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U.S.
Department
of Health,
Education,
and Welfare



1967

ANNUAL REPORT



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and Welfare

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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, all programs and activities receiving financial assistance from the Department of Health, Education, and Welfare must be operated in compliance with this law.

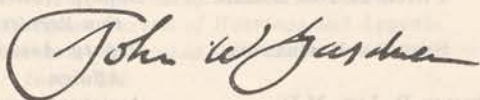


Letter of Transmittal

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 1, 1967.

DEAR MR. PRESIDENT: I have the honor to submit herewith the annual report of the Department of Health, Education, and Welfare for the fiscal year ending June 30, 1967.

Respectfully,



Secretary.

THE PRESIDENT,
THE WHITE HOUSE,
Washington, D.C.

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U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

As of November 15, 1967

JOHN W. GARDNER, *Secretary*
WILBUR J. COHEN, *Under Secretary*
OFFICE OF THE SECRETARY

DEAN W. COSTON.....	<i>Deputy Under Secretary.</i>
RALPH K. HUITT.....	<i>Assistant Secretary for Legislation.</i>
SAMUEL HALPERIN.....	<i>Deputy Assistant Secretary for Legislation.</i>
JOHN T. GRUPENHOFF.....	<i>Deputy Assistant Secretary for Legislative Services.</i>
JOSEPH VENTURA.....	<i>Congressional Liaison Officer.</i>
PAUL A. MILLER.....	<i>Assistant Secretary for Education.</i>
JOSEPH G. COLMEN.....	<i>Deputy Assistant Secretary for Education.</i>
PHILIP H. DES MARAIS.....	<i>Deputy Assistant Secretary for Special Education Services.</i>
SHELTON B. GRANGER.....	<i>Deputy Assistant Secretary for International Affairs.</i>
PHILIP R. LEE, M.D.....	<i>Assistant Secretary for Health and Scientