator CLARK. Thank you very much, Mr. Lewis.

Mr. LEWIS. Thank you; it has been my pleasure.

[The prepared statement of Mr. Lewis follows:]

STATEMENT OF WILLIAM B. LEWIS, ASSOCIATE MANPOWER ADMINISTRATOR, U.S. EMPLOYMENT SERVICE, MANPOWER ADMINISTRATOR, U.S. DEPARTMENT OF LABOR

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you to discuss S. 1807, a bill introduced by Chairman Clark, which would authorize in law and expand the Concerted Services in Training and Education (CSTE) and related demonstration programs.

First, let me say that the Department of Labor recognizes the special manpower needs of rural areas. I would like to briefly review some of our efforts to meet those needs.

CETA PROGRAMS

As you are aware, most employment and training programs administered by the Department are now authorized under the Comprehensive Employment and Training Act of 1973 (CETA). Under CETA Titles I, II and VI, the initiative for planning and implementing these programs has shifted to local governments and States, for balance-of-State areas. These governmental jurisdictions, or prime sponsors, receive funds based on the formulas set forth in CETA. The formula distribution of funds has had the effect of shifting proportions of funds from the central cities to the suburbs and balance-of-State areas. It avoids the problem of "grantsmanship" that in the past has placed non-urban areas at a competitive disadvantage in obtaining funds.

While the distribution of CETA funds within a prime sponsor's jurisdiction is determined by the prime sponsor, Department of Labor regulations require that prime sponsors consider the relative number of unemployed persons in areas within their jurisdiction in allocating these funds. Furthermore, prime sponsors have a special responsibility for providing satisfactory arrangements for serving all geographic areas that are not served by other prime sponsors.

There are other rural efforts by the Department that have significantly expanded under CETA. Particular note should be given to the establishment of an Indian Manpower Program under section 302 of CETA. In addition to public service employment funds available for Indians, the Manpower Administration provided about \$52 million in FY 1975 under section 302. Most of these funds will serve Indians.

Under CETA section 303, we have established a program for migrant and seasonal farmworkers with an increased funding level in FY 1975 of more than 50 percent above FY 1974—from \$40 million to nearly \$63 million—with the same higher level projected for FY 1976.

EMPLOYMENT SERVICE

Since 1972 the Employment Service began a consolidation process which has been pointing to an integration and increase of services at the local level in rural areas. Such consolidation is aimed at offering the complete spectrum of employment services to rural workers and employers and at providing sufficient resources to accomplish the objective.

In this effort to provide greater access to employment services in rural areas, employment service man-years in rural counties have increased 10 percent from 1970-1975. This was during a period when total Employment Service man-years remained constant or even slightly declined. The increase in man-years, plus the reorganization of some servicing units to coincide with functional economic areas with outreach into smaller communities, has had a positive impact on improving both the quality and quantity of available employment service.

CONCERTED SERVICES IN TRAINING AND EDUCATION

I would now like to discuss the Concerted Services in Training and Education program, which is the subject of the proposed legislation under consideration today. Concerted Services in Training and Education is a cooperative Federal, State, and local venture. It was conceived as a demonstration effort to improve small communities and rural areas by demonstrating that education and occupational training, in conjunction with economic development activities, can significantly increase employment opportunities; and that educational and occupational training efforts, with local involvement, will develop local leadership, individual dignity and initiative, and community awareness.

Let me begin by saying that the Department of Labor endorses and supports the CSTE approach. The Concerted Services in Training and Education program, in spite of its limited application, has brought about significant economic changes in several rural communities. Through efforts in program planning and implementation, many remote areas are now enjoying an economic recovery which

emphasizes the effectiveness of community cooperation and interagency resource allocation. While we, at the Department of Labor, are primarily concerned with the development of human resources, we are acutely aware that such a process does not occur in a vacuum, and that the creation of jobs through economic revitalization, such as the CSTE program addresses, is a most necessary step.

THE HISTORY AND PURPOSE OF THE PROGRAM

The history of this program goes back many years. In October 1959, President Eisenhower issued an Executive Order (No. 10846) creating a Committee for Rural Development Programs. The Committee was responsible for providing leadership and policy guidance to Federal agencies involved in rural development and for encouraging cooperation at the State and local levels in carrying out federally funded rural development programs. This Committee was replaced by a Rural Development Committee in 1963, under the authority of Executive Order 11122, issued by President Kennedy.

The Executive Orders were prompted by the large number of rural people who had not equitably shared in the economic progress of the Nation. Their rationale was that utilization of Federal resources, in cooperation with State and local governments, could rectify many rural problems. The overall strategy was to identify existing needs and to assist in their alleviation through a series of concerted actions.

Based on the RDC's proposal, an 18-member Interdepartmental Task Force was appointed in 1965, representing as many different education, training, and job development programs. It was drawn from the Departments of Health, Education, and Welfare; Labor; Agriculture; Commerce; Interior; and Housing and Urban Development; the Office of Economic Opportunity; the Small Business Administration; and the Regional Commissions.

The CSTE Task Force continues to function today under executive order authority. The task force is headed by an executive committee composed of representatives of the Departments of Agriculture; Labor; and Health, Education, and Welfare.

A major function of the 18-member Task Force is to plan and coordinate Concerted Services programs at the Federal level. In its early meetings, the Task Force recognized the urgent need of rural people for more education and training. It was especially concerned about the 3 million rural residents who had less than 5 years of schooling, the approximately 19 million who had not completed high school, and the fact that only about half as many eligible rural youth, as compared to urban youth, were getting vocational education, occupational training, or going to college.

Although some progress was being made in providing training opportunities for rural residents through the newly established education and manpower training programs, the proportion of rural participation was still less than half that in urban areas. It was recognized that undereducated rural residents, like their urban counterparts, could become an economic burden on the community unless their education deficiencies could be remedied and they could become employable.

The Task Force selected three States for pilot projects—Arkansas, Minnesota, and New Mexico—from among those with a high incidence of disadvantaged workers and their rural areas. The governors of these States, responding favorably to the request that they cooperate in the pilot effort, appointed committees responsible for site selection. With the enthusiastic support of county leaders, the three projects were implemented in 1965. The encouraging results of these early efforts led participating States to request project expansion, while other States rapidly sought to be included in the program. Thus, the growth pattern was established. From the initial three project areas, the program expanded to encompass 19 projects in 13 States in Fiscal Year 1975.

THE CSTE OBJECTIVES

The following are the objectives for the CSTE program, which were developed by the CSTE Task Force:

1. To develop general operational patterns for concentrating all of the available departments and agencies and available resources on the alleviation and ultimate solution of occupational education problems, and, as necessary, on the health, welfare, socioeconomic, and related problems of those residing in the pilot communities.

2. To identify existing and potential employment opportunities and occupational education programs available to youth and to adults who are unemployed or whose income is insufficient to maintain a respectable standard of living.

3. To develop ways in which these rural communities can provide educational guidance and other services needed to help people become employable and secure employment. This would include development of plans for: (1) increasing basic educational skills, (2) improving general conditions of health and correcting physical conditions, (3) improving appearance and personal characteristics, (4) providing vocational counseling, (5) developing occupational competency.

4. To demonstrate that occupational education programs, in conjunction with other economic development activities, can significantly increase employment opportunities.

5. To demonstrate that a concerted occupational education effort, based on local involvement, will develop indigenous leadership, individual dignity, initiative, and community awareness resulting in continuing community development.

6. To determine the relationship of the traditional education and occupational patterns of people in the communities to their present and emerging needs and make recommendations for necessary adjustments.

IMPLEMENTATION

This is how the program has operated in carrying out these objectives: In each area, a local coordinator was employed to work with community leaders and officials of local, State, and Federal agencies. He helped to identify manpower needs and bring together the available resources to meet them.

The coordinators were local residents, well-trained, with a good knowledge of the people and their problems, and an ability to work well with people. They had varied background experience—education, agricultural extension, manpower utilization, journalism, and community development. The Washington liaison between the coordinators and the participating agencies has been supplied by the U.S. Department of Agriculture. However, several Federal agencies assumed responsibility for paying their salaries and other expenses.

To keep coordinators abreast of changes in Federal programs, semiannual conferences have been held in which representatives of the cooperating agencies participate.

In demonstration areas, a Manpower Inventory was usually conducted by the State Employment Service. Data were gathered on training, interests, needs, and job opportunities to provide a factual basis for full development of the Concerted Service program. A plan was worked out, and the ongoing programs of the Manpower Administration (Labor), Office of Education (HEW), and the Office of Economic Opportunity (OEO)—now the Community Service Administration (CSA)—provided the training to meet the needs of the area.

Mr. Chairman, I know that you are fully aware of the results of the CSTE program, as is indicated in your remarks on introducing S. 1807. Therefore, rather than taking up the Committee's time by reviewing these matters, I will turn directly to the current status of the program and then discuss the bill itself.

CURRENT STATUS OF THE CSTE PROJECTS

In FY 1975, there were 19 CSTE projects in 13 States and Puerto Rico, serving 49 counties. These projects were funded by the Department of Agriculture; Labor; and Health, Education, and Welfare. In October/November 1974, States with CSTE projects were notified that for FY 1976, the Department of Labor would no longer fund the projects out of the national account. It was explained that while the Department had in the past established and proven local models for the delivery of services to rural areas through federally controlled discretionary funds, in accordance with the thrust of decentralizing responsibility for planning and operating manpower programs, their continued funding would now be within the discretion of CETA prime sponsors. Whereas in the past manpower delivery service models were restricted to selected States under discretionary national office funding, they would now be available to all States at the discretion of Balance-of-State prime sponsors under the provisions of the CETA legislation.

We are pleased to report that many of the projects formerly funded by the Department of Labor directly from Washington have been picked up by State prime sponsors, using CETA funds. In addition, other projects are now being funded by Employment Service State grants, and the U.S. Department of Agriculture's extension service. For the Committee's information, a status report on the individual CSTE projects is attached to my statement. I would be pleased to try to answer any questions that you may have concerning the status of the individual projects.

At the present time, an evaluation of the CSTE demonstration program is being conducted by the Department of HEW. We intend to cooperate with that Department and the Department of Agriculture in the evaluation and get any information developed to the CETA prime sponsors so that they may determine whether similar projects should be undertaken in their area.

S. 1807

I would now like to turn to the bill under consideration, S. 1807. The bill, which would add a new title to the Rural Development Act, would put into law and expand the CSTE program. Related, although unspecified, demonstration projects would also be authorized. A 3-member CSTE Task Force—composed of representatives of the Departments of Agriculture, Labor, and Health, Education, and Welfare—would replace the present 18-member Task Force. However, the Task Force would be assisted by an Advisory Committee with representatives from five other Federal agencies with rural interests. The bill would authorize appropriation of \$4.5 million for FY 1976. These funds, which would be administered by the Department of Agriculture, would be used both for the expenses of the Task Force and for salaries and expenses of CSTE project coordinators.

As I said earlier, the Department of Labor supports the CSTE approach. However, we have serious reservations about the bill under consideration today.

We favor the concept of promoting the coordination of rural services funded by various Federal agencies and departments. However, the interagency task force has been successfully operating for 10 years under the authority of an Executive Order. Executive Order 11307, dated October 4, 1966, and entitled "Coordination of Federal Programs Affecting Agriculture and Rural Area Development," constitutes the authority for the present CSTE Task Force. Under the Executive Order, a copy of which is attached to my statement, the Secretary of Agriculture is vested with broad authority for coordinating Federal programs in rural areas. We do not feel that establishing CSTE Task Force in law, and defining its membership and functions, would make the task force necessarily more effective. In fact, it might even impede the effectiveness and remove some of the flexibility of the task force.

We have a number of reservations regarding the wisdom of establishing statutorily the CSTE program. First, I would again point out that CSTE was established as a demonstration program. We feel that its effectiveness has been demonstrated and that the funding of the projects should now be picked up by the States. As I indicated earlier, States now have both the authority and the manpower funds under CETA to pick up CSTE and related demonstration projects. Of course, each State and local government prime sponsor must determine its individual priorities and projects to fund, based on the needs of areas within its jurisdiction.

Second, funding the CSTE program on a national categorical basis may even lead State prime sponsors to divert their attention and resources from rural areas. They may reason that, to the extent to which national programs such as CSTE are established to serve rural areas in their jurisdictions, they no longer need to assume responsibility for serving these areas.

Third, we feel that fixing this one program in law is unwise because it removes the flexibility to change the program as conditions change. Further, programs and projects established in law have a notorious tendency to continue, unchanged and inflexible, even when they have outlived the usefulness of their legislatively dictated design.

Fourth, we would point out that this bill runs counter to the basic thrust in the manpower program area, as reflected in manpower legislation passed by the Congress. That thrust is to decentralize funds and responsibility for manpower programs to those who are closest to the problems and to those who are in the best position to determine local priorities.

A final reservation about the bill concerns the funding of the program. While we defer to the Department of Agriculture regarding their funding of the present program, we do wish to point out that the funding proposed in S. 1807 is inconsistent with the Administration's policy regarding increased Federal spending. Although some might regard the \$4.5 million as an insignificant increase over the current budget ceiling, the precedent established is contrary to the President's position regarding efforts necessary to combat inflation and restore a healthy balance to our Nation's economy.

Thank you for this opportunity to testify. I will be pleased to answer any questions.

EXECUTIVE ORDERS

No. 11307

October 4, 1966, 31 F.R. 12917

COORDINATION OF FEDERAL PROGRAMS AFFECTING AGRICULTURAL AND
RURAL AREA DEVELOPMENT

Whereas the development of our Nation's agricultural and rural areas has undergone radical changes due to technological advancement and the increasing urbanization of the Nation's society and economy; and

Whereas the living standards and welfare of the rural area population depend upon a successful accommodation to these changes; and

Whereas Congress has vested responsibilities in the Secretary of Agriculture for the administration of numerous programs aimed at the achievement of sound agricultural and rural development; and

Whereas such programs are closely interrelated with important programs and activities administered by other Federal departments and agencies, which affect agricultural and rural area development; and

Whereas the President has directed the Secretary of Agriculture to put the facilities of Department of Agriculture field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas, and jointly with the Director of the Bureau of the Budget to review with the head of each department or agency the administrative obstacles which may stand in the way of equitable distribution in rural areas of the benefits of their programs and to propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas; and

Whereas the highest level of coordination is required between the Department of Agriculture and such other Federal departments and agencies in order to achieve the maximum beneficial impact on agricultural and rural area development;

Now, therefore, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. Responsibilities of the Secretary. (a) The Secretary of Agriculture shall take the initiative in identifying problems of agricultural and rural area development which require the cooperation of various Federal departments and agencies for their effective solution, and pursuant thereto shall convene, or authorize his representatives to convene, meetings at appropriate times and places, to which he shall invite the heads of such departments and agencies as may be responsible for interrelated programs or activities, or representatives designated by them, for the following purposes:

(1) To provide a forum for consideration of mutual problems concerning Federal programs and activities affecting agricultural and rural area development and for the exchange of information needed to achieve coordination of, and to avoid duplication in such programs and activities.

(2) To promote cooperation among Federal departments and agencies in achieving consistent policies, practices, and procedures for administration of their programs affecting agricultural and rural area development.

(3) To consult with and obtain the advice of appropriate Federal departments and agencies with respect to:

(A) intergovernmental relations and cooperation in promoting sound agricultural and rural area development;

(B) provision of information and technical assistance to State and local governments in solving agricultural and rural area development problems; and

(C) encouragement of comprehensive planning of, and effective regional, State, and local cooperation in agricultural and rural area development activities.

(4) To identify agricultural and rural area development problems of particular States, regions, or localities which require interagency or intergovernmental coordination.

(b) The Secretary shall make arrangements with such Federal departments and agencies for such working groups as they shall agree may be desirable to consider special problems arising with respect to matters described in subsection (a) of this section.

Sec. 2. Agency responsibilities. The heads of Federal departments and agencies having programs which have an impact on agricultural or rural area development shall to the extent permitted by law and funds available, furnish informa-

tion, at the request of the Secretary, pertaining to programs within the responsibilities of such departments or agencies, and such additional information as will assist the Secretary in developing solutions to agricultural and rural area development problems.

Sec. 3. Construction. Nothing in this Order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any Federal department or agency or head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

Sec. 4. Administrative arrangements. (a) Each executive department and agency participating under section 1 or section 2 shall furnish necessary assistance for effectuating the provisions of this Order as authorized by section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).

(b) The Department of Agriculture shall provide necessary administrative services pursuant to this Order.

Sec. 5. Executive Order 11122 of October 16, 1963, establishing the Rural Development Committee, is hereby superseded.

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 30, 1966.

CURRENT STATUS OF CONCERTED SERVICES IN TRAINING AND EDUCATION PROJECTS

State: Area (counties) served	Funded by—	Status
Arkansas:		
St. Francis, Cross Lee, Woodruff	ES/State grants	State supported.
Independence, White, and Stone	ES/State grants	State supported.
Minnesota: 16 counties	Extension/State/CETA	¾ funded for fiscal year 1976.
New Mexico:		
San Miguel	HEW	Discontinued.
Rio Arriba and Taos	HEW	Discontinued.
Sandoval	HEW	Discontinued.
Oklahoma:		
McCurtain	ES/State grants	State supported.
Cherokee	Labor	Discontinued.
Illinois: DeKalb	USDA/Labor	Discontinued.
Montana: Musselshell	Western Regional Council	3 yrs. from fiscal year 1976-78.
Georgia:		
Bacon, Pierce, Atkinson, and Ware	Extension Service	Fiscal year 1976.
Peach, Crawford, Monroe, Jones, and Twigg	USDA	Terminated June 30, 1975.
Nebraska: Seward, Saline, and Butler	Labor	Terminated June 30, 1975.
Texas: 5 State projects	State/CETA	State supported.
Maryland: Garrett	Extension Service	1st 3 mo. fiscal year 1976.
Maine: Somerset	OEO	Fiscal year 1976.
South Carolina: Williamsburg	HEW	Discontinued.
Iowa: Jackson	State/CETA	Fiscal year 1977.
Puerto Rico: Island-wide	State/CETA	State supported.

Senator CLARK. We are going to hear next from the Department of Agriculture; James Bostic, Jr., and Walter Guntharp.

I understand that the people present are Joseph Hansen, Deputy Assistant Administrator, Farmers Home Administration; Edwin Kirby, Administrator, Extension Service; Jack McElroy, Assistant Director for Manpower and Youth Conservation Program of the U.S. Forest Service; Jim Bostic and Walter Guntharp I have already mentioned. Are there others with you? You go right ahead.

STATEMENT OF JAMES E. BOSTIC, DEPUTY ASSISTANT SECRETARY FOR RURAL DEVELOPMENT, U.S. DEPARTMENT OF AGRICULTURE

Mr. BOSTIC. Thank you, Senator Clark.

It is a privilege for us to be here this morning. I will read my statement. It is relatively brief, and deals with all three of the bills on which you asked the Department to comment.

I appreciate the opportunity to appear before you to discuss the Department of Agriculture's position on three bills which, in various ways, would bear on rural development and job creation in rural America.

The first bill, S. 1353, proposes to amend Section 603(a)(7) of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1926(a)(7) by inserting "and community medical facilities" immediately after "private business enterprises." The intent of S. 1353 is unclear. Community medical facilities are considered private business enterprises for purposes of Section 310B of the Act, and loans for such facilities are authorized to be made or guaranteed under that section in rural areas and towns of not more than 50,000 population. Loans for community medical facilities are also authorized under Section 306(a)(1) of the Act as essential community facilities in rural areas and towns of not more than 10,000 population. But the change proposed by the bill does not affect the rural area definition applicable to Section 306(a)(1).

In view of the above, we do not believe the bill, if enacted, would change existing authorities for making or guaranteeing loans for community medical facilities, and therefore, see no advantage in, or necessity for, its enactment.

If S. 1353 is intended to enlarge the definition of a rural area from the current 10,000 population to towns up to 50,000 population for purposes of community facilities loans under Section 306(a)(1), we would also be opposed to the legislation.

The business and industrial loan authority contained in Section 310B(a) of the Consolidated Farm and Rural Development Act of 1961 already applies in areas or communities up to 50,000 population. It is the view of the Department that communities exceeding a population of 10,000 are, as a general rule, able to marshal the resources required to secure such loans if their priorities warrant such decision.

In opposing the enactment of S. 1353, we believe adequate resources presently exist to meet the needs of many communities and areas between 10,000 and 50,000 population that are in need of new or improved medical facilities.

Senator CLARK. Let me stop you at that point just to say that the point you have made here seems to merit consideration. I am advised by the staff that since this was submitted, that an amendment has been offered to that bill by Harrison Williams, and that what he really is requesting is that it be considered, I think, in the under 10,000 category. Because, as I understand it, the loan rate is—what, 5 percent?

Mr. BOSTIC. Yes, sir. If it is a community of a population less than 10,000, the loan is made at 5 percent.

Senator CLARK. I think that is exactly what he, in later information—that is exactly what he intended.

Mr. BOSTIC. Let me try and understand you. Does he mean that his legislation would extend the population size that would be eligible for 5-percent FmHA community facility loans up to 50,000?

Senator CLARK. Just for medical facilities, that is correct; yes. Would you, just on the spur of the moment, have any reaction to that, in view of the fact that that is really what the legislation is going to purport to do?

Mr. BOSTIC. Yes, sir. We would be opposed to that. We thought that is what he might have meant. We answered—

Senator CLARK. That is what you are addressing yourselves to here on page 2, in paragraphs 2 and 3?

Mr. BOSTIC. Yes, sir. If the intent is to extend this program to towns of 50,000, we would be opposed to this legislation.

Senator CLARK. I think, as long as we have already interrupted you, let us pursue that a little. Your basic argument is that, in the view of the Department, the communities exceeding a population of 10,000 are, as a general rule, able to marshal the resources required to secure such loans if their priorities warrant such a decision? Is that the basic argument?

Mr. BOSTIC. Yes, sir; and the argument, of course, I think, would be borne out by the use of our funds right now in the community facility loan program, to communities of less than 10,000. There we think the need is much more critical, in terms of getting health care and medical facilities. Generally, in towns larger than 10,000, they do have some type of medical facilities. They may have the desire to upgrade them, but they do have them.

In the communities of less than 10,000, oftentimes there is—sometimes none at all. When we think in terms of where we would make the priority, and where we would like to see the program focus, we think that the community of less than 10,000 is where the priority should be. It properly should be into those communities. We would extend the loans at an interest rate of 5 percent, and up to 40 years.

Senator CLARK. Can a community of under 10,000 really provide that kind of total medical facility?

Mr. BOSTIC. Yes, sir, I think they can. I think the use of our money so far in the community facility loan program would bear this remark out. Since we have been funded, Congress has authorized us \$250 million since the Rural Development Act was enacted, and 71 percent of that money has gone for health care facilities in these communities. So—

Senator CLARK. Seventy-one percent?

Mr. BOSTIC. Seventy-one percent, yes, sir, of the money has gone for health care facilities alone. So I think that, yes, sir, those smaller communities have not only put a high priority on getting adequate health care facilities, but also can handle it.

The second bill, S. 1916, would amend the Rural Development Act of 1972 by adding a new Title VI—Rural Conservation Employment Projects. The Secretary of Agriculture would be authorized to employ unemployed rural residents to carry out rural conservation employment projects on lands or at other facilities within the National Forest System and on other lands, or at other facilities under his administrative jurisdiction. The Secretary would also be authorized to extend the employment program to lands and facilities owned by States and other non-Federal governmental units, and to lands in private ownership, by accelerating selected existing cooperative programs. All provisions of the new title would apply only within areas of substantial unemployment, as defined therein. There would be an annual appropriation of \$40 million for Federal projects and \$120 million for cooperative projects during fiscal years 1975 and 1976. Funds would remain available throughout the following fiscal year.

We are deeply mindful of the problems and the opportunities facing the people of rural America, and we are seriously concerned about the unemployment problem in the rural sector of the economy. Yet we feel that S. 1916 should not be enacted.

Viewing the unemployment problem in the context of the economy as a whole, we note that there are strong indications that the recession has bottomed out, and that an economic upswing is underway. Substantial and increasing reductions in the inventory of goods over the past 4 months are now accompanied by increases in orders for new production. While we recognize that the Federal Government has an important role in providing some emergency type jobs during periods of high unemployment, we believe that primary reliance should be placed on the private sector for the long-term solution in both rural and urban areas. The administration has followed this philosophy throughout the recessionary period, and has supported policies designed to stimulate the economy so as to provide lasting employment in the private sector. This course appears to be working.

During the 1970-73 pre-recessionary period, rural America was making great economic progress. The rate of increase in new manufacturing jobs in rural areas was twice as high as the metropolitan rate. The rate of increase in new construction in rural areas was three and a half times the metropolitan rate. Housing rates per thousand population were higher in rural areas, and the 4-year period beginning in 1970 saw a substantial net migration of the population from the cities to the rural counties.

We see no reason why recovery from the recession will not result in a continuation of the 1970-73 rural growth phenomenon. If so, the private sector will produce the employment needed. Enactment of S. 1916 would have the possible effect of providing short-term Federal employment at the expense of permanent private employment.

In recognition of the Federal Government's role to provide some emergency employment, there are already several established Federal programs and mechanisms that are helping both the urban and the rural unemployed. Primary among these are activities authorized by the Comprehensive Employment and Training Act—CETA—of 1973, as amended. CETA provides a flexible, decentralized system of State and local employment and training programs. The President's budget for fiscal year 1976 includes almost \$3 billion to maintain over 300,000 public service jobs under CETA programs during fiscal year 1976. We defer to the Department of Labor for a more detailed discussion of this program, but it appears to us that enactment of S. 1916 could be undesirable, because it would superimpose a program designed to serve one segment of the population over the coordinated CETA programs that serve all areas of the country.

Finally, enactment of S. 1916 could increase Federal outlays by an additional \$160 million in fiscal year 1976. This would add to inflation and remove potential capital from the private sector, thus weakening the Nation's main source of permanent employment.

The third bill, S. 1807, would amend the Rural Development Act of 1972 by adding a new title to establish a task force within the U.S. Department of Agriculture to be known as the Concerted Services in Training and Education Task Force. The Task Force would include representatives of the Department of Health, Education, and Welfare, the Department of Labor, and the Department of Agriculture.

The purpose of this task force is to assist Federal Departments and agencies to assess the problems of rural America relative to economic development of natural and human resources, conduct assessment of

resources and requirements of the Nation, and participate in the establishment of rural development goals. In addition, the task force would develop new and continue existing demonstration projects in cooperation with State and local governments to resolve occupational education problems, identify employment opportunities, and develop ways through which rural communities can provide education to assist residents of such communities to become employable.

The task force would be involved in accepting applications for demonstration projects for State and local agencies, evaluating such projects, and serving as a clearinghouse to bring certain local problems to the attention of appropriate Federal agencies. In addition, the bill provides that a special advisory committee be established to advise the task force with respect to carrying out its functions. The Committee would include one representative each from the Department of Commerce, Department of the Interior, Department of Housing and Urban Development, Department of Transportation, and the Community Services Administration.

We do not oppose the continuation of CSTE, which we recognize to have provided an excellent service in many of the areas in which it operated. However, the present CSTE Interagency Task Force has been successfully operating for ten years under an Executive Order. We do not believe that reconstituting a limited form of the Task Force in law—which would be the effect of S. 1807—would make significant improvements in its performance. We also do not believe that, given the authorities and funding already available in CETA as discussed earlier, new funding is needed for CSTE activity. Funding of many CSTE projects has already been taken over by CETA sponsors; other projects are funded by the U.S. Employment Service and our Extension Service. For these reasons, our recommendation is that S. 1807 not be enacted at the present time.

I appreciate your attention to the positions I have outlined. Representatives of each agency having a specific interest in the three bills are present, and they join me in our readiness to answer questions.

Mr. Chairman, that concludes my formal testimony.

Senator CLARK. Thank you.

I think I perhaps am only going to ask one question with regard to 1807, since we have a good deal of testimony from the Department of Labor on it.

I wonder if the Assistant Secretary, your office of rural development, was consulted with regard to the decision—if that is the right word; I think Mr. Lewis said there had not been a decision yet—but the determination or whatever to do away with the rural manpower service.

Were you consulted with regard to that?

Mr. BOSTIC. Not to my knowledge. I think when we heard about it, we thought there had been a decision made; and I was interested as you were this morning to find that it had not been made and that it was still under consideration.

No, sir, we were not consulted.

Senator CLARK. And you said to your knowledge. I assume not to the knowledge of anyone else present; is that correct?

Well, I am under the impression that the law, the Rural Development Act, requires that under Section 603(b).

Can you enlighten me on that? Is that not your impression, that you are required by law to be consulted?

Mr. BOSTIC. I think the way the law is written, they would have some discretion as to whether or not they wanted to let us know. I know we would have had a particular interest if they had consulted with us.

Senator CLARK. I would like to make Section 603 (b) of the Rural Development Act a part of the record at this point.

(The material referred to follows:)

PUBLIC LAW 92-419

SEC. 603. COORDINATION OF RURAL DEVELOPMENT ACTIVITIES.—

(4) adding at the end of the section a new subsection as follows:

“(b) The Secretary of Agriculture is authorized and directed to provide leadership and coordination within the executive branch and shall assume responsibility for coordinating a nationwide rural development program utilizing the services of executive branch departments and agencies and the agencies, bureaus, offices, and services of the Department of Agriculture in coordination with rural development programs of State and local governments. In carrying out this responsibility the Secretary of Agriculture shall establish employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually prior to September 1 to Congress on progress in attaining such goals. The Secretary is authorized to initiate or expand research and development efforts related to solution of problems of rural water supply, rural sewage and solid waste management, rural housing, and rural industrialization.”

Senator CLARK. But it is your interpretation of the section that they would have some discretion as to whether or not they would notify you, rather than being required by law to do so?

Mr. BOSTIC. Yes, sir. I think that section says that the Secretary of Agriculture is authorized and directed to coordinate all the rural development programs in the Government.

Senator CLARK. Yes.

Mr. BOSTIC. That is without teeth in the sense that if they do not consult, there is not very much we can do to make them.

Senator CLARK. Even though the Secretary is authorized authority to do so?

Mr. BOSTIC. The Secretary is authorized and directed, right; but only to the extent that they consult with us ahead of time. The consultation would be proper and we would have appreciated being consulted, but we were not.

Senator CLARK. What is the Department's position with regard to Section 603 (b)? Do you feel that is a valuable section or not?

Mr. BOSTIC. I think it is. The fact that it authorizes and directs does give us the opportunity to go to other Federal Departments and work with them to effect a better delivery of rural development programs to rural areas. But, Senator Clark, as you well know, it is without teeth in that if they desire to take an action without consulting us, we have no authority to go and make them in the future consult with us on issues that impact upon rural areas.

Dr. GUNTARP. It is an authority which allows us to take initiatives in the field, and we do take those initiatives.

Senator CLARK. I would like to spend the remaining time discussing S. 1916. I would like to make two statements a part of the record at this point, two statements in support of that legislation; one by Senator John Sparkman, another statement by the Honorable William E. Kenny. And then ask some questions about that.

[The statements referred to follow:]

STATEMENT OF HON. JOHN SPARKMAN, A U.S. SENATOR FROM THE STATE OF ALABAMA

I am glad that S. 1353 has been introduced. It opens the way to a more realistic definition of rural areas in the mid-seventies than the present population limit which prevents Farmers Home Administration from making loans for community facilities located in any town with a population exceeding 10,000.

I do not know that the proposed 50,000 population ceiling is the right ceiling, but I do know that 10,000 is the wrong one. I can point out many rural counties, as can you, in which the major town has a population of 12,000, 15,000, or more, and yet the county is a predominantly rural area and the economy of the town is farm oriented.

As your Committee knows, we have already recognized that the old limit was obsolete in FmHA housing, and the population limit there has been raised to 20,000. I hope that your Committee, and the Congress, will recognize the need to establish a more reasonable population standard for FmHA community facilities loans.

STATEMENT OF HON. WILLIAM S. KENNY, ASSISTANT SECRETARY OF AGRICULTURE, STATE OF NEW JERSEY, TRENTON, N.J.

Mr. Chairman, and members of the Subcommittee, my name is William E. Kenny, Assistant Secretary of Agriculture for the State of New Jersey. I am grateful for the opportunity to appear before you to express support for Senator Williams' bill, S. 1353. I am representing State Secretary of Agriculture, Phillip Alampi, who is past President of the National Association of State Departments of Agriculture, and who has been appointed by Governor Brendan Byrne to coordinate the implementation of the Rural Development Act in the State of New Jersey. A conference of the Northeast Association of State Departments of Agriculture has required his attendance, and he regrets that he is unable to appear before you this morning. Our support of S. 1353 also carries the endorsement of the Governor's office and the New Jersey State Department of Health.

One of the most important purposes of the Rural Development Act of 1972 was to ensure rural residents ready access to essential services and facilities in order to encourage them to remain and contribute to the development of their communities. By allowing community medical facilities to be eligible for low-cost, long-term loans from the Farmers Home Administration, present law clearly recognizes that quality medical care is essential to the development of our rural areas. The Farmers Home Administration has been instrumental in bringing basic medical services in the form of doctors, clinics, and small general hospitals to these localities. A number of communities in New Jersey have greatly benefited from the assistance of the Farmers Home Administration. In fact, a medical facility in New Jersey was the first recipient of a loan from the Farmers Home Administration. However, present law severely restricts this federal program in its ability to aid rural residents in securing readily available, complete medical services, especially treatment for catastrophic diseases or conditions. The law limits low-cost loans from the Farmers Home Administration to facilities located in communities with less than 10,000 people.

The medical facilities in small towns tend to provide only general medical care. These little communities do not have the labor or capital resources or the local services needed to build and maintain large medical centers, or to attract the skilled medical specialists capable of treating many serious illnesses. In addition, their small size makes it unfeasible for them to develop advanced medical facilities of their own which have the capability of furnishing long-term or sophisticated medical treatment. The people of these small towns must, therefore continue to depend on the modern medical centers usually found in the larger communities as their only means of obtaining the advanced medical treatment that

they require. Senator Williams' bill, S. 1353, would significantly enhance the development of complete medical services for rural residents because it would allow community medical facilities in certain areas between 10,000 and 50,000 persons to qualify for low-cost Farmers Home Administration loans.

The Farmers Home Administration is the only realistic source of loan money for a number of financially troubled hospitals in rural areas which are mandated by state and federal regulations to improve their existing facilities, but which are unable to obtain commercial loans.

The Hill-Burton program is no longer in existence, and its successor, the National Health Resource and Planning Act, does not now appear capable of providing these hospitals with the necessary funds. While the Farmers Home Administration does appear to allow medical facilities to obtain business loans under section 310 B of the Rural Development Act of 1972, no non-profit hospital in New Jersey received such a loan during FY 1975, and it is my understanding that only one non-profit hospital in the United States received such a loan during all of last year. In addition, these loans are so expensive that hospitals receiving them would be forced to increase sharply the cost of their medical services for rural residents, who are the people that can least afford to bear the additional financial burdens.

The New Jersey State Department of Agriculture has a deep interest in the development of our small rural communities. We certainly do not wish to see small towns, which the Rural Development Act was specifically designed to benefit, lose their only reasonable source of loan money to larger, more urban communities. We certainly have no desire to see the original purpose and emphasis of this act disturbed. At the same time, we do not want to see the interests of those same communities harmed because a population limitation established to protect them is effectively preventing their people from obtaining the complete medical services that they need.

All available evidence suggests that the impact of S. 1353 on the availability of existing loan money would be minimal. In New Jersey, facilities in no more than seven communities would be newly eligible under S. 1353. At present, several states do not even use their entire annual allocations of loan money, and it is diverted for use in other states. In addition, New Jersey as well as other states will continue to require certificates of need for any hospital seeking to improve its facilities, and competition for Farmers Home Administration loans will continue to be on the basis of greatest need.

Although S. 1353 would most probably have a negligible effect on the availability of loan money, its importance would be far-reaching in terms of the number of people who could benefit if needed low-cost loans were to be made available to the hospitals that serve them. For example, the hospital in Bridgeton, New Jersey, serves almost 50,000 people from surrounding rural areas and the immediate vicinity, while the medical center in Princeton, New Jersey, serves about 150,000 people in the borough and its adjacent rural areas. By broadening eligibility only for a limited number of hospitals, S. 1353 would ensure that the original intent of the Rural Development Act is maintained, while recognizing that the delivery of health care to rural residents is a special problem requiring special provision.

One of the greatest challenges facing our Nation today is to bring quality health services to all the American people. We believe that S. 1353 would be a major step toward meeting that challenge, and we sincerely hope that the Subcommittee will act favorably on this measure.

Senator CLARK. For purposes of the hearing record, I think it might be good to find out just how many jobs, in the judgment of the Department, could be provided by S. 1916.

Would you have your statisticians take a look at that and provide that for the record?

[The following information was subsequently received for the record:]

It is estimated by USDA that approval of S. 1916 would result in the creation of approximately 10,000 new jobs.

Senator CLARK. We would also be interested in the Department's judgment, again, for the record, of whether indeed there is a need for conservation jobs in rural areas of the kind outlined in the bill.

[The following information was subsequently received for the record:]

The Department estimates that there are inventories of conservation work totaling about 46,000 man-hours that could be undertaken within the national forest system and on state and private forest lands. The Department does not believe that these inventories and the estimated unemployment figures suggest a need for conservation jobs in rural areas. The Department feels that the unemployment problem must be viewed from a national perspective and within the scope of the overall Federal budget and the national economy.

Senator CLARK. We tend to feel that there is a very great need, and we would like to have your judgment on that.

Now, it seemed to me that the thrust of what you said with regard to S. 1916 is summarized on page 3. I have underlined it. As you read it, you said, "Viewing the employment problem in the context of the economy as a whole, we note that there are strong indications that the recession has bottomed out and that an economic upswing is underway."

Well, I think that sentence summarizes the position. You emphasize that in other ways later in your statement. I notice in your statement you say, "We see no reason why recovery from the recession will not result in a continuation of the 1970-73 rural growth phenomenon. If so, the private sector will produce the employment needed."

Enactment of S. 1916 would have the possible effect of providing short-term Federal employment at the expense of permanent private employment.

So you look rather positively at the future of the economy.

Mr. BOSTIC. Yes, sir, I do.

Senator CLARK. Would you provide for the record at this point what the Administration's statistics show with regard to unemployment, let us say, in 1976 and 1977?

Mr. BOSTIC. If those figures are available.

[The following information was subsequently received for the record:]

The estimate of U.S. unemployment through FY 1977, as published in *Mid Year Review* of the Office of Management and Budget on June 1, 1975, is as follows:

Total projected unemployment, rates by quarter

	Rate (percent)
Fiscal year 1976:	
1st quarter-----	8.9
2d quarter-----	8.7
3d quarter-----	8.4
4th quarter-----	8.0
Transition quarter-----	7.8
Fiscal year 1977:	
1st quarter-----	7.6
2d quarter-----	7.5
3d quarter-----	7.3
4th quarter-----	7.1

Senator CLARK. They are in the budget report.

I think the person that has a projection—it is my recollection that those are almost 8 percent. That the administration, as they view recovery, that unemployment is going to be 7.8 or 7.9 percent on an average for next year. I just do not see that as a very meaningful recovery if we have got 7.9 percent unemployed all through next year. That is a year and a half.

STATEMENT OF DR. WALTER A. GUNTARP, ADMINISTRATOR,
RURAL DEVELOPMENT SERVICE, U.S. DEPARTMENT OF AGRICULTURE

DR. GUNTARP. A point we are making, Mr. Chairman, is that in the previous recessionary period, the rate of job creation in the field of construction and in the field of manufacturing was much higher in rural America than it was in urban America. Now, if the recession, in the determination of the administration, results in a re-creation or an extension of the previous trend, the rate of job creation in America should be rapid; in other words, unemployment rates should decrease more.

Senator CLARK. Pass that one by me one more time, sir.

DR. GUNTARP. All right, sir.

I said in the 4-year period, 1970 to 1973, the rate of new job creation in rural America was markedly higher than in the metropolitan sector. Now, if the recession bottoms out and we return to a better era of prosperity, that rate should pick up again in rural America, so that it is quite likely that the rate of new job creation will be higher in rural America and the rate of unemployment will recede more rapidly.

Senator CLARK. If that is the case, then it seems to me that we are in agreement, I gather, that unemployment is at least as high in non-metropolitan areas as metropolitan areas today, is that not true?

I am under the impression that it is a little higher. The Department of Labor has testified that it is the same, there is no distinguishable difference.

What about the period prior to 1970? Was there a distinguishable difference in unemployment, to your knowledge, at that point?

Mr. BOSTIC. I think in previous recessionary periods, rural America has felt the impact of recession less hard—

Senator CLARK. That is my impression.

Mr. BOSTIC [continuing]. Then they have in this current recession. In part, I think, that is because at the time there were not the significant number of manufacturing jobs out in rural areas; now there are more of them. A major portion of all the jobs in nonmetropolitan areas are in manufacturing, so that in this recession, we find ourselves with the unemployment rate being much the same. The Department of Labor said it was about the same or a little more. But as we have a turnaround in employment and since we have such a large component of our employment dependent upon manufacturing, I think as we see a turnaround that we are going to see an improvement in the manufacturing area.

Senator CLARK. When you say a large number of them are in industry, actually is that not a very, very small trend? It is not really a question of most rural people now being in industrial jobs; all we are really seeing is a trend in that direction, not really an absolute.

Mr. BOSTIC. I think in terms of the absolute jobs out in nonmetropolitan areas it may be as high as 25-30 percent of the jobs that are manufacturing jobs.

Senator CLARK. How would that compare—I mean, just in your judgment—with, say, 1970? What percentage would you guess? I know you do not have those figures.

Mr. BOSTIC. It probably would have been less.

Senator CLARK. It would have been less, certainly.

Mr. BOSTIC. Maybe it would have been 25 percent; I do not know. But a much larger number of the jobs created during that period are in the manufacturing area. They are also in mining, forestry, and those types of things.

Senator CLARK. Now, in my opening statement, I made the point many local rural residents have not had the skills or educational requirements in employment and supportive services to benefit from these increasing job opportunities, the ones you are talking about; thus, many rural employers have been recruited from outside local areas, leaving rural residents that much further behind. In other words, just the fact that jobs are created there does not necessarily mean that it significantly helps the people who live there, if they are simply bringing people out in the cities to take the jobs in the industrial areas.

Is that not a fact in what we have seen in the way of a trend, or am I wrong about that?

Mr. BOSTIC. Not completely. I come from a rural area in South Carolina where agriculture was very labor intensive, and many, many people were involved in agriculture in manual labor and were unskilled. The creation of new manufacturing jobs in that area has benefited these same people; they have been the same people who have gone to take a manufacturing job. Now, it is true that there are some very highly technical types of jobs that people are brought in from other places when a new plant comes into an area, but I think in general an awful lot of these people have been local people who, because the job opportunity has been there, have decided to stay and live in their rural communities.

Senator CLARK. I am sure a certain amount of that would be the case.

Dr. GUNTARP. I would say there is also the complementary effect of investment, Mr. Chairman, which means that there are other types of jobs that are created.

Senator CLARK. I just think that you are overoptimistic. Of course, I think the administration generally is overoptimistic about this recovery. It seems to me that a better statement here would be to end your statement when you said that it may have bottomed out, it seems to me we are at the bottom. We have just begun to see some statistics now that indicate that we may well have bottomed out. We know that the most recent unemployment statistics came down. But as those were released by the Department of Labor, they cautioned that they did not really represent a short trend; that it was due to certain seasonal changes and so forth. And it just seems to me that we are at the bottom of this recession; hopefully, we are at the bottom of it. We do not have any proof that we are, but all the indicators show that possibly in the future we are going to be moving in another direction. But as Mr. Simon and others have said, over and over again, the last thing that is going to respond to that is unemployment.

I am certain, as you submit for the record the administration's present predictions as to what is going to happen in unemployment rates, that you will find that those are roughly at 8 percent—I think they are slightly under—for all of next year and, it seems to me, the year after, still very, very high. Those figures provided by the admin-

istration would indicate that we do indeed need some assistance by way of job opportunities, particularly for people in rural areas. I think in metropolitan areas as well, but this hearing is on rural areas.

How do you respond to that?

Mr. BOSTIC. I think I read the indicators as you do, and I feel some optimism about the recession having bottomed out and that we are going to have an economic upturn now. I noted in the paper last week the GNP did not decline. The estimates are that it has not declined.

Senator CLARK. But it did not grow very much, either.

Mr. BOSTIC. That is right.

Senator CLARK. We are at the bottom.

Mr. BOSTIC. The significance being, of course, that it did not decline, and I think as the indicators continue to come in, that we are going to see that the economy is beginning to pick up. As inventories are depleted, we are going to have a turnaround, and there are going to be increased orders for production of goods.

I am a little bit optimistic, maybe a little bit more than you are, that we have seen the bottoming out of the recession and that we are seeing an economic upturn.

Senator CLARK. Let's agree to meet here 1 year from today and see whose predictions are right. I really think you are being overly optimistic, particularly when you say that we are afraid to create these jobs, as you say, at the top of page 4: "Is the possible effect of providing short-term Federal employment at the expense of permanent private employment?"

In other words, you are afraid that the employment situation is going to be so good that private employers will not even be able to find people.

It seems to me that is what you are saying, is it not?

Mr. BOSTIC. That is right. And I think, too, Senator Clark, we do not want to forget that we are having or have a large number of public service jobs now, I think about 300,000 of them, that are authorized for which money has been appropriated that are out in the country right now.

Senator CLARK. How many jobs would that provide?

Mr. BOSTIC. About 300,000.

Senator CLARK. How many people are unemployed in those areas?

Mr. BOSTIC. I do not know. I would imagine—

Senator CLARK. I am told about 2½ million. Would that sound about right to you?

Mr. BOSTIC. That may be.

Senator CLARK. Well, gentlemen, we thank you very much for coming, and we appreciate it. We wish we had more time.

[The following report was referred to on p. 28:]

A REVIEW OF THE ROLE OF THE RURAL MANPOWER SERVICE—AUGUST 1974

(Prepared by the Division of Management Analysis, Office of Management and Administrative Services, Office of Administration and Management)

I. PURPOSE

This purpose of this paper is to provide some conclusions on the appropriate role of the Rural Manpower Service in light of the current mission of the United States Employment Service (USES). Every effort has been made to base these conclusions on all pertinent facts and administrative considerations such

as legislation and the needs of the rural population. However, the overriding consideration has been the current mission of the USES.

II. BACKGROUND INFORMATION

A. Legislation

1. The Wagner-Peyser Act, which dates from June 6, 1933, provides the basis for some emphasis on services for rural areas in that it states in section 3.(a) that "It shall be the province and duty of the bureau to promote and develop a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations, including employment counseling and placement services for handicapped persons, to maintain a veterans' employment service to be devoted to securing employment for veterans, *to maintain a farm placement service*, . . . and, in the manner hereinafter provided, to assist in establishing and maintaining systems of public employment offices in the several States and political subdivisions thereof in which there shall be located a veterans' employment service." (Emphasis supplied.)

A fair interpretation of the above quotation is that Congress intended that in addition to a system of services for all with special emphasis upon employment services for veterans, the needs of certain other segments of the population, including youths, farmworkers, and the handicapped are not to be ignored. It is fair to conclude that Congress felt the needs of such categories of people might be given an inappropriately low priority in the absence of special mention of these categories in the legislation.

2. The Agricultural Act of 1970 states in Title IX—Rural Development, section 901(a) that "The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity, and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

More meaning is given to the above quoted paragraph by paragraph (e) of the same section which states that "The President shall submit to the Congress a report not later than September 1 of each fiscal year stating the availability of telephone, electrical, water, sewer, medical, educational, and *other government or government assisted services to rural areas* and outlining efforts of the executive branch to improve these services during the immediately preceeding fiscal year." (Emphasis added.)

The third annual report submitted pursuant to section 901(e) places emphasis on seven areas, including:

"(2) Job development in rural areas compared with urban areas, 1960-70

"(3) Needed new rural jobs to achieve a rural-urban balance, 1970-1980

"(4) Needed rural community facilities and services to support rural industrialization."

Although the report points out under item (4) that community services (such as health and welfare) are generally much poorer in rural than in urban areas, there is oddly no comparison or even mention of manpower services even though a U.S. District Court has ruled that they are deficient, at least with respect to migrant and seasonal farmworkers.

3. The Rural Development Act of 1972 contains the following amendment to existing section 526 of the Revised Statutes (7 USC 2204):

"(b) The Secretary of Agriculture is authorized and directed to provide leadership and coordination within the executive branch and shall assume responsibility for coordinating a nationwide rural development program utilizing the services of the executive branch departments and agencies and the agencies bureaus, offices, and services of the Department of Agriculture in coordination with rural development programs of State and local government. In carrying out this responsibility the Secretary of Agriculture shall establish employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually prior to September 1 to Congress on progress in attaining such goals."

The Manpower Administration contributes directly to the administration of certain other provisions of the Rural Development Act of 1972 through certification that rural business development loans made or guaranteed by the Farmers Home Administration will not likely result in the relocation of employment or industry or have an adverse effect upon employment or other businesses in the area. Another passage of the act provides a similar role for the Department of Labor in the making of industrial development grants. Significantly, Manpower Administration responsibilities under the Act are not carried out by the Rural Manpower Service (RMS).

4. The Comprehensive Employment and Training Act of 1973. One passage in this Act pertinent to RMS responsibilities is found in section 106(b), which states that "The State comprehensive manpower plan shall . . .

"(1) Provide satisfactory arrangements for serving *all* geographical areas under its jurisdiction except areas served by an eligible applicant . . .," that is, a local prime sponsor. (Emphasis supplied.)

Section 303(a) also contains pertinent language: "The Congress finds and declares that—

"(1) chronic seasonal unemployment and underemployment in the agricultural industry, substantially affected by recent advances in technology and mechanization constitute a substantial portion of the Nation's rural manpower problems and substantially affects the entire national economy. . . ."

Section 304(a) of the CETA is also pertinent: "The Secretary may provide financial assistance in urban and rural areas, including areas having large concentrations or proportions of low income, unemployed persons, and rural areas having substantial out-migration to urban areas, for comprehensive work and training programs, and necessary supportive and followup services. . . ."

The net effect of the above quoted excerpts (legislative background) is that there is solid legislative support for the position that rural areas and populations have severe manpower problems and special measures to correct those problems are demanded.

B. The Dimensions and Manpower Needs of Rural Areas

1. Dimensions of Rural America. Any description of rural America in relation to demographic and geographic parameters should be preceded by a cautionary note: (1) There are defects in the definition of key terms such as "rural," "urban" and "rural employment." The definition of "rural" appears to vary with the purpose of the statistician; "rural employment" statistics obscure underemployment conditions. (2) Data are often non-existent or defective—e.g., there appears to be no good estimate of rural unemployment.

(a) Area. This is a most striking feature of the rural part of the country. About 59 percent of the U.S. population lives on 1 percent of the land area. This population lives in central cities and their surrounding urban fringes while the other 41 percent lives in open country and in the smaller cities and towns. If rural population is defined in accordance with the ESARS, i.e., all population in open country or in towns of less than 10,000 population outside urbanized areas, then we can say that rural people inhabit nearly 99 percent of the country's area. While the urban population is settled at a density of 3,400 persons per square mile, the average density of the rural population is 19 persons per square mile.

(b) Rural Population, 1970 (ESARS definition): Total: 68.2 million. Non-farm: 59.9 million; farm: 8.3 million.

(c) Rural Labor Force, 1970 (ESARS definition): Total: 24.9 million. Non-farm: 20.4 million; farm 4.6 million.

It can be deduced from the above that about 32 percent of our 1970 labor force of 80.1 million lived in rural areas.

2. Indicators of Need. The above statistics, reflecting a large population and labor force living in a vast area are, of course, indicators of need. However, the needs of the rural population are proportionately greater than the needs of the urban population as indicated by the following:

(a) Migration from rural to urban areas has been a long-standing trend in this country. The decline in farm population, especially farm workers, has been continuing from about 1910 and was precipitous during the early 40's and 50's.

There are indications that migration from small towns and rural areas to large cities has recently abated and perhaps reversed. More time is required to determine the persistence of this apparent trend and whether its result will be population dispersion or the creation of more giant metropolises. For the time being, continuing migration from rural to urban areas can well be viewed as a threat to the well being of both urban and rural residents. Moreover, continued outmigration of the farm population can be considered a contributor to this general problem.

(b) Rural Unemployment and Underemployment. For a variety of reasons, including the fact that farmworkers are not covered by unemployment insurance, good statistics on rural unemployment are not available. However, statistics of rural poverty are revealing and are admirably summed up in the 1971 *Manpower Report of the President*:

"The growth of nonfarm employment in rural areas has not been sufficient to absorb workers displaced from agriculture plus the many rural youth entering the work force each year. This shortfall in jobs is a basic reason for the widespread underemployment and poverty in rural areas. Other contributory factors include the low incomes of operators of marginal farms, a decline in openings for farm tenants, and the traditionally low wages and intermittent employment of hired farmworkers. To these must be added barriers associated with racial discrimination, language handicaps, and inadequate education. Furthermore, though improved communication and transportation have made some rural areas less isolated than in the past, distance to urban labor markets is still a serious problem for most rural workers.

"For all these reasons, the incidence of poverty is higher in rural areas than in cities. In 1969, half the nation's poor, some 12 million poor people, lived outside metropolitan areas, although little more than a third of the total population resided there. Poverty is not only more frequent but also more severe among rural than among urban families."

(c) *Needed Growth in Jobs.* According to the Department of Agriculture's Third Annual Report of the President on Government Services to Rural America, the growth rate of employment in metropolitan areas was nearly twice that in nonmetropolitan areas during the decade 1960-70. During the decade 1970-80, the little research that has been done indicates that there will be 17.2 percent increase in the nonmetro male labor force (compared with a 15.3 percent increase for metro areas), implying a need for a 2.6 million net increase in jobs accessible to nonmetro men, unless further outmigration to metro areas is to occur.

The Report goes on to State that:

"Although projections are not available for women, it can be said that the proportion of women who are employed has increased even more rapidly in nonmetro areas in recent years than in metro areas. To an increasing extent, the ability of nonmetro areas to retain their population depends on availability of productive employment for women as well as for men."

3. The items under B.1 and B.2 above are offered as indicators of pressing needs in rural areas just as the legislative language quoted under II. A. above was offered to indicate a solid statutory basis for special efforts toward the fulfillment of those needs. The following quotations from the 1971 Manpower Report of the President indicate an appropriate contribution that the USES through its RMS can make toward these efforts:

"* * * Improving the functioning of the labor market. Rural people would be greatly aided in finding employment by the extension to rural areas of the full range of services offered in urban employment service offices. More comprehensive and timely labor market information, employment counseling, job development, placement, and other services would enlarge the range of job choices available to rural workers. There will be special need for assistance to migratory and other farmworkers in making the difficult transition to nonfarm jobs, as seasonal activities in agriculture are phased out through mechanization. But there will also be continued need for efforts by employment security agencies to regularize farm employment and to participate with other community agencies in programs to improve the health, education, and working and living conditions of migratory farm workers."

The USES, to a large extent through the RMS, can contribute indirectly to several other possible components of any comprehensive program to meet rural manpower needs which would include the following measures spelled out in the 1971 Report:

- (a) Aiding relocation of workers.
- (b) Giving rural workers new skills.
- (c) Developing more jobs in rural areas and nearby cities.

III. THE CURRENT ROLE OF THE RMS

A. Organizational Missions

1. The mission of the RMS is encompassed by the mission of the USES which is "To develop, maintain and improve a nationwide Federal-State employment service which will provide employment assistance to individuals; and provide employers and workers with job development, placement and supportive services."

2. The role of the RMS is largely described, or at least delimited, by its mission and 13 stated functions. Its mission is stated as follows: "To develop new and modify existing programs, techniques and methods to deliver manpower

services to rural areas; to maximize employment opportunities for domestic workers in agriculture and related activities; and to provide for the controlled use of foreign workers in agricultural and woods activities.

B. The Current Role of the RMS as a Part of the USES

The principal role of the USES is the implementation of the Wagner-Peyser Act through the performance of a variety of staff type (i.e., advisory) activities aimed at the maintenance and strengthening of the nationwide employment service system comprised of 54 State agencies and numerous local offices. These activities include: (1) Developing the design, goals, standards and procedures for the overall employment service program and its various subprograms. (2) Providing operational guidance (including program emphasis and recommended funding levels) to the Office of Field Director and Management. (3) Reviewing program performance on a nation-wide basis. (4) Developing program techniques and devices for regional offices, and State agencies. (5) Providing direct technical advice to regional offices and State agencies on request.

Since the primary and overriding continuing responsibility of the USES is, as stated above, Wagner-Peyser Act implementation, it is heavily oriented toward the job placement of members of the workforce seeking work and the securing of workers needed by employers. Responsibilities relating to training, work experience, supportive services and labor market information are still present in some degree and must be taken into account for many reasons. Chief among these reasons is that State Employment Service agencies are involved in providing these services, but such services are now the primary responsibility of other parts of the Manpower Administration.

The USES carries out its activities mainly through three functional components—the Office of Employment Service Administration, the Office of Placement Support and Development and the Office of Technical Support. Most of the products and communications of these offices are utilized by or channeled through the Office of Field Direction and Management which oversees direct Federal involvement with State agencies by MA regional office (MARO) components—staff involvement in the case of MARO Offices of Program and Technical Services and line involvement in the case of MARO Area Operations Offices.

Strictly from the standpoint of good management and administration, the three USES offices named above are all the components necessary to discharge USES responsibilities. However, we find that in fact there are two additional major components of the USES organized around services to a client group rather than a program function. One such component is the Veterans Employment Service (VES) and the other is, of course, the RMS. There is ample justification for the existence of both components and in both cases justification is based on: (1) needs of the client group, (2) statutory requirements, and (3) tradition—both the VES and the RM's predecessor, the Farm Labor Service, antedate the USES.

However, the continued existence of the RMS requires special consideration. Its statutory justification found in the Wagner-Peyser Act is not nearly as strong as that supporting a separate VES. Indeed, if there is no statutory bar to the already accomplished merging of the "farm placement service" with regular employment services at the local and State level, it is hard to see why such a bar should exist against merger at the national level.

Tradition as an argument for the continuance of the RMS does not carry much weight since only a vestigial remnant of the once-strong Farm Labor Service with a staff of 11 employees very similar in all important characteristics to employees in any other uses division.

Nevertheless, there is a strong justification for the continuance and strengthening of the RMS from (1) other legislation quoted above and (2) the overwhelming need.

In discussing the employment needs of our rural population it is appropriate first to take into account the facts and statistics, set forth above under section II, which speak for themselves in arguing the acuteness and special nature of rural deprivation. Certainly this argument is buttressed by decisions of the U.S. District Courts in favor of certain types of farm workers and against the Department of Labor. For those who would still maintain that the present imbalance in urban versus rural development is insufficient grounds for a separate USES component to improve services to the rural population, it should be pointed out that urban blight is the corollary or rural decay and therefore rural development

is essential if the cities are to be made more habitable—unless, of course we find some way of holding rural people captive on the land. Of course, too, haphazard and uncontrolled rural development will merely result in the multiplication and spread of undesirable metropolitan complexes.

IV. NEEDED CHANGES IN THE ROLE OF THE RMS

If it is granted that there should be a staff type component in the USES with a mission to further vigorously and effectively the accomplishment of the uses mission in rural areas, thereby contributing to general rural economic development, then certain changes in the RMS are desirable. These changes include: (1) A clarification of the basic mission of the organization. (2) The dropping of responsibility for certain operational functions, some at the local as well as the national level, and the decentralization of others. (3) The addition of certain functions. (4) A reorganization of the national office organization's substructure. (5) Some organizational adjustments at the regional and State levels.

Each of these proposed changes will be conducted in turn.

A. Clarification of the RMS Mission

The development of a clarifying revision of the RMS mission would be enhanced by a corresponding revision of the USES mission statement, although such USES mission revision is not absolutely necessary since the present USES statement is quite broad. The following appears to be a reasonable alternate statement of the USES mission: "To develop, maintain and improve a nationwide Federal-State labor exchange system which will focus on providing jobs for workers and workers for employers; to cooperate with other components of the MA and other Federal agencies which provide manpower services." This would appear to be in line with an eminently sound effort now apparently under way to concentrate on a manageable portion of the MA's total manpower responsibilities through the USES. This being the case, it would appear equally sound to make the RMS mission as compatible as feasible with the overall USES mission, thus: "To develop, maintain, and aid in the oversight of the administration of programs, policies, and procedures to improve the functioning of the labor market in rural areas; to cooperate with other parts of the MA and other Federal agencies which provide manpower services in rural areas; and to perform other related employment service functions concerned with rural development."

A gradual adjustment to this more limited mission which lends itself to more concentrated and intense efforts can be brought about by a variety of management actions ranging from changing the name of the organization to the "Rural Employment Service" (RES) to providing special staff development courses on, say, "Counseling of Migrant and Seasonal Farmworkers." Such concentration should also result in the management and funding of all state agencies in a manner that would assure equity of access for the vast majority of our rural population. Another result should be the concentration of more effort on placing migrants in permanent jobs than on maximizing their use in seasonal farmwork.

B. The Elimination or Decentralization of Certain Functions

Employment Service involvement with Day Haul Operations should be eliminated from the national through the local level. This is recommended because it is at best a wasteful allocation of trained employment service manpower; at its worst, it involves participation in the exploitation of ignorant and unskilled people. Employers who must resort to such operations should, and are usually quite able to, bear the entire expense of the operation. Certainly employment service involvement is not mandated by the phrase "to maintain a farm placement service" since "placement" should be defined in a way that would exclude ES participation in Day Haul Operations except for outreach purposes.

A variety of operational activities should be decentralized to the MARO's in accordance with the principle which has guided MA organization since 1969: Authority should be delegated and responsibility assigned to the lowest feasible level, resulting in the performance of operations at the regional office level or lower and the performance of overall planning, technical assistance and evaluation at the national office level. Therefore every effort should be made to turn over to MARO's performance of the following activities:

1. Inspection of Worker Housing. Far better, efforts should be renewed to transfer this function to OSHA.
2. Conduct of wage surveys.

3. Audit of employer payrolls of growers bound by the criteria stated in 20 CFR 602.10.

4. Certification of the use of foreign workers as mandated by P.L. 82-414. This should be coupled with efforts to increase cooperation with the Immigration and Naturalization Service in the exclusion of illegal alien labor. The argument that regional officials could not bear up under pressures from Congressmen has no basis if the regional officials are merely doing their jobs.

5. Direction of interstate recruitment.

6. Puerto Rican recruitment. Decentralize to Region II.

In addition to the actions recommended above, the service delivery system projects (ACE), Hitchhike, and Concerted Services for Training and Education) should be subjected to careful scrutiny with an eye toward streamlining in accordance with the new mission, simplification, consolidation, and standardization. States should be told to plan for and attain equity of access to employment services, regardless of the funding level in any particular year, and that they should apply and expand whatever delivery system is appropriate. Rural Employment Service experts from the national and regional offices should provide technical assistance and monitoring.

C. Addition of Functions

1. The monitor advocate program. This is a program for assuring that the Manpower Administration ceases to be an unwitting party to abuses and inequities that migrant and seasonal farmworkers have been subjected to at local, State and interstate levels. Whether or not it can be effective is open to question since much seems to depend upon the performance of certain isolated individuals—the Monitor Advocates. However, the USES organization charged with expanding and improving services for rural people should be entrusted with the program which is to be under fairly tight central administration and control. If that organization cannot be trusted with such a program, then stringent managerial corrective measures designed to produce an organization sympathetic to the plight of the rural disadvantaged are in order.

2. Rural Industrialization Loan Certification. This function consists of the establishment and maintenance of a system for determining whether applications for rural industrialization loans under provisions of the Consolidated Farm and Rural Development Act will result in relocation of industry or have an adverse competitive affect on other industries or employment in the proposed areas of location. The function, or program, should be moved to the RMS as a means of strengthening the resources at its command for the improvement of rural employment. After the program is fully established, its operational activities should be decentralized to the regions.

D. National Office Reorganization

The reorientation of the RMS component along with the elimination, addition and decentralization of functions requires reorganization. The following three division structure is suggested:

1. A Division of Rural Program Planning and Development. This division should cooperate with and assist OPER on long-range plans as well as with the Office of Employment Service Administration and the OFDM on short range planning and budgeting. It should also be in charge of creating and bringing to the operational stage new broad-gauge efforts such as ACE and rural loan certification. Cooperation with OPER on policy development and legislative proposals should also be the responsibility of this division.

2. A Division of Program Operations. This division should be charged with the performance of whatever operational functions that are assigned to the component, such as those farm labor service operations which must remain centralized, the monitor advocate program and rural industrialization loan certification. It should also be responsible for providing training, technical assistance and the writing of ongoing program procedures.

3. A Division of Rural Program Review. This division should monitor MARO operations and participate with MARO's in monitoring State agency operations; in short, it should carry out a complete short-range evaluation program in cooperation with the Office of Employment Service Administration. This division should also cooperate with and assist OPER on long-range evaluation.

E. Organizational Adjustments at Regional and State Agency Levels

1. In regional offices, there should be a consolidation of all "line" authority pertaining to rural employment service responsibilities in an identifiable unit of

each Area Operations Office. The unit should be identifiable at least the major program (USES) level in order to provide a reasonable degree of accountability and to enhance the flow of communications and the effective use of technical assistance received from the national office. The unit should also be responsible for insuring "that the importation, interstate recruitment and utilization of rural area workers within the region fully complies with established rules and regulations." This should be done because in enforcing compliance, with such regulations (always written pursuant to a statute) we come as close as we ever do to the exercise of line authority over a State agency. We should make it clear that those who enforce the regulations also have their hands on the purse strings and that we will not accept transgressions involving the abuse and exploitation of farmworkers.

2. The creation of an identifiable unit responsible for staff level rural employment service functions within the State Employment Service Central office should be encouraged. Such consolidation of functions should be encouraged for the same reasons that were stated in relation to the MARO's. However, this identifiability should not extend to the district or local office level where employment services are actually offered. This should not be done because the Statewide emphasis should be on providing farmworkers and rural residents the same services that are provided to urban workers.

V. SUMMARY

There is a need for a United States Employment Service component responsible for the performance of staff functions aimed at improving employment services for rural people. Its focus should be sharpened and reoriented. It should be strengthened by the realignment of its structure and the addition of some functions from other parts of the USES. Operating functions should be decentralized to the regions because they divert attention from more important staff functions, because they will be more effectively performed by the MARO's eventually, and because their movement will add to the strength of the regional offices.

These are measures that can be taken in the interest of a substantial contribution to the ending of rural decay.

Senator CLARK. We are going to hear next from a panel of three to continue our discussion of S. 1807: Dr. William Baker, John McCauley, Ray Prewett, and Ray Marshall.

Senator Lloyd Bentsen had hoped to be here to introduce you and could not be, but I would like to insert in the record at this point his introduction of the various people from Texas who are testifying here.

[The statement of Senator Bentsen follows:]

STATEMENT OF SENATOR LLOYD BENTSEN, A U.S. SENATOR FROM THE STATE OF TEXAS

Mr. BENTSEN. Mr. Chairman, today, the Subcommittee is considering S. 1807, an amendment to the Rural Development Act of 1972 which provides for a Concerted Services in Education and Training Task Force within the Department of Agriculture.

To testify in relation to this bill, I am pleased to introduce to the Committee today, the Director of the County and Rural Services Division of the Texas Department of Community Affairs, who is responsible for State level administration and coordination of Concerted Services Training and Education (CSTE) in Texas, Mr. Ray Prewett. Prior to his tenure as Director of the County and Rural Services Division of the Texas Department of Community Affairs, Mr. Prewett was Executive Director of the Texas Rural Development Commission and also served as a community development specialist for the Texas Agricultural Extension Service. Accompanying Mr. Prewett is Mr. Mac Varley, the CSTE coordinator for Red River County in Texas, and Mr. Fred Fisher, Chairman of the local advisory committee in Red River County. Mr. Mac Varley and Mr. Fisher have been actively involved in the initial CSTE program in Texas and are available to answer questions for the Committee. I know that both Mr. Prewett's, Mr. Varley's and Mr. Fisher's work on behalf of CSTE has been a credit to the program in Texas, and I appreciate your Subcommittee's courtesy in hearing their presentation.

As you know, the concept of Concerted Services Training and Education (CSTE) began as a demonstration effort to improve smaller communities and

rural areas by demonstrating that education and occupational training in conjunction with economic development activities can significantly increase employment opportunities. This project has operated in 49 counties in 14 states. As one of these 14 states, Texas currently has six of these county projects underway.

The initial project in our state was in Red River County and Mr. Varley is here today to detail the success of this project for the members of the committee. It is significant to note, however, that based on the success of the Red River County project, five additional projects in Texas were started in September of 1974: Falls County, Karnes County, Shelby County, Willacy County, and a multi-county project which included Haskell, Knox, Jones and Stonewall Counties. In addition, the Red River project was expanded to include Delta and Lamar Counties.

These counties are distributed throughout much of Texas. They are economically dependent on agribusiness, tourism and small industry, and have no population centers greater than 8,000. These six Texas areas are typical of Rural America in yet another way. Traditionally, they have received a smaller share of funds than their urban counterparts, while at the same time having a higher poverty rate, poorer housing, and lower than average educational attainment. The professional assistance provided by the ombudsman concept of CSTE will enable these rural areas to compete for their share of Federal and state assistance.

Our success in Texas with CSTE illustrates this fact: professional assistance can mobilize local, State and Federal resources to impact local problem areas. For a moment, let me give the Committee a very basic assessment of one instance in Texas which your witnesses can expand upon later this morning. In the initiating project in Red River County, the CSTE coordinator assisted in the location of five new industries and the expansion of two existing industries which have created over 1,000 new jobs. And, in the first year of the project, the coordinator worked on some forty-four community projects. Largely as a result of these efforts, Red River County has had an increase in population for the past three years while the rest of Northeast Texas is declining and some \$4,000 annually in new wages has been infused into the local economy.

Mr. Chairman, I believe that S. 1807 is a needed addition to our present rural development efforts. The CSTE program has proven its ability to build on existing community and agency resources and demonstrated that rural development can happen in a coordinated and cost-effective manner. Yet this program has had no continuous basis for funding or recognition by the Federal Government. By way of illustration, today in Texas, CSTE is funded by the Governor's discretionary funds under CETA, and had previous funding from varied sources.

I join with Governor Dolph Briscoe of Texas and his representatives here today, in supporting the concept of CSTE for our country's rural areas and S. 1807 in providing a continued base of support for this program.

I trust the committee will give "the Texas story" full consideration within the context of these hearings, utilizing the expertise of the two witnesses I have introduced this morning.

Senator CLARK. In the interest of time, I am afraid I have an executive session that I am supposed to attend at 12 o'clock. Maybe I can be a little late, but I wonder if you might make your statements available in total in the record, and then try to summarize these as best you can.

I think we would like to hear first from Messrs. McCauley, Prewett, and Marshall, because, as I understand, you are going to testify on S. 1807, and we would kind of like to have that testimony first, and then we will hear from the other two, so Mr. McCauley.

STATEMENT OF DR. JOHN S. McCAULEY, PRESIDENT, CONCERTED SERVICES IN TRAINING AND EDUCATION ASSOCIATION

Dr. McCAULEY. We are all here to testify in favor of S. 1807. I will make a few brief remarks summarizing my more detailed statement, which will be submitted for the record.

Concerted Services projects have been conducted in 26 demonstration areas in 16 States. These projects consolidate the combined re-

sources of appropriate Federal, State, and local agencies to meet the training and educational needs of the residents of small towns and rural areas.

Cooperation among local, State, and Federal leaders is the key to the outstanding results that have been received. In setting up a project, a small task force representing the various Federal agencies met with a committee appointed by the Governor of each State. Following these meetings, the State committees recommended counties that they felt should be selected for Concerted Services projects.

County leaders were then invited to meet with a group from Washington and the appropriate State capital to discuss the needs of the community. If it was decided to go ahead with a Concerted Services project in the community, a local coordinator was employed to work with local leaders, citizens groups, and representatives of the local, State, and Federal agencies responsible for administering various programs.

I think a very important point to emphasize is that all that is provided at the beginning in any community is the local administrative expense needed to pay the salaries of the coordinator and his secretary. Then, based upon a very careful survey of needs in the community, certain action programs were tailor made to meet these needs. For example, if it developed that health services was the main item that was needed, a specific proposal for additional health services was drawn up and submitted for approval and funding through the normal health services channel. So really, to start the process going, only a relatively small sum is needed to assure the payment of the salary of the Concerted Services coordinator.

I know that it has been argued that this money can come from State or local sources, using money made available through CETA. However, in many rural areas, it is very difficult to start this whole process in operation. Someone needs to submit an appropriate request to CETA officials or some other organization and see to it that the request is funded. The starting point should be a local coordinator, working with the help of the Concerted Services Task Force, State officials, local leaders, and others. The coordinator is the catalyst needed to start the whole process going.

Now, in each of these areas, to provide a factual basis for drawing up plans to meet the needs of the community, the local coordinator works with the State employment service to conduct a smaller community survey. Usually, a wide variety of projects are proposed, including vocational education facilities, work experience projects, basic adult education classes, occupational training health service projects, and recreational facilities.

Although little publicity has been given to the achievements of these projects, several States have learned about the CSTE approach and have requested that consideration be given to starting similar programs in their States. Despite the requests, funds have not been made available to start any new Concerted Services demonstration areas in recent months. As I have indicated, there has to be that initial investment coming from the national level. It is true that in three or four States, after projects were in operation for a few years, a part of the payment for the coordinator's salary was made by the State and

local officials. However, even in such instances, part of the funds still had to be provided from the national level.

I think CETA is an excellent source of some of the project money needed to meet the local needs that the Concerted Services coordinator identifies, but to start this process, a coordinator should first be employed.

There is one other thing I would like to say about financing. When we talk about the local communities being responsible to hire the coordinator initially, we have to remember that these are usually poorer communities that are very hard pressed, and have a great many other demands upon any resources that might be available. It is difficult to get them to make this decision.

I think that national demonstration areas should be established that would receive national level financing on a continuing basis. While it is true that certain techniques developed in the early experience with Concerted Services have been used by State employment services and other agencies to good advantage, the most important contribution of Concerted Services is to provide a continuing demonstration, a living laboratory, to show how rural communities can meet changing needs as they emerge, and to show how these needs can be met through co-operative efforts.

Finally, I would like to say that the experience in Texas really provides an illustration to how this kind of a continuing national laboratory can lead to good relationships among Government agents. It is my understanding that, although officials in Texas have recently funded several new projects, they would very much like to see a continuation of Federal participation and at least some Federal funding of the pilot project developed in Red River County.

Senator CLARK. Thank you.

Have you had, Mr. McCauley, Government experience in rural development?

Dr. McCauley. Yes; I was cochairman of the Concerted Services Interdepartmental Task Force when it was first established in 1965, and I continued to serve in that capacity until about 6 months ago.

Senator CLARK. Well, then you are in a good position to answer this: what is your own judgment of the Department of Labor's recent decision to do away with the rural services?

Dr. McCauley. I think it is a very serious mistake. In addition to all the other arguments that can be mustered, there is one overriding argument. The many organizations that are interested in supporting rural development efforts need some focal point in the Department of Labor, someplace they can go to discuss rural problems. To abolish that office, rather than strengthen it, is a serious mistake.

Senator CLARK. Just one other question before we go on: Did you find anything in the testimony that was presented this morning by Mr. Lewis with which you are in disagreement?

Dr. McCauley. I think he is much too optimistic that resources made available under CETA will somehow fall into the right places to help rural areas. Some of the larger cities have grantsmen who are able to develop proposals that can get funded. However, there are many rural areas that they do not even know about CETA, and are not really organized to come in with a proposal.

One of the good things about expanding Concerted Services is that this would provide a catalytic agent to see to it that CETA officials pay attention to the needs of the rural communities.

I would like Mr. Gilliland, who for many years was the executive secretary of the task force and who is now vice president of our association, to present a brief statement.

STATEMENT OF C. B. GILLILAND, VICE PRESIDENT, CONCERTED SERVICES IN TRAINING AND EDUCATION ASSOCIATION

Mr. GILLILAND. Mr. Chairman, I appreciate this opportunity because I have been associated with CSTE since its inception in 1964 until I retired in May 1973.

Senator CLARK. We will be pleased to have your testimony. You are in a good position to make some judgments on it, I think.

Mr. GILLILAND. Mr. Chairman, I agree with the point that you made in the presentation to the Senate of S. 1807 when you stated that the heart of this program was the CSTE coordinator, and I would like to make just a few comments about that.

Senator CLARK. Good.

Mr. GILLILAND. These coordinators are well-qualified local residents, carefully selected and approved for work with the people and problems of a particular rural area. They are coordinators of local ideas, plans, and efforts, not of people or agencies. They are employees of cooperating State agencies, not Federal employees. They are assigned the CSTE program with freedom and encouragement to work with local leaders and local administrators of all programs designed to help the community solve its problems.

These coordinators have no authority to approve or reject project proposals. They assist local leaders to get their needs stated so that their requests for assistance will be recognized and answered, whether it be from local, State, or Federal resources. Being on the ground to follow through a proposal has meant the difference between getting a project approved or rejected, and in the big cities the chambers of commerce and the boards of trade have people available to make and follow through their proposals. These CSTE coordinators are trained and encouraged to give the credit for the success of the different projects to the participating local leaders and agency program administrators, not take credit for themselves.

Now, I would like to tell how we went about this training. The coordinators are trained first by their local employing agency out there in the State, and then they come into Washington and meet with the CSTE Task Force. They spend several days here getting acquainted with the various Federal programs that can be made applicable to rural areas.

Mr. Chairman, since this program was started, there have been some dramatic changes in some of these CSTE areas. For example, one study of the effectiveness of the CSTE local coordinator in getting changes and resulting community improvements was made in one of the Nation's poorest counties. I would like to read just one paragraph from the summary of Dr. Mark Hanson's doctoral thesis summary, at the University of New Mexico. Dr. Hanson did his research on the

CSTE program in Sandoval County, and it included the effectiveness of the late Henry Gonzales, the coordinator, as a change agent.

Now, in this thesis report, Dr. Hanson used two other names; instead of Gonzalez, he used Mr. Cordova, and, instead of Sandoval County, he used Padre.

For the young researcher the final weeks of the study came and went far too quickly. During the course of his study he had seen a major vocational school complex constructed, a vocational training program initiated, adult education classes begun, recreation facilities developed, irrigation ditches cemented, health programs expanded, several hundred hard-core unemployed residents trained for productive jobs, and many other worthy projects completed, which made a significant impact on the lives of hundreds of people in this country.

As the researcher packed his yellow pads of paper for the last time, he could not help but think that one man really could make a difference in the face of seemingly hopeless situations, and that was true of Padre County when our group went there to consider it for one of its demonstration areas, especially if the man understands how the bureaucratic system works and is skilled enough to use a system against itself other than to be used by it.

Just before I retired in 1973, I did prepare a summary of the CSTE program with the help and approval of the CSTE Task Force cochairmen, Dr. McCauley and Mr. McMillan, and I would like to leave that with you.

Senator CLARK. It will be made a part of the record, if you have no objection.

Mr. GILLILAND. I would like to add this one last comment. I worked 38 years as a county agricultural agent, a State specialist with the Extension Service. I worked with the Department of Agriculture here in Washington for the past several years and, when I retired, I was a community development specialist and Executive Secretary of the CSTE Task Force. In all my 38 years of public service this work with CSTE was one of the most satisfying experiences I have had because I saw how local people could help themselves with a little encouragement from one man, a local coordinator out there who knew how to get things done at the rural level.

I believe the enactment of S. 1807 would be a real boost to community development in rural areas.

Senator CLARK. Thank you. That is a very, very clear and concise report, and I think, on the basis of that testimony, your report should be very useful to us. If I may have that—this is the report you referred to?

Mr. GILLILAND. Yes.

Senator CLARK. Next here I think is Mr. Ray Marshall, who, I am advised, is one of the foremost specialists on rural manpower in this country, and we would be pleased to hear from you if you have anything to add.

STATEMENT OF RAY MARSHALL, PROFESSOR, DEPARTMENT OF ECONOMICS, UNIVERSITY OF TEXAS, AUSTIN, TEX.

Mr. MARSHALL. Thank you, Mr. Chairman. I am pleased to have the opportunity to make a few comments on the CSTE program. It seems to me very important to preserve this program for a variety of reasons, and I think it is also important to preserve the Federal presence in the program.

The first reason for that is that there are serious human resource development problems in rural areas that will not be resolved by any of the ongoing manpower activities currently underway. I think that certainly the CSTE is a sound concept. It is a very flexible program. I do not know how you could get a more flexible program than one where there is a local coordinator who understands the needs of the people in the area and helps them develop a plan to promote human resource development in that place, so CSTE is a very grassroots approach to the problem of development.

At the same time, as it has been approached by the interagency coordinating committee, CSTE is a relatively inexpensive program. I have not seen a benefit-cost study of CSTE—I have got some reservations about relying too heavily on benefit-cost studies in a program such as this—but I am reasonably certain that, if such a study were made, CSTE would be very, very cost-effective because it is a relatively inexpensive program relative to the results produced.

I think it is also important to have this kind of effort because CETA will not solve the manpower problems of rural areas. There are a variety of reasons for that, one being that even though CETA improves the allocation process of the rural areas by having automatic geographic allocation of funds to private sponsors and to State and local areas, it still has an urban bias. It has an urban and large-place bias primarily because the prime sponsors ordinarily have to be elected officials from places with population of 100,000 or more and the Governor represents the balance of the State. Also, because unemployment rates are used as a way to allocate funds under CETA. The use of unemployment rates will cause allocations to be biased against rural areas for several very important reasons.

One is the unemployment rate is not a very good measure of people not working who would like to work. It is only a measure of those people willing and able to work and actively seeking work, so it does not count people who are working part time who would like to work full time. It does not count people who have withdrawn from the work force entirely because no jobs were available, and we know from experience that many of those people would take jobs if jobs were available.

Moreover people who are working but earn less than enough to bring them above the poverty level are not counted as employed.

Mr. MARSHALL. If you add those three things which some people would call a subemployment rate to unemployment, I think you would get a much better fix on the problem and develop a much better allocation formula than the use of unemployment, which CETA emphasizes.

Senator CLARK. Then it would be your testimony that the employment situation in the rural areas, in the nonmetropolitan areas, compared to the metropolitan areas, is much more serious.

Mr. MARSHALL. It is very much more serious, and we do not have current data because enough data is not available to make all those measurements that I mentioned, but we did make some of them and I can make those figures available.

Senator CLARK. I wish you would.

Mr. MARSHALL. What they show is that if you take the nonmetropolitan and metropolitan comparison for males, what we call subunemployment rate is roughly three times the unemployment rate even

in metropolitan areas, but in nonmetropolitan areas it becomes roughly five times the unemployment rate, and the unemployment rates tend to be relatively similar for metropolitan and nonmetropolitan areas.

Senator CLARK. Is it your impression that if we were to do that today in 1975, that the results would not be substantially different?

Mr. MARSHALL. I do not think they would not be; if anything, they might be worse because one of the things that this particular recession has indicated is that rural areas, in many cases, are much harder hit by the recession than they were in previous times; and that being the case I expect these subemployment rates would be relatively greater, even as compared with 1970.

Senator CLARK. So you do not necessarily buy the testimony of Mr. Bostic, the Deputy Assistant Secretary for Rural Development, or Mr. Guntharp, that the period since 1970 has so improved the job situation in this country in terms of industry moving out there that it has begun to solve this problem?

Mr. MARSHALL. I buy the conclusion that manufacturing employment is growing faster in rural areas than it is in urban areas.

Senator CLARK. Yes.

Mr. MARSHALL. The trouble with that conclusion, though, is that the growth of manufacturing employment is very uneven. A lot of people and places are being completely bypassed by that growth of manufacturing employment. For example, if I give you a picture of where most black people live in the rural South and places where rapid rural manufacturing employment is growing, you would find almost a perfect mismatch.

Senator CLARK. A perfect mismatch?

Mr. MARSHALL. A perfect mismatch. The manufacturing employment is avoiding areas with heavy black concentration.

Senator CLARK. Why is that? Do you have any theories on that?

Mr. MARSHALL. It is a complex problem. I think that I can give you a fairly detailed study of those 244 counties in the South with 5,000 or more blacks in their population, but part of the reason is that these tend to be plantation areas for the most part, and the very low level educational training and skills and even limited experience in agriculture which helps you do nonfarm work. In your State, if you are an Iowa farmer, you learn a lot that will help you in any business, but if you are a sharecropper, you do not learn much that will help you with anything else, because you do not make the kinds of decisions that an independent farmer tends to make, and that means that human resource development is very inadequate in those places.

Employers tell us they are also worried about getting unionized if they go into predominantly black areas because there seems to be a conviction that blacks will organize more readily than whites. They are also concerned, or tell us they are concerned, about racial employment quota systems, that if they go into a county with 70 or 80 percent black population, they are afraid they will have to have a racial quota, and they, therefore, avoid that. But I also think racial discrimination is part of it. It is unavoidable once you look at all the objective evidence, you get a residual that cannot be explained by anything else.

Senator CLARK. That is very helpful. Continue.

Mr. MARSHALL. The other conclusion, the other reason I think the CSTE is important and should be kept, is that many local areas will

not have the resources to put in a CSTE coordinator. In many cases where local elected officials have recognized the importance of the CSTE program, as they do in Red River County, Tex., they still would not have the resources to support such a program, even though in a national context, the amount required is not large. It would be very large for Red River County to add to its total budget. It would also be very difficult for one small county like that to mount the kind of campaign needed to get CETA funds to do this kind of thing, and I have already mentioned the bias that the CETA program has against relatively small places.

Finally, one of the most important things that CSTE does in rural places is to provide leadership to attract resources from a variety of sources. One of the real problems of rural areas and relatively small towns is leadership, particularly leadership trained in human resource development. Part of the reason for that is that these places have not been large enough to have the kinds of staff at the local government level to get the experts that they need to promote this kind of development.

I would also argue that it is very important to have demonstration and clearinghouse functions for CSTE at the Federal level. This is a function that cannot be performed very well by the States, by any kind of State or local subdivision. We still have a great deal to learn about rural development and human resource development in rural places. I think this CSTE experience, if you view it as an experiment, will give us a lot of insight into what kinds of things can be done to improve the conditions of people in those places, but we will lose that insight and lose that experience if the program is entirely decentralized and each local area does its own thing.

I suppose the main reservation I would have about the bill is putting the CSTE program into the Department of Agriculture. It seems to me that one of the strengths of the program is the fact that the coordinator has not been identified with any particular Government agency. One of the real problems in promoting rural development is "turfism" or interagency rivalry, so that Government employees waste so much time trying to block other agencies instead of trying to get the job done. No one agency of Government has responsibility for all the things that you have to do to promote development, and therefore, it is very important to have a coordinator with the ability to draw resources from a variety of areas. But it would be my conclusion that if the choice were not to have a program or to have it in the USDA, I would rather have it in the USDA.

Senator CLARK. I think we share some of the reluctance that you do both with regard to putting it in the Department of Agriculture, but we have to assign it to some department for budgetary purposes, but it would be a thought that this interagency task force would really have jurisdiction over things and could, hopefully, thereby maintain that kind of independence, but we will certainly take your recommendations seriously and carefully, and take a look at that point as well.

It just occurs to me, I think we have not asked you necessarily to prepare any reactions to S. 1916. If you would care to do that for the record, we would be happy to have your views.

Mr. MARSHALL. S. 1916 is the public employment?

Senator CLARK. Yes.

Mr. MARSHALL. Well, without having read it, I would be inclined to favor it, partly because I think it is a mistake to be opposed to public employment, just on ideological grounds. I do not believe that public employment is or should be necessarily temporary, any more than any other kind of job is temporary, or that you get permanent jobs in the private sector. If they are so permanent in the private sector, why do we have so much unemployment? All jobs tend to be temporary.

I think the evidence also shows that a public employment program is important for several very significant reasons. One is that the private sector is not likely to absorb all of the people who are unemployed, underemployed, or subemployed in rural places without intolerable levels of inflation.

The assumption that they will be absorbed is based on a very unreal conception of how labor markets operate. It is based on the assumption that we have one homogeneous labor market, and that, therefore, people flow freely before markets. That is not the case.

Senator CLARK. I think your point is very well taken. Let me give you a copy of S. 1916 with a brief explanation, and if you would care in the next 7 days to put anything in writing for us and mail it back, we would be happy to have it.

[The following information was subsequently received for the record:]

UNIVERSITY OF TEXAS AT AUSTIN,
Austin, Tex., August 7, 1975.

Hon. DICK CLARK,
Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: In accordance with your request, I am sending my views on S. 1916 to authorize the Secretary of Agriculture to carry out conservation employment projects in rural areas of substantial unemployment. I support the purposes of this bill because of my conviction that the people in many rural areas with substantial job shortages are not likely to be absorbed in the private sector in the near future without a substantial increase in aggregate demand in the general economy, and then only after inflation has reached intolerable levels. Those who think general economic measures will solve the employment problems of lagging rural areas have very little understanding of rural labor markets. It is true that manufacturing employment is growing faster on the average in non-metropolitan than in metropolitan areas, but many people and areas are left out of this development. Work done at the Center for the Study of Human Resources at the University of Texas has demonstrated that there is an almost perfect mismatch between rural areas, experiencing rapid industrialization and the areas with high black population concentrations. Many people with limited levels of education and nonfarm job experience tend to benefit very little from industrialization, even when they live in places where industrialization is taking place. However, it also should be emphasized that the current recession has hit non-farm employment in nonmetropolitan areas very hard. In short, because private employment has not grown enough to provide jobs for all of those who would like to have them, even at existing wages, and is not likely to grow enough in the next two years to produce anything like real full employment, public employment projects like those contemplated by S. 1916 could be very beneficial.

I also think public employment programs are beneficial in rural areas because there is much useful work that needs to be done and because it is very wasteful for people who are willing and able to work not to have jobs. Human labor is very perishable; there is no way the unemployed can make up for work that doesn't get done. Think of how much poorer the country would be now if we had not embodied the labor of unemployed workers in bridges, schools, highways, parks, and countless other public facilities that are still very useful.

The main reservations I have about S. 1916 is the use of unemployment rates as a measure of labor market inadequacy. The unemployment rate is a very poor measure of job inadequacy because it does not count people who would work if

jobs were available but who are no longer looking for work, people who work part time who would like to work full time, and the working poor who need more or better jobs to lift them above the poverty level. I am enclosing an example of what difference it would make if the concept of subemployment were substituted for unemployment.

I appreciated the opportunity to express my views before your subcommittee and hope these comments are useful to you. Please feel free to call on me if I can be of additional assistance in your rural work.

Sincerely,

RAY MARSHALL, *Director.*

Senator CLARK. I would also like at this point to put in a statement and letter from Mr. Ray Murray, agricultural economist at the University of Maryland.

[The letter and statement of Mr. Murray follows:]

UNIVERSITY OF MARYLAND,
College Park, Md., June 9, 1975,

HON. RICHARD CLARK,
U.S. Senate, Russell Office Building,
Washington, D.C.

DEAR SENATOR CLARK: I am writing in support of the Concerted Services in Training and Education (CSTE) Amendment to the Rural Development Act of 1972 as contained in Senate Bill 1807. I think you are proposing a fine service to rural America with this amendment regarding the CSTE program.

We, in Maryland, have been extremely fortunate to have a CSTE Coordinator in Garrett County, Maryland, and a summary of the Coordinator's activities is contained in the enclosed Narrative—"CSTE—Activities in Garrett County, Maryland."

I like to think of the CSTE program as a delivery system for delivering Federally sponsored and funded programs to the rural communities.

The Cooperative Extension Service does an excellent job of delivering agricultural services to the rural communities but until CSTE came into existence we really had no way of delivering non-agricultural, Federally sponsored and funded programs to the rural communities.

We have been extremely pleased with the services provided through the CSTE program in Maryland.

I strongly support the CSTE program and am today writing some of the Maryland Congressmen and asking for their support of the amendment which you are proposing.

Sincerely,

RAY A. MURRAY,
Agricultural Economist.

NARRATIVE

CSTE—Activities in Garrett County Maryland

The following examples of Concerted Services activities in Garrett County serve to point out the uniqueness of the project and its operation.

From the very beginning it was stated that Concerted Services was not a representative of any federal or state agency, that it had no kingdom to build or protect and that it did not have money for projects. It was also pointed out CSTE was available to any group desiring its services, that it would not make evaluation as to the validity of contemplated projects and that it would continue to offer help as long as it was needed.

The question frequently arises as to how results can be shown almost immediately from CSTE efforts. This could be possible from very small projects involving few people and little or no money. The real test of CSTE can only be measured in a long span of time. An example of this is the Transportation project in Garrett County. The first meeting on this problem was conducted in November of 1971 and a transportation system finally began operation in January of 1975. Over three years elapsed from the instigation to actual operation.

Another example is that of a Vocational/Technical education center in Garrett County. There are many problems that take years to overcome. This is obvious from this section of the narrative. Encouraging local people to tackle the State Department of Education is a task that is not accomplished over-night. However, this is a very worth-while project and one that should not be dropped.

A careful examination of the following examples of Concerted Services efforts should show that the project, even though maintaining a "low profile" has been successful in Garrett County.

BUSINESS AND INDUSTRY SURVEY

Early in the CSTE program it was felt that information was needed concerning the various business and industry operations in the county. CSTE undertook the task of surveying all the larger firms to determine how many employees each had, what general job classifications they were in, how they were trained, age requirements, and projected employment needs in increments of one, three and five years.

The conclusions reached from the survey were that present vocational training programs were not meeting local industry needs, and businessmen were willing to serve on committees to improve vocational programs as well as accept students in cooperative education programs. It also pointed out that among these firms there was an annual turnover of several hundred employees and that a higher percentage than the national average of women were employed.

Results of this survey were presented to various groups and agencies in the County. This was the first such survey of this type that had been made.

In the first part of 1973 CSTE was requested to update this original survey. This was done by revising the questionnaire and asking for more detailed information.

A greater number of firms replied to this update than to the original survey. Employees were more specific in their expressions as to vocational programs that should be started or expanded. They also stated their desire to see the establishment of a central vocational/technical school in the County.

Although the surveys were done for informational purposes for CSTE there were other results. The survey provided school counselors with listings of probable job opportunities, the survey data was used by Garrett Community College in funding requests, the surveys become part of the Garrett County Board of Education 5-year plan and information was used by the AMPB in making recommendations for training programs.

CSTE would like to continue updating this survey at 18 month intervals.

MANPOWER TRAINING—CETA

CSTE is providing a free service that under ordinary circumstances would have been quite an expense for Garrett County Government. The CSTE Coordinator is acting as Manpower Coordinator for the Comprehensive Employment and Training Act functions in Garrett County.

CSTE first became involved in March of 1974 when asked to attend a briefing on the Act being conducted by the State CAMPS director. Attending with CSTE was the County Supervisor of Vocational Education and the local Manager of Employment Security.

Explanation of the programs made it quite clear that this was an area in which CSTE could be involved. When it became known that Garrett County might possibly be involved in a Consortium as provided for in the legislation, CSTE Coordinator volunteered the services of his office to the County Commissioners in any way possible to help carry out the program. The Commissioners requested that the CSTE Coordinator take on the duties of Manpower Coordinator for Garrett County. This responsibility was assumed only after approval was given by the CSTE Interdepartmental Task Force in Washington and by Co-operative Extension Service, administrative office for the CSTE project in Maryland.

Planning for CETA required many meetings with Manpower Coordinators from the other counties in the Consortium. It also required attendance at training sessions conducted by Region III officials from the U.S. Dept. of Labor.

The next requirement was the contacting of agencies and industries who had been involved in the operation of manpower programs during the past year in the county. Information concerning funding for FY '74 and agency proposals for funding for FY '75 were collected and compiled.

As Manpower Coordinator, CSTE also made selection and recommendations to the County Commissioners for members of the mandated Local Manpower Advisory Committee.

When planning estimates for Manpower Programs for FY '75 for the Consortium were determined and County allocations were made, the Manpower Coordinator made comparisons with previous funding and anticipated funding. These comparisons were presented to the Local Advisory Committee for their decision as to how programs might be conducted in the coming year. The Committee accepted the Coordinators recommendations and all categorical programs continued for the year but at reduced funding levels.

The 1974 Summer Program for Disadvantaged Youth did encounter problems, mainly because of method of funding. The program had been traditionally conducted by the Board of Education with advance funding. This year it was to be a billing and reimbursement system. The Board of Education was reluctant to operate on this basis. The Manpower Coordinator had several meetings with the Board of Education and the County Commissioners to resolve this very knotty problem.

Fiscal year '75 saw implementation of Title II, Public Service Employment, portion of the CETA legislation. The Coordinator aided in determining areas of county government and agencies where additional help was needed. Preliminary plans were written by the Coordinator for this segment of CETA.

As FY '75 progressed the duties of Manpower Coordinator increased. There were monthly meetings of the Western Maryland Manpower Consortium that required the Coordinator's attendance. Required monthly reports on program expenditures, client participation; etc., were completed by the Coordinator.

The greatest problem arose with the creation of Title VI, the Emergency Public Service Employment Act signed into law in December of 1975. Planning figures for Garrett County showed approximately \$190,000 had been allocated for this phase of the program. The Coordinator and the Chairman of the Board of County Commissioners met with state, county and municipal officials to explain the program and receive manpower priority needs from these officials. Based on the planning figures and priorities, the Coordinator wrote the plan for this portion of CETA. The emphasis on this program was speed and only three weeks elapsed from the date of the first meeting until all twenty-seven positions were filled.

Then chaos set in. The Department of Labor revised figures between planning and final allocation and Garrett County's share was reduced to 30% of the original figure. By holding back starting times of some planned Title I programs, by deobligation of money from other programs and by completely shelving other programs, enough money was found to support Title VI for the full year as planned.

After this was completed, DOL again revised its figures and the original planning figure was restored to Garrett County in April of 1975. This meant that FY '75 money was again available for Title I training programs. Two programs, one involving the start of a new industry in Garrett County, are currently in the planning stage and will begin before June 30, 1975.

CSTE, as Manpower Coordinator has been planning for use of CETA funds for FY '76. Serving as secretary for the Garrett County Manpower Planning Advisory Council, where decisions are made concerning all manpower training programs in the County has also involved much time.

As has been stated before, CSTE funding has come from a separate source and it has not been necessary for Garrett County to use CETA funds to administer the CETA program.

VOCATIONAL EDUCATION

CSTE was concerned with the quality and quantity of vocational education graduates from the two county high schools. Garrett County is surrounded by counties in Maryland, West Virginia and Pennsylvania each maintaining or currently building centralized vocational/technical schools.

As a result of the information gained by the Business and Industry surveys, CSTE was asked to be a representative on the County Vocational Advisory Committee. The survey was one instrument the committee needed for their work. CSTE Coordinator was elected chairman of this committee in January of 1972 and has continued to function in that capacity.

During this period the committee, through its recommendations has seen several changes in vocational programs in the schools. One was the institution of a Cooperative Vocational Education Program in the two County High Schools. The Coordinator has assisted the director of this program by introducing him to businessmen in the County and furnishing him with copies of the surveys. At this point 60 students, the maximum number, are enrolled. Several members of the

Advisory Committee are employers of some of the students and are enthusiastic about the program. Another program that the Committee suggested is one of career education. This has been started and presently is taking each 7th grader in the County for a one week period in testing and simulating hands-on experience in vocational fields. The program was expanded to 8th graders beginning February 1, 1974.

CSTE has been working closely with the Supervisor of Vocational Education in planning for a county centralized vocational/technical school. Much time has been spent in collecting data for presentation to the State Inter-Agency School Building Committee. At the insistence of CSTE, a vocational interest survey was made of all 8th through 11th grade students in the county schools. CSTE tabulated the results of this survey.

At the present time money is being requested for planning for an actual vocational center. There is some doubt at the state level as to whether this center should be built or if facilities should be expanded at the two county high schools.

CSTE will continue to push for expanded vocational programs be they in a central location or in conjunction with the present high schools.

Although CSTE did not initiate this project, CSTE's function as Chairman was extended for the current school year. Participation has been of great help in getting the concept of CSTE across to decision-makers.

Through this Committee it is hoped that CSTE will have the opportunity to help with the initiation of new vocational programs, the need for which has been expressed through CSTE conducted surveys.

TRANSPORTATION

One service lacking in Garrett County is a public transportation system. Population is sparse, and widely scattered. There is a high percentage of elderly and economically deprived people in the county who have no means of transportation.

CSTE mentioned this need to a representative of the local Community Action Agency and he recognized this as well through this discussion. CAA called a meeting of representatives of various agencies interested in this problem.

The outcome was the establishment of twice-a-week service from Kitzmiller and once-a-week service from Friendsville to Oakland. This was experimental service using a surplus mini-bus from the Head Start program. People paid what they could. The Health Department paid a per mile charge for Medicaid card holders coming to Oakland for doctor appointments.

The need was there so the transportation committee of which the CSTE Coordinator was a member, decided to apply for a grant from ARC to fund a larger system serving the entire county. Much planning went into this proposal which was submitted to the Health Planning Council of Appalachia as an ambulatory health service project. The proposal cleared the HPCAM and was submitted to Region III where it was rejected. Three reasons given for rejection was that it was a 100% funding request, a similar plan had failed at another location, and the health component was too small to warrant funding.

About this time the County Commission on Aging was reactivated and picked transportation as its number one priority. CSTE was asked to work with the Commission on this project. Various sources of financial help were investigated. The Maryland Department of Transportation expressed an interest through the County Commissioners. Meetings were held with D.O.T., the County Commissioners and Commission on Aging. M.D.O.T. agreed to furnish 95% of the cost of buying or leasing vehicles if the Commissioners would pay the other 5%. M.D.O.T. also agreed to pay $\frac{1}{3}$ of the salary for a project director with the stipulation that a full report of the project from start through three years operation would be furnished to M.D.O.T. to be used as a model for rural transportation. The Department of Social Services agreed to furnish the services of drivers and a mechanic for a one year period through the WIN program.

With 70% of the money needed we decided to try ARC again for the balance of the funding. CSTE assisted in rewriting the proposal to ARC. The County Commissioners agreed to be sponsors of this proposal and would be the recipient of funds received. The Commissioners would delegate authority to oversee the operation, probably to an authority appointed by them.

The application for funding was again submitted through channels eventually reaching ARC and this time the project application was approved.

M.D.O.T. officials then spent two days in the County working with the Transportation Committee. Routes were semi-finalized and mileages computed. Days of

route operation were determined and fares were partially established. This was required in order to figure operating costs. Also, the type and number of vehicles were determined along with insurance, licensing and training costs.

With the assurances of funding it was decided to advertise and hire a project director. CSTE assisted in the interviewing and made recommendations to the Commission on Aging.

Other assistance from CSTE in this project was in the preparation and mailing of questionnaires to every household in the county concerning the need for the transportation system.

At the end of FY '74 the project director was hired, the Commission on Aging, with the approval of the County Commissioners, had appointed a Transportation Committee to over-see the operation of the system. Final vehicle specifications had been determined with bids being advertised. The Garrett Transportation System began operation in January of 1975 using temporary van buses until the three new nineteen passenger coaches were delivered and placed in service on May 9, 1975.

Over three years elapsed from the time of the first meeting concerning this problem until a real-life solution to the problem was actually in operation.

HEALTH

CSTE in Garrett County has been involved in many phases of health care and services. Initial information regarding the National Health Service Corps was supplied to the town officials in Friendsville. They were interested and contacted the county health officer to assist them. As a result, the community has been officially recognized as an area of need by DHEW and is currently eligible to obtain the services of medical practitioners through NHSC.

Ambulance service was minimal and expensive in the County. Recognizing this, the County Commissioners purchased two used but well equipped vehicles for donation to any organization willing to operate them on a 24-hour basis using qualified EMT's. There were no takers. CSTE contacted Region III, offices of DHEW to ask what could be done. The CSTE letter was forwarded to the State Department of Health and U. of Md. Extension Fire Service. Representatives of these agencies contacted CSTE and set up a meeting with interested people in the county. The EMT program and the training involved was explained. Interest was expressed from the Grantsville community and CSTE continued to attend meetings to get the project off the ground. Volunteers in sufficient number took the required 81 hours of training and the Northern Garrett County Rescue Squad was activated in January 1973. In the meantime an organization was set up in Oakland and by July of 1973 a fully qualified rescue squad was in operation. Garrett County was the first in the state to be completely served by qualified Emergency Medical Technician rescue service. CSTE involvement was small but was the instrument that got the service going.

The CSTE Coordinator has served for the past three years as a member of the Health Manpower Service Committee of the Health Planning Council of Appalachia Maryland. Several projects involving improving health manpower in Garrett County have been approved by this group. Among them is the Occupational Therapy program that is under way utilizing two trained therapists. The committee has also been responsible for a health manpower survey covering the three western counties of the state. Other methods of providing medical care through the use of professionals and paraprofessionals has been recommended for implementation in the county.

The CSTE Coordinator has also served on the Executive Council of HPCAM. He was elected to that position by the Garrett County delegation in April of 1974 and re-elected in April of 1975. The HPCAM had the responsibility for all health planning and related funding applications for the three Western Maryland Counties. Through activities of the HPCAM, health facilities and programs have increased tremendously in Garrett County. The number of practicing physicians has increased from six to ten and a well-equipped medical center has begun operation in the northern part of the county.

GARRETT COMMUNITY COLLEGE

This institution first began operation two months after the CSTE project was instituted. CSTE offered its services to the college and we have established an excellent working relationship.

As an example, CSTE was asked to survey business and industry in the county (due to the success of previous survey) to see what type of business machines they presently use, plan to add, how much training the employer had to supply, and the employers attitude toward a computer operation in the county. Returns from this survey were tabulated by CSTE and presented to the college. The information enabled them to purchase equipment and plan some of their training programs around business needs in the county.

CSTE has also been involved in other planning activities at the College including the elected position of Chairman of the Citizens Advisory Council, an arm of the Community College Master Planning Council.

CONCLUSION

There are other situations within Garrett County in which CSTE has been involved over the course of the past four years. Most of these have been in smaller degrees and usually CSTE acted only in an advisory capacity.

"Low profile" has always been the attitude that CSTE has assumed during the project's life in Garrett County. For that reason alone the average person would not be able to tell you anything about CSTE or what it does. Through this "low profile" and no agency attachment, CSTE has been able to operate quite freely with any group, agency, or branch of government. The CSTE Coordinator is not known as such but would be recognized as Manpower Coordinator, member of the Transportation Committee, Chairman of the Vocational Education Advisory Committee, etc. All of these things are made possible because of the no strings attachment to any established agency.

CSTE has been good for Garrett County. It has served as a catalyst. It takes little credit for its activities. CSTE believes that local people rightly deserve the credit for the results of their efforts.

Senator CLARK. Because there is a live quorum on the floor, which I must answer, if you gentlemen can come back at 1:30, and the three of you have already spoken. We would be delighted to have you back, too, so that we might go into more questions.

With that understanding then, we will adjourn until 1:30 p.m., and all of the other witnesses will be heard this afternoon.

AFTERNOON SESSION

Senator CLARK. When this meeting broke for the noon hour, we were about to hear, as I recall, from Ray Prewett and Jerry MacVarley. You two may proceed any way you like.

STATEMENT OF RAY PREWETT, TEXAS DEPARTMENT OF COMMUNITY AFFAIRS, AUSTIN, TEX.

Mr. PREWETT. Thank you, Senator. I am Ray Prewett with the Texas Department of Community Affairs and also secretary to our State CSTE Committee in Texas. We have a total of six projects in Texas that are funded now by the State service section of CETA. Mr. MacVarley is the CSTE coordinator in Red River County. He has two other counties in addition to Red River County that have been added fairly recently, and he has one assistant who works with him.

Mac has a statement he brought that was prepared by the county judge in Red River County, which I think gives a good example of the local concept of CSTE and what one local elected official thinks about it. Certainly, I think Judge Watson, is really sincere about his support of CSTE and the value of it there.

I would be glad to answer any questions you might have about overall sections after Mac finishes his statement.

Senator CLARK. Fine, go right ahead.

**STATEMENT OF JERRY MacVARLEY, CSTE COORDINATOR, RED
RIVER COUNTY, TEX.**

Mr. MACVARLEY [reading statement of Judge Gavin Watson, Jr.]. Red River County, Tex., is a rural area of approximately 15,000 population, which was privileged to have the first Concerted Services in Training and Education program authorized in the State. As county judge for more than 20 years and as president of the Red River County industrial program since 1964, I am well acquainted with the great benefits attributable in a large part to CSTE efforts.

Once a noted cotton-producing area, Red River County saw its cotton income move to irrigated west Texas, witnessed the closing of related employment in the gins, oil mills, and cotton storage yards, and suffered a shattering loss of population in the post-World War II years. As the county began to regroup by varying its land-use income and started actively to seek industrial employment, it became evident that many sources of aid and help were available through many capable and efficient State and Federal agencies. This helped immensely with planning and background material, but there is a point at which their efforts in their specialized fields must stop. This is at the point, usually where wide-ranging and uninhibited advocacy of a project and vigorous coordination of all local, State, and Federal groups is essential.

The lack of this professional expertise has severely handicapped rural areas such as Red River County.

Efforts were being carried on by a few local leaders, working in their spare time, and involved in fields more or less alien to their occupation. To fill this need came CSTE, the first program almost expressly designed to meet rural requirements and for the first time putting rural counties on a par with larger and better-financed municipalities in the competition for State and Federal assistance available.

In Red River County, CSTE became our ombudsman, a full-time professional group especially fitted by training and experience to seek out, determine eligibility for, complete paperwork, and push on to successful conclusion the many facets of rural area aid.

Prior to the CSTE program, local leaders had great difficulty assembling materials and even in completing the necessary forms. An art requiring considerable experience in this peculiar and complicated field. CSTE coordinators have assumed this responsibility and have been very successful in completing and in organizing a number of projects which will be summarized by others. It is the extreme flexibility of the CSTE program, largely unhindered by rigid guidelines, which enables it to be of optimum value to us. CSTE can group together all of the interrelated State-Federal agencies designed to assist rural areas, can coordinate their efforts, and allows it to assemble the support and effort of local governmental units and citizenry on behalf of beneficial projects. There is no other agency or organization available to the counties which can fill this function.

The same flexibility allows CSTE to engage in an extremely wide and varied range of community and rural activities, in contrast to other agencies, which remain within their specialized area.

CSTE coordinators in Red River County have, to my personal knowledge, assisted widely in such general areas as: industrial development; health services; environmental protection; community improvements; educational programs; training and retraining of workers with marginal skills; resource development; community and recreation; rural transportation; rural housing; programs for the elderly, the first in the county; youth programs; jobs surveys; and others.

In most of these endeavors coordinator can point to tangible results brought about by these partially, and sometimes almost wholly, by their aggressive pursuit of these beneficial programs. The control concept of CSTE directed by a local committee of citizens, may not be entirely unique, but it certainly lends itself well to local needs. By virtue of coordinating governmental instrumentalities—cities, counties, schools, special districts, et cetera—and by reason of being more or less responsible to the local committees. CSTE is exceptionally responsive to the desires and needs of its citizens.

To those indoctrinated only with the concept of urban and metropolitan organizations, with an agency to fill every need and an expediter for every problem, it is difficult to explain the intricacies involved in coordination of programs affecting a 1,000 square mile area, with 15,000 citizens, half living outside of the city limits of any town, many on dirt roads, largely without telephones, with school district of less than 300 students and incorporated towns of less than 250 citizens, with no full-time chamber of commerce manager, no local employment office with statistical analysts, no public health workers, and on and on.

Nevertheless, it is this ground that CSTE coordinators must plow and they are uniquely qualified to do just this. We have become so accustomed to the activity on our behalf, that we have no idea who would fill their place, were they not with us.

Senator CLARK. Thank you very much, Mr. MacVarley.

What kind of things can CSTE projects accomplish, let us say, that the Federal programs cannot do. And why do you think this particular one ought to exist? What kinds of things could it do that could not be done by other Federal programs.

Mr. MACVARLEY. Many of the other agencies and programs within agencies are restricted by guidelines, which they must abide by. Also, these agencies do not wholesale their programs. They don't knock on the mayor's door to sell their wares. Someone at the local level has to go to them and take the assistance away from them. These programs are certainly no giveaways. The CSTE program provides the arms and legs for local officials.

Senator CLARK. I was going to ask Mr. Prewett what could CSTE really accomplish that the community action agencies could not.

Mr. PREWETT. Mr. Chairman, first I think the trend, not just in community action programs, but in all of the Federal programs has been to sort of decentralize those efforts and have more responsibilities placed on the local elected officials, to see that those programs are implemented. For example, there is an effort to make the community action agencies a part of and responsible to local government officials.

In small towns, as you well know, the mayor, for example is a full-time owner of a grocery store or some business, and he simply does not have the time to devote to these programs. That is a basic problem which I think the CSTE addresses. As far as community action

programs are concerned, they tend to work mainly with those programs that come down from the Federal level that can help a particular clientele that they have been mandated to serve.

CSTE is the only program that I am aware of that does have the flexibility to cross all of those lines at the local level, and address any problem that the local people are interested in.

Senator CLARK. Let me ask you one more question in regard to that.

Is there any significant or worthwhile difference between CSTE and the work of the local extension service cooperative extension service?

Mr. PREWETT. The extension service, of course, is a statewide program, organized on a county by county basis. And they have an area organization through which they focus their community development efforts which is in some ways parallel to the work of CSTE. In fact in the area level, I believe that this is where a substantial part of the work force with the extension service is located that is involved in community development. For example, the extension community development specialist who serves the territory that includes Red River County has a total of 40 counties to work with. And it is just not possible for that person who has training in community development to really provide a lot of specific assistance to the people in Red River County. The extension agents located in the county by and large are not trained as a CSTE coordinator is trained to address those human resource and community development problems.

Dr. McCauley. Senator Clark, I would like to suggest that you put in the record a copy of this excellent booklet that was prepared by Ray Prewett's office in Texas, which describes the relationships between the local area, the State agencies, and the Federal Government.

Senator CLARK. That is fine. It will be made a part of the record. It is called "CSTE—Your Down Home Program."*

Dr. McCauley. The other suggestion I would like to make about Red River County, I understand that the chairman of the county Concerted Services Committee, Mr. Fisher, is here.

I wonder, Senator, if you would like to invite him to come forward.

Mr. PREWETT. I would like to introduce Mr. Fred Fisher, chairman of the local CSTE Advisory Committee of Red River County.

Senator CLARK. Come on up to the table.

Mr. PREWETT. I have a couple of comments based on earlier testimony and discussion. One comment that has been made is that everything is fine just the way CSTE is right now. I would submit—I think Mr. MacVarley would verify this—that there have been tremendous funding problems with CSTE. CSTE projects have tended to be funded on a very temporary basis, from year to year, with a very uncertain source of funding. Therefore, it has really been a very traumatic experience for these local community leaders at the end of each year because they have not known whether they would be funded the following year. So I would not call that a very satisfactory situation in terms of arrangements that we now have.

Also, the local officials, the local governments, are not in a position to fund this kind of activity on their own, because we are talking about very poor communities, by and large. The financial arrangements that we have in Texas might serve as a model for other areas.

*See p. 102.

It is my own feeling that the coordinator probably should not be on the payroll of any State agency, like the one I represent, or a Federal agency. We pass the money through in the form of a bloc grant to the local government. And they decide how that budget is going to be allocated between the various expenses that the local CSTE project is involved with and in effect the coordinator is on the payroll of someone locally.

We think this is much more desirable than him being identified with any one single agency. We would recommend that that be considered as a practice in other locations.

Senator CLARK. Good. I wonder Mr. Gilliland, in view of your background and experience, is it not true that there have been independent evaluations in CSTE which indicate that it is a very viable program.

Mr. GILLILAND. Yes; one of the most complete evaluations was made by North Carolina State University. Their report was published and we have copies of the summaries here. Dr. Eugene Griesman, director of the study, stated that they found that this CSTE effort did achieve a spirit of cooperation which resulted in real improvement in the rural communities at a very low cost to Federal, State, and local governments. The resources of all these agencies were used and no one of them had to bear the entire cost. But they did get the cooperative efforts of these agencies to lift the community out of its dire problems.

Senator CLARK. We would like to make the summary a part of the record if we may.

Mr. GILLILAND. We will get this summary to you.

[The information referred to follows:]

[Excerpted from "Planned Changes in Low-Income Rural Areas: An Evaluation of Concerted Services in Training and Education," by B. Eugene Griesman, Department of Sociology and Anthropology, North Carolina State University]

SUMMARY, RECOMMENDATIONS AND CONCLUSION

SUMMARY

The CSTE coordinators may be viewed as brokers and expeditors of ideas and programs. This represents a departure from customary approaches. One of the Task Force members commented, "We have put a man out there with no goodies to hand out. The approach I'm familiar with is to send out a team with a package of services."

How well has this approach worked? The evaluation team has found substantial evidence that CSTE is attaining its stated objectives. A number of specific accomplishments have been carefully documented in the state reports, several of which are briefly mentioned in this summary report.

1. *Assessing the potential of the pilot areas by means of a study and analysis.* Linking CSTE with the Manpower Surveys provided an opportunity not only to assess the employment potential of the area but also provided a data base for further area development.

2. *Making training opportunities available where a few previously existed.* Example: Before the arrival of CSTE in Sandoval County, few occupational education programs were available. The coordinator was instrumental in stimulating interest in widening the vocational curriculum, and as a result proposals were submitted and funded. Today a modern Vocational Skills Center is in operation and a wide range of vocational programs are offered. These programs are reimbursed through the Department of Vocational Education.

3. *Expanding training opportunities through wider course offerings.* Examples: In Arkansas, total participation in all ABE courses increased from 183 students in 1965-66 to 576 in 1967-68. Of the 1,564 students enrolled during the three-year period, 751 received training in comprehensive linked programs. Further, as a result of the coordinator's initiative, seventeen electronics classes were offered to 290 trainees in order to meet employment needs of a local manufacturer.

4. *Bringing about fuller utilization of employment services.* Example: A great many individuals who were registered during the Manpower Surveys had reported no previous contact with the State Employment Service. Rural people in the pilot areas are continuing to use these services. In fact, the Minnesota coordinator has been instrumental in securing the services of a representative of the State Employment Service who now spends one day each week in the CSTE office.

5. *Organizing for area development.* Example: The local Technical Action Panel (Minnesota) has been revitalized since the arrival of CSTE. In New Mexico a community development organization known as Bernalillo Development Corporation has been organized and already has secured one small industry and commitments from several other industries to locate in the area.

6. *Providing expertise and consulting services for leaders.* Example: The local evaluator in Arkansas found that the coordinator served as adviser to twenty-three committees and organizations. A survey in the three pilot areas indicated that 67 percent of the agency heads and 42 percent of the local leaders reported that the coordinator had performed some service for them. (See Tables VIII & IX for their assessment of the local programs.)¹

7. *Expanding job opportunities.* The evaluation team found few instances where new industry had moved into the pilot areas. This problem merits further attention. Admittedly, however, attracting industry to a rural area is a difficult assignment. The pilot counties do appear to be faring better than the control counties in this respect.²

8. *Coordination at the national level.* Washington-level coordination among agencies can be as difficult to achieve as local-level coordination. Perhaps more so.

TABLE VIII.—THE EVALUATION OF CONCERTED SERVICES (CSTE): RESPONSES OF AGENCY HEADS AND COMMUNITY LEADERS TO SELECTED QUESTIONS

	[In percent]		
	Agency heads	Community leaders	Total
Has CSTE been worth the time and effort?			
Positive response.....	91.4	78.0	81.8
Negative.....	6.9	16.6	14.2
Too soon to tell.....		3.6	2.7
Other responses.....	1.7	1.7	1.6
Totals:			
Percent.....	100.0	100.0	100.0
Number.....	58.0	168.0	226.0
How well does CSTE meet its aims?			
Exceptionally well.....	22.4	11.9	14.6
Good job.....	25.9	12.5	15.9
Average.....	8.6	1.8	3.5
Fair.....	1.7	4.1	3.5
Below average.....	1.7	2.4	2.2
Poor—does not meet aims.....	1.7	8.3	6.7
Other.....	6.9	15.5	
Don't know.....	31.0	43.4	40.3
Totals:			
Percent.....	100.0	100.0	100.0
Number.....	58.0	168.0	226.0

Has a significant degree of coordination been achieved at the national level? Apparently so. A task force member commented during an interview. "If Concerted Services had done nothing in the field—and it has—it has been a blazing success in getting people from different agencies to talk to each other and work together on common problems." The manner in which this delicate activity has been facilitated by the liaison officer and co-chairmen has been impressive.

¹ Research Note: The high number of "Don't know" responses in Tables VIII and IX is due in part to the timing of the survey. It was conducted in the expansion counties of Cross and Lee (Arkansas) as well as Otter Tail and Wadena (Minnesota) shortly after CSTE had been introduced into those areas. The fact that CSTE did not seek wide publicity was another contributing factor. Also, a number of respondents felt the program was too new to assess its impact on several specific points.

² See Appendix V for recent evidence. [See p. 82.]

RECOMMENDATIONS

1. *Site selection.* In its present form CSTE, as an approach to social change, appears to lead itself to rural countries that are conspicuously lagging in economic development; not to every rural county in the United States. Counties should be chosen where local leaders express willingness to participate in the project. A limited geographical area—perhaps one county—should be chosen as the primary target area wherein the local coordinator concentrates his effort initially. As soon as his efforts have produced visible effects within this primary area, he should expand his activities to a wider secondary target area where he would provide continuous but, of necessity, less intense consulting services.

2. *Structure of the program.* CSTE is a direct approach which is effective in offsetting bureaucratic inertia. Thus far excessive "organizational hardware" has been avoided. We therefore strongly urge that CSTE avoid identification with any one action program or agency, that the Washington liaison office be enlarged in keeping with the expansion of the program, that the Interdepartmental Task Force be maintained and staffed with high level personnel, and that local-Washington linkages be safeguarded. Continued budgetary contributions for the several participating departments and agencies seem most likely to protect interdepartmental integrity.

TABLE IX.—THE EVALUATION OF CONCERTED SERVICES (CSTE): RATINGS OF PROGRAM BY AGENCY HEADS AND COMMUNITY LEADERS

Has concerted services	Don't know (percent)	Greatly helped (percent)	Helped (percent)	Little effect (percent)	Negative effect (percent)	Other responses (percent)	Total number
Helped increase basic educational skills?							
Agency heads.....	36.8	22.8	28.0	12.2	0.0	0.0	57
Community leaders.....	47.9	7.2	20.9	18.6	3.0	2.4	167
Improved general health conditions:							
Agency heads.....	51.7	6.9	22.4	17.2	1.7	0	58
Community leaders.....	57.7	4.8	15.4	16.0	5.3	.5	168
Helped provide vocational counseling (i.e., helped people get information and guidance about jobs)?							
Agency heads.....	29.3	29.3	39.6	1.7	0	0	58
Community leaders.....	42.2	13.0	33.3	10.1	.5	.5	168
Helped develop occupational competency?							
Agency heads.....	36.2	31.0	31.0	1.7	0	0	58
Community leaders.....	44.3	11.3	30.5	11.4	1.8	.5	167
Increased community awareness and local involvement?							
Agency heads.....	31.6	31.6	22.8	10.5	1.7	1.7	57
Community leaders.....	37.1	12.8	30.5	13.2	4.8	1.8	167
Stimulated indigenous local leadership?							
Agency heads.....	31.0	22.4	29.3	13.8	3.5	0	58
Community leaders.....	38.9	9.6	25.1	20.9	3.6	1.8	167
Helped increase employment opportunities?							
Agency heads.....	32.7	15.5	39.6	8.6	1.7	1.7	58
Community leaders.....	42.8	11.9	16.6	23.8	3.6	1.2	168

3. *Staff qualifications.* Individuals with advanced training and wide experience should be sought. The local coordinator and staff should be familiar with the area that they serve and, if possible, be known and respected by local people. Novices are to be avoided. Salaries should be commensurate with high-level qualifications and experience. Members of minority groups should be employed both at professional levels and on the secretarial staffs.

4. *Method of expansion.* In order to assess whether or not the positive effects of CSTE will continue in an expanded version, it is recommended that new project areas be phased in by units during a comparatively extended length of time. By this means any diminishing return should be recognized and evaluated rather readily.

Thus far CSTE has functioned essentially as a straight-line organization and the present evaluation is based upon this approach. Variations are possible, however, and these could well be explored and evaluated in an expansion. One such possibility is the use of land grant university systems as a comparatively neutral base of action for the local coordinators. Under such an arrangement memoranda

of agreement between the university and appropriate CSTE administrators would specify lines of authority and access to subject matter specialists (such as community development specialists) presently available.

5. *Training of coordinators.* The evaluation team recommends that new coordinators be given on-site training by the present coordinators. The initial orientation program in Washington should be maintained as well as the periodic briefings with program administrators. The coordinators' personal contact with Washington personnel appeared to be one of the most valuable parts of the program.

6. *Local programs.* The evaluation team recommends that each local program be permitted to evolve in such a way that the activities will be particularly suited to local needs. Formal, restrictive guidelines should be avoided.

7. *The coordinator as consultant on federal programs.* The Task Force in cooperation with the appropriate state agency is the employer of the coordinators. It provides the coordinators with authorization to cross agency boundaries, provides them with job security from petty and partisan local pressures, and gives them access to vital information and contacts. The benefits, however, can be reciprocal. Thus far the coordinators have been viewed primarily as local change agents. Task Force members and other Washington administrators could make better use of local coordinators as advisors in order to find out how government programs are faring at the local level. They should also be excellent consultants in devising new programs.

8. *Recognition of the program.* The evaluation team feels that it is important for local leaders to know about CSTE in order that they might utilize the services of the coordinator. It is therefore recommended that appropriate publicity for the project be implemented by existing agencies in the pilot area. Members of the Task Force should be able to arrange for this effort through local representatives of their agencies. In this way the coordinator would have little need to advertise his own program.

9. *Rural information center.* With a modest increase of staff and expanded publicity, a local CSTE office could function as an information center for rank-and-file rural residents. Local coordinators and their staff would continue to refer individuals to appropriate agencies. The modified approach called for by this recommendation would be an active encouragement of "floor traffic." This might well be experimented with in one of the proposed expansion areas.

10. *Occupational training and improvement projects for Indians.* The Title V (OEO Act of 1964) project conducted in the pueblos of Sandoval County, New Mexico was clearly a success. Unfortunately, the program has been phased out at the national level. Inasmuch as this program seems particularly suited to the needs of the poor and untrained on Indian reservations, it is strongly recommended that this approach be refunded and utilized in Sandoval County and, on a pilot basis, elsewhere among reservation dwelling Indians.

11. *Participation of the poor.* The evaluation team found abundant evidence that low-income people have been helped by the training programs in the CSTE pilot areas. But a need still exists to attract wider participation of these people, not only into the training programs, but into the planning process itself.

12. *Evaluation.* When additional CSTE projects are contemplated, implementation should be preceded by evaluation so that base-line data can be secured. Internal evaluation procedures should be maintained during the expansion. It should be borne in mind that even though the present evaluation is favorable, it is based upon three applications of the CSTE approach. Periodic appraisal from an outside evaluation team would be desirable in order to maintain an objective perspective over a larger data base.

Conclusion

In terms of the program's objectives, the state evaluation teams report satisfactory performance on all objectives, and outstanding performance on the following: Objective II and VI—Arkansas; Objective II—Minnesota; and Objective I and II—New Mexico.

The increase in employment opportunities (called for in Objective IV) was not particularly impressive. Some expansion of local industry occurred and several small industries located in the pilot areas—the growth rates often exceeded those of adjacent counties—but the overall increase in local employment was not great. The Minnesota evaluation team felt that the program had not been in existence long enough to make a significant mark in development activities called for in Objective V and VI. The Arkansas evaluation team felt that indications

were already in evidence that greater numbers of individuals were participating in occupational activities and community projects (a goal of Objective V), but that these outcomes could be more readily appraised in the long run. However, no outright failure to attain a program objective was reported by the state evaluation teams.

One departure from the specified procedures for the program (pp. 21-22) was observed: Economists and rural sociologists were not utilized by the mobile survey teams. This deviation from plans apparently stemmed from fund limitations. On the whole, however, the degree of construction between procedural plans and their implementation was high.

The costs of the projects have been low, averaging \$31,667.00 in each state per year (based upon current budgets). Total coordination costs at the Washington level are estimated at an additional \$14,000 per year. The local coordinator is provided a salary, travel expense, office space, secretarial assistance, and in two states, an assistant coordinator. (See Appendix I for detailed cost analysis.)

In view of this evidence, the evaluators conclude that the continued existence of Concerted Services is justified. Further, these data support a program that includes: (1) a deliberate phase-in of additional units, (2) an enlargement of the Washington liaison office, (3) and a program of internal and external evaluation.

The question can legitimately be asked whether a cooperative approach such as Concerted Services is a feasible way to help needy rural people, or if it represents a "sell-out" to the power structure. These alternatives are posed in the Report of the President's National Advisory Commission on Rural Poverty:

Some groups make every effort to work through existing organizations, public and private. Others avoid working with local authorities entirely. The Cooperative Extension Service and the Community Action Program have largely taken opposite routes in this respect. While the Extension Service endeavors to work through the "establishment" whenever possible, CAP tends to avoid joining forces with the established power structure, especially in rural areas. A more flexible approach would seem to be in order. Local and State authorities can and should be used more effectively than they have been to date. On the other hand, indifference to the plight of those in poverty by the same authorities should not be allowed to serve as a deterrent.^a

It would appear that the CSTE pilot projects provide a somewhat fortuitous test of the "more flexible approach" recommended by the Commission. Evidence the evaluation team has collected indicates that it is also a feasible one. Several facts lead to this conclusion.

First, the coordinators have job security. They thus are protected against pressures from interest groups motivated by parochial views. By contrast a local government agency employee who has limited access to top level administrators could be forced to transfer to another geographical region or might otherwise be pressured if his views and programs ran counter to those favored by local leaders. The coordinators, cannot be subjected to the same kind of pressures.

Second, a complete explanation does not lie in terms of job security and power arrangements alone. The difference is a broader perspective and a new reference group. The coordinators in their contacts with state, region and national representatives are enabled to acquire new information and a larger perspective for local problems. Their activities are designed to gain the approval not only of local people but of a national task force. Findings from the social sciences indicate that a new reference group is a powerful force in changing the direction of action.

Third, a coordinator who is already known in the area served by the program does not need to sell himself before he sells an idea. The fact that he is generally accepted by local people means that new ideas and information stand a good chance of being heard and accepted.

One further observation seems appropriate. Area development typically benefits those who are already well off. It is probably unrealistic to think that it could be otherwise. If prosperity comes to a given town, those who already own large parcels of property stand to benefit from the improvement. If a town with an exemplary vocational training program attracts a new industry, the local banker stands to gain as well as the new employees. In short, those

^a President's National Advisory Commission on Rural Poverty. *The People Left Behind: A Report by the President's National Advisory Commission on Rural Poverty*. Washington, D.C.: U.S. Government Printing Office, 1967, p. 126.

who are already rich or powerful have experience in taking advantage of situations and have resources such as contacts and capital that enable them to maximize the situation.

So, it may be that there is no such thing as a program which assists only the disadvantaged. The solution, then, would appear to lie in developing programs which are designed to help the disadvantaged as well as the advantaged rather than those that benefit *only* the advantaged. At this stage of development, it is clear that both groups are now being assisted by Concerted Services.

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[APPENDIX V]*

ARKANSAS EMPLOYMENT SECURITY DIVISION,
Little Rock, Ark., March 27, 1970.

Mr. B. EUGENE GRIESSMAN,
Center for Occupational Education,
Raleigh, N.C.

DEAR MR. GRIESSMAN: This is in response to your request for employment data on six counties in Arkansas for the years 1965 through 1969.

Employment data is available on an annual basis only for the years 1965-1968 and for the first six months of 1969.

The following table presents the available employment data that should be suitable for your purposes:

	Annual averages				Percentage change 1965-68
	1965	1966	1967	1968	
Pilot counties: ¹					
Total	21,250	20,925	21,825	23,225	+9.29
Manufacturing	3,775	4,350	4,800	5,375	+42.38
Control counties: ²					
Total	19,750	20,000	19,400	19,250	-2.53
Manufacturing	4,025	4,125	4,000	3,975	-1.24

¹ St. Francis, Cross, and Lee.

² Phillips, Prairie, and Monroe.

*See p. 77, excerpts from "Planned Changes in Low-Income Rural Areas: An Evaluation of Concerted Services in Training and Education."

	June of each year					Percentage change 1965-69
	1965	1966	1967	1968	1969	
Pilot counties: ¹						
Total.....	22,825	22,725	22,625	24,225	25,800	+13.03
Manufacturing.....	3,675	4,125	4,975	5,350	6,300	+71.43
Control counties: ²						
Total.....	20,825	21,200	19,850	19,975	20,250	-2.76
Manufacturing.....	4,075	4,050	4,050	4,150	4,275	+4.91

¹ St. Francis, Cross, and Lee.

² Phillips, Prairie, and Monroe.

If I may be of further assistance to you, please let me know.

Yours very truly,

GRANVILLE DUKE,
Chief of Research and Statistics.

Mr. GILLILAND. If I may, Senator, add that there have been other studies made and the one I referred to in my testimony this morning was made by a brilliant young man and was the basis for his doctorate thesis at the University of New Mexico. He still comments on the value of that project in this very poor New Mexico county and even though the CSTE program has been closed there since 1972, the highly satisfactory results of the cooperative effort are still continuing in that county.

Senator CLARK. Good. I would like to include in the record a study done by Development Associates, Inc., which is located at 1521 New Hampshire Avenue NW., in Washington, D.C. It is dated May 12, 1975.*

I wonder, Dr. McCauley, is it possible that the Labor Department could provide rural areas with equitable services under the provisions of the Comprehensive Training and Employment Act. What are the limitations of CETA in rural areas?

Dr. McCAULEY. In some of the smaller rural areas, as Ray Prewett has indicated, local officials hold office on a part-time basis and do not have the time or the staff assistance needed to prepare the necessary requests for funds and draw up project proposals under CETA. In many of the States, only the large cities are well organized under CETA, and the remaining counties are lumped under a "balance of State" arrangement.

There are a few exceptions. For example, I understand that the State of New York regards each county in the "balance of State" as being responsible for its own manpower planning. But in most States this is not done. A few of the more aggressive counties in the "balance of State" usually get some benefits, but there are many counties that get little or no benefit under CETA. So I think if for no other reason, than just to act as a watch dog to guarantee that these forgotten counties get some benefits from CETA, an arrangement such as that provided in your bill is essential.

Senator CLARK. All five of you strongly support S. 1807. Am I correct about that? You have all indicated that you do. The last thing I thought I would like to solicit from you—any of the five of you. We

*See p. 96.

heard witnesses this morning from the Department of Agriculture and the Department of Labor in opposition to this legislation. Was there anything in the testimony this morning with which you would want to take this occasion to disagree? There has been some of that already earlier in our discussions but if there is anything specifically or generally with which you like to address yourself, go right ahead.

Dr. McCAULEY. I think, Senator, there is no overall factor that Professor Ray Marshall alluded to at some length. There is a very understandable tendency for individual agencies to feel that some of their own staff could perform these functions as a sideline in connection with their regular duties. But it has been our experience that this just does not work out. In theory, the extension service could do some of these things but, as Mr. Prewett has explained, there are so many other responsibilities that they have, that they do not perform a "concerted services" function effectively.

One other consideration should be mentioned, when an agency is pushing its own program, representatives of other agencies may give them some cooperation, but they are not going to be very enthusiastic about going out of their way to build up such a program. But Concerted Services is organized in a way that makes it possible to speak for the entire community. So it is really the community's program that is being pushed, not just the program of a single agency. And as Mr. Gilliland indicated, we urge the coordinators to remain in the background and encourage community leaders to be in the spotlight. My concluding thought would be—that it is really the interagency aspect of Concerted Services, that is responsible for its unique contribution. No one agency, on its own, can make that same contribution.

Senator CLARK. I see. Did you want to add to that Mr. Gilliland?

Mr. GILLILAND. I would like for Mr. Fisher who was present at our first meeting in Clarksville in Red River County, Texas and he has watched this develop and how we got the local people interested believing it was their own program. I think that Mr. Fisher can answer questions as to just how the local people feel about a program called CSTE.

Senator CLARK. I would be interested in that.

STATEMENT OF FRED FISHER, CHAIRMAN, LOCAL CSTE ADVISORY COMMITTEE OF RED RIVER COUNTY, TEX.

Mr. FISHER. Mr. Chairman, I did not come prepared to make a statement. But when the question about CSTE is brought up I am always willing to testify for it. I was county school superintendent in our county for 20 years. I retired the first of January. I was a part—I tried to be part—of all the efforts that were made to help our people when we had our industrial revolution, and that is what it actually amounted to, when we quit planting the country from one side to another, in cotton, because it was no longer economically feasible. Of course, we started having dying pains.

Senator CLARK. You and I pronounce that differently, but she is going to get it the same, I guess.

Mr. FISHER. Now we have growing pains since we have CSTE, they do not hurt anything. We had tried, each of us in his own separate field, the school systems, the county government, the city government,

all of us running off in different directions, trying to get something—community development—done. The extension service was there, of course, and 30 miles away, we have an employment office; and it was utterly impossible for those of us who were having to make a living for our families to devote as much time as it takes, to get things going in the community, do those community projects as was required.

About the time that we were ready to throw up our hands, CSTE came along and if you could have seen us then and see us now you would be amazed. We have something like 1,000 people, 1,200 maybe, working on industrial jobs in our county of 15,000 people. It is the best thing that has happened to us since they invented the safety razor.

Senator CLARK. That is about 8 percent of your total population?

Mr. FISHER. Yes.

We are happy with CSTE and we would hate to do without it and it bugs us pretty bad to have to go looking for money about April each year because of what is going to happen on June 30. And this has been the case ever since we have had CSTE.

Senator CLARK. We are most appreciative—

Mr. GILLILAND. I would like to add one other thing, Senator, if I may? In most of the counties where we have worked there was not a State employment agency located in the county. We were able to get the employment service to send an employment office representative to the county 1 day a week or to let the CSTE coordinator in the local county office have the employment information that they could supply to people who wanted to register for jobs. In some of the counties in New Mexico to which I referred this morning, people would have to drive 75 to 100 miles to Albuquerque to file for a job when they were unemployed. Most of them did not have a car or the money to buy the gasoline to drive that far. We were able to get the employment office representative to go with the coordinator to the back side of the county to a country school house or country store and hold a session on employment there and let the local people register. This kind of cooperation has been very helpful throughout the entire CSTE program.

Senator CLARKE. That brings up another point.

Mr. Lewis, this morning, indicated that of the almost 1,300 employment service offices, I think he said 2,752, so almost 3,000, but over half those, 56 percent, were in rural areas.

Do you have a lot of those in your part of the country where these offices are in rural areas?

Mr. GILLILAND. Not in the CSTE areas that were selected.

Mr. PREWETT. There are different guidelines, Senator, as to where those offices can be placed and if my memory serves me correctly, and Mr. McCauley might have more accurate information, but I believe the community has to be at least 10,000 population before they can even be considered.

Mr. McCauley. This varies from State to State. There is one other thing that should be kept in mind in interpreting information of this sort. Some of these so-called offices are very small, with a staff of only two or three people. Frequently, they are so involved in regular Employment Services activities that they do not have time to get involved in rural development work.

Senator CLARK. Thank you very much, gentlemen, you have been very helpful.

[The prepared statements of Messrs. McCauley, Gilliland, and Prewett, follow:]

STATEMENT OF DR. JOHN S. MCCAULEY, PRESIDENT, CONCERTED SERVICES IN TRAINING AND EDUCATION ASSOCIATION

Mr. Chairman, I would like to take this opportunity to thank you and the members of the Senate Agriculture and Forestry Committee for inviting me to testify in support of S. 1807, a bill to implement the Concerted Services in Training and Education program on a nationwide basis. Mr. C. B. Gilliland, Vice-President of the Association is here with me. We would both like to make brief statements and then answer any questions you may have.

Concerted Services is a cooperative Federal, State and local venture to improve smaller communities and rural areas by demonstrating that education and occupational training, in conjunction with other economic development activities, can significantly increase employment opportunities; and that education and occupational training efforts based on local involvement, will develop local leadership, individual dignity, initiative, and community awareness resulting in continuing community development.

Concerted Services projects have been conducted in 26 demonstration areas in 16 States. These projects consolidated the combined resources of appropriate Federal, State and local agencies to meet the occupational training and related educational needs of the residents of small towns and rural areas. Cooperation among local, State, and Federal leaders is a key to the outstanding results being achieved.

The Cabinet level Rural Development Committee, established under Executive Order 11122 at its May 1964 meeting, recommended that a Task Force be established to explore the feasibility of developing concerted services projects in three selected rural areas.

This program grew out of an effort to help rural areas, which started with Executive Order 10847 issued in 1959 and continued under E.O. 11122 and E.O. 11307. The task force, representing almost as many different education and training programs, was drawn from HEW, Labor, Agriculture, Commerce, Interior, OEO, HUD, and the Appalachian Commission. A major function of this group was to plan and coordinate pilot projects at the Federal level.

In its early meetings, the task force recognized the urgent needs of rural people for more education and training. It was especially concerned about the 3 million rural residents who had less than 5 years of schooling, the approximately 19 million who had not completed high school, and the fact that only about half as many eligible rural youth, as compared to urban youths, were going to college. Although some progress was being made in getting rural residents to participate in the newly established education and manpower training programs, the proportion of rural participation was still less than half that in urban areas. The task force also found that lack of trained workers was an important factor hindering economic development efforts in many small towns and rural areas.

In the selected States, the Governors were contacted by the Secretary of Agriculture as Chairman of the Rural Development Committee and asked if they would be interested in participating in joint concerted services training and education projects. The response from the Governors was favorable. A small task force, representing the Federal agencies from the national and regional offices, met separately with a special committee appointed by the Governor of each State.

Following these meetings, the State committees recommended the counties that should be selected for concerted services projects. County leaders were chosen and contacted by a small group representing the Federal and State agencies, to discuss with them their area. In each of the areas, a local coordinator was employed to work with community leaders, citizen groups, and representatives of local, State, and Federal agencies responsible for administering various education and training programs.

The salaries, secretarial, and travel expenses of the coordinators was underwritten by the Department of Labor; Health, Education, and Welfare; Agriculture; Interior; TVA; Regional Commissions and State Agencies. Sharing the expense of local administration has helped to maintain the interdepartmental in-

tegrity of Concerted Services. The local administrative costs to pay the salary of the coordinator and related expenses have averaged about \$30,000 per area.

The coordinators are local residents, well trained, with a good knowledge of local people and their problems, and ability to work well with people. They have varied background experience—in public education, vocational education, agricultural extension, manpower utilization and journalism. The co-chairman of the Task Force are representatives from the Department of Labor and the Department of Health, Education, and Welfare, the Executive Secretary and Washington liaison between the coordinators and the participating agencies is supplied by the Department of Agriculture.

To acquaint the local coordinators with Federal education and training programs, conferences were held in which more than 30 representatives of the Federal Departments and Agencies participated. In addition, meetings were held with the high level officials and staff members of the Departments of Agriculture; Health, Education, and Welfare; Labor; of the Interior; of Commerce; HUD and the Office of Economic Opportunity. Federal personnel have participated in planning meetings in each area with local coordinators, lay leaders, and State representatives of agencies involved.

To provide a factual basis for the full development of the demonstration project, the State Employment Service usually conducted a Manpower Inventory (Smaller Community Survey in the demonstration area). The survey provided data on training interests, needs, and job opportunities. A high proportion of the workforce participated in the surveys. For example, in Otter Tail County, Minnesota, a total of 11,211 persons participated, as compared to a workforce of 17,838.

A wide variety of projects have been developed to meet needs revealed by the surveys, including new vocational education facilities; work experience projects; basic adult education classes; occupational training in many different fields such as electronics, printing, and practical nursing, VISTA projects; youth projects, and new recreational facilities.

More than twice as many persons participated in new training and education programs as participated before the pilot effort or as were participating in adjacent rural counties. Furthermore, many new job opportunities have been created in the pilot counties.

Although little publicity has been given to the achievements under these projects, several States have learned about the CSTE projects and have requested that consideration be given by the Task Force to activating similar demonstration programs in their States. The proposed Bill S. 1807, would make it possible to satisfy such requests and continue the development of the Concerted Services approach.

An independent evaluation of the concerted services approach has been made by the Center for Occupational Education, North Carolina State University. The Center found that training opportunities were made available where none previously existed, a fuller utilization was made of the services available through the public employment service, valuable information and consulting services were provided local leaders, and additional job opportunities were developed. The director of this evaluation has stated that, "this project is long on ideas and dedication of personnel, low on cost, with benefits that appear to be highly promising."

STATEMENT OF RAY PREWETT, TEXAS DEPARTMENT OF COMMUNITY AFFAIRS,
AUSTIN, TEX.

I appreciate the opportunity to make some comments about one of the more exciting rural development programs which has ever been initiated by the federal government, the CSTE program. SB 1807 would provide a much needed stable foundation for this worthwhile program.

CSTE is a part of a larger concept called Rural Development, which is very popular but has proven to be very difficult to implement. CSTE is needed to show that specific results in rural development can be achieved in specific areas, if not the country as a whole. The situation in small rural counties throughout the country is one of shortages and limitations in many areas. The critical limitation that CSTE addresses is the lack of assistance at the local level in our smaller communities. Our government continues to place more and more responsibilities on local communities without giving them the wherewithal to understand and implement these programs. There is a very strong sentiment to shift many of our domestic programs from categorical grants to broad revenue sharing type pro-

grams. The specific interests of rural areas are often largely left out by these programs as is substantially the case with the Housing and Community Development Act of 1974; or, it is assumed that small communities have internal capability to administer these programs when, in fact, they usually do not. For the larger cities, if we can simply coordinate the efforts involved in individual functional revenue sharing efforts like manpower, housing, community development, etc., we have made a major accomplishment. But in rural areas, it is obvious that these programs need to be coordinated and made to complement each other. For example, manpower revenue sharing and economic development programs certainly need to be meshed together. I submit, therefore, that Concerted Services is needed as a way of bringing things together at the local level to demonstrate what can be done. Until we are able to develop and implement a nationwide rural development program sufficient to meet the national needs then I think we should continue successful demonstration efforts like Concerted Services, which certainly is not costing very much.

A side benefit of CSTE is the interagency cooperation which can be transferred from specific local communities to other areas of the country. Interagency cooperation has resulted from CSTE because we have pursued cooperation for specific results starting from the community and building up, rather than trying to coordinate in a vacuum at the regional, state, or national level. I believe the total benefits of CSTE go much beyond what we can observe in individual local projects.

Texas certainly has a very strong interest in Concerted Services. Last year Governor Briscoe endorsed Concerted Services as a key part of his rural development program in Texas. Red River County has been participating in Concerted Services since April, 1971. Five additional project areas were started last year with funds from the Governor's State Services portion of the Comprehensive Employment and Training Act. We are pleased with the progress of all these projects, but I would like to concentrate on the accomplishments in Red River County where we have had sufficient experience to know what can be done.

Four years ago, CSTE, the Concerted Services in Training and Education program arrived in Texas with little fanfare or recognition. At that time, the Governor appointed a State Advisory Committee whose job then became that of selecting a site of operation for the program. After preliminary studies of various areas in Texas, Red River County was selected as the most desirable site for CSTE.

In April, 1971, a Local Advisory Committee was created in Red River County to select a person to serve in the capacity of CSTE coordinator. The committee soon selected Mac Varley, a man who would also, with little fanfare or recognition, soon change the destiny of Red River County and shape the future of CSTE in Texas.

Varley's job as coordinator was simply outlined. He was to work for the betterment of his own county, which was suffering from economic and population loss. He was to demonstrate that a concerted effort, centered around one person working under the direction of local residents, could get Red River County back on its feet. Varley was assisted by the objectives established by the national Inter-governmental Task Force on CSTE which was created to assist small towns and rural areas. CSTE was to demonstrate that occupational and training efforts in conjunction with industrial development could significantly increase employment opportunities in an area and make it self-sufficient. What CSTE ultimately became in Red River County was determined by a Citizens Advisory Committee, made up of local residents. This group determined local needs and then set priorities as necessary. Varley's full time job was to assist local elected officials, lay leaders, representatives of his community and the state and federal government to develop projects to meet needs determined by his own neighbors.

Today, after four years of CSTE, the county of Red River has successfully developed over 50 community development projects, through the efforts of local residents and their coordinator. Over \$10,000,000 in Federal and State Aid has been received by Red River County. Of this amount \$3,000,000 has been channeled into the area of health care and construction of a new Red River County Hospital has begun. Another \$1.8 million has been allocated for public housing projects. Monies have also been directed for the improvement of educational facilities and services. Before CSTE came to Red River County, there was only one Adult Basic Education project underway. Since that time, classes have started in three other towns.

Two water and sewer projects are also underway in Avery and Clarksville. A sum of \$65,000 has been earmarked for further development of an airport facility

located near Clarksville. The citizens of Clarksville has spent \$14,000 on a modern communication system to aid the fire and police departments.

The coordinator has also worked with local leadership, Small Business Administration, Economic Development Administration, Farmers Home Administration, and successfully recruited five new industries which have hired over 1000 persons. One plant has expanded hiring 50 new persons, and one is currently being expanded and soon will hire an additional 125 persons.

The population of the county seat, Clarksville, has increased from over 3,300 to 4,000 and is still growing. Since 1970 over \$4 million annually in new wages has been infused into the local economy. Sales tax income for Clarksville increased over 13% for the first quarter of 1975 over the first quarter of 1974.

With CSTE experience in Texas, I would like to comment on what I think are some key factors which can contribute to the further development of CSTE. First and foremost in the need to provide a "home" for CSTE so it can have some stability and necessary support for continuity. I hope the interagency aspects of CSTE can be preserved. I would suggest that to provide this broad base, state CSTE committees be established on an ad hoc basis by the Governor to prepare a CSTE plan, select local projects and to monitor and evaluate the success of these projects. In those states where only one project existed, or where there was a minimal interest in CSTE, the Governor might choose to appoint some existing group such as the State USDA Rural Development Committee to carry the coordination function. However, I would caution this committee against the possibility of CSTE, a small innovative effort, being placed in any existing large organization where it might become insignificant compared to other programs. I would also urge that a strong role for states be maintained in that operation of the CSTE effort.

CSTE is not an expensive program. I believe current estimates are that it will take about \$33,000 to support each project.

Lastly, I would like to speak to the relationship of the coordinator with local, state and national groups. As many people have attested to, the key to Concerted Services is the ability of the local CSTE coordinator to take the general objective of rural development and translate it into specific and effective action programs. The CSTE framework has provided the "environment" where the coordinators could function with the *flexibility* necessary for them to be effective. I would argue that it is both possible and necessary that we maintain this flexibility. CSTE coordinators need the flexibility to contact agency personnel at any level to obtain information and push the interest of the local people they represent. If the coordinator is answerable to a state or federal agency, he will be reluctant to contact other agencies without going through the very difficult bureaucratic process to get clearance from his boss to make contact with other people.

I would offer the present structure for CSTE that we have in Texas as a viable approach for use on a nationwide basis for CSTE. The following state and federal agencies have been designated by the Governor to serve on the State CSTE Committee: Division of Planning Coordination, Governor's Office; Texas Agricultural Extension Service; Texas Department of Community Affairs; Texas Education Agency; Texas Employment Commission; Texas Industrial Commission; USDA-Farmers Home Administration, Temple; and the USDA-Soil Conservation Service, Temple.

Our state committee sets policy for the operation of the CSTE program in the state. They set criteria and select countries for the CSTE projects, and have veto authority over the selection of individual coordinators. The day to day administrative responsibility for CSTE is handled by the Texas Department of Community Affairs, whose executive director, Mr. Ben F. McDonald, Jr., chairs the State CSTE Committee. I serve as secretary to Mr. McDonald and provide the day to day back up support for the coordinators and the interagency contact and cooperation with the other members of the State CSTE Committee. The handling of the money is certainly a key aspect of the relationship of the coordinator. In Texas, we make a grant on the state level to a local fiscal agent such as city or county government, and hold him accountable for the development of a local budget for the coordinator's office and for providing support services such as office space, fringe benefits, etc. Involvement of local elected and lay leaders is insured by the establishment of a local CSTE Committee. We do not try to supervise the coordinator from the state. CSTE is a total community development effort and priorities for action should be set locally.

Texas has six of the thirteen CSTE projects currently in operation nationally. We feel strongly that all of the projects should be supported by SB 1807. We do

not feel we should be penalized for sticking our necks out in support of the CSTE concept. We believe in the concept and its effectiveness and will appreciate your every consideration to continue this effort.

STATEMENT OF C. B. GILLILAND, VICE-PRESIDENT, CONCERTED
SERVICE ASSOCIATION

Mr. Chairman, I am pleased to have the opportunity to testify in support of S. 1807. I was directly involved in Concerted Services in Training and Education (CSTE) from its inception in 1964, until I retired in 1973 and I now give voluntary support of it as a consultant to the Interdepartmental Task Force and also to the local coordinators.

Two highly important aspects of the CSTE effort are (1) the cooperative approach of the different agencies of the Federal Government working together through the Interdepartmental CSTE Task Force to help rural people to help themselves. There has not been an egotistical effort on the part of individual governmental agency representative to push a particular agency program to the exclusion of others and to claim all the credit for successes. There has been a genuine effort to give the local people credit for program achievements.

A second highly recognized aspect as stated by you, Mr. Chairman, in your introduction of S. 1807 the CSTE local coordinators are the heart of this program. They are well qualified local residents, carefully selected and approved for work with the people and problems of a particular area. They are coordinators of local plans, ideas and efforts; not of people or agencies. They are employees of a cooperating State agency (not federal employees) assigned to work with the CSTE program with freedom and encouragement to work with local leaders and local administrators of all programs designed to help the community solve its problems. These coordinators have no authority to approve or reject project proposals—they assist the local leaders to get their needs stated so that their request for assistance will be recognized and answered; whether it be from local, State or federal resources. These coordinators are trained and encouraged to give credit for the success of the different projects to the participating local leaders and agency program administrators—not to take credit for themselves.

The local coordinators have been brought into Washington once or twice each year for training and for review of various rural problems, project development and new federal programs applicable to rural areas. The exchange of ideas between the workers from the different States and also with the federal workers in Washington has been very significant and beneficial to local State and federal workers. New coordinators also were brought into Washington for training and orientation at the time of their appointment. A regional meeting for the local coordinators with State and federal employees has been tried with success and may be used annually to reduce travel costs in lieu of one of the national meetings if this legislation is approved and more States are able to participate in this program.

Mr. Chairman, there have been some dramatic changes in CSTE areas. For example, one study of the effectiveness of the CSTE local coordinator in getting changes and resulting community improvements was made in one of the nation's poorest counties. I would like to read from the results of this study two paragraphs from Dr. Mark Hanson's Doctorial Thesis Summary at the University of New Mexico. Dr. Hanson did his research on the CSTE program in Sandoval County, New Mexico and it included the effectiveness of the late Henry Gonzales, coordinator as a change agent. (In this thesis Mr. Gonzales is called Mr. Cordova working in Pobre County.)

"The change agent's more complex strategies were often worthy of an Academy Award. Mr. Cordova knew that the men with the heavy titles in Washington liked to visit the field so they could occasionally rub elbows with genuine poor people. The residents of Pobre County had seen these VIP's before and the important people always seemed to bring along a 2-part message. The first part was an expression of how much Washington loved the rural poor and would do anything in its power to help and the second part was a statement of how the government's limited resources couldn't cover everything; therefore, the people of Pobre County shouldn't expect much help for the present. When Mr. Cordova began orchestrating the VIP visits, he created a situation in which the visitor would receive a 2-part economically depressed Spanish-American hamlet, and a number of rundown houses in the county seat, the VIP would suddenly find himself in a room with

30 mad-as-hell Navajo Indians. Just as General Custer must have been impressed, for a short time at least, with the needs of the Sioux Nation, so was the VIP visibly impressed with the needs of the Navajo. This inspired group of Indians would tell the visitor in no uncertain terms that they were not happy with the way things were going and that they held him personally responsible. A number of proposals were funded after this type of unforgettable visit to Pobre County.

"For the young researcher, the final weeks of the study came and went all too quickly. During the course of his study, he had seen a major vocational school complex constructed, a vocational training program initiated, adult education classes begun, recreation facilities developed, irrigation ditches cemented, health programs expanded, several hundred hard-core unemployed residents trained for productive jobs, and many other worthy projects completed which made a significant impact on the lives of hundreds of people in the county. As the researcher packed his yellow pads of paper for the last time, he couldn't help but think that one man really can make a difference in the face of a seemingly hopeless situation—especially if the man understands how the bureaucratic system works and is skilled enough to use the system against itself rather than be used by it."

Just before I retired in May 1973, I prepared a brief summary of the CSTE Program with the help and approval of the Co-chairman McCauley and McMillan of the Interdepartmental CSTE Task Force. This report confirms and expands the achievements described by you, Mr. Chairman, in your May 22 presentation to the Senate. I would like to leave with you this brief report and the five page summary of Dr. Hanson's thesis for your use in the record.

CONCERTED SERVICES IN TRAINING AND EDUCATION IN SMALL TOWNS AND RURAL AREAS, MARCH 30, 1973

CONCERTED SERVICES IN TRAINING AND EDUCATION (CSTE) COOPERATING FEDERAL AGENCIES

U.S. Department of Health, Education and Welfare; U.S. Department of Agriculture; U.S. Department of Labor; U.S. Department of the Interior; U.S. Department of Housing and Urban Development; The Office of Economic Opportunity; Regional Commissions; and the Small Business Administration.

Discrimination Prohibited.—Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, any program or activity receiving Federal financial assistance must be operated in compliance with this law.

CSTE, A COOPERATIVE EFFORT

Concerted Services in Training and Education (CSTE) is a cooperative Federal, State, and local venture. It was conceived as a pilot effort to improve smaller communities and rural areas by demonstrating that education and occupational training, in conjunction with economic development activities, can significantly increase employment opportunities; and that educational and occupational training efforts, with local involvement, will develop local leadership, individual dignity and initiative, and community awareness.

CSTE pilot projects are now underway in 15 States: Arkansas, Minnesota, New Mexico, Oklahoma, West Virginia, Kentucky, Illinois, Georgia, Montana, Texas, Nebraska, Maryland, Maine, South Carolina, and Iowa. These projects consolidate the combined resources of appropriate Federal, State, and local agencies to meet the occupational training and related education needs of the residents in small towns and rural areas. Cooperation among local, State, and Federal leaders is the key to the outstanding results being achieved.

This program grew out of an effort to help rural areas, which started with Executive Order No. 10847, issued in 1959, and continued under Executive Orders 11122 and 11307. The Cabinet-level Rural Development Committee, established under Executive Order 11122, May 1964, recommended that an interdepartmental Task Force be organized to explore the feasibility of developing CSTE projects in three selected rural areas. The Secretaries of Agriculture, Labor, and Health, Education, and Welfare agreed, through an exchange of letters in 1969, to continue this cooperative effort.

The 18-member Interdepartmental Task Force representing as many different education, training, and job development programs, is drawn from the Depart-

ments of Health, Education, and Welfare; Labor; Agriculture; Commerce; Interior; and Housing and Urban Development; the Office of Economic Opportunity; Small Business Administration; and the Regional Commissions. A major function of this group is to plan and coordinate CSTE programs at the Federal level.

In its early meetings, the Task Force recognized the urgent needs of rural people for more education and training. It was especially concerned about the 3 million rural residents who had less than 5 years of schooling, the approximately 19 million who had not completed high school, and the fact that only about half as many eligible rural youth, as compared to urban youth, were getting vocational education, occupational training, or going to college. Although some progress was being made in getting rural residents to participate in the newly established education and manpower training programs, the proportion of rural participation was still less than half that in urban areas.

The Governors of the selected States were asked by the Secretary of Agriculture, as Chairman of the Rural Development Committee, if they would be interested in participating in joint Concerted Services in Training and Education projects. The responses were favorable. A small task force, representing the Federal agencies from the national and regional offices, met with a State committee appointed by the Governor in each participating State. Following these meetings, the State committees recommended the counties that should be selected for CSTE programs. A small group of representatives from Federal and State agencies met with area and county leaders to discuss local interest in participating in a Concerned Services program.

The present Co-Chairmen of the Interdepartmental Task Force are John S. McCauley, Manpower Administration, U.S. Department of Labor, and Sherrill D. McMillen, Office of Education, U.S. Department of Health, Education, and Welfare (HEW). C. B. Gilliland, Extension Service, U.S. Department of Agriculture, is Executive Secretary. These three constitute an Executive Committee at the Federal level for carrying out the CSTE program.

No funds are or have been specifically requested by any Federal agency for the CSTE program. Program support is obtained through regularly appropriated funds made available to specified CSTE areas. Currently \$604,000 pays local administrative expenses for 20 different CSTE programs, for a program average of \$30,200. This Federal support is administered through a State agency which is the local Coordinator's employer. The most frequent State employers are the Employment Service, Cooperative Extension Service, and Vocational Education, regardless of the source of Federal support. (See Appendix A.)

To have a CSTE area, States submit requests in any of a variety of ways that they be considered for the CSTE program. The request could be initiated by the Governor's office, a State agency, or residents of a local area.

The Interdepartmental Executive Committee appraises requests on a first-come, first-serve basis, determining also the availability of project funds. If funding appears feasible for a particular State, then the Executive Committee, through appropriate channels, invites the Governor to appoint a State Ad Hoc Committee to recommend the area where such a CSTE program should be located.

The State Ad Hoc Committee designated by the Governor is or usually includes the Rural Development Committee members. This Committee determines from among the eligible counties those which should be given priority. To be a CSTE area, a county should be below the State average in per capita income and academic attainment. And it is considered desirable for the area to not already be heavily involved in federally funded programs.

Once priority counties are identified, representatives of the local leadership are contacted. A community meeting is held to explain the CSTE approach, and determine local interest in it. When an area is designated, local applicants are recruited to fill the position of Coordinator. The Coordinator is selected by the employing agency in cooperation with local leadership. The Interdepartmental

Task Force reserves the right to evaluate the qualifications of the Coordinator employed.

The Coordinators are local residents, well-trained, with a good knowledge of the people and their problems, and an ability to work well with people. They have varied background experience—public education, vocational education, agricultural extension, manpower utilization, journalism, and community development. The Washington liaison between the Coordinators and the participating agencies is supplied by the U.S. Department of Agriculture.

To identify local needs and establish priorities in training and education, the Coordinator uses existing Overall Economic Development Plans (OEDP's) or other local plan. If a plan is not available, he helps to develop one through work with local advisory groups.

In pilot areas a Manpower Inventory is usually conducted by the State Employment Service. Data are gathered on training interests, needs, and job opportunities to provide a factual basis for full development of the CSTE program. Training projects relating to the more obvious needs of each area may be developed before the survey is completed. The ongoing programs of the Manpower Administration (Labor), Office of Education (HEW), and the Office of Economic Opportunity (OEO) provide the training to meet the more immediate critical needs.

Cooperative efforts have resulted in new vocational education facilities; work-experience programs; adult basic education classes; occupational training in many different fields such as electronics, printing, practical nursing, operating engineer, farmer-general, VISTA programs; Neighborhood Youth Corps; Green Thumb; and new recreational facilities.

These CSTE projects in the various States have more than twice as many participants from the rural areas in new training and education programs as there were before the CSTE pilot effort, or as there are now in adjacent rural counties. In the three original pilot areas, enrollments in special education and training programs have exceeded by three times the number in adjacent counties.

To acquaint the local Coordinators with Federal education and training programs, semi-annual conferences are held in which representatives of the cooperating Federal agencies participate. In addition, meetings are held with program administrators and staff members of the U.S. Departments of Agriculture, Labor, HEW, Interior, Commerce, and HUD; the Small Business Administration, the Office of Economic Opportunity; and Regional Commissions. Federal personnel have participated in planning meetings in each area with local Coordinators, lay leaders, and program representatives involved.

According to the informal criteria of the Executive Committee of the Interdepartmental Task Force, before a particular CSTE program can be expanded, that area must have experienced a noticeable achievement in terms of the priorities it has established. Then if neighboring counties indicate an interest, the Coordinator's responsibilities can be increased to serve a larger program area. Only four of the 20 CSTE efforts were initially begun in more than a one-county area.

The Executive Committee of the Interdepartmental Task Force feels a program area should have a population no greater than 100,000 and be no more than a two-hour drive—one way—from the Coordinator's location in that area. This reasoning is justified in that the Coordinator's responsibility is to help residents not only develop projects but provide follow-through to see that approved plans are implemented.

Although little publicity has been given to achievements under these projects, 22 other States have learned about the CSTE efforts and have requested that consideration be given to activating similar programs in their States.

An independent evaluation of the Concerted Services approach has been made by the Center for Occupational Education at North Carolina State University, Raleigh. The Center found that training opportunities were made available where none had previously existed, a fuller utilization was made of the services

available through the public employment service, valuable information and consulting services were provided local leaders, and additional job opportunities were developed. The Director of this CSTE evaluation stated that "this project (CSTE) is long on ideas and dedication of personnel, low on cost, with benefits that appear to be highly promising." (Additional evaluations are currently underway.)

C. B. GILLILAND,

Executive Secretary, CSTE Task Force.

Approved.

JOHN S. MCCAULEY,

Cochairman, Department of Labor.

SHERILL D. McMILLEN,

Cochairman, Department of Health, Education, and Welfare.

INTERDEPARTMENTAL TASK FORCE ON CONCERTED SERVICES IN TRAINING AND
EDUCATION IN RURAL AREAS

MEMBERS

Sherill D. McMillen (Cochairman), Division of Vocational and Technical Education, Office of Education, U.S. Department of Health, Education and Welfare.

John S. McCauley (Cochairman), Rural Manpower Services, Manpower Administration, U.S. Department of Labor.

C. B. Gilliland, (Executive Secretary and Washington Liaison), Community Resource Development, Extension Service.

Howard A. Matthews, Division of Manpower Development and Training, Office of Education, U.S. Department of Health, Education and Welfare.

Martin Sherry, Monitoring Division, Community Services Administration, South Building, U.S. Department of Health, Education and Welfare.

John Huerta, Office of Assistant Secretary for Community and Field Services, U.S. Department of Health, Education and Welfare.

Maurice L. Hill, Rural Manpower Service, Manpower Administration, U.S. Department of Labor.

David Thorner, Rural Manpower Services, Manpower Administration, U.S. Department of Labor.

Henry L. Taylor, Rural Electrification Administration, U.S. Department of Agriculture.

John S. Bottum, Assistant Administrator, Rural Development, Extension Service, U.S. Department of Agriculture.

Richard G. Schmitt, Farmers Home Administration, U.S. Department of Agriculture.

Melvin R. Janssen, Economic Development Division, Economic Research Service, U.S. Department of Agriculture.

Morton Baill, Division of Manpower Training, Economic Development Administration, U.S. Department of Commerce.

Howard Phillips, Office of Economic Opportunity.

Tom Burden, Bureau of Indian Affairs, U.S. Department of the Interior.

Francis C. DeLucia, Technical Assistance Division, U.S. Department of Housing and Urban Development.

Einar Johnson, Office of Community Development, Small Business Administration.

Melvin Rottenberg, Appalachian Regional Commission.

APPENDIX A

CURRENT STATUS OF CONCERTED SERVICES IN TRAINING AND EDUCATION (CSTE) AREAS ¹

Location (State)	Date program activated and area (counties) served	Coordinator and date appointed	Funded by	State employer
Arkansas.....	St. Francis September 1965; Cross and Lee November 1967; Woodruff May 1971.	Dwayne N. Couchman December 1967, ² Bill D. Starling (assistant) March 1971.	Labor.....	Emp. Service.
Do.....	Independence July 1971, White and Stone October 1972.	James M. Smith July 1971, Bill J. Nelson October 1972.	do.....	Do.
Minnesota.....	Todd September 1965; Wadena and Other Tail October 1967, Hubbard April 1971.	Sherman Mandt November 1966 ³ Jared M. Smalley (assistant) April 1968.	HEW.....	Extension service.
New Mexico.....	Sandoval September 1965.	Inez Gabaldon ⁴	do.....	Vocational education.
Do.....	San Miguel March 1969.	Henry Brito March 1969	do.....	Do.
Do.....	Rio Arriba and Taos August 1972.	Fernando R. Rodriguez August 1972.	do.....	Do.
Oklahoma.....	McCurtain November 1968.	Edwin G. O'Day November 1968.	Labor.....	Emp. service.
Do.....	Cherokee March 1971.	Gus Keeter March 1972 ⁵	do.....	Do.
West Virginia.....	Parkersburg area, region III March 1970 ⁶ (Calhoun County August 1968).	Larry A. McCallister August 1968.	ARC and HEW.....	Federal-State relations.
Kentucky.....	Livingston, Lyon and Trigg August 1970.	Robert D. Hogan August 1970.	HEW-TVA and USDA.	Extension services.
Illinois.....	Dekalb April 1970.	Porter J. Martin April 1970.	USDA.....	Do.
Montana.....	Musselshell September 1970.	Ralph Gildroy, Jr. September 1970.	Labor.....	Employment service.
Georgia.....	Bacon, Pierce, Atkinson and Ware January 1971.	Allen E. Bower January 1971.	do.....	Extension service.
Do.....	Peach, Crawford, Monroe, Jones and Twigg January 1973.	Faye Singh & John W. Swint January 1973.	USDA.....	Do.
Nebraska.....	Seward, Saline & Butler April 1973. ⁷	Ralph Hicken January 1973. ⁷	Labor.....	Vision-17.
Texas.....	Red River March 1971.	J. Mac Varley March 1971.	HEW.....	Vocational education.
Maryland.....	Garrett July 1971.	Wm. B. Stemple July 1971.	Labor.....	Extension service.
Maine.....	Somerset July 1971.	Stephen G. Ranslow July 1971.	do.....	Emp. service.
South Carolina.....	Williamsburg June 1972.	Roger H. Stiles June 1972.	HEW.....	Vocational education.
Iowa.....	Jackson September 1972.	Donald R. Casteel September 1972.	Labor.....	Emp. service.

¹ Most of the CSTE programs were started in a 1-county area. As development progressed, adjacent counties requested that they be included. When local and State advisory committees accepted these requests and recommended their inclusion, the local coordinators began working in the enlarged areas. In many instances the opportunity for education, training, and job development activities was greatly enhanced through an increased population base and better training facilities.

² The Eastern Arkansas project was started in September 1965 with Edgar Henderson as director or coordinator. He left to join the Regional Office of Education, HEW, Dallas, Tex., July 1968.

³ The project was started in Todd County in September 1965, with Bill Dorsey as local coordinator. He left in October 1966 to become district agent for the Cooperative Extension Service.

⁴ Henry Gonzales was the original coordinator in Sandoval County beginning September 1965. He retired in July 1972 at the time the program in this area was moved into phase II. His secretary and administrative assistant, Inez Gabaldon, has remained as CSTE representative serving as contact for the local lay advisory committee and State and Federal program administrators in the area.

⁵ Bob J. Ausmus was appointed as CSTE coordinator in Cherokee County March 1971. He resigned in April 1972 to participate in other State programs.

⁶ The project in West Virginia was started in Calhoun County in August 1968. It was expanded to include all of region III in March 1970. The Parkersburg area includes Jackson, Ritchie, Roane, Wood, Wirt, Tyler, Pleasants and Calhoun counties.

⁷ James H. Childe was the original coordinator for the Southeast Nebraska project. He resigned to accept a better position with the Midwest Research Institute December 1972.

TOTAL MONTHLY REPORTS LOCAL CSTE COORDINATORS

SUMMARY OF ACTIVITIES RELATED TO CSTE

Months: 12—1972.

Meetings held: 1,976; total attendance, 42,536.

Areas: 15, first quarter; 17, second and third quarters; and 18, fourth quarter.

Individual contacts: Number at office, 20,448; number in field, 70,941.

EDUCATION, TRAINING, AND JOB DEVELOPMENT

Type of project	Number new project applications submitted	Number new projects started	Number of people involved in new projects	Number of projects completed	Number of people completing project	Number of job placements	Number referred for other training
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1. Training and education.....	300	281	10,317	220	4,998	1,712	421
2. Job development.....	202	254	3,930	87	1,660	2,278	74
3. Health and other projects.....	140	225	10,668	151	5,890	145	46
Total.....	642	760	26,915	458	12,348	4,135	541

[The following material was referred to on p. 83:]

EVALUATION OF CONCERTED SERVICES IN TRAINING AND EDUCATION, REPORT ON TASK ONE—BACKGROUND INFORMATION REVIEW

[Submitted by Development Associates, Inc., 1521 New Hampshire Avenue, N.W., Washington, D.C.—May 12, 1975]

Analysis of Task One Background Information Review

A. PURPOSE AND METHODOLOGY

The background information review conducted by the evaluation team from Development Associates from April 11 through May 11, 1975, had two purposes as stated in the contract: 1) to provide DHEW officials with an analytical summary of information on the CSTE program, and 2) to provide DA project staff with sufficient relevant information on CSTE to design and conduct an assessment of the decision-making processes in the CSTE program and to develop the evaluation design for Phase II.

Three activities were carried out by Development Associates' staff during the four week period. First, a series of interviews was held with key government officials who are, or have been involved in the Concerted Services in Training and Education demonstration program. The CSTE Interdepartmental Task Force was the focal point of this activity. Ultimately, ten of the 20 Task Force members were interviewed individually, or in pairs. The ten Task Force members interviewed represented the Departments of Agriculture, Health, Education, and Welfare, and Labor, the Office of Economic Opportunity, and the Appalachian Regional Commission. As a guide to the interview process, the DA study team developed a series of questions designed to cover the background of CSTE. Topics covered were grouped in the following categories: CSTE Objectives; Functions and operation of the Task Force; Related materials, reports, etc., to CSTE; CSTE vis-a-vis developmental change in local areas; and Related, or similar programs conducted by the interviewee's agency or department.

It was found that of the ten individuals interviewed, only seven had been actively involved in CSTE Task Force activities in the past two to three years. The degree of information in the above categories obtained from the three less involved members of the Task Force interviewed was necessarily less in substance.

The second activity carried out was a file review of cognizant federal agencies. The study team was able to review the files on CSTE maintained by the Departments of Agriculture, Labor, and Health, Education, and Welfare. In addition, while the team itself did not review the files of two interviewees, they them-

selves reviewed their files and extracted pertinent documents, memoranda, etc., that in their judgment they believed would be of assistance in the evaluation process.¹ The file review provided the team with a kaleidoscope of information about the CSTE program spanning the ten years of its operation, including project activities and reports, funding guidelines, Task Force activities, coordinator workshops, etc. Both the interviews and the file review assisted the team in carrying out the third activity in Task One: document review.

From the files relevant documents and reports were identified and reviewed by the evaluators. The interviewees helpfully supplied reports and documents, and offered suggestions as to appropriate materials that should be reviewed by the evaluation team in designing the evaluation approach. In Sections C, D, and E of this report, DA lists the Task Force members interviewed, presents preces of key reports and documents reviewed, and a bibliography of other reports, documents, and materials reviewed in the data collection process of Task One. In Section B which follows, the study team presents an analysis of the Task One effort.

B. ANALYSIS OF BACKGROUND INFORMATION REVIEW

For purposes of organization, this section of the report is divided into subsections according to the creation of CSTE, CSTE operations, the evaluation of the pilot areas, and the future of CSTE.

1. *Creation of CSTE*

The history and start-up of CSTE was traced through document review and interviews. The first involved a review of government documents, particularly Executive Orders issued by Presidents Eisenhower, Kennedy, and Johnson. While Executive Order 10847 issued by President Eisenhower on October 12, 1959, did not mandate the establishment of Concerted Services in Training and Education, it did begin the process through which CSTE was subsequently created. Through this Executive Order, President Eisenhower established the Committee for Rural Development Program, an Interdepartmental Committee at the Secretary level to provide leadership, coordination and cooperation at the federal level of government in carrying out rural development activities. On October 17, 1963, President Kennedy signed Executive Order 11122, revoking Executive Order 10847, but establishing the Rural Development Committee consisting of the Secretaries of Agriculture, Commerce, Interior, Labor, Health, Education, and Welfare, Treasury, Housing and Home Finance Administrator, and the Administrator of the Small Business Administration. The Committee's mandate under the Executive Order was to "provide leadership and uniform policy guidance to the several Federal departments and agencies responsible for rural development program functions and related activities so that they may take more effective and concerted actions in carrying out those functions and activities more effectively with non-Federal participants, both private and governmental, in the work."² While Executive Order 10847 laid the groundwork for general Federal government cooperation in rural development under the aegis of a policy level committee, it was Executive Order 11122 under which Concerted Services in Training and Education demonstration was established. The Rural Development Committee mandated by President Kennedy established a policy-level Task Force among the cooperating agencies and departments to explore and develop new models and delivery systems for rural development. It was this Interdepartmental Task Force that created CSTE in 1964, beginning operations in three pilot states in 1965.

On September 30, 1966, President Johnson signed Executive Order 11307, entitled "Coordination of Federal Programs Affecting Agriculture and Rural Area Development." In essence, this Executive Order gave responsibility for coordination of federal rural area development programs to the Department of Agriculture by mandating the Secretary of Agriculture to "take the initiative in identifying problems of agricultural and rural area development which require the cooperation of various Federal departments and agencies for their effective solution, and pursuant thereto shall convene, or authorize his representatives to convene, meetings at appropriate times and places, to which he shall invite the heads of

¹ Both of these individuals are former Federal Government employees who represented their respective departments and/or agencies on the Task Force for several years before their retirement.

² Kennedy, John F. Executive Order 11122: Establishing the Rural Development Committee. The White House, October 16, 1963.

such departments and agencies as may be responsible for interrelated programs or activities . . ."³

The CSTE Interdepartmental Task Force has continued to function under the mandate of this Executive Order, with the Task Force's Executive Secretary, who manages day to day operations and monitors CSTE pilot area activities, located within the Department of Agriculture. He, along with the Task Force's two Co-chairmen (one representing the Department of Health, Education, and Welfare, the other the Department of Labor), constitute the Task Force's Executive Committee, who throughout the life of CSTE have played a significant role as monitors of CSTE activities, as well as the coordinating forces of interdepartmental efforts in fundraising and providing and supporting services to local pilot area coordinators.

2. CSTE operations

Two factors appear to be significant in the early years of the CSTE effort, factors which are not mutually exclusive. The first has to do with the backing CSTE received from the Executive Order mandates noted, and more specifically, the policy and decision-making level at which the Interdepartmental Task Force was established. Amid a growing federal awareness of problems in rural America in the 1960's, the Task Force for this demonstration program had members of, or access to Executive Department policy level decision-makers who supported the effort or who were at a minimum, amenable to the experiment being carried out in the pilot areas. The second key factor has to do with funding. CSTE was established at a time when there was a growing consciousness of and commitment to the solution of social and economic problems in the U.S. It was established at a time when massive programs were being funded by the Congress, and discretionary monies for pilot, demonstration projects were more readily obtained. Specifically, CSTE was able to tap substantial funds available through the Manpower Development and Training Act for its survival and expansion during the 1960's, and early 1970's. However, the New Federalism of the 1970's, evidenced in the passage of the Concentrated Employment and Training Act of 1973, and the advent of revenue sharing, have had an effect on the direction, and future of CSTE, as will be discussed in later sections of this report.

One of the earliest documents on CSTE, developed by the Interdepartmental Task Force, has had a large effect on the nature and direction the demonstration program has taken over the years. Concerted Services Project Document No. (CSP-1) dated January 1965, sets forth "Suggested Procedures for Implementing Rural Concerted Services Projects." In this document, four objectives of the Task Force are identified. Summarized, they specify the identification of three initial pilot areas for implementing the demonstration, procedure and protocol for implementing the three pilot projects, including linkages with appropriate state officials, and the provision of coordination, guidance and leadership for the representative communities. Insofar as the evaluation team could determine from documents and interviews, these objectives of the Task Force have continued. Operationally, they may be translated into four specific activities carried out by the Task Force: 1) provision of workshops for local area coordinators of CSTE pilot projects; 2) provision of advice, consultation, and support on an as needed basis to local area coordinators, 3) the politically expedient use of proper protocol channels at local, state, regional and federal levels for obtaining funding and support for locally generated projects, and 4) maintenance of communications among Task Force members at the federal level to generate support—particularly financial—for CSTE efforts.

The Concerted Services Project Document No. 1 goes on to delineate the criteria determining the selection of local demonstration projects, and the procedures for selecting those projects. Concerted Services Project Document No. 2, "Factors and Procedures for Selecting Counties for Rural Concerted Services Projects," issued in January 1965, further clarifies and describes the selection and implementation process. Eleven criteria, in three categories (rural, economic, and educational) were prescribed for project selection. Under these conditions, the first three Concerted Services pilot projects in Arkansas, Minnesota, and New Mexico were selected and implemented. Expansion of Concerted Services into other pilot counties was initially slow. By the end of 1969, only two additional areas had been added.

³ Johnson, Lyndon B. Executive Order 11307: Coordination of Federal Programs Affecting Agriculture and Rural Area Development. The White House, September 30, 1963.

At the height of operations, FY 1974, CSTE was operating in 20 areas in 15 states; \$600,000 was being spent for local coordinator salaries and expenses at that time.

Most, if not all of the pilot CSTE projects began operation with a survey, usually a manpower survey in the county, or an interdisciplinary one dealing also with social and economic resources. Often, this survey was carried out through the use of Smaller Communities Program or Office of Farm Labor survey teams, or through the use of local volunteers. The findings of this survey usually gave the local CSTE coordinators indications of the perceptions of the county residents as to the problems in the county, the resources that were available, and of course the nature of manpower resources and deficiencies. From this survey, the CSTE coordinator was able to begin the development process he was charged to carry out by the Interdepartmental Task Force. From the outset, local projects activities ranged much farther than concerted services in *training* and *education*. Program progress reports and interviews with officials involved in the program indicate that efforts ranged into the fields of health, housing, recreation, economic and industrial development, and so on.

The unique characteristic of CSTE, which is expounded by all individuals interviewed and supported by the evaluative documents reviewed, is that CSTE has not, and does not claim credit for actual implementation of projects in pilot areas, or for securing funds through grants and contracts for pilot area projects. The framers of CSTE, the Interdepartmental Task Force, as well as the first evaluators of the three initial CSTE pilot area efforts, have described Concerted Services as a "concept," an approach to resource development for rural areas. The key to this approach is the local CSTE coordinator, who has been described as a catalyst, or a change agent whose mandate is to help county residents identify, or crystallize their problems, and then to help them develop solutions through his knowledge of resources available that can be brought to bear on those problems. Interviews with Task Force members and review of documents suggest that the following factors may be attributes of the CSTE concept, as viewed from the perspective of the local coordinator:

- The interdepartmental structure of CSTE (in the sense that support at the federal level comes from no one exclusive agency or department);

- The concept that the coordinator is not an outside change agent, but rather a "local knowledgeable" who is known, and respected in his area;

- The concept that the local coordinator has an external reference group to whom he is responsible (the Interdepartmental Task Force); closely linked to this is

- The flexibility and independence of the local coordinator, and the fact that he cannot be censured by the local community or area in which he is serving; and

- The apparent dedication of the coordinators themselves, particularly in view of 1) the policy of allowing other groups and/or agencies take credit for programs established or goals achieved, and 2) the insecurity of funding his position from year to year.

Within the CSTE organizational structure, two approaches for continuing its operations emerged during the early 1970's, at a time when funding from national legislation and program sources became increasingly problematical. One approach suggested that CSTE continue as a demonstration program funded at the national level for rural development, much as the land grant universities and other national demonstration programs have continued to be supported over the years. The second approach is to "legislate" CSTE into existence as a permanent federal rural development program. As will be discussed in a later section of this report, these two alternative approaches continue to be possibilities, although at this time there is a sense of urgency due to current funding sources drying up at the end of this fiscal year (June 30, 1975) for many of the CSTE projects.

While the planners and administrators of CSTE over the years have emphasized the independence of the individual coordinator at the local level, there appears to be evidence that the most successful projects, in the judgment of some interviewees, are those that have established good cooperative relationships with state government, and with their sponsoring agencies (usually the state employment service, or the agricultural extension service). This study should produce some empirical evidence on the effect of state linkages developed by local CSTE projects, and within the parameters established, identify the nature of the influence of sponsoring agencies on local CSTE operations.

3. Evaluation of CSTE

One external evaluation of CSTE has been conducted to date. Commissioned by the Division of Comprehensive and Vocational Education Research within the Bureau of Research of the U.S. Office of Education, the Center for Occupational Education of North Carolina State University at Raleigh conducted a study of the first three Concerted Services pilot projects in St. Francis County, Arkansas, Sandoval County, New Mexico, and Todd, Wadena and Otter Tail Counties in Minnesota. The evaluative research model chosen was a modification of the Context, Input, Process, Product (CIPP) model used primarily in the evaluation of educational programs. The "uniqueness" of CSTE, as described earlier in this report, prompted the North Carolina State evaluators to use evaluative techniques common to social research, including participant observation, critical event analysis, and economic and social surveys. Through contracts with universities in each of the states, on-site evaluators spent a year in each pilot area studying the operations of local CSTE coordinators, the focus of the evaluation effort. The evaluative research techniques resulted in the compilation of three in-depth case studies of the pilot areas, with the final product being the compilation of data from the areas, and an overall analysis of findings, conclusions and recommendations.

According to the North Carolina State Evaluation, the Concerted Services program in the three pilot areas studied had produced the following results:

Through the initial manpower surveys conducted, Concerted Services had not only identified employment potential, but other development possibilities as well.

CSTE had increased training opportunities, through new skills training programs and vocational school curriculum expansion.

Increased local resident use of the employment services; and influenced greater state employment service involvement in local pilot areas through office expansion.

Coordinators had assisted in revitalizing, or forming new organizations, such as the Technical Action Panel or local industrial development corporations for the purpose of area development.

CSTE coordinators provided previously unavailable consultative services to local leaders and to local development and/or service delivery organizations.

The Concerted Services effort had played an instrumental role in the creation of new industry, or the relocation of existing industry in the pilot areas.

The CSTE effort at the national level had apparently been successful in stimulating greater communication and coordination among federal agencies.

The evaluation report also included a series of recommendations which focuses on the future of CSTE, which is the topic for discussion in the next section of this report.

Besides this first evaluation of CSTE, monitoring of operations in each area took two forms: monthly and/or quarterly reports developed by the coordinators, and submitted to the Executive Director of the Interdepartmental Task Force, who then compiled them into an annual report, and semiannual workshops held for all coordinators, usually in Washington. Occasional field visits were also made to the local projects by members of the Task Force, particularly members of the Executive Committee.

4. The future of CSTE

Noted in previous sections of this report were two alternative approaches to CSTE that have been proposed by proponents of the program over the past two to three years. The first is to continue CSTE under the same, or similar operational structure as is now being used, with funding coming from the several cooperating agencies, but primarily out of Department of Labor funds.

Structurally, it has been proposed that the program work through the land grant university system, with demonstration projects being funded in each state where there is a significant rural population. The difficulty now being encountered with this approach is one of funding. As of the date of this report, funds from the principal CSTE contributing agencies are not forthcoming and as a result, a number of local pilot projects are faced with terminating operations on June 30, 1975.

The second approach that has been proposed is to seek funding through Congressional legislation establishing CSTE as a permanent federal program, with funds of its own appropriated by Congress. Operationally, proponents of this

alternative see the structure of the Concerted Services program being similar to, if not the same as that described for the first alternative.

At this time, CSTE will not die a sudden death if neither of the two approaches is successful. The projects in Minnesota and Texas appear to be on solid footing, and in Texas, it is understood that the program is actually expanding operations to other counties. The CSTE efforts in Iowa, Arkansas, and Maryland will also continue operations as the study team understands it, with an outside chance that the employment service in Oklahoma will continue CSTE also. Two factors seem to have played a role in the continued operations of the pilot areas in the above mentioned states. First, the state governments have committed themselves to the continuance of the program, and are using state funds, or state revenue-sharing funds from the federal government to continue project activities. The use of the latter funds is most apparent in Texas, where some of the governor's share of CETA monies are being used for funding local Concerted Services projects. The second factor is closely related to the first, but is less measurable. It would seem that success in marshalling state funds and support can at least in part be attributable to the efforts of CSTE coordinators in those states. It is suggested that through their contacts at the state level, and the cultivation of their state level Concerted Services Committees, they have been successful in their efforts to continue local CSTE projects. What remains to be seen is how these projects will continue to operate under a state mandate, as compared to the federal interdepartmental umbrella to which they have been accustomed.

It may be of interest to note that the two alternative approaches have borrowed from the North Carolina State University evaluation recommendations on structure and operations. Summarized, those recommendations were:

To maintain the "interdepartmental integrity" of Concerted Services at the federal level;

To continue hiring local coordinators from among respected, capable community residents in the areas in which they will serve;

To expand CSTE to new pilot areas through the land grant university system in each state as the state sponsor;

To avoid "restrictive guidelines" for the operation of pilot CSTE projects, permitting them to develop and evolve in response to local needs;

To generate greater publicity of the coordinators, and of Concerted Services accomplishments *through* cooperating agencies at the local level; and

To consider the possibility of using Concerted Services coordinators as local consultants for the federal departments cooperating in the Interdepartmental Task Force.⁴

The key, so it seems to the study team, is the institutionalization of CSTE, something that as yet has not been accomplished. According to a document prepared by the Executive Committee of the Interdepartmental Task Force, "Concerted Services in Training and Education: Suggested Future Structure,"⁵ institutionalization is key to the continuity of the effort, and the elimination of annual "funding uncertainties." To the study team's knowledge, this is the first document in which institutionalization as a goal is stated as such by members of the Task Force, a recognition, perhaps, that without it, CSTE has little hope of continuing within its present conceptual framework.

With present funding for many projects now ending, the Task Force and the coordinators as a group have begun to marshal forces to generate monies for continuing CSTE. Focus has been on three possible avenues: (1) funding through monies available in the Concentrated Employment and Training Act, (2) funding through provisions in the Rural Development Act, and (3) new legislation in the form of an amendment to the Rural Development Act.

According to interviews held, and a review of the document itself, the first avenue being explored, the Concentrated Employment and Training Act, has limited possibilities. In fact, they focus on Title I, Section 103 (f), (allocation of funds). This section specifies the nature and purpose of the Secretary of Labor's discretionary funds available, and would seem to permit him to use monies for Concerted Services if he so designates. As yet, there have been no positive indications that the Secretary of Labor would allocate monies under

⁴ Griesman, B. Eugene. 1969. *Planned Change in Low Income Areas: An Evaluation of Concerted Services in Training and Education*. (Research Monograph No. 2) Raleigh, North Carolina: Center for Occupational Education, North Carolina State University.

⁵ Executive Committee, Interagency Task Force on Concerted Services in Training and Education. "Concerted Services in Training and Education: Suggested Future Structure." May 7, 1974.

this Title for Concerted Services, reflecting its ranking in terms of the Department's priorities. There is some discussion at this time between the Secretary of Labor and the Congress, specifically with Congressmen and Senators with large rural constituencies, as to the possibility of using the Secretary's discretionary monies under this Title of CETA for Concerted Services. The study team does not know of any positive results yet from these discussions.

The second possibility for securing funds is the Rural Development Act as now in effect. There are two Titles of the Act which might lend themselves to providing funds for Concerted Services, Title V, related to Extension and Research, and Title VI, on Rural Development. Under Title VI, it would appear that the internal dynamics of the Department of Agriculture are a constraining factor, in the sense that the Rural Development Service, which would be the umbrella agency for Concerted Services, would face some barriers from other USDA agencies; in effect, RDS would be building up a field staff by assuming the leadership role for CSTE, appearing to co-opt functions currently being carried out by other USDA agencies. The second possibility, Title V, provides another alternative, through its provisions for technical assistance to small farmers. As yet, this section of the Title has not been funded, and there does not appear to be an initiative within USDA to have this section funded at this time.

The third, and perhaps most viable alternative for ensuring the continuation of the Concerted Services program is through an amendment to the Rural Development Act of 1972 (P. L. 92-419). To this end, the Task Force Executive Committee with the support of the local CSTE coordinators, have encouraged key Senators and Congressmen with rural constituents to submit just such an amendment. The Task Force has further assisted in the drafting of model legislation to be submitted to both the Senate and the House. Essentially, the legislation focuses on Title VI, Section 603(b) of the Act, pertaining to rural development. The draft legislation provides for the formation of an Executive Council composed of designated representatives of the Departments of Labor, Agriculture, and Health, Education, and Welfare, and a Task Force composed of representatives of the Departments of Commerce, Interior, Transportation, and Housing and Urban Development in addition to the above mentioned three departments. Additional members would be named from cognizant federal agencies involved in rural development efforts. The proposed legislation identifies the Department of Agriculture as the vehicle through which the program would be administered, providing salaries, offices, and operating funds for federal and local CSTE coordinator salaries.

This proposed legislation, submitted to the respective committees and subcommittees on rural development in the Senate and House of Representatives, as yet has not been placed on the Committee agendas, but is expected to be at any time. Interviews with officials of the Departments of Agriculture and Labor have pointed to the fact that even should this legislative amendment to the Rural Development Act be passed before June 30, 1975, there is no guarantee that funds for Concerted Services would be appropriated for the next fiscal year. Thus, the crisis of funding has come full circle, with no guarantee that federal support for Concerted Services will be forthcoming at the end of the present fiscal year.

[The following material was referred to on p. 76.]

CSTE—YOUR DOWN HOME PROGRAM

CONCERTED SERVICES IN TRAINING AND EDUCATION

How It Operates . . .

CSTE operates on the concept that community people know best what their locality wants and needs, and provides a means for fulfilling these needs.

A local resident, with a good knowledge of your county and its problems, has been hired as CSTE coordinator. His full-time job is assisting local elected officials, lay leaders, and representatives of your community, the State and Federal governments in developing projects to meet the needs you determine for your area. His work is directed by an Advisory Committee, made up of local residents. Your coordinator has more flexibility and independence in pursuing local development objectives than agency personnel tied to categorical programs have because he, in essence, works for the entire county. He is free to respond to any pressing local development need.

Your coordinator has direct contact with groups that provide him with a broad knowledge of available resources from all State and Federal agencies. Among these, the CSTE Executive Committee, composed of: U.S. Department of Health, Education, and Welfare; U.S. Department of Agriculture; U.S. Department of Labor. If a plan of action is not available, he helps develop one through the Advisory Committee, your channel for informing your coordinator of your priorities.

You and your coordinator are the energy behind the CSTE program. Because the program in your community is new, its areas of development will be as imaginative and useful as you, the county resident, make them. Your coordinator is your instrument for making things happen in your county. Through your Advisory Committees, you will help determine the success of CSTE in your community. Maybe your community could use some additional industry, a new park, an education program, a youth center, a recreation center, expanded police and fire protection, housing development projects, health care services, or even a little League Team. CSTE responds to almost anything.

You have a unique opportunity. Seventeen CSTE projects are currently underway in 13 states. Your county is the site of one of five additional programs beginning this year in the counties of Falls, Karnes, Shelby, Willacy, and the Haskell area.

CSTE can't work without you, because in essence it is you. It's the beginning of a new concept that allows a community to work for itself. The CSTE concept realizes that a community knows best what it needs. The community is, therefore, the best authority for deciding its priorities.

CSTE further realizes that the needs of a community are complex and urgent enough to have someone work on them full time. And, finally, it equips a community person with the tools for meeting area needs and provides support in community endeavors.

All you have to do is . . . make it work.

How It Succeeds . . .

The success of the first CSTE project in Texas prompted the allocation of funds for five more Texas projects. The original CSTE in Red River County, which began in 1971, has developed 44 community development projects through the efforts of county residents and their coordinator. Over \$10,000,000 in Federal and State Aid has been received by Red River County.

Of this amount, \$3,000,000 was channeled into the area of health care. Construction of a new Red River County Hospital has begun.

About \$1.8 million was allocated for public housing projects. 118 units of public housing have been built in four of the incorporated towns in the County.

Monies have been directed for the improvement of educational facilities and services. Before CSTE came to Red River County, there was only one Adult Basic Education Project underway and that was in Avery. Since that time, classes have started in Clarksville, Bogata, and Detroit. In addition, (3) incorporated communities have constructed new high school and elementary classroom facilities.

Two water and sewerage projects are underway in Avery and Clarksville. Because of the project in Clarksville, land has been cleared and preparations are being made for a new shopping center.

A sum of \$65,000 has been earmarked for further development of an airport facility located near Clarksville. The present aviation center is used by several of the industrial personnel. Hopefully, this improved facility will attract additional industry.

Citizens of Clarksville spent \$14,000 on a modern communication system to aid the fire and police departments.

The coordinator has also worked with local leadership, SBA, EDA, and successfully recruited five new industries which have hired over 800 persons. One plant has expanded hiring 50 new persons, and one is currently being expanded. Upon completion later this year, it will hire an additional 125 persons.

The population of the county seat, Clarksville, has increased from just over 3300 to 4000 and is still growing. The population of the county has shown a continuous increase for the past three years, while the rest of Northeast Texas is still declining. The population in 1970 was 14,298 and the current population is over 15,000.

While the unemployment rate in other parts of Northeast Texas is rising, Red River's is declining.

In 1970 Red River county ranked 237 out of 254 in the State in median family income. Since that time over \$4,000,000 annually in new wages has been infused into the local economy, and the overall economic level has been raised. As an example, the sales tax income for the City of Clarksville, increased over 30% for the quarter ending March 31, 1974.

A success story like that in Red River county leaves little doubt that the CSTE concept is a valid one. But it has been the ingenuity and dedication of its community residents that have made it so.

Hopefully, the success of your county will help insure future projects for other needy areas.

How It Started . . .

CSTE grew out of a national effort to help rural areas. A Cabinet-level Rural Development Committee established in May 1964, recommended that an inter-departmental Task Force be organized to explore developing projects of importance to rural localities.

The Task Force studies soon established the urgent needs of rural people for more education and training. Of special concern were the 3 million rural residents age 25 and over who had less than 5 years of schooling, and the approximately 19 million who had not completed high school. Only about half as many eligible rural youth, as compared with urban youth, were going to college. Programs for educational development appeared to bypass rural communities.

CSTE was a chance to insure equal opportunities for educational development in rural areas. The major function of the Task Force became planning and coordinating CSTE at the Federal level.

Task Force members include representatives from the following agencies: U.S. Department of Health, Education, and Welfare; U.S. Department of Labor, U.S. Department of Agriculture; U.S. Department of Commerce; and the Office of Economic Opportunity.

Have you ever said "This is the way we do things down home"? Concerted Services in Training and Education (CSTE) is the program that offers you a chance to do things the way you like to "down home."

CSTE originally began as a demonstration effort to improve smaller communities and rural areas by demonstrating that occupational and educational training efforts in conjunction with industrial development could significantly increase employment opportunities.

Today, as a result of many successful endeavors in these areas, the program has been expanded to include total community development activities with human resources and economic development as key elements.

Your community is about to embark on an opportunity to become a better place to live and work through CSTE efforts. You will have a chance to focus this program on those areas you wish to develop in your community. The program will operate the way local citizens direct it any the way you like to do things down home. Here's how—

Senator CLARK. We are going to hear next from Dr. John Kaufman, and Mr. William Baker, both from New Jersey, who are going to testify with regard to S. 1353, so if you would come forward, and also Mr. Kenny.

Mr. BAKER. May I introduce Dr. John Kaufman, who is with me today, but I will be presenting, the testimony.

Senator CLARK. Is Mr. Kenny with you?

Mr. BAKER. We unfortunately have a disastrous situation in New Jersey, and you can hardly get here from there.

Senator CLARK. OK.

STATEMENT OF WILLIAM H. BAKER, VICE PRESIDENT, NEW JERSEY HOSPITAL ASSOCIATION, PRINCETON, N.J.

Mr. BAKER. Let us say at the outset that Mr. Kenny is sorry that he could not make it today. I believe you do have a copy of his testimony for the record. If not, I have another copy here.

Senator CLARK. We have made his statement part of the record. In addition to representing the New Jersey Department of Agriculture, Mr. Kenny was also to be here on behalf of the Governor's office and the New Jersey State Department of Health. His statement reflects the feelings of all three.*

Mr. BAKER. If I might, I will read the pertinent parts of my statement, and ask that the entire statement be entered in the record.

Senator CLARK. It will be so ordered.

Mr. BAKER. We believe that the intent of Congress was and is to improve the expansion of quality health care facilities in rural areas through funding mechanisms contained in the Rural Development Act of 1972. Under the act presently, health care facilities are included with all essential community service projects except private business enterprises, and are therefore eligible for loans only when they are located in communities of less than 10,000 population. We believe that it is appropriate to amend the act to permit loans to community medical facilities located in communities of more than 10,000 when considering the health care needs of the rural community. The accessibility of quality health care is no less important than the provision of other goods and services in the rural setting.

Senate bill 1353 introduced by Senator Williams, which you are considering today, is worthy of your support.

Let me try briefly to outline the problem in New Jersey, as to determining whether a project is worthwhile or not. New Jersey has been a leader in innovative legislation. For the last 4 years, health care facility modernization and new construction has been subject to "certificate of need" regulations by an arm of State government.

Under the law, all proposed modernization or new construction projects must be found to be nonduplicative and of demonstrated need. If the various health care facility planning bodies and the New Jersey Commissioner of Health agree that a proposed project meets these requirements, then a certificate of need is issued. Work on the project must then commence within a year.

Generally, the most efficient, least costly, least duplicative way to increase hospital facilities is to expand or modernize an existing facility. In the rural areas of New Jersey, and I presume in much of the rest of the country, the medical facilities serving most of the rural population are located in communities of sufficient size to make available the labor, supplies, and services required by that medical facility. Unfortunately, as far as the Farmers Home Administration requirements are concerned, this finds a large majority of these facilities in communities of more than 10,000 population but less than 50,000.

The delivery of the hospital component of medical services to the rural population must of necessity be regional in character. Hospital services of the desired and demanded scope and quality simply cannot be provided or supported by each rural community. And the Department of Agriculture, when they testified this morning, made a statement to the contrary.

Senator CLARK. Let me read it to you. I just pulled it out because I hoped you might comment on that. It says, it is the view of the Department that communities exceeding a population of 10,000 are, as a

*See p. 46.

general rule, able to marshal the resources required to secure such loans, if their priorities warrant such a decision. What is your answer to that?

Mr. BAKER. I think they are wrong. The resources simply are not there. Mr. Kaufman, who is with me today, is a case in point. Under the current legislation, his hospital is located in a community of about 12,000 people.

Senator CLARK. Is that the Princeton Medical Center?

Mr. BAKER. That is right. He has no alternative source of funding available to do a modernization project which is required by the State department of health. There is no commercial funding available for this project. His situation, I am sure, is not an isolated situation, and to make a bald statement that there is money available through other sources for facilities located in communities of more than 10,000 is a broad statement. It just cannot hold water, I do not believe.

Senator CLARK. And Princeton is 12,000, did you say?

Mr. BAKER. 12,311, if my memory serves me correctly.

Senator CLARK. Let me ask about this now. Is this measure being offered only for the purpose of building a hospital in Princeton, N.J. or does it have a worthwhile national value, in your judgment?

Mr. BAKER. The fact that I come from New Jersey, and Mr. Kaufman is here certainly does not indicate that this is self-interest legislation. I think it has a very broad, very important impact on rural communities across the country. Senator Williams is the one who introduced the bill, and we have been working with him on it. We thought we were the appropriate ones to submit the testimony to your committee. But I hope that there is no inference that this is self-interest legislation, because in fact, in testimony that Senator Williams will be submitting to you,* there are only seven areas in New Jersey which, if the amendment were adopted, would become newly eligible for funding under the Farmers Home Administration program. Two of those are military establishments, so if you take those two out, it would leave only five communities in New Jersey that might become eligible for funding.

While we are on that point, in your State of Iowa, there are only 15 communities that would become newly eligible, and for the Nation as a whole, there would be 851, which is a very, very small number, in terms of the total impact on the health industry in the country.

Senator CLARK. This is communities between 10,000 and 50,000?

Mr. BAKER. Yes.

Senator CLARK. If we change the definition of rural in connection with loans for community medical facilities, whether that might open the cage—well, I guess one could say to urbanization of the Rural Development Act. In other words, it is difficult to know where to draw the line on any of these programs, whether it ought to be at 10,000 or 12,000 or 25,000 or 50,000. It is not an area, I guess, that you would have any specialization in, in terms of interpreting urbanization versus the rural questions. But I think it is one of the things that we are somewhat concerned about on this committee.

Mr. BAKER. I think I can answer in this way. I think the delivery of health care to the rural population is a unique problem, unlike most

*See p. 140.

other essential community services. You simply cannot, as you were talking about before, have a fully equipped, sophisticated hospital, in most communities of less than 10,000 people. You are talking about tremendous capital investment.

Just last year, there was over \$4 billion spent in new construction and modernization for hospitals across the country; \$4 billion is a lot of money.

Later on in the statement here, I talk a little bit about the net effect of State and Federal regulation, particularly after the new Health Planning and Resource Development Act is going to be to compress all of these sophisticated, unusual services into a smaller number of hospitals. And that means that regulation is not going to permit the kind of quality to be delivered in the small community hospitals that the people are entitled to and are going to demand. So the resources for that are going to have to come from someplace, if that hospital is truly serving a world population.

We think that it is appropriate that, since you have the mechanism here, it should come through this mechanism. I do not know if that really answers your question.

Senator CLARK. I think it does address itself to a—

Mr. BAKER. The whole purpose of the act was to provide low-interest, long-term financing for worthwhile rural projects. The Senate, when they passed the version of the Rural Development Act of 1972, used a much broader definition of essential community services than the one which was finally adopted through Conference. And then, it was limited to 10,000 population at the Conference.

So, I think the Senate, in 1972, recognized a greater need than was finally committed under the law. I personally think hospitals got short-changed.

Senator CLARK. You are saying that as far as you are concerned, the nature of this problem is a need to the extent that it requires more sophisticated material, it is more costly and for that reason, it is somewhat different than the others?

Mr. BAKER. Yes, absolutely. It is not a fire department or a police building, or something like that, which you can put up for a couple of hundred thousand dollars. It is going to serve that community. What we are talking about here is a sophisticated facility that is going to act as the focal point for health care services, generated by doctors and clinics that are going to be located in the smaller communities, but by the very nature of the capital investment required, each community cannot afford to have a facility.

Senator CLARK. Yes.

All right. Well, I appreciate your testimony.

Mr. BAKER. There are a couple of other points I would like to make.

Senator CLARK. Go ahead.

Mr. BAKER. The net result of the regulatory processes at both the State and Federal level is going to be compression of the more expensive procedures and services into fewer hospitals. This in turn will make it less likely that these services and procedures, which are undoubtedly necessary and desirable, will be located in communities of less than 10,000.

It is not the desire of the hospital industry to siphon off dollars from other worthwhile rural development projects. Our research leads us

to believe that the impact of the proposed amendment would be minimal in terms of the number of hospitals that would be newly eligible.

There are those, however, who will oppose the bill because the dollars available will have to be divided up among more eligible applicants, and this is a legitimate complaint. To the extent that this is true, however, then the decision as to which applicants should receive the low interest loans should be made on the basis of which projects are most necessary and desirable. If the level of appropriation for this program is inadequate, then this is a separate issue, I believe, and ought to be handled through the appropriations process.

Another argument that is made is that the original purpose of the Rural Development Act was to protect the small communities from losing the essential community services to the larger urban areas, and that is why the funding was geared toward the community of less than 10,000. But again, talking about the unique situation in the hospitals, exactly the opposite has happened. The central services, by the very nature of the regulatory processes and other things, are being taken away from the rural community where, if appropriate funding were available, it could be located in the rural community, again, on a regional kind of basis, but in the rural community.

We think it is important for you and other Members of the House and Senate to understand that quality health care comes near the top of the list for most of our citizens. Some have said that the availability of quality health care is a basic right of the American citizen.

Others opposed to the bill make their argument that there are adequate alternate funding sources available, and therefore the amendment is not necessary.

I just want to talk a minute about Federal funding for health problems. You are probably familiar with the Hill-Burton program?

Senator CLARK. Yes.

Mr. BAKER. When the new 93-641, the Health Planning and Resource Development Act, was passed last year, title XVI of that act replaced the Hill-Burton portion of the Public Health Service Act. Hill-Burton last year did not devote any new money, did not obligate any money under the Hill-Burton program to hospital construction.

There was some impounded money that was released as a result of an associated court decision. It is unlikely that any money will be obligated in fiscal year 1976 by the new 93-641, the new amendments to the Public Health Service Act—since the regulations have not yet been drawn up. The bodies which were required to do the planning and approving of hospital projects are not yet in place, probably will not be at least until the end of this year, so in my view at least, there is not going to be any funding available under the new act, even though \$125 million was authorized in the House version of the Appropriations Act. They appropriated \$100 million for the grant portion of this new act.

The other part of it is the grant funding which comes in three ways: grants, loan guarantees, and interest subsidies. Even if the Congress, in its wisdom, appropriates \$10 million under the grants in the House version of the Appropriations Act, there was no mention made as to a ceiling, which is required in the act to be placed on a loan guarantee and interest subsidy part of the program, so we have no idea what funding, if any, will be available under the loan guarantee or the interest subsidy part of it.

And even if there is money available there, the loan guarantees really are not workable in the rural setting because private capital generally is not there for this kind of a project, and if it is, you are talking about interest rates that are substantially higher than the rates that would be available under the Farmers Home Administration Act.

Senator CLARK. Dr. Baker, I wonder if I could—it just occurs to me that I am going to break this hearing up at 5 minutes of the hour, and I have six more witnesses. I wonder if—I have some other questions that I would like to ask you, but I do not want to cut off any of the other six.

Could we ask you, one, to make any other material that you have available in the record, and I would also like to ask if you might in the next day or two submit to us any further specific questions that you would like to have addressed to the Department.

I asked permission this morning to have some time to do that, and I want to be very certain that the Department understands precisely what your bill does, the bill that you are testifying for, Senator Williams' bill, and to be sure that all of the information is made available before this committee makes a decision because we hope to act on this legislation in the next few weeks.

Mr. BAKER. May I just make one more point? The administration this morning said that loans were already available under the private enterprise section of the act. We did some research on that and found that last year they made one loan under that section of the act to a non-profit hospital, and that was for a total of \$150,000.

That indicates to me a certain lack on the part of the program if that is indeed their position, but I will be happy to comment on their discussion this morning.

Senator CLARK. I wish you would.

Mr. BAKER. And any questions that your staff might have, I will be happy to address also.

Senator CLARK. We appreciate that very much, Mr. Baker. Thank you for coming.

[The prepared statement of Mr. Baker follows:]

STATEMENT OF WILLIAM H. BAKER, VICE PRESIDENT, NEW JERSEY HOSPITAL
ASSOCIATION, PRINCETON, N.J.

Mister Chairman and members of the subcommittee, I am William H. Baker, Vice President of the New Jersey Hospital Association which represents 108 voluntary non-profit hospitals in New Jersey having a combined total capital investment of more than *one billion* dollars. While it is true that some of New Jersey is very densely populated, it is also true that a much larger portion of it is very sparsely populated, retaining all the characteristics found in rural areas across our country.

We believe that the intent of Congress was and is to encourage the necessary expansion of quality health care facilities in these rural areas through the funding mechanisms contained in the Rural Development Act of 1972. Under the Act presently, health care facilities are included with all essential community service projects except private business enterprises and are therefore eligible for loans only when they are located in communities of less than 10,000 population. We believe that it is appropriate to amend the Act to permit loans to "community medical facilities" located in communities of more than 10,000 when considering the health care needs of the rural community. The accessibility of quality health care is no less important than the provision of other goods and services in the rural setting.

Senate Bill 1353 introduced by Senator Williams, which you are considering today, and H.R. 6332 introduced by Congressman Hughes are identical and worthy of your support.

Let me try as briefly as possible to explain why we think the amendment contained in these bills is logical, in the best interest of the residents of rural areas and consistent with the original intent of Congress.

New Jersey has been a leader in innovative legislation, including health legislation. For the last four years, health care facility modernization and new construction has been subject to "certificate of need" regulations by an arm of State government.

Under the law, all proposed modernization or new construction projects must be found to be non-duplicative and of demonstrated need. If the various health care facility planning bodies and the New Jersey Commissioner of Health agree that a proposed project meet these requirements then a "certificate of need" is issued. Work on the project must then commence within a one year period.

Generally, the most efficient, least costly, least duplicative way to increase hospital facilities is to expand or modernize an existing facility. In the rural areas of New Jersey, and I presume in much of the rest of the country, the medical facilities serving most of the rural population is located in communities of sufficient size to make available the labor, supplies and services required by that medical facility. Unfortunately, (as far as current Fm.H.A. requirements are concerned) this finds a large majority of these facilities in communities of more than 10,000 population but less than 50,000.

The delivery of the hospital component of medical services to the rural population must be regional in character. Hospital services of the desired (and demanded) scope and quality simply cannot be provided or supported by each rural community. The hospital provides the sophisticated diagnostic and treatment backup for the private practitioner and the clinic. It is an indispensable part of the rural health delivery system. In addition, there are new regulations emerging that will implement P.L. 93-641 the "National Health Planning and Resources Development Act of 1974" that will impact directly on unnecessary duplication of facilities and services regardless of whether they are located in rural, suburban, or urban areas.

The net result of the regulatory processes at both the state and federal level is going to be compression of the more expensive procedures and services into fewer hospitals. This in turn will make it less likely that these services and procedures, which are undoubtedly necessary and desirable, will be located in communities of less than 10,000 population.

It is not the desire of the hospital industry to siphon off dollars from other worthwhile rural development projects. Our research leads us to believe that the impact of this proposed amendment would be minimal in terms of the number of hospitals that would be newly eligible. There are those, however, who will oppose this Bill because the dollars available will have to be divided up among more eligible applicants. To the extent that this is true, then the decision as to which applicants should receive the low interest loans should be made on the basis of which projects are most necessary and desirable. If the level of appropriation for this program is inadequate, that is an entirely separate problem and should be dealt with by the regular appropriations process.

We think it is important for you and the other members of the Senate and House to understand, that in terms of priorities, quality health care comes near the top of the list of most of our citizens. Some have said that the availability of quality health care is a basic right of the American citizen.

Others opposed to this Bill will make the argument that there are adequate alternative funding sources available and therefore this amendment is not necessary.

Dealing first with federal funding, the historical trend has been to gradually cut down funding under Title VI of the Public Health Service Act (Hill-Burton) to the point where no funding under this Title will be available in FY 1976. In place of the funding that has been available in the past under Title VI, it is proposed that \$100,000,000 be appropriated to carry out the grant provisions of the newly enacted Title XVI of the P.H.S. Act (P. L. 93-641). The funding that might be available for loans and interest subsidies is unclear because there was nothing in the FY 1976 appropriations bill as passed by the House to establish the ceiling. Under previous authorizations for Title VI, that figure had been a cumulative \$500,000,000. Since the regulations implementing this new law and many of the agencies created are not in place and will not be for many months, it is highly unlikely that any money will be obligated during FY 1976. In this connection, it is interesting to note that no monies were obligated under the Hill-Burton pro-

gram during FY 1975, although some impounded obligated funds from FY 1973 and 1974 were released.

There is a loan guarantee program available under Housing and Urban Development. However, for the years 1968 through 1972, only 36 projects obtained loan guarantees under this program.

Taken altogether, however, total federal funding programs are minimal in comparison to total hospital expenditures for modernization and new construction which were 4.0 billion for 1974. More importantly, the funding programs referred to above presume that adequate commercial funds are locally available to complete the funding requirements of a total project since these programs are designed to demonstrate commercial lenders the financial feasibility of a project and either "seed money" or the imprimatur of government approval.

The factors required for financial approval under these programs is frequently not available in the rural hospital project. In fact one of the requirements for a loan under the Fm.H.A. program is that no commercial funding is available.

State funding for private non-profit hospital construction is very limited. Even in New Jersey where we have a Health Care Facilities Bonding Authority which is empowered to sell tax-free bonds to finance non-profit hospital construction, the current cost of financing including placement fees is about 11%.

Much has been said about the mal-distribution of health care resources. I think we can all agree that there is mal-distribution and furthermore that the rural sector of the country suffers the most. To correct this inequity we must find ways to provide the kind of facilities that create an incentive for medical practitioners to locate near and use these facilities. The financing mechanisms I have referred to generally do not satisfy this need.

Even in cases where alternate funding may be available, is it fair to impose the burden of higher financing costs on that segment of the population who can least afford it—the resident of rural America.

If you agree with my assumptions, then you must come to the conclusion that the intent and net effect of Senator Williams proposed amendments are laudatory and should be supported.

I wish to thank you for the privilege of appearing before you. It is our hope that the Bill can be acted upon quickly.

Again, thank you for your courtesy and I shall try to answer any questions you may have.

Senator CLARK. We are now going to hear from Karen Tobin, Tom Karter, Spencer Smith, Bill Towell, and Ken Hampton. Come right on up. We want all six of you to sit right along here any place.

Because of the time situation, we are glad to have all of you come forward at this time, and we can take your testimony now. All of you are here prepared to testify for S. 1916, is that correct?

I must be short one person. As I indicated I am afraid I have to be gone in 35 minutes, so we will make testimony that each of you have prepared—put that in the record, and then we will ask you to summarize your conclusions for us and hopefully then we will have some time for questions.

I think we will just go down the list as I have them on my sheet here, on the agenda: first, Tom Karter; then Karen Tobin, and then Mr. Towell, Mr. Hampton, and Mr. Smith.

Tom Karter, I understand you are with the National Center on Black Aged, is that correct?

Now, just to confuse things, I see we have a vote, so just go right ahead. I have 7 or 8 minutes before I have to leave.

STATEMENT OF TOM KARTER, MANPOWER CONSULTANT TO THE NATIONAL CENTER ON BLACK AGED

Mr. KARTER. My name is Tom Karter, manpower consultant to the National Center on Black Aged. I am grateful for this invitation.

Dr. Aaron Henry, president of the National Center on Black Aged, is unable to testify, and because of my prior experience in manpower, he asked me to testify.

Very, very briefly, both within the Department of Labor and within OEO, as the Chief of the Migrant Division, I have spent some \$100 million mostly in rural areas and nearly all for manpower programs.

I prepared a manpower paper for the Rural America Conference, which is available for entry into the record, sir.

Senator CLARK. We would like to do that. That was an excellent conference. I think it is one of the finest conferences we have had on the subject, and we will be happy to put that into the record.*

Mr. KARTER. Unemployment levels in rural America, particularly among farmworkers, are substantially higher than unemployment levels in urban America, and I was surprised this morning to learn that the official for the Labor Department responsible for rural manpower was not aware of rural unemployment levels.

Senator CLARK. I was a little surprised at that myself.

Mr. KARTER. For the benefit of the committee, I would like to say last year, according to the Labor Department figures, not my own, unemployment among farmworkers was 7.3 percent, or 25 percent higher than for the total population, and this January, unemployment among farmworkers was 14.7 percent compared to 9 percent for the total population. So we are witnessing a much higher rate of unemployment in rural areas. So I think the Labor Department should consider its manpower policies for rural areas over again, and also that they should become familiar with their own figures.

Furthermore, because the methods used by BLS in measuring unemployment, the extent of unemployment and underemployment in rural America, are grossly understated. Educational levels are also lower in rural America, and this, too, greatly complicates the problems of developing manpower programs in rural areas and increases program costs.

At the same time, rural unemployed persons are less likely to have technical, scientific, academic, and related work skills that can be translated into decent paying jobs with minimum amounts of job retraining because a disproportionate number of rural unemployed people have spent most of their adult lives in farming and agriculturally related operations.

From the beginning of the MDTA, the Labor Department has clearly recognized the need for manpower services in rural areas, particularly for farmworkers. This greater need was mentioned practically every year in the annual manpower reports of the President prepared by the Labor Department.

However, despite this greater need for manpower services in rural areas and the awareness by Labor Department officials of this need, programs have continued to be underfunded by the U.S. Department of Labor since the beginning of the MDTA program.

Now, CETA changes the procedures for allocating Federal funds, and CETA can be viewed as a step in the right direction as far as rural areas are concerned. However, there are certain factors in CETA which discriminate against rural areas.

*See p. 126.

First, CETA introduces a serious bias against rural areas in the following fashion: one-half of the funds allotted to each State are based on the preceding fiscal year allotments. Consequently, rural areas underfunded last year will continue to be underfunded.

Second, 37.5 percent of CETA funds are allotted on the basis of unemployment. Since the formula used to measure unemployment understates true unemployment in rural areas, this unemployment factor in allocating funds again discriminates against rural areas:

The other one-eighth is allocated for poverty factors, and poverty is a fairly good indicator. But seven-eighths of the formula used by CETA right now discriminates against rural areas, and therefore CETA cannot be viewed as a balanced program as far as rural America is concerned.

It is important to discuss why Federal administrators have underfunded rural programs in the past. First of all, rural manpower programs are much more expensive to operate because of the distances involved; the lack of an education and training complex, which means that a heavy capital outlay is often necessary; the shortage of administrative and program personnel, which often leads to program inefficiency; and the need to provide long-term training programs made necessary by the lower educational levels and limited job experiences of rural people.

Consequently, administrators are more likely to fund cheap urban projects, rather than expensive rural projects, and this factor of money, I think, is critical in terms of congressional intent to make it clear to administrators that they should not look solely at dollar signs in terms of rural programs because they will be more expensive.

Many rural areas also lack job opportunities, and most manpower programs require jobs from private employers before training programs are started.

Furthermore, the lack in most rural areas of a training base, trained manpower, facilities, and so forth increases the chance for project failure, and this scares off many administrators.

Another reason stems from the pressures coming out of urban areas to finance manpower programs. The urban riots made obvious to most Americans the need to provide more opportunities to urban people, particularly urban youths, as a means of saving our cities. Urban areas also have a better lobbying mechanism to learn what grants are available from the Federal Government.

In addition to this lobbying activity, many urban areas also have the technical expertise to design, develop, and operate manpower programs. In many cases, rural areas not only lack the ability to develop and design a proposal, but many rural communities continue to oppose social service programs for a variety of reasons.

Many rural community leaders think it unnecessary and undesirable for public funds to be used to educate and train adults. Others are totally opposed to programs which they consider minority programs to help blacks, Mexican Americans, American Indians, or Puerto Ricans. I personally witnessed this racial antagonism in many rural communities, which led to the blocking of programs or interference with program operations.

All too often, farming communities view farmworkers as farmhands whose sole function is to work in the fields. Little concern is shown in

enabling farmworkers to develop a better life for themselves and their families. Often this hostility to social programs was expressed through the Farm Labor Service of the U.S. Employment Service, which considered as its main function the recruitment of farmworkers. Rural manpower programs that relied on the Farm Labor Service for development and operation were not very successful.

Consequently, I would recommend that rural manpower programs should be designed specifically for rural people instead of being combined into general programs aimed for everybody.

Furthermore, private nonprofit agencies should be given an opportunity to operate such categorical programs. Title III(b) of the Economic Opportunity Act, the migrant farmworker program, which I directed, authorized the use of public and private agencies for program operating purposes. This option of using either private or public agencies made it possible for us to finance private groups when public agencies were not willing, eager, or capable of operating farmworker programs.

Consequently, I am pleased to support S. 1916 because of several key features in the bill. By definition, funds under this program have to reach the rural population. Second, section 605 provides for programs on land in private ownership.

Obviously, caution must be exercised by the Department of Agriculture to insure that benefits from this section would accrue to the general public or to nonprofit organizations and not provide windfall profits to private individuals.

I have one suggestion to make pertaining to section 605(e) (3), and that is I would suggest that the age factor be included to prevent discrimination against older workers because of the greater presence of older workers in rural areas, and this is especially so for rural blacks who unfortunately have the highest unemployment rates in rural areas.

I might mention one more point. This morning a witness mentioned the question of not providing social services to the rural poor because if they have welfare payments, none of them would be available for work. I can specifically recall in Mississippi the same instance came up. The farmers objected to a program paying \$1 an hour to go to school because they were paying the farmhands \$3 a day to work in the fields.

I think this is the kind of antagonistic feeling in many rural areas where they oppose any kind of a cash stipend payment.

Thank you very much.

Senator CLARK. Thank you very much. I am going to have to go vote. We have 5 minutes to get there, but we are going to hear when we come back then from Karen Tobin and the other witnesses, and I am going to ask you to take a careful look at your testimony and see if you can possibly summarize it down to about 5 minutes, all right?

We have received statements of support for S. 1916, rural employment conservation jobs bill: Senator Gravel; the Wildlife Society; Wildlife Management Institute, and from the Sport Fishing Institute, and I would ask that this material be made part of the record at this point.

[The material referred to follows:]

STATEMENT OF HON. MIKE GRAVEL, A U.S. SENATOR FROM THE STATE OF ALASKA

I applaud the efforts of the distinguished chairman, Senator Clark, in regard to S. 1916, establishing rural conservation employment projects in rural areas of substantial unemployment under the Department of Agriculture.

The concept of public service employment is particularly relevant in a time of economic recession. Direct job creation through Federal funding of this type of project can result in almost immediate job creation for the unskilled and poor. These projects can be implemented rapidly and effectively. They can be cut back, if appropriate, when conditions improve. They provide useful output, and sustain and develop skills. Finally, they are a less costly way to fight unemployment than many other approaches.

My own state of Alaska has a three-fold problem with unemployment. First, much employment is seasonal in nature. The timber, fishing and construction industries all experience seasonal fluctuations in the amount of jobs available. Secondly, the Trans-Alaska Pipeline has not served as a cure-all. It has attracted more people to the state than the number of available pipeline jobs, many of which require specific skills. In addition, pockets of unemployment in Western Alaska are hundreds of miles away from the narrow pipeline corridor in the Interior of the state. To ask an individual to leave his home, family, and community to seek employment in another part of the state is not a solution commensurate with human concerns. We must abide by the concept of putting jobs where the people are.

Finally, rural areas often have finite labor markets where it is useless to look for jobs when there are none. When unemployment is measured on a community-by-community basis, some experience an unemployment level as high as 80 or 90 percent.

Mr. Chairman, your bill, as it now stands, would help achieve an elimination of the problem in Alaska. It would apply to 18.8 million acres of land under the National Forest Service in the state. The employment projects created under this bill would be helpful in Southeastern and South Central Alaska.

However, to attack the problem in Western and Interior Alaska, the bill must be broadened to include cooperative projects with other Federal agencies in the state. In those parts of Alaska, the Department of Interior will control 63.9 million acres of land identified as additions to the National Park System, the National Wildlife Refuge System and the National Wild and Scenic River System. Surely, the need for conservation and preservation projects on these lands is as great as on other lands specified in S. 1916. I hope the committee will consider an amendment to this bill for the case of Alaska to assure rural employment projects on the vast acreage under the Department of Interior. This will insure that the concept of putting jobs where the people are is realized in rural Alaska.

S. 1916 also requires that a wage be paid for employment on these projects no greater than \$10,000 per year. This limitation is a matter of concern for Alaska. Wage scales must reflect higher costs of living in the state, where the annual inflation rate is about 12 percent.

In Alaska, public employe bargaining agreements prescribe an entry level wage for basic public works jobs in some cases exceed, by 50 percent, the annual limitation prescribed by this bill. In the interest of fairness and parity, the Federal Government should put this program on an equal footing with other public service jobs in the state. The committee should consider modifying S. 1916 to provide discretionary power to the Secretary to establish maximum wages in areas where a person may be precluded from taking a job because of this wage limitation. This action would make the program more responsive to the people it is designed to assist and reflect the economic situation in the country today.

Mr. Chairman, your initiative in this area is sincerely appreciated by myself and all rural residents. For the committee to take proper notice of the unique problems of Alaska will signal an important sensitivity to the needs of the 49th state. As an elected representative, it is my job to remind the Congress of Alaska's unique characteristics. I thank the committee for this opportunity to support its efforts.

THE WILDLIFE SOCIETY,
Washington, D.C., July 18, 1975.

HON. HERMAN E. TALMADGE,
*Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.*

DEAR SENATOR TALMADGE: It has come to my attention that your Committee is considering legislation that might provide public works jobs in the rural areas related to the management of natural resources.

In this day and age of overdevelopment of some resource areas and the high rate of unemployment you might believe that there are some conflicts as to the need for such a program.

We are quite acquainted with the fact that unemployment is high among wildlife professionals, and the fact that you are considering employment programs in the natural resources area could, if properly channeled, be extremely beneficial in curing this employment situation, and additionally beneficial in making sure that wildlife is properly considered and cared for in the works programs of other natural resources areas.

It is hoped you will find useful information upon the several environmental area statements that we have put together in the enclosed leaflet.

You are encouraged to go through with the program for rural area natural resources employment.

Sincerely yours,

FRED G. EVENDEN, *Executive Director.*

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D.C. July 14, 1975.

HON. HERMAN E. TALMADGE,
*Chairman, Senate Committee on Agriculture and Forestry,
Senate Office Building, Washington, D.C.*

DEAR SENATOR TALMADGE: The Institute endorses the purposes of S. 1916, to support conservation jobs in rural areas where unemployment is excessive.

Such a program would accomplish two sound purposes. It would provide jobs, and it would help significantly to reduce the serious backlog of conservation work needed on national forests and state and private lands.

The U.S. Forest Service has identified \$67 million in labor intensive projects, in addition to regular budgeted programs, that could be undertaken if funds were available. Reforestation, wildlife habitat improvement, and fire protection are among the activities needing attention immediately.

Rural America's economy is directly dependent on natural resources. We can think of no better way to assist that economy—and, ultimately, the nation, than to invest in improved natural resource conservation and management.

Sincerely,

DANIEL A. POOLE, *President.*

SPORT FISHING INSTITUTE,
Washington, D.C., July 16, 1975.

U.S. Senator DICK CLARK,
Chairman, Subcommittee on Rural Development, Committee on Agriculture and Forestry, U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR CLARK: The Sport Fishing Institute supports S. 1916 and urges prompt approval by your committee. We ask that this letter become a part of the permanent record of hearing.

The multipurpose management philosophy of the U.S. Forest Service has a particular appeal to the Sport Fishing Institute because it provides for the conservation and utilization of all the forest's biological and esthetic resources. We have learned that it is not only possible but highly desirable for our timber lands to also produce fishing, hunting, and other outdoor experiences. We believe that S. 1916 is consistent with this philosophy and thus strongly in the public interest.

We believe that initiating public works conservation projects on rural public lands is a good investment regardless of the status of the national economy. It is obviously of particular benefit during periods of high unemployment, as was clearly demonstrated by the CCC more than forty years ago. Today's rural conservation employment projects will have greater and even more long-lasting

benefits than did the CCC because of the great improvements in the art of managing our timber, recreation, and fish and game resources. The social benefits of increased employment will, of course, be a vital added benefit.

In approving S. 1916 we urge that the Rural Development Subcommittee reaffirm the importance of the multi-purpose management of our public lands and direct that employment created under this program be so oriented. In this context we call attention to the many needs and opportunities for improving sport fisheries resources. Such opportunities include: stream bank stabilization, habitat improvements, access trail construction, parking area construction, neutralizing acid waters, litter cleanup, prevention of erosion, etc. These activities are labor intensive and benefits will accrue to today's 60 million sport fishermen and to the 120 million conservatively forecast for the year 2000.

Sincerely yours,

CARL R. SULLIVAN,
Executive Secretary.

Senator CLARK. Mrs. Tobin, you are next.

Mrs. TOBIN. I will try to summarize what I have written. Then I will send in a complete copy.

Senator CLARK. I wish you would because we would like to have your complete thoughts if we could.

STATEMENT OF KAREN TOBIN, EXECUTIVE DIRECTOR, PROGRAM FUNDING, INC., ROCHESTER, N.Y., REPRESENTING RURAL AMERICA, INC.

Mrs. TOBIN. My name is Karen Tobin and I am testifying on behalf of Rural America, Inc. And with your support the Rural America Congress this year; I am also executive director of Program Funding, Inc., which is a statewide nonprofit farmwork organization serving New York State's 200,000 farmworkers. And I am on the board of Rural America. I represent rural needs in New York State.

In New York State agriculture is tremendously important to the viability of our State it is not realized many times, because we are considered an industrial State. But our 56,000 farms produced cash in 1972, of \$1,102 million; \$831 million of this was from livestock and \$271 million from crops. Building alone devoted to agriculture was valued at \$3,820,000.

During the last 10 years, economic level nationally has been affecting us directly in our State. Small family farms have been unable to withstand the various pressures, human resources and economic. In the past 50, 5 million acres of farmland have been abandoned. The recent surge of interest in the past 10 years, somewhat of what the USDA is talking about.

The further result is the suburban sprawl of housing without the needed generation of revenue to rural communities formerly provided for by farm industry.

I think that it is an important problem. Unemployment of people formerly in agricultural industries is skyrocketing at a time when suburban people are moving into rural areas and industries are moving, they are not employing the rural people as was implied by State officials.

As we become concerned about this employment situation it would be natural that we would be looking to the two institutions that have been helping rural areas to resolve some of our problems, those being cooperative extensions and rural manpower service. Just summarizing some of my thoughts about that in rural America sports, is that un-

fortunately, for instance, cooperative extension, that it does have tremendous resources that have rarely needs of wider communities. Technical assistance has been for the farmers only. The farmworker has been left behind with the light grain institutions that develop machine that have displaced these farmworkers from the skills that they have learned and used. Land grant colleges have developed more efficient farming methods and important medical methods to protect livestock. You rarely see rural communities that are facing a reduction of farming and has needed to redirect its resources and protect its viability.

Going on, to the rural manpower service. Again it is an institution that has existed in the rural areas. Pressing needs are not being met by United States Steel.

But what has happened to USDA that they have failed to understand the basis problem, the rapport. For instance, they have preferred to refer to minorities, unskilled and displaced farm employees, to seasonal employment, rather than full time on subsidized employment.

When you refer to *Richy* decision, which is a critical decision for rural areas. And I was reminded this morning of an experience I had in South Africa as I listened to the Department of Labor discuss their plans to phase out the rural manpower service when South Africa decided that they had to hire a malnutrition problem with Quasheoker in South Africa. What they did was to require that it no longer be reportable, so as a reportable disease, they no longer had malnutrition. And it seems to me that we are hearing the same thing with the Department of Labor.

That they have a problem. They have been caught, they have been found guilty. They have established, the committee has been established to monitor them. And the best way to ignore it is to do away with the responsibility. I think we must be very careful not to let this occur.

I think just going from there, there are some basic reasons why the bill that you recommend, that you have proposed is terribly important, and that is that it will provide some of the employment for some of those people who are currently unemployed in rural areas to have those schools and to remain in their only community.

But it is important, I feel, to identify for you some of those activities that are absolutely necessary in order to make any program employment in rural communities succeed.

Such a program must provide funds for outreach counseling services, ability planning, job development, vocational development, transportation to employment, day care, medical and dental care, legal services and counseling for people involved in the program. And also relocation in assistance, in the event that the job is too far away from the place where the person is currently living.

I have provided for you the testimony an average cost per client of each of those services, so that you can look at it and see whether or not it is possible to incorporate that into your concept of the bill.

Without, I guess what I am suggesting, is that we continue the pressure on USDA to provide the services that they are required to by the law but that we be very sure, and, according to what Mr. Carter said, as well, to make sure that we allow for a variety of delivery mechanisms—nonprofit corporations, small village and town governments—

with sufficient support to back up these employees to actually make the program work.

CETA has not worked. It was mentioned by people testifying earlier that New York State was unique in that they have a lot of decision-making at the local level.

I disagree with that. On paper, there is a local planning process, but it is strictly the political decisionmaking, potential clients, and normal members of human service organizations simply are not included in any of that decisionmaking as with any other areas. CETA programs are not providing those backup support activities that make the manpower program work.

Under the State program, I would also suggest under the bill that you include the human service organizations, employment and farm industry as well as your conservation and park service activities.

And I have also listed a series of activities that we feel could benefit from employees under such a program. So with that I will stop and I will send you a complete copy.

Senator CLARK. That is an excellent summary, I think. It makes a number of general points and some very specific ones.

I appreciate your testimony.

And now we are going to hear from Mr. Spencer Smith and then Mr. Towell and Mr. Hampton.

STATEMENT OF SPENCER M. SMITH, SECRETARY, CITIZENS COMMITTEE ON NATURAL RESOURCES

Mr. SMITH. Senator, I do support very strongly—the Citizens Committee on Natural Resources want to support strongly the bill 1916. We are conservationists, but we are not people unoriented, so to speak, and we feel that this bill has a great deal to say to rural America.

I was born and raised in Iowa and took my education at the University of Iowa, under Howard Bowan, who was my mentor, and has since gone to California. My own comment and I am in considerable touch with rural America and I think Tumway is a good example of that and I might add that when I heard the testimony this morning of government witnesses I thought I was looking at a different world. I was not aware that we had employment stations, employment information to the extent that they suggested we had.

Certainly we have an employment center in Tumway, but what does the information involve there? Indication that there is to be for a rural America an equal opportunity to have at their disposal the necessary information regarding employment opportunities. We will all submit to you, sir, if you would go to the employment center in Tumway, Iowa, and another time you would go to the employment center in Des Moines, Iowa, and then you would go to the employment center in Chicago, and if anyone could tell you that you got equal opportunity of information of employment opportunities, then they either have to be crazy or simply dissembling in terms of the facts, because that is not the truth. Now most of Iowa, major city of Iowa, is Des Moines. And I gather by the definition of the Department of Labor, this morning, Des Moines is nonurban. And, therefore, it would be a rural area.

Well, we consider, of course, Des Moines, if you have lived there for long, that is the key center of the State. It is the capital of the State. It has almost a quarter of a million, or a little better population.

But under the definitions that they were using this morning, this would be a nonurban area. Well, if you are going to categorize the particular areas in that fashion, that of course, I suppose that you could come up with whatever you wanted to come up statistically.

It reminds me a little bit of going up to Des Moines in 1930 to hear the Secretary of Treasury under the Hoover administration to tell us how we were going to get out of the Depression. And I will never forget it. I was 11 years old and my father took me up there during this particular time. And the Secretary was a good and great man. He came from Wall Street and he knew what the circumstances were. And he told the farmers who were having 10-cent corn, 50-cent wheat, how to get out of the Depression.

He said the thing to do was for heaven sake, buy bonds and sell your equity stocks. Well, I am not suggesting that to the train head of the tar and feathering committee, the suggestion in this is about what they had in mind in terms of how to handle rural America. And I suggest it has not improved very much.

Dr. Burns, who presided over the unique experience of having both inflation and unemployment at the same time in the 1950's is now involved in the 1970's, as you know. And somebody said there was a real upturn here recently in the business, both in agriculture and in industry. And they are not sure that the suggestion that Dr. Burns was going to retire. They just suggest this sort of recovery.

And I suggest that maybe it did so happen. I do suggest two things. I was very impressed with my role and very happy and thought it was a real achievement in 1957 when Mr. Blotnick and Senator Humphrey introduced the Youth Conservation Corps bill.

We were able to see President Eisenhower and to listen very carefully. He did not do anything. We later got in to see President Kennedy. And at that time, the Gallup Polls showed that the 82-percent of the people thought it would be a good idea and President Kennedy said that with that kind of indication that he thought the merits were very strong and therefore, we started off on the bill and we had, oddly enough, an appointment to see him in January 1964, which of course, we were unable to do. But we went through all the hearings of the Youth Conservation Corps because we were so impressed with what happened with the CCC.

Now, I cease to be amazed at the continuing controversy and conflict on the basis that if you spend a dollar on the private sector, it is totally inflation.

I submit it depends on what the dollar is spent for. Now, in the public sector in 1952 or 1953, and Mr. Towell is a far better authority on this than I am, but if we had spent that and refurbishing 5 to 10 million acres of forest lands and doing a better job on 10 to 15 million more, in terms of getting an improvement, we would not have the lumber shortage we have today. We will be able to supply more timber. We did not do it.

Now, in private sector if an individual business manager allowed his capital plant to go to pot he does not need to refurbish it. He does not replace it. One of these days the day of reckoning comes and he is unable to perform and therefore he goes broke.

Well, I submit the way a county goes broke is not in such dramatic terms. It goes broke in the terms of lowering of the standard of living

of people, because their natural resources have been disappropriated and dissipated. And I submit to you that the bill that you have before you now, and which you have introduced, Senator, and which I am very proud to support as 1916, is a measure that looks to refurbishing and really putting a genuine investment in our public lands and in our natural resources, because ultimately our food and fiber has to come from these natural resources.

They are being depleted at the present time. What better way than to put people to work refurbishing these particular areas, which we are going to need badly in the next 10 to 20 years. It will not only help us in the immediate situation, in terms of employment but it represents an investment in the long run. And that is why we are here.

And I think it is terribly important. And I hope the bill is reported out by the committee and passed by the Senate.

Thank you very much.

Senator CLARK. Thank you very much for an excellent statement.

We are going to hear next from Mr. Towell, executive vice president, American Forestry Association.

STATEMENT OF WILLIAM E. TOWELL, EXECUTIVE VICE PRESIDENT, AMERICAN FORESTRY ASSOCIATION

Mr. TOWELL. Thank you, Mr. Chairman.

My friend Spencer Smith said it well, the American Forestry Association very strongly supports 1916, more than supports it, Mr. Chairman. We have been promoting legislation of this sort since the last summer and last fall, when this unemployment thing came about. In fact we have been in touch with the committee staff on a number of occasions to try to see if we could not get some emergency conservation legislation through this committee.

We testified last fall before the Public Works Committee on emergency employment bill. One of their concerns at the time was what could be done for the rural areas.

Their legislation was primarily for the urban areas. Well, here is that opportunity. The American Forestry Association has a long, long record in conservation type employment.

We are very proud to say that the original concept of Civilian Conservation Corps was for my association back in the late 1920's and early 1930's and became apart of the New Deal program, largely through the insistence of the American Forestry Association.

I think, as Dr. Smith pointed out, the benefits have been more lasting. It was one of the most popular programs and in terms of what it did for natural resources was the best one in that respect.

I think very plainly, this legislation offers two opportunities, one for conservation and the other for dealing with a very critical situation.

Now, the conservation scope is broad. It does not just apply to national forests, but to all of the agricultural programs, joint programs and State and Federal Government where this type of labor could be utilized in the interest of forest, fish and wildlife recreation in order to do all of those things and make a big conservation effort.

And I think one of the beauties of this is that there is an immediate backlog. We could put people in work almost tomorrow on projects

that I could identify for you, because I have facts and figures from the U.S. Forest Service when I was director of conservation in the State of Missouri, both back in CCC days and in more recent years. And I know the State agency in one of the Midwestern States there that a tremendous use could be made in employment opportunities under such programs as this.

There are fish and wildlife habitat. There is forestry work, hatcheries, any number of things, that immediately could employ great numbers of personnel and at the same time accomplish very needed work on public as well as private lands.

So, we recommend to you very strongly this legislation or something very similar to it, that will take advantage of the opportunities, both for conservation and for rural unemployment.

Senator CLARK. That is excellent. And we would like to have for the record any specific illustrations that you can give on how this program can be useful and helpful.

We agree with you.

Our record will be open for seven days so that that information can be provided. We intend to do our very best to get this legislation passed. I think that it will be very helpful.

Kenneth Hampton, and I think Mr. Hampton is assistant conservation director, National Wildlife Federation.

STATEMENT OF KENNETH R. HAMPTON, ASSISTANT CONSERVATION DIRECTOR, NATIONAL WILDLIFE FEDERATION

Mr. HAMPTON. Thank you, Mr. Chairman. I know your time has run out. You said you had to leave. So I will make this as brief as possible.

Like my colleagues, I also feel and my organization feels the bill you have authored as 1916 is a fine piece of legislation. The concepts embraced in it are sound and are timely and it is something that we have needed for some time. We support it fully.

Like Mr. Towell, we have been envisioning this type of legislation for some time. I would simply call to your attention some of the attachments that I have with my statement. For example, a resolution that we adopted at our last annual meeting addressing this very subject of the need for the rural oriented public service program of the type to enhance natural resources. And also a message that we sent to the President and which touched on this subject. We sent it last October in conjunction with some of his proposed budget deferrals, recessions at that time, and last, I think, perhaps most helpful to you and your staff in developing this legislation, I have attached some information that we obtained from the Forest Service several months back, but which is still very pertinent.

I have checked it out and all the facts that we contained in this attachment are still valid and they will give you some good examples of the kinds of back log that exist in just the national forest lands, wildlife habitat and stream habitat improvements, if I may quote just a few figures here. There is more than a million acres requiring seeding and planting, for wildlife, food, and 690,000 acres of wildlife openings. And now I point out, Mr. Chairman, that all of this is labor, is work that is labor intensive, is work that requires nothing but a

strong back and a shovel or pick, an axe or a hand tool of that type. And we think that there is just a world of good that can come out of this program.

And we support it fully.

Senator CLARK. That is excellent and each of you has testified that there is a great need for this kind of conservation work. There is no question about the need. There is no question about what we could accomplish by the way of assisting in those areas that there is a great need. And we have the labor available and people who need the jobs.

Mr. SMITH. Mr. Chairman, we have in Iowa as you know and through the Midwest the shelter belt that we developed in order to try to hold the soil down as a result of the action of the 1930's.

Now, it does not take very much to tear a shelter belt out. You could take the bulldozer in there and tear this out with one man and one machine. But when we talk about rebuilding the shelter belts we have the problem of where we are going to do that, and almost all of the conservation activities are highly labor intensive.

Now the development and harvesting and the variety of the big commercial operation, there is no question about the fact that the farmers are caught up now in this technological thing; where the less labor the more machinery can be used the better off they are.

But if we go into a real conservation program, then we are in place where this kind of technology cannot function. And you need a highly labor intensive situation.

And we have got it in conservation. And I might add that it is about the most needed thing that we have ever had in the last 30 years.

Senator CLARK. We appreciate your testimony very, very much and again I remind you that your total statements will be put in the record and if you have other comments that you would like to add based on testimony here today, I would be happy to have that at any time in the next seven days.

Thank you very much.

This meeting is adjourned.

[The prepared statements of Mr. Towell, Mr. Karter, and Mr. Hampton follow:]

STATEMENT OF WILLIAM E. TOWELL, EXECUTIVE VICE PRESIDENT, THE AMERICAN FORESTRY ASSOCIATION

Mr. Chairman and members of the Committee, I am William E. Towell, Executive Vice President of The American Forestry Association, the nation's oldest citizen conservation organization, now in its 100th year. We appreciate your invitation to testify here today in support of S. 1916. AFA has a long-time interest in civilian conservation work, dating back to the CCC's of the 1930's and early 1940's. May I quote two paragraphs from an editorial that appeared in American Forests last December?

"AFA calls for new CCC. Following is the text of a telegram sent to President Gerald R. Ford on October 1, 1974:

"Meeting now at Mackinac Island, The American Forestry Association votes to commend to you the strong desirability of using presently proposed public service employment on federal, state and local public forests. Should you direct the U.S. Forest Service to activate a national program to utilize manpower on conservation projects we are assured that the program can be implemented without delay. Long-term benefits for our country will result from forest improvement projects. Growing pressures on public forests for quality water supplies, recreation, hunting and fishing, forest products and minerals have generated a large backlog of high priority conservation work which if further neglected will create timber shortages, higher timber prices and resource erosion. A new program of

public employment in American forests assures you the dual advantage of fast implementation and lasting results. We pledge the interest and support of our hundred-year-old national conservation organization.'

"Pointing to the deteriorating economic situation worldwide, AFA Directors observed that the prospect of new public works programs is imminent and that the revival of a Civilian Conservation Corps type effort would help cope with urgent conservation needs on public lands. On the national forests alone, five million acres need to be reforested. In dispatching the telegram, President Voit Gilmore recalled that the AFA, more than any other organization, was responsible for the establishment of the CCC in the days of the Great Depression. 'That citizens must tighten their belts is today self-evident,' President Gilmore said, 'but there are those of us in AFA who also recall that the Great Depression resulted in some of the greatest gains on national forests and other public lands in American history. In our efforts to cope with a worsening situation, it is our hope President Ford and the Congress will join us in reviving a great landmark project like the CCC, that served this nation notably. Many senior citizens of today who are serving as mayors of towns and cities, serving in Congress, and running big business organizations got their start in the CCC planting trees, building roads and trails, bridges, checking soil erosion and in carrying out dozens of other worthwhile programs. The program not only rehabilitated people, it rehabilitated land and in our opinion it is needed again and now.'"

S. 1916 would create public service conservation jobs in rural areas where unemployment is critical. At the same time, it would contribute to better management and care of natural resources on National Forests and other U.S. Department of Agriculture projects. By amending the Rural Development Act to provide for conservation jobs whenever rural unemployment reaches unacceptable levels, S. 1916 would create a permanent vehicle for dealing with two serious problems at once. Other emergency unemployment legislation focuses largely on urban problems and would provide little help in rural areas.

This proposal is enhanced, Mr. Chairman, by a ready backlog of conservation job opportunities on the National Forests and on state and private lands under cooperative agreements and projects between USDA and state or local governmental units. For example, at my request, the U.S. Forest Service identified this Spring projects totaling \$67 million over and above regular budgeted programs ready to go if emergency funds could be made available. They included such vital activities as Forest Fire Protection (Fuel Treatment), Reforestation and Timber Stand Improvement, Forest Roads and Trails, Recreation Construction, Recreational Use, and Research Construction in rural areas. State forestry agencies could provide similar projects on state and private lands of equal public value and conservation purposes.

It is not necessary for me to dwell upon details of the bill itself, except to say that I think it is a practical approach to two urgent problems. In looking back to my earlier days as a professional forester, I can think of no public works activities that were more popular or had longer lasting benefits than the natural resources conservation work done by the CCC. The American Forestry Association strongly supports a modern-day conservation program as a means of dealing with rural unemployment. S. 1916 offers that opportunity and we urge its prompt approval by this Committee.

STATEMENT OF THOMAS KARTER, MANPOWER CONSULTANT FOR THE INTERNATIONAL CENTER ON BLACK AGED, INC.

Mr. Chairman and members of the committee: My name is Thomas Karter and I am a manpower consultant to the National Center on Black Aged. I am grateful for your invitation to testify before your committee on S. 1916, a bill financing rural conservation employment projects.

Dr. Aaron Henry, President of the National Center on Black Aged is unable to testify personally and requested that I appear because of my prior experience in the field of rural manpower and rural development. As former director of the migrant division of the Office of Economic Opportunity from 1965 to 1967, I was responsible for developing some \$75 million worth of manpower and other rural development programs in two-thirds of the States. As a former manpower specialist in the U.S. Department of Labor from 1962 to 1965, I was responsible for developing some \$25 million in demonstration manpower programs at the beginning of the MDTA program, many of which were designed for farmworkers and other rural unemployed persons. Thus, the following comments are based on

a close personal involvement both in and out of government, over a 13-year period in manpower programs, particularly rural manpower programs.

I have prepared a paper on Manpower Programs in Rural America for the March 1975 conference on rural America organized by the Rural Housing Alliance and Rural America. I would like to insert the paper for the record and briefly summarize it for you now.

Unemployment levels in rural America, particularly for farmworkers, are substantially higher than unemployment levels in urban America. Furthermore, because of the methods used by BLS in measuring unemployment, the extent of unemployment and underemployment in rural America are grossly understated. Educational levels are also lower in rural America and this too greatly complicates the problems of developing manpower programs in rural areas and increases program cost. At the same time, rural unemployed persons are less likely to have technical, scientific, academic and related work skills that can be translated into decent paying jobs with minimum amounts of job retraining because a disproportionate number of rural unemployed people have spent most of their adult lives in farming and agriculturally related operations.

From the beginning of the MDTA program, the Labor Department, which has had major responsibilities for developing and operating manpower programs, has clearly recognized the greater need for manpower services in rural areas, particularly programs needed by farmworkers. This greater need was mentioned practically every year in the annual manpower reports of the President prepared by the Labor Department.

However, despite this greater need for manpower services in rural areas, and the awareness by Labor Department officials of this need, rural programs have continued to be underfunded by the U.S. Department of Labor since the beginning of the MDTA program in 1962.

The Comprehensive Employment and Training Act of 1973 changes the procedures for allocating Federal funds among urban and rural areas, and CETA can be viewed as a step in the right direction as far as rural areas are concerned. However, there are certain factors in CETA which discriminate against rural areas. First of all, the basic CETA formula introduces a serious bias against rural areas.

One half of the funds allotted to each State are based on preceeding fiscal year allotments. Consequently, rural areas underfunded in the past will continue to be underfunded. Second, 37.5 percent of the CETA funds are allotted on the basis of unemployment. Since the formula used to measure unemployment understates true unemployment in rural areas, this unemployment factor in allocating funds introduces further bias against rural areas. Consequently, seven-eighths of the formula used by CETA to allocate manpower funds is biased against rural areas.

It is important to discuss why Federal Administrators have underfunded rural manpower programs in the past. First of all, rural manpower programs are much more expensive to operate because of the distances involved; the lack of an educational and training complex which means that a heavy capital outlay is often necessary; the shortage of administrative and program personnel which often leads to program inefficiency; and the need to provide long-term training programs made necessary by the lower educational levels and limited job and training experiences of rural people. Consequently, Administrators are more likely to fund cheap urban projects rather than expensive rural projects.

Many rural areas also lack job opportunities, and most manpower programs require jobs from private employers before training programs are started. Furthermore, the lack of a training base (trained manpower, facilities, equipment, related services, etc.), increases the chance of project failure, and this scares off many administrators. Another reason stems from the pressures coming out of urban areas to finance manpower programs. The urban riots made it obvious to most Americans of the need to provide more opportunities to urban people, particularly urban youths, as a means of saving our cities. Urban areas also have a better lobbying mechanism to learn what grants are available from the Federal Government. In addition to this lobbying activity, many urban areas also have the technical expertise to design, develop and operate manpower programs.

In many cases rural areas not only lack the ability to develop and design a proposal, but many rural communities continue to oppose social service programs for a variety of reasons. Many rural community leaders think it unnecessary and undesirable for public funds to be used to educate and train adults. Others

are totally opposed to programs which they consider minority programs to help blacks, Mexican Americans, American Indians and Puerto Ricans. I personally witnessed this racial antagonism in many rural communities which led to the blocking of programs or interfered with program operations. All too often farming communities view farmworkers as farmhands whose sole function is to work in the fields. Little concern is shown in enabling farmworkers to develop a better life for themselves and their families.

Often this hostility to social programs was expressed through the Farm Labor Service of the U.S. Employment Service, which considered as its main function the recruitment of farmworkers. Rural manpower programs that relied on the Farm Labor Service for development and operation were not very successful.

Consequently, I would recommend that rural manpower programs should be designed specifically for rural people instead of being combined into general programs aimed for everybody. Furthermore, private nonprofit agencies should be given an opportunity to operate such categorical programs. Title IIIb of the Economic Opportunity Act, the migrant farmworker program which I directed, authorized the use of both public and private agencies for program operating purposes. This option of using private agencies made it possible for us to finance private groups when public agencies were not willing, eager or capable of operating farmworker programs.

Consequently, I'm pleased to support S. 1916 because of several key features in the bill. By definition, funds under this program will have to reach the rural population. Second, section 605 provides for programs on land in private ownership. Obviously caution must be exercised by the Department of Agriculture to insure that benefits from this section would accrue to the general public or to nonprofit organizations and not provide windfall profits to private individuals.

I have one suggestion to make pertaining to section 605(e)(3) which now reads "without regard to race, color, religion, sex, or national origin." I suggest that age also be added so that older workers will not be discriminated against. The National Center on Black Aged is particularly concerned about the abnormally high rates of unemployment affecting black elderly, and since many black elderly live in rural areas, we recognize that this bill could help them to find jobs. In addition to high rates of unemployment, many black older workers aged 45 and over have dropped out of the labor force during this depression, and it is necessary for the national manpower programs to convince older workers that there are job opportunities for them and that they need not retire prematurely, particularly since many are not yet eligible for social security. And if private employment is not available, then public job programs must be made available to them. What is better for the individual and the Nation's taxpayers: To have older workers employed and providing a service to society, or to remain unemployed, in poverty and dependent upon SSI welfare payments financed out of general revenues?

MANPOWER PROGRAMS AND METROPOLLYANA

THE FEDERAL NON-RESPONSE TO THE NEEDS OF RURAL AND SMALL TOWN PEOPLE IN EMPLOYMENT AND TRAINING PROGRAMS

Rural America trails the nation's metropolitan areas in virtually every social and economic indicator the statisticians have come up with.¹ The data on earnings and employment are no exception. The median earnings of employed persons in nonmetropolitan areas is roughly one-fifth below that for employed persons in metropolitan places, and though the precise degree of disparity changes slightly, it is characteristic of every major occupational category.² This is not surprising since the proportion of the metropolitan population which has completed high school is 78 percent, while less than 70 percent of the nonmetropolitan population in the same age group (25 to 29) has done so.

FARM WORKERS ARE MORE LIKELY TO BE UNEMPLOYED

Agriculture provides employment for a significant number of persons living in rural America, and according to the U.S. Department of Labor's Employment

¹ This is hardly to be wondered at since, as St. Augustine tells us, "Se nutriunt omnia [everything feeds on itself]."

² These statistics are from Current Population Reports P-23, No. 37, "Social and Economic Characteristics of the Population in Metropolitan and Nonmetropolitan Areas: 1970 and 1960."

and Earnings Bulletin for February, 1975, the unemployment rate for agricultural labor in 1974 was 7.3 percent, compared with a national unemployment rate of 5.6 percent for the same year. In January, 1975, the agricultural labor unemployment rate was 14.7 percent compared with a national unemployment rate of 9.0 percent unadjusted for seasonal factors.

RURAL JOBLESSNESS IS MORE CHRONIC

Unemployment in nonmetro areas is more chronic. More than 20 percent of the nonmetro unemployed in 1970 reported having been in that status for 15 weeks or more. Only 17 percent of metro unemployed had been out of work as long as 15 weeks.

UNEMPLOYMENT FIGURES HAVE ANTI-RURAL BIAS

Finally, these official statistics confirming the usual metro/nonmetro disparities can safely be regarded as understating the case. There is a serious question, for example, whether the sample survey used in preparing month-to-month and year-to-year unemployment figures—those on which the allocation of substantial portions of manpower program funding is based—is not biased toward the larger urban areas. Whether or not this is the case, the definitions involved result in an understatement of the employment problem in rural areas.

DEFINITION OF UNEMPLOYED

Labor force data are reported by the Bureau of Labor Statistics in its Monthly Report on the Employment Situation. This survey counts as employed all civilians, who, during the survey week, did any work for pay or profit (minimum of an hour's work) or worked 15 hours or more as unpaid workers in a family enterprise, and all persons who were not working but who had jobs or businesses in which they were temporarily absent for non-economic reasons (ill, bad weather, vacation, labor-management dispute, etc.). Unemployed persons comprise all persons not working during the survey week who made specific efforts to find a job within the previous four weeks (such as applying directly to an employer, or to a public service employment service, or checking with friends) and who were available for work during a survey week (except for temporary illness).

HIDDEN UNEMPLOYMENT

There are two aspects of this which mask the importance of unemployment and underemployment and its far greater prevalence in rural areas and small towns. Self-employed persons and unpaid family workers—both of which are considered "employed"—frequently work less than full time (as is evidenced by the use of 15 hours per week as the standard for "employment" of an unpaid family worker). They represent underemployment or "hidden unemployment" as it is sometimes called. Both categories of workers are about twice as prevalent in nonmetro areas than in metro areas.³

Consequently, if the government modified its definition of unemployment to measure "real" unemployment among self-employed persons and unpaid family members, rural levels of unemployment would be expected to rise substantially, where urban unemployment would be expected to rise moderately.

RURAL MANPOWER SERVICE NEEDS ARE GREATER

In short, the per capita needs for manpower services for unemployed and economically disadvantaged persons is much greater in rural areas than in urban areas. With higher unemployment rates and lower income levels, proportionately more rural persons should be expected to be enrolled in manpower programs which are directed toward the unemployed and economically disadvantaged. Furthermore—all other things being equal—with lower educational levels, per capita expenditures for trainees in manpower programs should be higher in rural areas than in urban areas. As is true of other fields of social legislation, however, the Federal programs have been developed with the urban areas primarily in view and the result has been a pattern of discrimination against rural and small town areas.

³ See Table 115, "General Social and Economic Characteristics," 1970 Census of Population.

EVOLUTION OF FEDERAL MANPOWER POLICIES AND PROGRAMS

Federal manpower concern and activities is largely a 20th Century phenomenon, and can trace its beginning to the Smith-Hughes Act of 1917 which established a Federal-State program of vocational education. The shortage of skilled workers during World War I spurred Congressional approval of this Act and its authorization of Federal aid to broad categories of vocational education. The approval of specific vocational categories, such as establishing agricultural vocational courses in rural areas to meet the needs of farmers, was essentially a State Vocational Education responsibility. (The State vocational education structure was relied upon heavily during the initial period of the Manpower Development and Training Act of 1962. Many vocational programs under MDTA were approved primarily because the Vocation Education Agencies had available equipment, space and personnel. And in many rural areas, vocational agricultural programs were the major, and at times the only, vocational courses available; hence the prevalence under MDTA in rural areas of vocational programs to train "Farm Mechanics", and "Farm Hand, General", even though agricultural employment had been declining for decades.)

BIAS EXISTED FROM THE BEGINNING

Federal manpower services received a major stimulus during the depression of the 1930's. The Wagner-Peyser Act of 1933 established the Federal-State Employment Service System to provide a more effective mechanism for matching workers and jobs. The Employment Service included a separate system for rural manpower services called the Farm Labor Service. Unfortunately, the full range of manpower services were not made available to the rural population, as the Farm Labor Service concerned itself primarily to satisfy the needs of farmers for farm workers. The failure of the Farm Labor Service to deliver a full-range of manpower services to the rural population, particularly minority farm workers, led to an Administrative Action in 1971 against the Secretary of Labor by the National Association for the Advancement of Colored People on behalf of rural residents and migrant farmworkers charging discriminatory actions in the delivery of manpower services. The background on this administrative action and the judge's decision are described later in this study.

The depression also brought Government action in three other areas of current importance in manpower policy:

Provision for income maintenance for unemployed and retired workers under the Social Security Act of 1935.

Establishment of national minimum wage and child labor standards for large segments of the work force under the Fair Labor Standards Act of 1938.

Creation of work opportunities for unemployed, impoverished youth and adults—through several temporary programs, including the Civilian Conservation Corps and the National Youth Administration. The accomplishments and shortcomings of these programs helped in the planning of the Job Corps, the Neighborhood Youth Corps, and other current work-training programs.

The next major forerunner of present manpower policy was the Servicemen's Readjustment Act of 1944—the GI Bill of Rights. This Act continued a tradition of recognizing the country's obligation to its war veterans which dates back to the American Revolution, but it was unprecedented in its emphasis on meeting these obligations through government-financed education and training rather than merely monetary compensation.

A more direct move toward an active manpower policy came two years later, with the Employment Act of 1946. This act was born from memory of the depression and the fear—soon proved to be unfounded—that the war's end would bring a serious recession and raise unemployment to intolerably high levels once again.

The Act made the achievement of "maximum employment, production and purchasing power" a concern of the Federal Government. But it contained no mandatory provision for achieving this goal. For a decade after its passage, Government action to forward its objective consisted mainly of fiscal and monetary measures to mitigate economic downturns.

The recession of 1957-58 brought unemployment to its highest levels since the 1930's. The unemployment rate reached 6.8 percent in 1958, more than half again as high as the year before. Nor did the rate decline satisfactorily with economic recovery. Unemployment averaged 5.5 percent in both 1959 and 1960. The recession which began late in 1960 brought the rate up again to 6.7 percent the following year.

Along with the persistently high overall rate of unemployment came an increasing amount of long-duration unemployment, entailing great hardship for large numbers of workers and their families. The heavy impact of unemployment upon youth and minority groups, among the uneducated and unskilled, and in many depressed geographic areas also added to the demand for remedial action.

A new federally supported attack on these problems began with the Area Redevelopment Act of 1961. This Act provided for financial and technical assistance to business expansion in areas of substantial and persistent unemployment. Another feature of great significance from a manpower viewpoint was the provision for occupational training projects for unemployed workers in these redevelopment areas, with subsistence allowances to support the workers and their families during training. Because of limitations on its funding and coverage, the ARA had a limited impact, but it furnished guidelines for more comprehensive training and economic development legislation.

COMES MDTA—1962

Passage of the Manpower Development and Training Act (MDTA) of 1962 was the chief legislative step toward formulation of a national manpower policy. This Act, which was passed with strong bipartisan support, established a nationwide program of occupational training for the unemployed. It called for and underwrote a significant expansion in manpower research. And it required annual reports by the Secretary of Labor to the President, and by the President to Congress, on manpower requirements, resources, utilization, and training.

FATAL DEFECT

MDTA provided vocational training for unemployed persons in occupational areas which had a "reasonable expectation of employment". This "reasonable expectation of employment" greatly restricted the number and type of vocational training programs in areas with high levels of unemployment. In rural areas, for example, the initial programs—few as they were—trained persons in agricultural skills, since these were often the only requests received by the Farm Labor Service.

Early experimental work in MDTA identified a number of services required by the "hard-core" which restricted their entry into MDTA programs or made it difficult for them to succeed, such as outreach, work orientation, special counseling, basic and remedial education, transportation and mobility services, work try-outs, on-the-job training, job development and placement, child care services, bonding, health services and emergency financial assistance over and above regular MDTA allowances. The manpower programs financed under the Economic Opportunity Act of 1964 expanded the scope of services to include these additional services, and to make them available not only to the unemployed, but also to the "poverty population". Including the "poverty population" as an eligible group was critical to rural people, since so many rural poor are self-employed and unpaid family workers, and therefore they are not classified as "unemployed". Furthermore, other rural poor, namely farmworkers, have had trouble convincing manpower agencies that they were "unemployed" and thus eligible to participate in manpower training programs.

The Economic Opportunity Act also provided service programs for the poor, such as Head Start, adult education and health services, and these became important manpower programs for the rural poor because they emphasized the direct employment and training of the poor in delivering such services.

MORE METRO AIDS

The Demonstration Cities and Metropolitan Development Act of 1966 provided substantial sums for manpower programs, but these were directed to the urban slums. The name of the program was changed later to "Model Cities", to avoid any direct reference to urban "demonstrations" or riots. Regardless of what it was called, the Model Cities program was a response to the special and pressing need to alleviate the problems of the urban slums that made headlines on a continuing basis. The special problems of rural areas were not brought to the attention of the public as often nor as dramatically and so the restless poor in urban areas received a special program, but not the rural poor.

WIN—1967

The 1967 amendments to the Social Security Act established a special manpower program for employable persons in Aid to Families with Dependent Children called WIN (Work Incentive). Total education, training, social and related services were to be made available to WIN participants to make them employable and thus reduce welfare costs. The WIN program requires the availability of a broad range of social and manpower services needed by WIN recipients, the ability to coordinate such services, and available jobs; these requirements obviously restrict program activities in rural areas, which often lack resources and jobs.

EEA—1971

The Emergency Employment Act (EEA) of 1971 created a program of transitional public service jobs for veterans, unemployed and underemployed persons. EEA funds are paid directly to State and local governments to provide employment and training opportunities in public service areas, including the delivery of social services.

CETA—1973

The most significant manpower development in recent years was the passage of the Comprehensive Employment and Training Act of 1973 (CETA). The scope of services in CETA encompasses all services previously provided in MDTA, OEO, EEA programs, including education, training, on-the-job training, work tryouts, supportive services, public employment and Job Corps. The persons to be served include the unemployed, underemployed and the economically disadvantaged. Decisions over program mix, categories of programs, and persons to be served are made by State and local officials. The critical factor for rural areas is that the amount of manpower funds for rural programs is decided by a formula included in the law, and not by manpower officials. The adequacy and equity of the formula as it effects rural areas is discussed later in this paper.

FEDERAL AWARENESS OF RURAL MANPOWER NEEDS

Federal officials responsible for developing manpower policies and for deciding on the allocation of MDTA funds and other manpower funds have known of the special needs of the rural population for manpower services. Indeed, Department of Labor publications over the past decade discussed this special need of the rural population for manpower services and described the special efforts being made to meet that need. For example, the Department of Labor is responsible for preparing an annual Manpower Report of the President describing manpower programs, policies, problems and trends. An examination of these Manpower Reports of the President over the past decade illustrates this Federal awareness of the special needs of the rural population for manpower services.

YEAR AFTER YEAR

The 1964 Manpower Report of the President identified rural workers as the first of the disadvantaged workers to be served by MDTA.

"The disadvantaged workers of the United States—rural workers, Negroes and other minority groups, younger workers, older workers—whose predicament is the major element in our national problems of unemployment and poverty, are the subject of the following chapters."

The 1965 Manpower Report of the President discussed some of the particular problems facing farmworkers.

"The final chapter, on Farmworkers, deals with the adjustments farm people have had to make because of the long-term drop in farm manpower requirements; with the low wages, irregular work, and sub-standard living conditions which have been the lot of most hired farmworkers; and with the major progress made in 1965 in increasing job opportunities for American farmworkers, as sharp restrictions were imposed on the use of farmworkers from other countries."

The 1967 Manpower Report of the President discussed the lack of equitable manpower services in rural areas compared with urban areas.

"The dispersion of the poor in rural areas has hidden the extent of rural poverty and also greatly increased the difficulties of remedial action. Education and training are less available to rural than urban youth. And programs for the rural poor have been slower to develop and have continued to be less well-financed than those for the urban poor."

By 1971, the Manpower Report of the President included a critical evaluation of the needs of the rural areas for manpower programs and discussed analytical dilemmas facing the development of such programs.

"A revolution in farm production practices, coupled with the elimination of many small farms, has cut agricultural employment by more than half since World War II—contributing heavily to rural poverty and stimulating rural-to-urban migration. Advances in farm technology are continuing and will probably eliminate many additional jobs in the next few years. Thus, the problems of underemployment and poverty will continue to be acute among migratory and other seasonal farm laborers as well as operators of small farms.

"Improvement of labor standards and social insurance protections in farmwork is an immediate need, calling particularly for extension of unemployment insurance to agricultural workers. A second need is for educational and manpower services in rural areas more nearly comparable to those available in cities and suburbs. [Emphasis added] So far rural residents have not shared equitably in such services, largely because of the difficulties involved in serving a scattered population."

DEMONSTRATIONS—NOT EQUITY

Repeatedly, the Report promised "increased efforts to find solutions" to these special problems of rural areas. In fact, the Department has launched several demonstration projects relative to rural and small town needs. One of these, the Smaller Communities Program, dates back to Fiscal '59. A decade later, however, it had not been extended to more than 3 percent of the nation's nonmetropolitan counties.⁴

Another demonstration project, in Ottumwa, Iowa, utilized a system of satellite offices to serve a multicounty region. This was dubbed Area Concept Expansion (ACE) and expanded to other states—but only to eleven by late 1972.⁵

PAST PROGRAM PATTERNS

Despite this awareness of special rural needs and despite intermittent attempts to develop mechanisms for responding to those needs, all of the available data confirm the metropolitan bias of past manpower programs. Federal outlay data for FY'70 published by the Senate Committee on Government Operations showed metropolitan areas receiving 77 percent of the \$1.5 billion in funding for manpower training and employment programs by the Departments of Labor and HEW and the Office of Economic Opportunity. Adjusting for population, this works out, the report noted, to \$8 per capita in metro areas and only \$5 in nonmetro areas. In rapidly declining nonmetro counties, per capita outlays for manpower training and development were only one-third as large as in rapidly declining metro counties.⁶

The annual special analyses prepared by the Office of Management and Budget have reflected a similar pattern, with 85 percent or more of Federal assistance for manpower and employment security programs reported as going to metropolitan areas in FY'66, FY'68, and FY'69, and almost 80 percent estimated for Fiscal 1973.⁷

And, within the Labor Department itself, rural enrollment in programs is conceded to be low. The figures for FY'72 are presented below.⁸

⁴ Senate Hearings, Department of Labor. . . Appropriations, FY '71, pp. 1036-37.

⁵ Raymond Schmitt, Manpower Training and Employment Programs Serving Rural America (Committee Print, Senate Agriculture Committee), p. 16.

⁶ The Economic and Social Conditions of Rural America in the 1970's, Part 3, "The Distribution of Federal Outlays Among U.S. Counties" (Committee Print, Senate Government Operations Committee), pp. 40, 42 and 51-52.

⁷ See Special Analysis N, Special Analyses, Budget of the United States Government, various years.

⁸ Reproduced from Schmitt, op. cit., p. 10.

ESTIMATED RURAL ENROLLMENT IN SELECTED MANPOWER PROGRAMS, FISCAL YEAR 1972

	New enrollment fiscal year 1972	Estimated rural enrollment	
		Number	Percent
Total.....	1,532,800	323,600	21.1
Institutional.....	150,600	29,200	19.4
National contracts (OJT).....	24,800	6,500	26.2
Neighborhood Youth Corps.....			
In-school.....	186,000	28,850	15.5
Out of school.....	65,000	20,400	31.4
Summer.....	759,900	174,600	23.0
Operation Mainstream.....	31,400	17,400	55.4
Concentrated employment program.....	84,700	18,800	22.2
JOBS.....	82,800	16,350	12.5
Work incentive program.....	120,600	14,350	11.9
Public service careers:			
Plan A.....	10,500	550	5.1
Plan B.....	11,200	900	8.1
Plan C.....	5,300	1,700	32.0

Source: Office of Financial Management Information Systems, DRA; Manpower Administration, Department of Labor, Jan. 8, 1973.

An earlier analysis, of FY '68 enrollment, had similarly found that only 24 percent of enrollment in work experience and training programs was accounted for by rural enrollees. It also reported that "the average spent on each rural enrollee was only one-fourth of the average spent on each urban enrollee."⁹ (A major reason for this is the fact that summer employment in the Neighborhood Youth Corps, a program with a low average cost, accounts for about half of all rural enrollment). Looking at it in a slightly different manner, the Department reported that in FY '70, manpower programs served a little over 10 percent of the urban residents in need but only 8 percent of the rural residents in need.¹⁰

FINALLY NAACP SUES

The failure of Federal manpower services to equitably serve one portion of the rural constituency has even been officially certified in formal administrative and judicial proceedings. In early 1972, the Western Region of the National Association for the Advancement of Colored People and fifteen other organizations filed an Administrative Action against the Secretary of Labor on behalf of rural residents and migrant farmworkers charging discriminatory actions in the delivery of manpower services. At issue was the accessibility and quality of service provided farmworkers by the Rural Manpower Service (RMS) and the United States Employment Service (USES). A Special Review Staff (SRS) was assigned by the Assistant Secretary for Manpower to investigate the complaints. SRS substantiated a sufficient number of the charges to cause the U.S. Department of Labor to take a new look at its capabilities for fulfilling its mandate under the Wagner-Peyser Act which had established the USES in June, 1933.¹¹ As amended, the Act requires that the USES and the States cooperate in establishing and maintaining a national system of public employment offices.

The Secretary of Labor determined that establishing and maintaining a "national system" meant that insofar as possible each citizen should have access to the full range of manpower services provided by the tax-supported Manpower Administration (MA). Consequently, he prescribed a new policy of "equity of access" consisting of 13 points. The Secretary's 13 points redirected USES emphasis to serving rural residents and farmworkers.

Impatient with the lack of speed and penetration of the implementation process, particularly at regional and State levels, 88 farmworkers and 17 agencies filed Civil Action 2010-72 against the Secretary of Labor et al. in the District Court in the District of Columbia. The action declared that the defendant officials had knowingly granted funds to State Employment services in violation of the Constitution and laws of the United States and had operated the USES in

⁹ Janet Derr, *Rural Social Problems, Human Services, and Social Policies*, Working Paper 4: Employment and Manpower (Social Welfare Research Institute, University of Denver), pp. 5-7, citing Department of Labor, "Rural Manpower", Draft Issue Paper No. 5, May, 1970.

¹⁰ 1971 Manpower Report of the President, p. 130, cited in *ibid.*, p. 7.

¹¹ Special Review Staff, Manpower Administration, *Review of the Rural Manpower Service*, "overall findings" at pp. 5-11.

violation of the Fifth Amendment of the Constitution, Title VI of the Civil Rights Act of 1964, the Wagner-Peyser Act, and the Department's own regulations and instructions. On May 31, 1973, Judge Charles Richey of the U.S. District Court for the District of Columbia issued a declaratory judgment and injunction order. He found that the Department of Labor has "a constitutional, statutory, and regulatory obligation to demand that Federal and State agencies that serve migrants and farmworkers provide them with the full level of services, benefits, and legal protections as guaranteed by the Fifth Amendment to the Constitution, the Wagner-Peyser Act, Title VI of the Civil Rights Act of 1964, and the respective implementing regulations."¹²

RHETORIC FLOWS

Indeed, the U.S. Department of Labor acknowledges this lack of equitable manpower services in rural areas. The 1974 Manpower Report of the President stated that "In the past, rural workers and employers have not had as easy access to Employment Service services as those in cities, largely because of the practical difficulties involved in serving a clientele scattered in relatively low-population areas. The ES has been endeavoring for years to correct the imbalance and improve services to rural residents, including farmworkers and migrants."¹³

Thus, after nearly four decades of operating a broad range of employment services and a decade of operating manpower training programs, the U.S. Department of Labor was found not to be providing equitable services in rural areas, and acknowledged it. If there is any expectation at the Department that the shift to a special revenue-sharing approach resulting from the Comprehensive Employment and Training Act of 1973 will make things dramatically different, that expectation does not extend to the Office of Management and Budget. Its estimate for Fiscal '75 is that nonmetropolitan areas will receive only one-fourth of "comprehensive manpower assistance" funds and only one-fifth of the total Federal aid for manpower and employment security.¹⁴

CAUSES OF URBAN/RURAL IMBALANCE IN FEDERAL MANPOWER EXPENDITURES

There are many reasons why rural areas have not received their proportionate share of manpower programs. In some cases the reasons can be traced directly to the legislation. In other cases administrative actions cause the discriminatory practices against rural areas.

Some programs are designed by legislation to operate exclusively in urban areas. For example, the model cities manpower program was designed basically as a big city program with a scattering of projects in small towns of under 25,000 people. In this case, the urgent need for social service programs in urban areas, particularly to reduce social tensions that might cause riots, encouraged the Congress to pass the legislation.

In some cases, legislative requirements introduce discrimination against rural areas. The "reasonable expectation of employment" requirement in the MDTA law is a case in point. In order to avoid training unemployed people for the sake of training, the Congress specified that there must be a "reasonable expectation of employment" in an occupation before a training project operates. Unfortunately many rural areas have had rising levels of unemployment due to mechanization and other technological advances in agriculture, forestry and mining, and hence they lack shortage occupations which show a "reasonable expectation of employment." Subsequent amendments to the MDTA act added mobility allowances, which enabled some rural areas to train people locally and then move them to jobs in other communities, or to move unemployed rural persons immediately to such other communities for both training and employment.

There are other subtle reasons why manpower officials have not developed and funded an equitable proportion of manpower programs in rural areas. One reason has to do with money. Rural programs are far more expensive than urban programs. Because of distances involved in operating rural programs, rural programs require more staff members; outreach, counseling, job development and other activities require more travel time in rural areas than in urban areas. Furthermore, transportation costs are also higher on rural projects. The lower educational levels of the rural population, the number of non-English

¹² NAACP v. Brennan, 360 F. Supp. 1006 (D.D.C. 1973).

¹³ Manpower Report of the President, 1974, p. 60.

¹⁴ Special Analyses, op. cit., Fiscal Year 1975, pp. 212 and 216.

speaking persons that live in rural areas, and the smaller proportion of the rural unemployed with vocational experiences, greatly increases the length of any manpower training program and hence, greatly increases the per capita costs of rural manpower programs. Manpower officials interested in developing and operating rural programs have to fight for and explain the need for higher per capita expenditures for rural manpower programs than for urban programs. Consequently, officials with the option of financing programs in either urban or rural areas are more likely to finance the "cheaper" urban projects.

TO THOSE WHO HAVE

The bureaucratic problems involved in designing, developing and operating rural manpower programs also contribute to the unwillingness or inability of manpower officials to spend an equitable share of funds in rural areas. For example successful manpower programs often require counseling services, education, and vocational training services, health and child care services, transportation services, and other manpower related services. In urban areas, manpower planners can depend on the existence of such services within the existing city structure. In rural areas, however, such assumptions cannot be made. Consequently many rural manpower officials are hesitant to spend any time or funds developing and planning manpower programs until they coordinate with other agencies of government to develop and finance other vital services.

Related to this is the factor cited by a Congressional Research Service study.¹⁵ Much of the allocation of current manpower programs in favor of urban areas is said to be due to the sheer inability of certain rural areas lacking trained and experienced personnel to submit organized plans and projects which qualify for Federal assistance. Moreover, there is sometimes a complete lack of knowledge on the part of some rural government officials as to what assistance is available. *These problems could be further complicated under manpower revenue sharing.* [Emphasis added.]

The establishment of a separate organizational unit to provide manpower services in rural areas—the Farm Labor Service—also contributed to proportionately fewer manpower programs in rural areas. Since the Farm Labor Service was concerned primarily with the employment needs of farmers, they concentrated their activities on recruiting farm workers for unskilled or semi-skilled farm jobs. Limited effort was placed by the Farm Labor Service on providing overall manpower services—especially manpower training—to the rural population, as was brought out in the NAACP court case described above.

THE MEANING OF CETA FOR RURAL AREAS

The Comprehensive Employment and Training Act (CETA) of 1973 drastically changes the policies and procedures for approving the expenditure of Federal manpower funds. CETA provides for a decentralized comprehensive manpower services program for economically disadvantaged, unemployed and underemployed persons. Specific categorical manpower programs under provisions of the Act (such as MDTA, NYC, Mainstream, New Careers, OIC, SER, and Jobs) are being replaced by a system of providing Federal allotments to State and local governmental Prime Sponsors.

This is not all bad news for rural areas. Under CETA, allotments of funds will be based on a legislative formula, and, hence, the amount of funds allotted to rural areas for manpower services will no longer be completely subject to administrative decisions.

Thus CETA represents a step in the right direction. But there are elements in the formula selected that continue the pattern of discrimination against rural areas.

BIASED FORMULA

One-half of the funds allotted to each State and area will be allotted on the basis of manpower allotments of the State in the preceding fiscal year. Consequently rural areas will continue to be shortchanged because of the historical bias in manpower programs that concentrated expenditures in urban areas.

MORE BIAS

37½ percent of the funds will be allotted on the basis of unemployment. On the surface this seems to be an equitable factor, but as discussed earlier, the

¹⁵ Semitt, op. cit., p. 5.

methods used to measure unemployment do not accurately measure unemployment in rural areas.

12½ percent of the funds allotted will be allotted on the basis of poverty. Such a poverty index probably represents one of the most equitable mechanisms to use to ensure equity for rural people. Yet this represents only ⅓ of the allotment formula.

MORE BIAS

Even more serious is the limited definition of governments eligible to be "prime sponsors" and thus direct recipients of CETA funding. These must have a population of at least 100,000—which confines eligibility to approximately 275 of the nation's more than 3,000 counties.¹⁶ Smaller counties must either join with a larger county or with one of the roughly 150 cities eligible as "prime sponsors", or else depend on the state for its funds. Governors, it should be noted, are *not* required to re-allocate their funds as a prime sponsor to smaller jurisdictions in accordance with the formula which determined the initial allocation.¹⁷

SUMMARY

Rural areas have a greater per capita need for manpower services than urban areas, and this need is recognized by Federal manpower officials. However, rural areas have never received an equitable share of manpower funds. The lack of jobs in rural areas, the dispersion of the rural population, the greater cost of operating rural programs, the lack of resources, facilities and personnel, and the complex problems facing rural manpower planners, are only some of the reasons explaining why rural areas have not received their equitable share of manpower funds.

The new manpower law, CETA, places decision-making power over manpower programs in the hands of State and local officials, and allocates funds for all communities—rural and urban—on the basis of a formula in the law. Administrative actions can no longer deprive rural communities of needed manpower funds. While the CETA allocation formula guarantees some manpower funds for all rural communities, the formula itself does not provide an equitable share of funds for rural areas. One-half of the formula for allocating CETA funds is based on the manpower allotments of the preceding year. Rural areas that were underfunded last year will be similarly underfunded next year. And this underfunding will continue as long as the present CETA formula is in effect. Three-eighths of the CETA funds will be allotted on the basis of unemployment. Present methods of measuring unemployment do not accurately measure "real" unemployment levels in rural areas, as analyzed above. Consequently, seven-eighths of the formula used for allocating CETA funds discriminates against rural areas.

RECOMMENDATIONS

Recommendations for improving the financing of manpower services in rural areas, or for that matter, any other service to rural areas, must begin with the Congress. Past experience has clearly demonstrated that administrators of public programs cannot be expected to provide equitable services in rural areas compared with urban areas when decision-making over the location of programs is left entirely or primarily at the discretion of administrators.

Congressional action is required to make certain that laws make it mandatory for administrators to provide equitable services in rural areas. This will require the following:

The design of programs that by definition have to serve rural communities or rural people. This includes programs for small farmers, migrant and seasonal farm workers and for American Indians on Indian reservations.

Other programs of a national scope should include a financial formula for allocating funds between urban and rural areas according to criteria which will provide equity to rural areas. Poverty data are recommended as the type of data that will insure equity of funding for rural areas. It is recommended, therefore, that legislative formulas for allocating funds between rural and urban communities rely as much as possible on poverty data. Unemployment levels grossly understate the true level of unemployment in rural areas. Consequently, unem-

¹⁶ May 1974 memo prepared by Barbara Hunting, National Association of Counties, for Senator Dick Clark Chairman, Senate Rural Development Subcommittee.

¹⁷ *Ibid.* The Governor is required to establish a manpower advisory council representative of the area to be served, but he is specifically advised by the Labor Department "not to delegate total operational responsibility for the program to towns and counties in the essentially rural areas."

ployment levels should not be used as a factor allocating funds between urban and rural areas, until there is a change in the method of counting unemployment to accurately measure unemployment among self-employed persons and unpaid family members. Prior expenditures should also be avoided as a factor allocating funds between rural and urban areas, since there is ample evidence of past discrimination against rural areas, and an expenditure allocation factor would perpetuate such discrimination. Indeed, the CETA allocation formula needs to be evaluated and revised to give greater importance to poverty data.

If allocation formulas are not included in the law as a means of sharing program funds between rural and urban areas, the Congress should include special requirements in the law to encourage administrators to provide equitable services in rural areas, such as: minimum percentages of program funds that must be spent in rural areas; special technical assistance funds for rural areas for program planning and development; a statement of Congressional awareness that rural programs may cost more per capita than urban programs.

STATEMENT OF COL. KENNETH R. HAMPTON (RETIRED) ASSISTANT CONSERVATION
DIRECTOR, NATIONAL WILDLIFE FEDERATION

Mr. Chairman, I am Col. Kenneth R. Hampton, U.S. Army (Ret.), Assistant Conservation Director for the National Wildlife Federation which has its national headquarters at 1412 Sixteenth Street, N.W., here in Washington, D.C. I am a professional conservationist with degrees in Forest Management and Meteorology.

Ours is a private organization which seeks to attain conservation goals through educational means. Affiliates of the National Wildlife Federation are located in all 50 states, Puerto Rico, Guam, and the Virgin Islands. These affiliates, in turn, are made up of local groups and individuals who, when combined with associate members and other supporters of the National Wildlife Federation, number an estimated 3½ million persons.

The National Wildlife Federation welcomes your invitation to share with the members of this subcommittee our views on S. 1916, a bill to authorize the Secretary of Agriculture to carry out rural conservation employment projects in rural areas of substantial unemployment. In our judgment, the concepts contained in S. 1916 are sound and timely. The U.S. stands to gain much from a massive national effort to lower rural unemployment by initiating labor-intensive conservation projects on national forests, non-federal public lands and privately owned forest, range, and farm lands. The backlogs of conservation work in wildlife habitat improvement, reforestation, timber stand improvement, erosion control, and recreational-type construction in the national forest system alone are tremendous. Add to those backlogs the labor-intensive projects in non-federal public lands and private holdings which could be fulfilled under the provisions of S.1916 and it is easy to visualize the bill's great conservation potential to say nothing of its potentially-significant social impact.

The Federation has recognized for some time the multi-faceted values attached to a large scale public service program aimed at enhancing conservation of natural resources. Attached, for the record, are copies of a national resolution on this subject adopted at NWF's last annual meeting in March 1975 and a message sent to President Ford last October which also addresses the subject.

Mister Chairman, I do not intend to indulge in a detailed analysis of S.1916. I have already indicated our full support of the principles embraced by the bill. But we would have been extremely disappointed if neither the language of S. 1916 nor its legislative history indicated that the proposed rural conservation public service program is intended to cover the widest possible mix of labor-intensive projects designed to enhance all natural resources. That is why the Federation is pleased to note, Mr. Chairman, that when you introduced the bill you made specific mention of wildlife. Perhaps the bill's wording should be revised to make this point crystal clear?

To assist the members of this subcommittee in gaining a greater appreciation for the backlog of wildlife habitat improvement work, that needs to be accomplished in *national forests alone*, the majority of it labor-intensive requiring little equipment other than hand tools, we are also attaching for the record an extract from a document prepared late last year by top Forest Service officials. The statistics contained in the extract are still valid. I would only call your attention

to the magnitude of the backlog. More than one million acres require seeding and planting for wildlife food and cover; 690,000 acres of wildlife openings and 15,000 wildlife watering facilities need to be developed; to protect key wildlife areas, almost 6,500 miles of fencing is required; almost 21,000 miles of fish streams need improvement as well as about 40,000 acres of fish lake habitat; and as for waterfowl wetlands, over 100,000 acres of shallow water need improving and 78,000 nesting facilities require developing. All of this amounts to a multimillion dollar effort, principally with picks and shovels, axes, and the like but with only a minimum of technical supervision. For greater detail, I refer you to Attachment 3.

In closing, Mr. Chairman, I would make one observation. So often proposed environmental legislation runs into opposition from one or more industries or other organized groups which conjure up all sorts of reasons—mostly economic and many based on faulty premises—for blocking passage of environmental legislation. But in this case, it seems to us that S.1916 is a bill behind which all groups—conservation, industry, social welfare, and others—can rally in support. No one has anything substantive to lose and so many have so much to gain.

Thank you for the opportunity to express our views on this important legislation.

NATIONAL CONSERVATION PUBLIC SERVICE PROGRAM

Whereas, the United States is experiencing a serious economic recession with widespread unemployment, both in inner city areas and in rural regions; and

Whereas, there is a large backlog of unfilled projects on federal and other public lands involving wildlife habitat improvement, reforestation, timber stand improvement, trail construction, erosion control, and other environmental enhancement work for which there is an urgent need; and

Whereas, the Administration has initiated an urban-oriented Public Service Program designed to alleviate the Nation's unemployment problems; and

Whereas, the history of the Civilian Conservation Corps, existent in the U.S. in the decade of the 1930's offers overwhelmingly conclusive evidence of the great environmental benefits which are emanate from a public service program designed to enhance natural resource values on public lands; now, therefore, be it

Resolved, That the National Wildlife Federation, in annual convention assembled March 14–16, 1975, in Pittsburgh, Pennsylvania, hereby urges that the Government of the United States expand the current Public Service Program to include a public lands-oriented conservation element designed to perform necessary work and enhance the natural resource values in national forests, parks, wildlife refuges, trails, wild and scenic rivers, national resource lands, and other public properties, including those at state and local levels.

TELEGRAM

President GERALD FORD,
White House,
Washington, D.C.

The National Wildlife Federation is disturbed and perplexed by your November 26 budget message to Congress recommending rescissions and deferrals in several important conservation programs, including Water Bank, Forestry Incentives, national forest reforestation and timber stand improvement, cooperative fire control, and rural community fire protection. To shelve or cut back these promising programs now because their payoffs are not immediate would be shortsighted and counterproductive. Instead, your Administration should use these programs as vehicle for establishing a comprehensive public service program on Federal lands aimed at enhancing natural resource values, including reforestation and wildlife habitat improvement. We urge you to reconsider your position in this matter.

THOMAS L. KIMBALL,
Executive Vice President.

5-YEAR ACCELERATED FOREST SERVICE FISH AND WILDLIFE HABITAT MANAGEMENT AND RESEARCH PROGRAM

I. OBJECTIVES

The broad, yet encompassing objectives for the management and protection of fish and wildlife habitat on National Forest System lands provide the basic premise for developing an optimum habitat program. These objectives are to:

(a) *National forest system lands*

Develop and maintain, in cooperation with the States and in harmony with the natural environment and with other uses of the land, a pattern of wildlife and fish habitats on National Forests and National Grassland areas that will best meet the needs of people now and in the future.

Give special attention to the environmental needs of threatened and endangered wildlife and fish species, and to those species which are dependent upon National Forest and National Grassland habitat for the greater part of their range.

(b) *National grasslands*

In addition to the above objectives, on National Grasslands, the wildlife objective will be to apply habitat practices on the Federal lands which will produce optimum levels of fish and wildlife and demonstrate how this can be accomplished on the associated private and other public lands so as to:

Provide a broadbase across the Federal, private, and other public lands to help meet fish and wildlife habitat needs.

Contribute to the economic security and stability of these areas.

II. OPPORTUNITIES

Numerous opportunities exist on National Forest System lands for improving fish and wildlife habitat conditions. Examples of present inventoried needs include:

(a) *Survey and planning*

Big game range analysis, 44,636,000 acres, small game and nongame habitat surveys, 43,000,000 acres; and habitat management plans 4,724. Fish stream survey, 80,207 miles; fish lake surveys, 540,725 acres.

(b) *Fish habitat*

20,627 miles of fish stream improvement and 39,274 acres of fish lake habitat improvement.

(c) *Waterfowl wetland*

106,000 acres of shallow water improvements and the development of 78,000 waterfowl nesting facilities.

(d) *Upland Wildlife Habitat Improvement*

Seeding and planting, 1,161,000 acres of food and cover; development of permanent wildlife openings on 690,000 acres; 6,468 miles of fencing to protect key wildlife areas, and to develop 15,000 wildlife watering facilities.

This enumerates a large portion of the opportunities currently available to improve the fish and wildlife resources on National Forest System lands. The present funding level for this Forest Service program is ineffective in achieving the objectives, goals, and needs for the protection and management of these valuable resources.

III. OVERVIEW

In 1970, a tentative program was developed for fish and wildlife habitat management for a 10-year period. Funding requirements for the program at that time amounted to \$276,610,000. A current reassessment of a maximum program to reflect updated costs, new management information, and increased Forest Service responsibilities and opportunities established a 10-year plus program need of \$363,104,000. This total included \$252,000,000 for direct habitat improvement, \$21,104,000 for threatened and endangered species, and \$90,000,000 for coordination and cooperation.

The 5-year proposal for an accelerated fish and wildlife program includes an increased funding schedule designed to accomplish the highest priority habitat improvement projects from the above inventory. It will also allow coordination of fish and wildlife needs with other resource activities at a higher level than presently possible and development of programs vital to meeting specific direction in new legislation affecting management and protection of fish and wildlife resources on National Forest System lands.

A suggested schedule of funding for the National Forest System proposal is as follows:

[In millions of dollars; fiscal years]

	1976	1977	1978	1979	1980	Total
Increase over fiscal year 1975 appropriation.....	5.8	10.8	16.8	16.8	17.8	68
Total ¹	15.0	20.0	26.0	26.0	27.0	114

¹ Fiscal year 1975 appropriation to Forest Service for fish and wildlife habitat management and improvement is \$9,190,000.

Note: An accelerated action program needs to be accompanied by correspondingly accelerated research. Therefore, a companion fish and wildlife habitat research program is also presented.

NATIONAL FOREST SYSTEM ONLY, 5-YR ACCELERATED FISH AND WILDLIFE HABITAT PROGRAM

[Dollar amounts in millions]

	Units ¹	Amount
Anadromous spawning waters:		
Spawning bed improvements.....	158	\$1,575
Migration barrier removal (number).....	245	615
Channel stabilization and fencing (miles).....	35	100
Rearing ponds.....	2,750	2,750
Subtotal (direct habitat improvement).....		5,040
Sport fishing waters:		
In-stream channel structures (number).....	2,842	8,540
Migration barrier removal (number).....	738	1,855
Channel stabilization fencing (miles).....	405	230
Aquatic weed control.....	39,330	785
Spawning beds, shelters—lakes (number).....	6,280	155
Fishing lakes.....	10,000	20,000
Subtotal (direct habitat improvement).....		31,565
Waterfowl wetland:		
Wildlife water development (number).....	3,600	223
Waterfowl marsh and Greentree reserve.....	40,000	2,000
Develop and restore waterfowl habitat.....	40,000	2,480
Waterfowl nest facilities (number).....	40,000	1,880
Subtotal (direct habitat improvement).....		8,583
Wildlife habitat (game and nongame):		
Seeding and planting.....	150,000	10,500
Release spraying, cabling.....	153,000	4,590
Prescribed burning.....	443,617	887
Protect fencing.....	72,000	2,590
Permanent wildlife opening.....	195,000	19,500
Subtotal (direct habitat improvement).....		38,067
Summary:		
Direct habitat improvement ²	1,200,000	83,255
Coordination and cooperation.....	22,500,000	9,745
Endangered species ³	400,000	21,104
Total.....		114,104

¹ Acres unless otherwise noted.

² Includes surveys and plans.

³ Provides for an accelerated program of 400,000 acres of habitat improvement and funds to carry out planning and other responsibilities under the Endangered Species Act of 1973.

[Whereupon, at 3:10 p.m., the committee recessed to reconvene, subject to the call of the Chair.]

ADDITIONAL STATEMENTS FILED FOR THE RECORD

STATEMENT OF HON. HARRISON A. WILLIAMS, JR., A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to comment on S. 1353, a bill which would allow community medical facilities in certain communities to be eligible for Farmers Home Administration loans under the essential community facilities section of the Rural Development Act of 1972. This legislation has also been introduced in the House by Congressman William J. Hughes as H.R. 6332.

Quality health care is one of the most critical needs of rural America today. Under the Rural Development Act of 1972, the Farmers Home Administration (FmHA) was empowered to respond to that need by providing low-cost, long-term loans for the development, maintenance, and improvement of medical facilities in those areas. These loans are at 5 percent, to be repaid over a period of forty years. Because of the FMHA loan program, community clinics, small hospitals, and facilities for general practice are now available in rural communities where the residents once had little hope of obtaining readily accessible quality health care. However, experience has shown that the Farmers Home Administration often cannot respond to the need of rural communities for long-term, sophisticated medical care. The reason for this is an unrealistic population limitation in the law which prevents medical facilities in communities above 10,000 people from receiving essential community facilities loans from the FmHA. The reasons for this legislation are compelling.

The delivery of rural health care is unique. While small rural towns and villages may be able to sustain clinics or small hospitals, they do not have the services or the resources to construct and maintain the large, advanced medical centers necessary to handle such catastrophic diseases or conditions such as cancer, renal disease, or severe burns. Since these and other health problems occur in small towns with relative infrequency and in small numbers, there is little justification for each of these communities to establish large medical centers of their own. Therefore, the advanced medical care that they need from time to time must generally be provided on a regional level. For most rural residents, this kind of medical treatment can be obtained only in larger communities. The hospitals in these towns and cities serve thousands of people from surrounding villages and hamlets, as well as those from the immediate vicinity. Only these communities can build the facilities to attract the highly skilled specialists needed to deal with difficult or serious health problems. The present FmHA loan program can help rural residents secure good general health care, but often falls far short of the mark in providing them with advanced medical treatment because of the population limitation in present law. Loans are denied to precisely the communities where this kind of treatment is usually found.

For a number of rural medical centers and hospitals, private loans, which now may cost 10 percent or more, are unobtainable. Severe burdens imposed on them by the current economic crisis, and the reluctance of private lending institutions to lend money to financially pressed medical facilities means that federal assistance is the only alternative. Yet, here too doors are often closed. The Hill-Burton program has been replaced by Title XVI of the National Health Planning and Resources Development Act, and it appears that for FY 1976 no more than \$500 million in loans for both rural and hospital construction may be allowed to be outstanding. Thus, the loans from the FmHA remain the only realistic source of loan money for those hospitals which must expand or improve their facilities to meet state or Federal regulations and the needs of the people they serve. FmHA business loans, authorized under section 310B of the Comprehensive Farm and Rural Development Act, have also proved unsuitable. These loans seem to be

unavailable to non-profit, private hospitals. This is evident from the fact that only one non-profit, private hospital received a business loan from the FmHA during all of FY 1975. In addition, these loans are more expensive than business loans, and would force rural residents to suffer severe financial burdens to secure the medical care that they must have. In many areas it is conceivable that sophisticated medical services would exist at a cost so prohibitive as to be denied to the very people supposed to benefit from them.

S. 1353 breaks no new ground. The Senate clearly affirmed its approval of this kind of legislation when it made a wide variety of facilities eligible for essential communities facilities loans in its version of the Rural Development Act of 1972. S. 1353 however, is much narrower in its application in that it broadens eligibility for community medical facilities and for no others.

S. 1353 would not create opportunities for a flood of newly eligible medical facilities to take advantage of existing loan money at the expense of facilities in towns under 10,000. Its limited scope ensures that the unique nature of rural medical care delivery is acknowledged while carefully preserving the rural orientation of the FmHA essential community facilities loan program. Figures supplied by the Library of Congress and the Bureau of the Census indicate that there are only 851 communities above 10,000 in the United States which are not components of urbanized areas. I have attached to my statement a numerical breakdown by state of this figure. From the figure of 851 must be subtracted all communities whose facilities still qualify for commercial loans and all communities whose adjacent areas have a population density of more than 100 persons per square mile. By increasing eligibility solely for a limited number of community medical facilities, S. 1353 recognizes that advanced medical treatment for rural residents must be provided on a regional basis. This measure simply recognizes an existing reality and attempts to deal with it.

Requirements for certificates of need prior to the construction of new hospitals would not be disturbed, and competition for loan money would still be on the basis of greatest need. In addition, there is every indication that serious efforts will be made in the Senate to increase the loan money available for FmHA for FY 1976.

S. 1353 is a responsible, inexpensive method of meeting the special health needs of rural residents. It would utilize existing program rather than create a new agency to furnish necessary loan money. In addition, the money appropriated for the FmHA essential community facilities is for loans, and the facilities that receive these loans must demonstrate an ability and a willingness to repay that money. The FmHA has a well-known record of success of repayment from those who receive loans. The assertion of the FmHA that this measure would result in increased personnel and administrative costs is mere speculation given the inability of the FmHA to provide figures to document its statement. Of course, the money spent for this program is an investment in the health of this country's people. Any outlay of funds to carry on the FmHA loan program is returned many times over in the form of healthy, productive citizens contributing to their local communities and to society as a whole.

S. 1353 would strengthen and maintain the original purpose of the Rural Development Act of 1972. By ensuring that rural residents have access to complete medical services this legislation seeks to make rural communities the kind of places in which people will want to live.

Number of places of 10,000 or more population that are not components of urbanized areas, by State, 1970

Alabama	21
Alaska	3
Arizona	6
Arkansas	19
California	59
Colorado	7
Connecticut	5
Delaware	1
District of Columbia	—
Florida	34
Georgia	26
Hawaii	5
Idaho	8
Illinois	36

Number of places of 10,000 or more population that are not components of urbanized areas in State, 1970—Continued

Indiana	26
Iowa	15
Kansas	26
Kentucky	17
Louisiana	19
Maine	9
Maryland	12
Massachusetts	14
Michigan	20
Minnesota	19
Mississippi	21
Missouri	16
Montana	6
Nebraska	9
Nevada	2
New Hampshire	8
New Jersey	7
New Mexico	12
New York	34
North Carolina	32
North Dakota	9
Ohio	44
Oklahoma	17
Oregon	14
Pennsylvania	37
Rhode Island	3
South Carolina	14
South Dakota	7
Tennessee	25
Texas	57
Utah	3
Vermont	3
Virginia	14
Washington	18
West Virginia	9
Wisconsin	18
Wyoming	5

Source: 1970 Census of Population.

STATEMENT OF HON. JAMES ABOUREZK, A U.S. SENATOR FROM THE
STATE OF SOUTH DAKOTA

Mr. Chairman and members of the Subcommittee, I am pleased to both cosponsor with your able chairman one of the bills before you, S. 1916, and to appear before you on its behalf. As a Senator from a predominantly rural state and as Chairman of the Midwest Democratic Caucus, I have a strong and continuing interest in the work of this Committee. All of the bills before you aim at making needed changes in the landmark Rural Development Act of 1972. I support all three of the bills, but will confine my statement to S. 1916 to provide a program of public conservation employment.

This legislation is in the spirit of one of the most successful and widely praised of the New Deal anti-depression programs. The Civilian Conservation Corps, or CCC as it was called, was almost unanimously regarded as a good thing for the young men who participated and as a good thing for the countryside. Now, in a period of the most severe unemployment since that Great Depression, it is appropriate that we should once again put people to work by using them in conservation programs. Once again it will make sense for the people employed and it will make sense for the rest of us who will see much-needed work done on our mutual heritage of natural resources.

S. 1916, which I am proud to cosponsor with your chairman, represents legislation that is needed in many ways. First, it is needed to counter a rural unemployment situation which is serious and continuing.

In my state of South Dakota, in June, the latest month for which figures are available, there were a total of 17,800 people unemployed. I realize that this

number may not sound like very much to someone from Detroit, but South Dakota has a population of only 680,000 people. When there is full employment, 303,700 of those people are working, nearly one of every two people in the state. Unemployment in South Dakota in June is equivalent to all of the working people in a city of 40,000 being unemployed.

In June in South Dakota, 21 of the 67 counties would be eligible for the benefits of this legislation. Nearly one third of the counties of the state had unemployed in excess of 6 percent, the unemployment rate that would trigger the benefits of this bill. Those counties and the percentage rate of unemployment:

	Percent		Percent
Clark -----	6.4	Mellette -----	20.4
Codington -----	6.2	Stanley -----	6.4
Lake -----	6.3	Todd -----	15.7
Beadle -----	6.8	Tripp -----	6.7
Roberts -----	7.6	Ziebach -----	9.8
Buffalo -----	20.3	Bennett -----	7.0
Campbell -----	6.5	Lawrence -----	6.2
Corson -----	10.0	Pennington -----	6.4
Dewey -----	10.4	Shannon -----	15.6
Hyde -----	8.5	Washabaugh -----	30.7
Lyman -----	9.0		

It is legislation that is needed to help preserve and conserve our natural resources. As the Chairman knows, over three million acres of national forest land needs reforestation and more than three times that much should have improvements to increase yields and prevent forest fires. In South Dakota, we need 500 man-years of work just to control the pine beetle in the Black Hills forests. There is a great deal of other work that can and should be done to protect wildlife, carry out insect and plant disease control, and use such programs as the agriculture conservation program, the water bank program, and the forestry incentives program.

S. 1916 is also legislation that is needed to bring more equity into Federal manpower programs. In the past, rural and small town areas have gotten far less than their share of employment and training programs—for a variety of reasons. An analysis we did of Federal outlays for various purposes found that only 17% of those in manpower and employment went to nonmetropolitan areas. Yet, those areas contain almost twice that share of our nation's people. By making the public service conservation employment program a part of the Rural Development Act and administering it through the Department of Agriculture, we can insure that it is focused on the rural areas that other programs tend to miss.

This legislation is designed in another way to focus its effects where they are most needed. It provides that the jobs are to be made available in places where the unemployment rate has exceeded 6% for at least three months. This triggering and targeting mechanism helps to maximize the efficiency of the program in dealing with unemployment and to avoid inducing any inflationary pressures.

Mr. Chairman, I know that you will be working for the enactment of this program and I hope that you and your colleagues will find it possible to recommend it to the full Committee and the rest of the Senate in the very near future.

STATEMENT OF HON. TOM BEVILL, REPRESENTATIVE IN CONGRESS FROM THE 4TH CONGRESSIONAL DISTRICT OF ALABAMA

Mr. Chairman, I would like to take this opportunity to extend my support to the Rural Affairs Legislation introduced by Senator Williams, S. 1353.

I strongly urge the U.S. Senate to approve this legislation to create a more realistic definition of rural areas for future projects.

Many of our small communities now have a population of 12,000 to 15,000, or more and yet still remain predominately rural.

I urge my distinguished colleagues to approve this legislation, so we can establish a more reasonable population standard for FmHA community facilities loans. Since the bill calls for raising the current 10,000 limit to 50,000, I would like to strongly recommend this increase be enacted into law at an early date so that the fine provisions of the Rural Development Act of 1972 might be available to our predominately rural areas.

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D.C., July 17, 1975.

HON. DICK CLARK,
Chairman, Subcommittee on Rural Development, Senate Committee on Agriculture and Forestry, Old Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the National Rural Electric Cooperative Association, we wish to express our support for S. 1916.

We feel that the bill is an appropriate amendment to the Rural Development Act of 1972 since it is clearly concerned with one of the principal objectives of the Rural Development Act; namely, creation of jobs in rural America.

At the time that the Rural Development Act was being considered, the nation was enjoying a period of expanding economic growth and prosperity. Rural areas were also experiencing economic expansion with a rate of job formation higher than for non-metropolitan areas. The downturn in the economy, however, has greatly affected both urban and rural areas.

As you pointed out recently, the unemployment rate for non-farm rural residents is higher than for the rest of the country. It was 9.8 per cent in the first quarter of this year. It is likely that the situation is even more severe than the statistics indicate because there is also considerable underemployment in rural areas. Among the farm population, for instance, when a farmer loses his non-farm job, he is not counted as unemployed. As you know many farm people must hold down two jobs in order to make a living these days. According to USDA figures, more than 50 per cent of farm families obtain more than half of their income from non-farm jobs. In this regard we would hope that S. 1916 would direct the USDA and the Department of Labor to improve their methods of determining joblessness and underemployment in rural areas.

Serving as they do about 45 per cent of the rural population, the nation's nearly 1,000 rural electric systems, which are non-profit cooperative organizations owned by their consumer members, have both an indirect and direct stake in the proposed legislation. Moreover, over the years, NRECA and its membership have strongly supported legislation of this type aimed at creating jobs in rural America.

It strikes us that the addition of a permanent rural employment mechanism to the Rural Development Act fills a gap which was not foreseen when the bill was enacted. The provisions of S. 1916 would be implemented whenever unemployment reaches 6 per cent or more for 90 days or longer. This seems to us to be a very sound approach since it would insure the creation of thousands of jobs when they are most needed and could not be supplied in sufficient numbers by the private sector. This is certainly true today. Despite the signs of recovery from the recession, most of the experts predict that the high rate of unemployment will continue for a long time.

Combined with the ongoing authorities in the Rural Development Act which provide the potential for developing new jobs in the private sector, as well as aiding existing businesses which are having difficulties staying afloat, the public service job provision would give the Rural Development Act the possibilities of effectively combatting the recession in rural areas. In addition to providing employment for rural residents, the legislation could make a valuable contribution to the conservation of our natural resources which in many places have been seriously neglected.

Flood and erosion control, reforestation and development of national, state and county parks, constitute an enormous amount of worthwhile work that needs to be done and which will benefit the nation as a whole. Besides conservation projects, we would recommend that you consider authorizing projects that would assist low-income residents to rehabilitate their homes. Farmer's Home Administration can make home repair loans to very low-income people both under Sections 504 and 502 of Title V of the Housing Act of 1949. As a result a considerable amount of employment could be created which in turn would benefit low-income householders.

At our 1975 Annual Meeting, the NRECA membership unanimously passed a resolution calling on Congress to "recognize that many rural areas in this country have projects such as roads, hospitals, housing, schools, forest land, etc." that lend themselves to creating useful jobs for the unemployed. The resolution went on to request that "Congress give these projects priority in any legislation enacted for this purpose."

We appreciate very much the opportunity for making our views known on this most important piece of legislation.

Sincerely,

WILLIAM E. MURRAY,
Legislative Specialist-Rural Area Development.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY,
Garner, Iowa, August 13, 1975.

HON. DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: Thank you for the copy of Senate Bill S. 1916 recently sent to our office. We are always happy to have information relating to the concerns of people with whom we work.

The bill appears to have many desirable features when considering the employment of those who are unemployed. I have read with interest your comments relating back to the CCC's of the 30's and of their direct and tangible public benefits and feel there would also be tangible results derived from the enactment of similar provisions provided in your bill as recently submitted to Congress.

Sincerely,

CARL M. LITTLE,
County Extension Director.

POTTAWATTAMIE COUNTY CONSERVATION BOARD,
Council Bluffs, Iowa, August 14, 1975.

HON. DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SIR: In reply to your letter of July 22, re/S. 1916—an act relating to providing jobs for rural unemployed, I regret that I am late with this reply but due to vacation I have not acknowledged this sooner.

I am pleased with the provisions of the bill and how it could especially be of benefit to our department. As I am a former C.C.C. youth and see how that program, for that era, is yet today, a monument to the work of those groups, I have every reason to believe that a Conservation Employment program today could as well serve the general public as well as provide employment.

Our experience this summer with the CETA program has been a big success. For the most part we have been working with youth but it could be as beneficial utilizing different age groups.

I endorse the concept of S. 1916 as a program in general and am sure it would in the end, justify the expenditure.

I hope that these comments, although a little late, may be of some value to you in the process of the possible enactment of this bill. I thank you for the consideration of my views on this matter.

Yours Sincerely,

H. L. BORWICK.

DONNELLSON, IOWA, August 16, 1975.

Senator DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: Regarding Senate bill 1916 that you and James Abourezk of South Dakota are sponsoring. I am very much in agreement on such a bill.

I had two experiences with the "Old CCC" in Minnesota and Mississippi and saw what this can do to our human and natural resources.

We have too long neglected the word "work" in our government programs. Most people are willing to work if given the opportunity. This would not only benefit the individual but also our nation.

I hope you are successful in obtaining this type of legislation and will do all I can to assist you.

Yours truly,

FRANKLIN H. MULLEN.

WEST PITTSBURG, PA., August 19, 1975.

Senator DICK CLARK,
Russell Office Building,
Washington, D.C.

DEAR SENATOR: Recently I read an article where you were involved with a bill concerning the development of conservation projects for rural areas. My interest stems from the fact that I am an unemployed graduate of Penn State University with a B.S. degree in Forest Science. Whether the bill passes or fails I commend you for your efforts. If passed, I would appreciate you informing me on the procedures for applying in the program.

Sincerely yours,

TIMOTHY N. MCCOY.

ONAWA, IOWA, August 11, 1975.

Hon. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: In reply to your recent letter asking for comments on conservation employment project; I apologize for not answering sooner, but I wanted to counsel with the Soil Conservation District commissioners.

Several years ago we provided summer employment under the Neighborhood Youth Corps program. First of all, the West Central Development Corporation staff did not provide the counseling for these young people so that I found myself trying to give them some meaningful guidance. We were short on regular staff at that time as we are now, and I had to neglect my regular job to work with these young people. Where we had them for just the summer, it was hard to accomplish much in the way of technical training. So that experience was poor for all concerned; the youth, our on-going program and relations within SCS staff.

Since that time, we have tried to find help on a part-time basis because of the limited funding. People on Social Security are too limited in the amount of money they can earn. Some of the younger under-employed people do not seem interested in work—only in a pay-check. So our experiences with employment here have been less than satisfactory.

I am concerned about what kind of conservation projects you have in mind. If these projects will require supervision from SCS or Soil Conservation District staff, it won't work. We are spread way to thin on the responsibilities we have presently. If these new projects are to be made a part of our existing programs, we need staff for planning and for supervision. The new programs should also be something more permanent so that local people can count on them for long enough time to accomplish permanent good.

I would suggest that conservation employment projects be meaningful. This business of making busy work for people is worse than welfare. They soon recognize that it is busy work or, worse, get the idea that all government jobs are soft and easy.

I realize the tone of this letter is negative, but I believe some of the ways we have tried to solve society's problems have had a very negative effect on people. Unless we can get back to a full day's work for a day's pay, integrity, and a willingness for people to be responsible for their own actions and for themselves, no program will solve anything.

Thanks for the opportunity to sound off. I hope you have the strength, courage and wisdom to continue to fight on for a better life in the United States.

Sincerely,

BOB ZIMMERMAN.

RESOURCE CONSERVATION AND DEVELOPMENT FOR SOUTHEAST IOWANS,
Burlington, Iowa, August 11, 1975.

Senator DICK CLARK,
U.S. Senate, Old Office Building,
Washington, D.C.

DEAR SENATOR: Recently you requested opinions and information regarding your proposed rural unemployment program. I have reviewed your request with a number of rural oriented groups including the soil conservation districts and the Geode Wonderland RC&D.

If you are not aware of the proposed Resource Conservation and Development Project for Southeast Iowa, the people in the area feel that this project offers a great opportunity for the improvement and stabilizing of rural employment. In fact a principal objective of Geode Wonderland is to achieve stabilization in the socio-economic area.

We enclose a copy of our recently printed handbook, which is aimed at helping those who are involved in the project.

RC&D, however, has been delayed in Southeast Iowa, because of the delays in appropriation for USDA. As we understand it, the administration is seeking cuts and Congress hopes to expand the program.

Nevertheless, we feel that RC&D could become an important channel through which to identify rural employment problems and to provide assistance through federal programs. We wonder at the necessity of creating another program to be handled through USDA at this time. If anything is needed it appears to be planning assistance to develop employment opportunities. Then, if funding could be made available to aid local governments in support of worthwhile public service activities, your proposed program might add to some of the existing program opportunities. RC&D could be most effective in guidance of these action programs, if and when we become operational.

Your assistance in bringing about the operational status of Geode Wonderland RC&D will be greatly appreciated by the people who are devoting their efforts and time to the project, I can assure you. The project council has a goodly number of project measures requested already which could have the effect of stimulating the economic outlook of the four county area.

I hope these thoughts may be helpful to you in deliberating upon your proposal.

Sincerely,

RALPH E. DEWEY,
District Conservationist.

IOWA BEEF INDUSTRY COUNCIL,
Ames, Iowa, August 11, 1975.

Senator DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: I am sorry I did not respond sooner to your letter of July 16, 1975, regarding public service jobs for the rural unemployed.

Certainly the conservation-type projects involved are of a very positive nature and in times of high unemployment, such appropriations would serve two purposes.

With the concern over food and fiber production, the projects alone should be worthwhile enough to gain the approval of the Eastern population and Congressmen. Like the CCC's of the 30's many of these projects are visible and useful for years and pay big dividends. Also, the amount is really not that great when compared to Vietnam War costs, etc.

The projects involved would be important and I feel this reflects the thinking of the rural people that I have had an opportunity to contact. Your efforts should be commended.

Badly needed profits on fed cattle have been good for four months but hopefully more stability can be achieved to help the cow-calf man as well. Heavy slaughter of cows and calves might mean we could achieve this sooner than previously thought.

I have enclosed a couple of letters concerning a June-Eastern-Iowa Corn-Fed Beef promotion that might be of interest. I appreciate the information that comes to this office.

Sincerely,

KEITH W. JOHNSON.

WILSON & CO., INC.
Albert Lea, Minn., July 30, 1975.

Mr. KEITH W. JOHNSON,
*Iowa Beef Industry Council, P.O. Box 451,
123 Airport Road, Ames, Iowa.*

DEAR KEITH: Thank you for allowing Wilson & Co., to be part of your outstanding promotion of quality corn-fed choice beef in the Buffalo marketing area. It was an extremely worthwhile program for Peter J. Schmitt Co., and Wilson & Co., and we certainly hope it was beneficial to the Iowa Beef Industry Council.

You are to be commended, Keith, for the super job you did on the organization and in getting everything to run so smoothly. The real highlight of the promotion seemed to be the TV and radio appearances of the Beef Queen, Ellen McMahon, and other Beef Industry Council dignitaries.

Perhaps you saw the recent news article in the Buffalo News, pointing out that the Peter J. Schmitt Co., would be doing all of the buying for the Loblaw Stores in the very near future. These two divisions are owned by the same parent company, and they are trying to make an economy move by having all of the buying concentrated in the one area. This will add a great deal of potential to the buying power of the Peter J. Schmitt Co., and hopefully will be beneficial to you and your Council, as well as to Wilson & Co.

Again, thank you for allowing our company to be part of your promotion in Buffalo, and we hope you were as satisfied with the program as we were. Should there be an opportunity for a similar promotion in the near future, please consider Wilson & Co., very interested in that endeavor.

Yours truly,

STAN JOHNSON,
General Manager.

IOWA BEEF INDUSTRY COUNCIL,
Ames, Iowa, July 25, 1975.

Mr. BOB BETZER,
Director—Meat Operations,
Peter J. Schmidt Co.,
Buffalo, N.Y.

DEAR BOB: The enclosed check in the amount of \$2,977.16 represents the Iowa Beef Industry Council's full share in the cooperative newspaper ads, featuring beef in the *Buffalo Evening News* and the *Buffalo Courier Express*. This is, of course, in addition to the radio, television, corn-fed beef stickers, and other in-store promotional items that we provided.

The Council is very pleased with the success of the promotion in terms of dramatic increased beef sales and the fact that Bell's Markets will continue to identify with Iowa Corn-Fed Beef in their future sales.

I enjoyed the opportunity to talk about Iowa beef on T.V. and radio along with our Beef Queen, Ellen McMahon when in Buffalo. I was very impressed with the appearance of Bell's show cases in the stores we were able to cover.

There is no doubt that Iowa will continue to be the major source of *quality corn-fed choice beef*. Current economic trends, shifts in transportations and production costs on feed grains, feeding expertise, etc. indicate that this dominance will continue to increase.

Be sure to let me know, Bob, if your organization can make use of our retail training film called "Showcase for Beef Sales". I have enclosed a description of the film and we will loan it to you free of charge.

The Iowa Beef Industry Council represents all of Iowa's cattlemen and again, it was a pleasure for us to be a part of this successful cooperative promotion involving a fine set of retail stores and a fine Iowa packer.

Sincerely,

KEITH W. JOHNSON.

DES MOINES COUNTY CONSERVATION BOARD,
Burlington, Iowa, August 11, 1975.

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR MR. CLARK: In response to your letter of July 16, 1975 to Merle Kelly, Des Moines County Board of Supervisors, I would like to express the Des Moines County Conservation Board's reaction to this letter.

As their Executive Director, I have been authorized to inform you that the Des Moines County Conservation Board fully supports S. 1916 which you and Senator Abourezk introduced which provides public service jobs for rural unem-

ployed. The projects that could be funded under this bill include reforestation, flood and erosion control, and improvement of county parks. This could be directly beneficial to our county since we have a vigorous county conservation program.

Please include our support for this bill in your hearing record.

Thank you.

Yours truly,

JAMES A. SETTLES,
Executive Director.

LOGAN, IOWA, August 10, 1975.

Senator DICK CLARK,
Washington, D.C.

DEAR SENATOR: I believe that S. 1916 could provide some very tangible benefits to conservation work.

There are many types of conservation projects that could benefit from extra efforts in Harrison County and adjoining counties.

Many dams could use work to remove trees and brush that will eventually harm the structure, experimental tree and shrub plantings need weed control practices.

Almost all of the drainage ditches have trees growing in them and the trees within the flow lines need to be removed to prevent the trapping of debris and sediment.

There are many acres of roadsides in the county that create erosion problems because they have not been seeded or because the original seeding did not catch. Much of this is hand work on areas too steep or inaccessible to motorized equipment.

I personally feel it is better to have this type of employment benefit because we tax payers do get some return for the dollars spent.

A bill of this type needs to provide for a few, good supervisors added to existing agencies; but safeguards must be added to prevent it from becoming administratively top heavy. There must be provision for equipment and material otherwise a program of this type can actually work a hardship on the areas where it is needed most.

I also strongly feel a work requirement needs to be contained in this bill and as a supplement to existing welfare programs so people will not turn up their nose at labor when they can draw "rocking-chair money."

Thank you for asking for my comments.

Sincerely,

LYLE C. PETERSON.

CASEY, IOWA, August 26, 1975.

Mr. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: Although I'm late in a response to your letter received regarding public service jobs for the unemployed, I would like to have you know some of my thoughts in regard to it.

The idea of providing work opportunities is a good idea if handled properly. It reminds me of the CCC camps of the 1930s when young men received valuable training in building public recreation areas. The projects for which this labor would be used seem to all be in the interest of the public and for which there is a great need. Since I am a district soil commissioner I, of course, am somewhat partial to the need for soil & water conservation.

I would like to emphasize the importance of keeping this program from becoming a "give away" program, but to implement it in such a way as to employ those who really want to work and not to be come to competitive with farmers and others in the job market. We find that it is difficult to hire farm labor even though seasonal jobs are offered to unemployed people who are receiving unemployment compensation as "a way of life."

Sincerely,

NORMAN B. KADING.

BENTON COUNTY CONSERVATION BOARD,
Vinton, Iowa, July 22, 1975.

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: I believe that the bill (S. 1916) you have introduced into the Senate, which would provide public service jobs for the rural unemployed, is a worthwhile and reasonable measure.

Although rural unemployment in Benton County at this time is almost certainly less than 6%, there is always the possibility that the provisions of this bill might benefit us in the future. There are no doubt other areas, less fortunate than we, who could take advantage of such assistance right now.

Our County Conservation Board, working with limited funds to maintain eight parks and to complete development of a ninth, would have no trouble providing meaningful and productive employment for people who might qualify under this bill.

Sincerely,

OLIVE STRAWN,
Secretary.

JULY 24, 1975.

Re S. 1916.

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: I was pleased to receive correspondence from you dated July 18, 1975 in reference to the above captioned subject.

As a citizen of Polk County and Vice Chairman of the Polk County Conservation Board, I am gratified to see that you are taking an active role in Agriculture's Rural Development Subcommittee. Your constituents throughout our fine state could potentially reap some of the benefits of your proposed Act.

It appears that the Bill has been well designed and certainly serves a direct purpose. It has excellent objectives, not only in the development of our rural areas of Iowa but also in satisfying and helping to alleviate the immediate unemployment problem in the non-urban areas. We certainly hope that it would be possible that some areas of our county, Polk, would be eligible for some assistance.

As you may not be aware, within the last 36 months, the Polk County Conservation Board in cooperation with the Bureau of Outdoor Recreation purchased approximately 480 acres of timberland located at 63rd Street and the Racoon River. This is an area which could possibly be assisted by the Act and the development thereof using the labor of the current unemployed and assisting in clearing the developing nature trails, interpretive centers, etc.

The locale of this track of woodland is most convenient to the rural residents of Dallas, Madison and Warren counties.

In conclusion, I support all your efforts and encourage you to strive in the final analysis for the Bill Senate File 1916 as it is my definite personal feeling that these rural areas of Iowa provide excellent recreational and conservation opportunities for the entire state which you represent.

Sincerely,

R. K. MARTIN.

COLUMBUS JUNCTION, IOWA, July 24, 1975.

Senator RICHARD CLARK,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR: You are to be commended for your actions in regard to the bill S. 1916 providing public service jobs for the rural unemployed.

We have reached a critical point here in Louisa County Soil Conservation District where funds, technical assistance, and trained manpower are desperately needed if we are to continue to comply with the Soil Conservancy Law.

With the transfer of our capable District Conservationist and part time technician to other Districts we are left understaffed with only a trainee conservationist and an AIE part time assistant, whose tenure is uncertain, to administer only a small fraction of the assistance needed considering the extent of conservation applications and work waiting to be done.

The full impact of our nation's unemployment problem didn't really reach us until the Burlington Ordinance Plant that employs a number of people in surrounding counties and our own Rath Packing Company in Columbus Jct. were threatened with prospective shutdowns forcing our county to face the possibility of an extensive increased unemployment rate.

To me S. 1916 offers a possible solution to multiple problems in this area. It not only creates jobs for the unemployed but does so constructively by making provisions to conserve and develop our natural resources for unlimited benefits to countless persons.

Using our tax money in this way makes far more sense than creating jobs whereby people are merely doing busy work compiling duplicate inventories as seen in some of our EPA work programs.

Sincerely,

OLIN M. JENNINGS.

CARROLL, IOWA, July 24, 1975.

Hon. RICHARD CLARK,
*Old Senate Office Building,
U.S. Senate, Washington, D.C.*

DEAR SENATOR CLARK: I am President of the Carroll County Conservation Board, a non-paid, no political job. The Board operates about 1,000 acres of different recreational facilities in the county with four full time employees. Many counties in Iowa have very similar operations.

The Board has already discussed the possibility of using people who are unemployed under a government program. Some things we need done are clearing the dead elms killed by Dutch Elm disease, build a new shelter house, develop some wildlife habitat in some of our areas. Many farmers like wildlife and have odd areas on their farms that need planting to shrubs and trees for habitat. I really believe most people would be happier doing something useful for any welfare received than being just idle. Also, the taxpayer could see something for his tax dollars.

Sincerely,

DONALD H. SEVERIN.

BRITT, IOWA, July 23, 1975.

DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: Congratulations to you and to Senator Abourezk on your proposed legislation, S. 1916. I am in accord with the idea of putting unemployed persons to work in conservation projects. These projects are meaningful for most Americans, and can help greatly in making our country a more desirable place to live.

The unemployed who can be given jobs as a result of this legislation will benefit not only financially, but also from the pride and satisfaction that results from doing constructive work.

There is much that needs to be done in our country in the field of conservation, and most of it will benefit not only our generation but those which follow us.

I have been following your work and accomplishments in the Senate and elsewhere, Senator, and it is with pride that I can refer to you as our Senator. Keep up the excellent work, and be assured that we support your efforts.

Yours truly,

D. L. DAVIDSON.

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Des Moines, Iowa, July 24, 1975.

Hon. DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR CLARK: Thank you for your letter of July 18, 1975, informing us of Senate Bill 1916 regarding providing public service jobs for rural unemployed.

We appreciate your concern and wish to assure you that we are also concerned about the unemployment in the rural areas. We know of no better way to utilize the unemployed than to provide special funds for hiring these individuals to work on conservation projects.

We recently conducted a very preliminary inventory in several of the Soil Conservation Districts in Iowa to determine the need for these types of projects. This inventory indicated that there were several potential conservation projects in counties with over six percent unemployment which could be carried out with this type of employment.

We again want to thank you for keeping us informed regarding this proposed legislation. If we can be of assistance, please advise.

Sincerely,

WILLIAM J. BRUNE,
State Conservationist.

PROMISE CITY, IOWA, July 25, 1975.

HON. DICK CLARK,
U.S. Senator.

DEAR DICK: I received your note and Bill S. 1916. Which I am very much pleased to see.

There are many people who live in the rural areas and work in towns that have been laid off which is making a real hardship on their families.

I was in Centerville today. The box factory is closing down. The Iowa Steel & Wire has been closed for a couple months. Also looks like the McGraw Edison will close and move from Centerville as they are having problems.

There are droves of people at the Employment office about every day.

We have a lot of work here in the 4 RC&D counties. The State conservation park areas, the upper reaches of the Rathbur Lake Watershed, County Conservation Parks, a lot of the area in the Corps of Engineers land need new forest of pine and hardwood trees planted for the next generations to build up the natural resources. There are a lot of fences in the Rathbur area needs removed and salvaged. Also need wild habitat. A lot of municipal parks are needing work done. A lot of county roads need seeding and gully control work done on the critical areas.

I would very much like to see a lot of construction work being done such as conservation practices being done instead of paying money out on unemployment, which is not good for the Economy. Please excuse the stationary as it is all I could find.

Yours Resp.

T. J. THOMPSON.

CONSERVATION BOARD, LINN COUNTY, IOWA,
Central City, Iowa, July 28, 1975.

Senator DICK CLARK,
*U.S. Senate Office Building,
Washington, D.C.*

DEAR SENATOR: You are to be congratulated for your effort to bring to the attention of the nation the fact that the metropolian areas hold no monopoly on unemployment; that there is need for assistance in the rural areas as well as in the cities. The point that wages are much lower in the rural areas (20% lower) is of great significance.

CETA has been of very limited help in the rural areas. Through my responsibility as President of the Linn County Conservation Board I have become acutely aware of the need for more assistance in meeting the increasing demands of the people for closer and more complete recreational facilities. These people have become limited in the distances they can travel because of the high cost of gasoline.

There is an obvious need for the preservation of our natural resources. These natural resources are largely located in the rural areas. The chief drawback to the Linn County Board of Conservation in its efforts to retain and maintain these resources is manpower or more specifically the funds required to employ this manpower. The Board has many projects that have been set aside because of lack of funds. Additional funds would allow us to do our part in continuing to conserve these resources, to participate in the relieving of the unemployment in the rural areas, to diminish the demand for recreation facilities closer to home, and thereby to conserve our limited supply of gasoline.

There is also an allied matter worth considering, Senator. In so many instances counties are classified as either metropolitan or rural when, as in the case of Linn County in Iowa, they are both. Such a classification is simplification that causes

hardship when federal funds are distributed through bodies such as the county supervisors, particularly when there are no rules for guidance in the distribution of the funds.

We wholeheartedly support your effort in behalf of rural America and do wish you success in the promotion of this bill. We would like to continue to lend our support in this effort and will take advantage of any opportunity that is presented to us.

Very sincerely yours,

TOM F. NEENAN, *President.*

TIOGA COUNTY SOIL AND WATER CONSERVATION DISTRICT,
Oswego, N.Y., July 28, 1975.

Re Conservation Employment Bill (S. 1916).

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: I would just like to take a moment and let you know that as the Chairman of our local Soil and Water Conservation District, I appreciate your sponsorship of the CONSERVATION EMPLOYMENT BILL.

I encourage you and co-sponsor James Abourezk to seek passage of this sorely needed bill. Our District is one of many that can put conservation laborers to immediate useful work, on a continual basis.

Sincerely,

STEVEN ZAMOISKI,
Chairman, Board of Directors.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY,
Clinton, Iowa, July 29, 1975.

RICHARD CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: I certainly want to thank you for your letter in regards to Senate Bill 1916.

There are projects that should be taken care of in the rural areas and this would be one way to help to get them done.

Thanks again for sending me the information.

Very truly yours,

NORMAN J. GOODWIN.

NATIONAL FARMERS ORGANIZATION,
Washington, D.C., July 30, 1975.

HON. DICK CLARK,
Chairman, Rural Development Subcommittee, Senate Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: The opportunity to comment on S. 1916, to amend the Rural Development Act of 1972, introduced by you and Senator Abourezk on June 11th, is very much appreciated. This bill would establish clear authority for the employment of persons in rural areas on public conservation projects.

It seems to me especially appropriate that those of us in farm organizations who concentrate our interest and resources on behalf of rather well-established farm owner-operators—farmers who are primarily interested in prices and the commodity programs—should also consider that there are a number of unemployed people of good character in rural areas who, through no fault of their own, simply cannot find adequate employment at this time. I recall from my own experience that similar programs have been quite successful in the past. Parks and other public use areas have been cleaned up and improved, simple roads and bridges have been built, and resources that otherwise would have been wasted were made into something useful for the public. It is quite appropriate that we should move to repeat such worthwhile efforts at a time when there are rural areas with high rates of unemployment.

There is another angle that should be considered. Whereas some of the revenue-sharing concepts financed through the federal treasury in recent years have moved money to municipal localities only to be spent for equipment manufac-

tured elsewhere, or used in a supplemental fashion to bolster or improve well-established municipal service functions, little has really been done to direct the use of federal funds to meet health and employment problems in those communities that are largely rural in make-up.

The thrust of S. 1916 would remedy this imbalance. I am particularly pleased that it contains a provision to limit the amount of the funds that might be expended for any purpose other than employment of persons who are now out of work.

I would be happy to have these comments be made a part of the hearing record. We will be glad to support the legislation if it is the decision of your committee to undertake to move it through the Congress.

With best wishes.

Sincerely,

CHARLES L. FRAZIER,
Director, Washington Staff.

BOARD OF SUPERVISORS/BENTON COUNTY,
Vinton, Iowa, July 17, 1975.

Hon. DICK CLARK,
*U.S. Senate, Russell Office Building,
Washington, D.C.*

DEAR SENATOR CLARK: Thanks for the information in your letter of July 16, pertaining to Senate File S. 1916.

I would favor this piece of legislation as our present Program of our Conservation Board is the construction of lake on 118.9 acres northwest of Vinton, Iowa and will be known as Rodgers Lake.

I have forwarded copies of your letter to our conservation board as I feel they could give you their feeling on this bill.

Thank you for this information. I will see you in Cedar Rapids at the VIP Dinner Saturday Night.

Sincerely,

ROBERT H. SMITH.

DICK CLARK,
U.S. Senator.

DEAR DICK: I think legislation S. 1916 you and Senator Abourezk introduced has much in need in rural areas.

I think it will kill two birds with one stone. Help unemployment and conserve soil and flood control.

Sincerely,

MORRIS H. SCHMITZ.

P.S. We need a National push for conservation. Like FDR did in the thirties for the whole nation. I think it is sure the present man in the oval office will not do it.

DECATUR COUNTY SOIL CONSERVATION DISTRICT,
Leon, Iowa, July 28, 1975.

Hon. DICK CLARK,
*U.S. Senate,
Washington, D.C.*

DEAR DICK: Thank you for your letter of July 18 in which you stated that you and Senator Abourezk had introduced legislation to provide public service jobs for the rural unemployed as part of the Rural Development Act.

We have felt that this type of legislation has been needed for quite some time and would like to commend you on your efforts toward this bill.

We, the Decatur County Soil Conservation District, are very much interested in the economic problems of our country, especially in the rural areas where the unemployment rate is much more prevalent than in other areas. The legislation will provide the needed conservation projects that are so vital in helping to preserve our natural resources for future generations.

Again, we want to convey our support and appreciation for the work you are doing in furthering soil and water conservation.

Sincerely,

FRANKLIN MAIN, *Chairman.*

BLACK HAWK COUNTY,
Waterloo, Iowa, July 28, 1975.

U.S. Senator DICK CLARK,
Russell Office Building,
Washington, D.C.

DEAR DICK: This letter is in response to your letter of July 16, 1975, with reference to the unemployment situation in rural areas.

I am in total agreement with your efforts to develop a conservation program such as outlined in S. 1916 introduced by yourself and Senator Abourezk on June 11. To further support your position that such a program has great merit, I am enclosing several clippings taken from local newspapers, one dated July 25, 1975, and the other July 26, 1975, both outlining in detail the unemployment problem as it presently exists in Black Hawk County, Iowa.

Please feel free to call upon me at anytime in the future to help you in your efforts to alleviate the unemployment problem in the nation and in this particular instance, the unemployment problem in the rural areas of America!

With best regards,
Sincerely,

LLOYD W. GALLAGHER.

Enclosures.

[From the Cedar Falls Record, July 26, 1975]

COUNTY JOBLESS RATE REACHES 5-YEAR HIGH; NO RELIEF SEEN

The percentage of unemployed Black Hawk County workers rose to 8.4 per cent in June, the highest rate in the last five years, the Iowa State Employment Service reported Friday.

Although June is customarily a high unemployment month, the percentage of jobless workers was more than double last year's high of 3.5 per cent—also recorded in June.

The employment service noted the unemployment rate is expected to decline seasonally in July and August, but predicted jobless rates will continue at high levels during the remaining summer months.

"A rebound in manufacturing employment is necessary to bring unemployment down to 1974 levels," the employment service said. "At this time there are no indications this will happen this summer."

There were 5,300 unemployed workers in Black Hawk County in June, an increase of 900 over the previous month and 3,100 over a year ago.

Most of the increase was attributed to the addition of 800 persons to the labor force since May. School employment declined during the month, and increases in agricultural and construction positions were not enough to counteract the decreases.

The 8.4 per cent June rate locally compared to Iowa's 6.2 per cent unemployment percentage. Nationally, 9.1 per cent of all workers were jobless during June.

Last month the county's unemployment rate stood at 7 per cent.

A majority of the increase in jobless workers over a year ago has come in the area of manufacturing. Total manufacturing employment was 2,100 less last month than a year ago. All manufacturing sectors have shown yearly decreases except printing and publishing.

[From the Waterloo (Iowa), Courier, July 25, 1975]

COUNTY UNEMPLOYMENT RATE RISES

Black Hawk County's unemployment rate for June jumped to 8.4 per cent, the highest it has been since 1970, the Iowa State Employment Service reported. The figure is considerably higher than the 3.5 per cent unemployment rate recorded in June 1974, which was the high for that year.

The employment service said worsened economic conditions nationally have affected county and area employment.

It reported 2,100 less jobs in manufacturing in the county for June 1975 from a year ago.

Most of the decrease occurred in machinery (700 jobs), fabricated metal products (400) and food and related products (400), the service reported.

The number of Black Hawk County workers out of a job in June was 5,300 of a work force of 63,800. About 2,200 were unemployed in June last year out of a work force of 62,000.

Because of heavy manufacturing in the Waterloo-Cedar Falls area, the county's unemployment rate is somewhat higher than state figures but less than national statistics.

Iowa's unemployment rate for June was 6.2 per cent and the national rate was 9.1 per cent.

The county's 8.4 per cent June unemployment rate marked an increase from May, which was 7 per cent.

June, however, generally shows an increase in unemployment with the entering of college students into the job market for the summer. The service estimated this figure at 800.

Pat Callan, employment service statistician, said the unemployment rate would show very little increase over May if students and others just entering the job market were not figured into the percentage.

He said some of the layoffs in manufacturing jobs were counteracted by new employment in construction and other seasonal jobs.

The service said it expects the unemployment rate to decrease seasonally in July and August, but the rate will still remain high during the period.

It said manufacturing employment is necessary to bring unemployment down to 1974 levels, but concluded, "At this time there are no indications this will happen this summer."

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY,
Ames, Iowa, July 28, 1975.

Senator DICK CLARK,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: In the interest of supporting development in rural America, I approve the proposal for establishing conservation job projects where unemployment exceeds six percent.

Conservation and development of natural resources is an appropriate national purpose. Organizations and agencies of government exist to implement conservation job projects. And people today and those who will live here in the future will receive the returns from these investments, both in what jobs do for the people themselves and as people use our natural resources for their utility.

Sincerely,

CHARLES E. DONHOWE,
Dean, University Extension.

STORY COUNTY CONSERVATION BOARD,
Colo, Iowa, July 28, 1975.

DICK CLARK,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: I appreciated receiving your letter of July 18th, 1975 concerning pending legislation S. 1916 which would provide public service jobs for the rural unemployed.

My first reaction was would it be applicable to Iowa. I contacted Chuck Salvage of the State Employment Security Commission who supplied me data for about 70 counties. I also talked with fellow constituents who expressed the following concerns:

1. Program could be of value to 97 county conservation boards, but supervision would be a problem with many boards having only 1 or 2 full-time employees to oversee any work program. Consequently, program might *only* be available to larger resource programs with sufficient supervisory staffs.

2. Program is acute and many people unlike the CCC days would rather not work unless some type of job security is involved, subjective thought expressed by a few and undocumented, but worthy of consideration. One exception might be students which leads up to a point, "Are college students eligible under this act if they meet all criteria of Sec. 603(5)?"

3. That out of 97 county conservation programs as well as state and municipal program, a tremendous amount of work needs to be done that cannot be completed by existing labor forces in the way of erosion control, prairie restoration, reforestation and timber mensuration, trail construction, and park renovation projects.

4. That program be available to all sources of government large or small meeting standards.

Since Iowa has enjoyed an unemployment rate lower than many of our neighbors I am still not sure if any divisions of government could benefit from yours and Senator Abourezk's proposal.

Our state does not separate rural and non-rural unemployment figures, presently. This, however, should not deter from the merits of this proposed legislation as many areas of the nation could utilize what appears to be an excellent addition to public service jobs created by existing economy.

Sincerely,

ROBERT R. PINNEKE,
Executive Director.

Enclosure.

UNEMPLOYMENT AND UNEMPLOYMENT RATE—COUNTY CHECK LIST (1975)

	January		February		March		April		May	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
01—Adair.....	250	6.0	270	6.4	250	5.5	190	3.9	140	2.7
02—Adams.....	200	8.2	210	8.3	180	7.0	140	5.1	100	3.6
03—Allamakee.....	590	8.9	660	9.8	600	8.7	590	8.1	420	5.6
04—Appanoose.....	640	10.3	930	15.4	770	12.3	670	10.5	500	7.6
05—Audubon.....	280	7.3	270	6.9	310	7.5	200	4.7	170	3.8
06—Benton.....										
07—Black Hawk.....	2,900	4.8	3,100	5.0	3,500	5.6	4,100	6.5	4,400	7.0
08—Boone.....	530	4.6	630	5.4	650	5.4	530	4.4	530	4.0
09—Bremer.....										
10—Buchanan.....										
11—Buena Vista.....	500	5.1	850	9.0	1,140	11.4	1,050	10.2	960	9.2
12—Butler.....										
13—Calhoun.....										
14—Carroll.....	820	8.2	680	6.8	630	6.1	650	6.2	600	5.4
15—Cass.....	480	5.8	610	7.2	650	7.4	490	5.5	340	3.7
16—Cedar.....										
17—Cerro Gordo.....	1,310	5.5	1,540	6.8	1,570	6.9	1,530	6.6	1,200	5.1
18—Cherokee.....										
19—Chickasaw.....	390	6.1	450	6.8	390	5.8	410	5.7	350	4.7
20—Clarke.....	290	7.4	270	6.8	300	7.2	270	6.3	160	3.6
21—Clay.....	500	5.7	430	4.9	350	4.0	320	3.5	240	2.5
22—Clayton.....	670	7.0	770	8.0	980	9.5	880	8.4	720	6.6
23—Clinton.....	1,310	5.0	1,480	5.8	1,750	6.8	1,850	7.0	1,920	7.1
24—Crawford.....	330	4.0	450	5.4	440	5.1	370	4.1	320	3.4
25—Dallas.....	740	5.5	770	5.8	780	5.7	740	5.3	670	7.4
26—Davis.....	310	9.1	320	9.0	340	9.4	340	9.1	330	8.4
27—Decatur.....	240	6.2	310	7.3	270	6.3	290	6.5	150	3.2
28—Delaware.....	460	6.1	530	6.9	600	7.4	500	5.9	370	4.3
29—Des Moines.....	1,280	6.4	1,460	7.4	1,540	7.8	1,720	8.5	1,860	9.1
30—Dickinson.....										
31—Dubuque.....	2,400	5.6	2,700	6.4	3,300	7.6	3,200	7.6	3,400	8.0
32—Emmet.....	400	6.6	400	6.5	410	6.6	390	6.1	390	6.0
33—Fayette.....	660	6.3	670	6.2	700	6.3	660	5.7	550	4.6
34—Floyd.....										
35—Franklin.....										
36—Fremont.....										
37—Greene.....	320	6.1	330	6.2	390	7.1	390	6.5	340	5.7
38—Grundy.....										
39—Guthrie.....	350	6.7	300	5.7	300	5.6	250	4.4	220	3.6
40—Hamilton.....	640	7.7	550	6.7	800	9.4	720	8.2	540	6.1
41—Hancock.....	260	4.6	300	5.2	240	4.1	300	4.8	200	3.0
42—Hardin.....										
43—Harrison.....	600	8.4	620	4.1	640	9.0	540	7.4	440	5.8
44—Henry.....	380	4.2	400	4.5	770	8.2	800	8.6	620	6.5
45—Howard.....	360	7.6	370	7.7	290	6.0	330	6.4	290	5.3
46—Humboldt.....										
47—Ida.....										
48—Iowa.....										
49—Jackson.....	540	5.8	630	6.6	740	7.6	750	7.2	850	7.9
50—Jasper.....	1,160	7.1	1,610	9.8	1,640	9.9	1,400	8.7	1,360	7.9
51—Jefferson.....	290	4.3	280	4.1	480	6.7	510	7.1	450	6.2
52—Johnson.....	870	2.3	1,160	3.1	1,280	3.3	1,170	3.0	1,030	2.6
53—Jones.....										
54—Keokuk.....	510	10.1	550	10.7	530	9.9	490	8.7	280	5.0
55—Kossuth.....	850	5.8	570	5.6	570	5.5	510	4.7	430	3.8
56—Lee.....	1,340	7.1	1,520	8.0	1,570	7.8	1,600	8.4	1,620	8.2
57—Linn.....	3,300	4.2	4,200	5.3	4,400	5.6	4,300	5.4	3,900	4.8

UNEMPLOYMENT AND UNEMPLOYMENT RATE—COUNTY CHECK LIST (1975)—Continued

	January		February		March		April		May	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
58—Louisia										
59—Lucas	320	7.2	290	6.6	330	7.0	350	7.3	260	5.5
60—Lyon										
61—Madison	410	7.6	360	6.6	340	6.1	320	5.4	230	3.8
62—Mahaska	550	6.2	570	6.2	690	7.4	660	6.9	500	5.1
63—Marion	540	4.2	580	4.5	570	4.3	560	4.1	420	3.0
64—Marshall										
65—Mills										
66—Mitchell										
67—Monona	400	7.9	450	8.7	460	8.5	390	7.3	270	4.8
68—Monroe	300	6.9	390	9.0	450	10.0	450	9.0	340	7.3
69—Montgomery										
70—Muscatine										
71—O'Brien										
72—Osceola										
73—Page										
74—Palo Alto										
75—Plymouth										
76—Pocahontas										
77—Polk	7,600	5.0	8,900	5.6	8,900	5.9	9,000	5.9	8,300	3.4
78—Pottawattamie	3,260	7.8	3,670	8.7	3,450	8.2	3,300	7.8	2,870	6.7
79—Poweshiek										
80—Ringgold	200	6.5	180	5.8	160	5.0	140	4.1	100	2.9
81—Sac										
82—Scott	2,650	4.3	2,960	4.8	3,310	5.3	3,270	5.2	NA	NA
83—Shelby	560	9.4	670	10.9	570	9.1	550	8.3	420	6.2
84—Sioux										
85—Story	920	2.8	1,250	3.7	1,090	3.2	1,030	2.9	730	2.1
86—Tama										
87—Taylor	230	6.5	280	7.7	270	7.1	300	7.4	190	4.5
88—Union	400	6.4	380	6.0	410	6.4	360	5.5	410	6.1
89—Van Buren	290	7.9	280	7.5	300	7.4	290	7.3	300	7.4
90—Wapello	1,640	10.6	1,670	10.8	1,620	10.5	1,710	10.7	1,570	9.9
91—Warren	470	3.6	520	4.0	550	4.2	550	4.2	510	3.9
92—Washington										
93—Wayne	190	5.7	290	8.0	280	7.6	220	5.7	150	3.8
94—Webster	1,400	6.3	1,220	5.5	1,330	5.9	1,180	5.2	1,110	4.8
95—Winnebago	300	4.7	300	4.7	300	4.4	270	4.0	280	3.9
96—Winnesiek	1,070	9.9	1,000	9.5	1,000	9.1	970	8.4	620	5.3
97—Woodbury	2,900	5.9	2,900	6.0	3,200	6.6	3,200	6.5	2,970	5.9
98—Worth	290	7.8	250	6.8	260	6.7	240	5.9	210	4.9
99—Wright										
Des Moines SMSA (Polk & Warren)	8,100	4.9	8,900	5.5	9,500	5.7	9,500	5.8	8,800	5.3

HAWARDEN, IOWA, August 1, 1975.

Senator DICK CLARK,
Washington, D.C.

DEAR SENATOR CLARK: I received your letter and statement concerning Senate bill 1916.

In order that you may have a picture of my background and my experience with you I will give you a brief resume:

1. Born and reared on a farm in South Dakota.
2. Worked 2 years in the CCC camp in the Black Hills area.
3. Served in Army Air Force in World War II, and graduated from College of Agriculture, Univ. of Neb.
4. Have taught Vocational Agriculture for 28 years in West Sioux Community School, Hawarden, Iowa.

5. Have served since 1962 on the Sioux County Conservation board which has charge of park planning, and development of natural resources in our county.

With this background I would like to offer a few suggestions:

1. There is a need to develop and maintain our natural resources for future generations.

2. You must have meaningful projects for young people to be involved with, or the project will fail.

3. Young people should be required to make a work contract with the Federal agency (such as a 1-year period) with a percentage of their wages forfeited if they do not fulfill their obligation—it will teach them responsibility to their employer and self-discipline.

4. The entire concept of a youth program should be to teach young people the work ethic, improve attitudes, develop skills, create work responsibility and nurture the desire to improve our natural resources.

5. Many programs favor individuals who have *no desire* to work—why not favor the individual who *wants* to work regardless of his economic situation? Just maybe that other individual will start believing in the work ethic for America.

In recalling my work in the CCC camp during the late 30's it was a most gratifying and challenging experience. Hope these remarks will help in formulating a better bill for rural employment.

Sincerely,

ELWOOD P. IVERSON.

IBELING INSURANCE,
Ackley, Iowa, August 2, 1975.

Re Senate File No. S. 1916.

Hon. DICK CLARK,

I favor the passage of S. 1916. I am a member of the Hardin County Conservation Board. We have limited funds to work with and it would be a great boost to our program to be able to hire help with assistance on the payroll. We have numerous projects and they would benefit many people if fully developed. We have very capable people to supervise any work that would be done for us by people employed under the Rural Development Act.

I have seen many projects that were completed by the old CCC program. These are projects were completed many years ago, but are still serving many, many people. The same could be accomplished with a well supervised Rural Development program—S. 1916.

Sincerely,

GEO. R. IBELING.

IOWA CATTLEMEN'S ASSOCIATION,
Ames, Iowa, August 1, 1975.

Senator DICK CLARK,
Russell Office Building,
Washington, D.C.

DEAR DICK: In your letter of July 16, you described a bill S. 1916 in regard to the Rural Development Act. I wanted you to know that we continue to appreciate your keeping us informed on all aspects of agricultural and rural agricultural legislation.

To express an opinion on this particular issue, however, would put the Iowa Cattlemen's Association on somewhat shaky ground. I'm sure you can appreciate that ICA as a specialized commodity group needs to pretty well confine its statements and activities to cattle oriented issues in order to maintain its credibility.

Once again, many thanks to you and your staff for the opportunity you give us to have input.

Sincerely yours,

LARRY KALLEM,
Executive Vice President.

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY,
Mt. Pleasant, Iowa, July 30, 1975.

Hon. DICK CLARK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CLARK: S. 1916, "Title VI—Rural Conservation Employment Projects" is much-needed legislation.

It is needed now to provide employment for our high school graduates who are forced to migrate to cities to find employment.

It will be much needed if the Burlington Ordnance Plant is closed and our small farmers no longer have this opportunity to supplement their poverty-level farm incomes.

If enacted, S. 1916 would help conserve and develop Henry County's human and natural resources.

Sincerely yours,

RICHARD L. THUMA,
Co. Extension Director.

EMMET COUNTY BOARD OF SUPERVISORS,
Estherville, Iowa, July 31, 1975.

Hon. DICK CLARK,
*U.S. Senate,
 Russell Office Building,
 Washington, D.C.*

DEAR SENATOR CLARK: Thank you for your letter of July 16, and the copy of S. 1916. It looks to me like a very fine bill and should go a long ways in alleviating a serious problem. I am interested in this bill and especially regarding projects that could be accomplished in the drainage area.

Emmet County was settled some 75 to 100 plus years ago. When the settlers came they found sloughs and marshes. In Emmet County alone records reveal that 40 percent of the county was under water. Almost upon their arrival these pioneers proceeded to drain the land so they could start to plant and raise crops; it is now, and has been, one of the most productive agricultural lands in the entire country. The drainage system put in by hand around the turn of the century has done a remarkable job all these years. The ditches, creeks, and tiles have carried the surplus waters to the rivers and off the crop-producing lands. This has been accomplished with a minimum of expense over the years.

Now, today, the picture has changed. The ditches aren't operating at their intended capacities—surplus water is not being moved off the land as it should be; the ditches are loaded with silt thereby eliminating the amount of fall required for the water to flow freely. The flow is further impeded by obstructions such as tree stumps (from 50-year-old trees that have died and rotted), beaver dams, branches and a variety of debris.

A recent engineering survey in Emmet County came up with \$173,300 as a cost estimate to clean a fraction over ten miles of Emmet County Ditch #7. This comes to about \$17,300 per mile. In Emmet County alone we have over 125 miles of open ditches, plus hundreds of miles more of drainage district tile. At that rate, just to clean the ditches, clearing and grubbing all trees and brush, removal of all beaver dams and other obstructions, would cost over two million dollars.

There will be a public hearing on this project August 21 in the courthouse at Estherville. If you are familiar with drainage ditches, costs, and the formula for determining each landowner's share, and the farmers concerned, you will know that there will be long-time friendships skimming around on some very thin ice.

In reading your bill, S. 1916, I would think that there would be funds somewhere that could be channeled into this project for financial assistance for this very important work.

You mentioned the CCC's of the 30's. I remember them well. A lot of the work in cleaning the ditches is labor—manual labor—and I'm wondering why some of this couldn't be accomplished through some sort of public works program. My only fear is that affluent sharpies sneak in and take unfair advantage of programs such as this might be.

I will be looking forward to seeing you before too long. The last time I saw you was in Ringsted a year ago during their Diamond Jubilee celebration when I made some pictures of you with the visiting Danes from Denmark.

Sincerely yours,

JIM PETERSON.

BENTON COUNTY SOIL AND WATER CONSERVATION DISTRICT,
Vinton, Iowa, July 28, 1975.

Hon. DICK CLARK,
U.S. Senate.

DEAR DICK: It's above 90° today, come on out and we will go for a walk!! Crops are deteriorating at a rapid rate in most of Iowa due to lack of rain and continued high temperatures.

I would like to point out a few projects bill S. 1916 could be applied to in our area.

In the last week alone there have been several drownings in the WNT area where people are swimming in abandoned rock quarries. Recently a survey was taken in Belle Plaine and the No. 1 priority was to restore the lake in Franklin Park a C.C.C. project of the late 1930's.

In the past several years—Dutch Elm blight has destroyed hundreds of thousands of the elm trees in Iowa—a tragic loss and—we have lost over 500 elms on our farm alone.

If bill S. 1916 was passed, the rock quarries could be developed into a supervised swimming pool and also eliminating an eye sore in the area. Due to the trend toward rural living in our area, more parks and recreation areas are needed.

Franklin Park Lake could be dredged—over one-half of the watershed above the lake is within the city limits. Proper soil conservation practices could be put into use, demonstrating to urban as well as rural residents the value of soil conservation.

We all know the value of trees for lumber, erosion control, wind control, shade and beautification.

Dick, in the late 30's our farm was chosen as a C.C.C. project, by continuing and improving on these projects our farm, in 1965, was chosen a state conservation award winner.

In the late 30's these C.C.C. projects gave employment to a number of men as well as earth contractors etc. It is also gratifying to see more and more of the neighbors applying these practices to their own farms. They will continue to apply conservation practices on their farms and urban areas as long as manpower and money is available.

My wife and I appreciate your concern to continue keeping the economy up and keeping Iowa beautiful.

Sincerely,

JOHN (Dick) SCHILD.

IOWA CONSERVATION COMMISSION,
Des Moines, Iowa, July 31, 1975.

HON. DICK CLARK,
Congress of the United States, Old Senate Office Building, Washington, D.C.

DEAR SENATOR CLARK: Thank you for your letter informing me of S. 1916 which would provide public service jobs in rural areas.

The following observations of the Act's effect on our Iowa programs may be helpful:

1. Labor is always needed on our state recreation areas for maintenance of buildings and grounds around the state.
2. Tree and shrub plantings are needed on state and county conservation areas.
3. Our forestry section now works with the "Rural Fire" program under the Rural Development Act, thus we have some familiarity with the Act.
4. There are no National forests within the state. However, a National Monument and a wildlife refuge are within the boundaries. There are also three Corps of Engineers flood control projects in the state.
5. The Conservation Commission offers technical and professional advice to landowners in forestry and in fish and wildlife biology. Direct physical construction on private land is done, almost exclusively by private contractors. Our suggestions to landowners under incentives programs may lead to contractor or consultant business stimulation which adds jobs.

It appears your proposal and H.R. 7692, a bill to establish a Civil Conservation Corps introduced by Robert Duncan, Member of Congress would meet a definite need. We hope our comments will be helpful to you.

Sincerely yours,

FRED A. PRIEWERT, *Director,*
State Conservation Commission.

Enclosure.

IOWA CONSERVATION COMMISSION,
Des Moines, Iowa, July 31, 1975.

HON. ROBERT D. DUNCAN,
Member of Congress, Congress of the United States, House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DUNCAN: Thank you for the opportunity to comment on H.R. 7692, to establish a Civilian Conservation Corps Act of 1975. The following observations of the effect of this Act on our Iowa programs may be helpful to you.

1. *Forestry*—Forestation of state, county and private lands could be enhanced. The Corps efforts, as those of the 1930's, could be in the area of nursery stock production, tree seed orchard establishment and actual planting on public lands.

Timber stand improvement is needed in these same areas to prune high value species and thin dense stands of all trees.

The establishment and maintenance of fire breaks on state and county forest land is needed.

Surveys and control projects to curb losses to tree insects and diseases are needed. This is true on all ownerships.

Forest recreation developments including camps, trails, stream improvements and roads are needed.

2. *Parks*—Maintenance of parks is always needed. Even more important would be available people to build more trails, provide shoreline protection around lakes, a general litter cleanup, removal of dead or dying Dutch Elm disease trees, etc. These are activities we do not get done at an acceptable level in our state parks. Most of the older lodges, latrines and shelters are of log and stone construction which were built by the Civil Conservation Corps in the 1930's.

3. *Other Sections*—Most maintenance activities occur in our game, waters and fisheries sections where access areas are developed. Their needs are generally the same as our Parks and Forestry sections.

We see this proposed bill as needed to cope with the unemployment of many of our younger people. It may be of interest to you to know that Senator Dick Clark of Iowa has written to us concerning S. 1916, Rural Development Act, providing special funding for conservation employment projects. It appears both your proposal and Senator Clark's would meet a definite need. We hope our comments will be helpful to you.

Sincerely yours,

FRED A. PRIEWERT, *Director,*
State Conservation Commission.

CLAYTON COUNTY CONSERVATION BOARD,
Elkader, Iowa, July 22, 1975.

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR DICK: Thank you for your informative letter of July 18 regarding S. 1916.

I realize that this is only a first step toward the implementation of the program. My deepest concern with any such program is that the dollars be spent for getting the intended work done and not in redtape. Also, I don't completely understand how much good will be done on the local level, hopefully much. In Iowa we have the three level monster, each level wanting its share. First the Soil Conservation Service, second the State Conservation Commission and then the local County Conservation Boards.

We have been involved with the Youth Conservation Corps program this summer through the auspices of the County Conservation Board and the State OPP and we feel very strongly that this is the best program of its type available. Our YCC program has 14 enrollees and we have an additional 5 young people in the same program financed by CETA. We have gotten much done and would certainly encourage your support of continuing both of these programs.

As for S. 1916, it sounds exciting—and I hope that if it is passed that money will find its way to local governments for use there. Regardless how great the program is, if it doesn't get to the root of the problem, it doesn't really work.

I'm in favor of the proposal as made and hope that you'll keep me informed on its progress. We can and will use the program if it is made available to us.

Sincerely,

DON R. MENKEN,
Executive Director.

OFFICE OF MILLS COUNTY AUDITOR,
Glenwood, Iowa, July 21, 1975.

Hon. RICHARD C. CLARK,
U.S. Senate,
Washington, D.C.

DEAR MR. CLARK: In response to your letter on S. 1916, to provide public service jobs for the rural unemployed, we feel there is some merit to the purpose and benefits to the projects mentioned.

What we would like to express here, is that Washington can not solve and does not understand different local problems.

One of the most important problems that needs major overhaul is the Social Service Department.

You want to create rural jobs. It's almost impossible to hire day help for farm labor. It is hard work at minimum wages, which only farm families seem willing to do anymore. Welfare is easier.

The point we want to make—don't start more welfare programs.

Sincerely yours,

H. W. WASHBURN,
Chairman.
AUSTIN L. BASS,
Member.
WALTER MARSHALL,
Member.

OFFICE OF COUNTY AUDITOR,
Wapello, Iowa, July 21, 1975.

HON. DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR MR. CLARK: We recommend the passage of Senate File 1916 for the Federal grant of \$160 million dollars for funding labor projects concerning reforestation, flood and erosion control and improvement and development of National State and County Parks and other conservation projects.

Thank you for contacting us on this matter.

Yours truly,

DALE SCHULTZ,
Chairman, Board of Supervisors.
SUCCESSFUL FARMING,
Des Moines, Iowa, July 22, 1975.

Senator DICK CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: You asked for my comments on S. 1916. As positive as I feel about conservation projects, I cannot in good conscience approve of any more programs which put more and more citizens on the government payroll. The growth in such expenses has been enormous. I quote from a summary of a publication entitled, "Uncontrollable Federal Budget Outlays" prepared by the Tax Foundation, Research Publication No. 32:

"Almost three-fourths (\$261 billion) of the expenditures projected in the original Federal budget for the year ending June 30, 1976 were classified by budget officials as 'relatively uncontrollable' . . . i.e., not subject to annual control by either Congress or the Executive Branch."

"Payments for Individuals—These outlays constitute by far the largest category of uncontrollables. Such payments are estimated at \$165 billion in 1976 or 47 percent of total budget outlays. Payments for individuals have more than tripled since 1967, and represent the most rapidly growing sector of the budget. Moreover, the 1976 budget projects a further 42 percent increase in such payments by 1980."

Somehow, sometime, those of you elected to govern this nation have got to quit trying to solve every problem by simply doling out more money. Where's the advantage in your taking more and more of my money in the form of taxes and then giving it back to me under some government program? I don't need, and it's not good for me, to have a government which feels duty bound to provide me with a livelihood whether I really need it or not. Let me sweat a little, and chances are I'll work out my problems to the benefit of myself and my country.

President Ford has been quoted as saying, "... what used to be called 'hand-outs' from government had grown at such a rate as to 'scare the hell out of you'. If the trend of increase continues at the present pace, half the people will be paying the way for the other half 25 years from now, and you inevitably become a socialist state."

I cannot condone, and certainly will not support any more legislation which provides for putting more and more people on the federal handout payroll. And I will not vote for those candidates for office who espouse such legislation.

Perhaps those of us who work should be given a government handout instead of supporting those who don't. That program would cost less since there'll soon be less of us than there are of them.

Sincerely,

DICK HANSON,
Editor.

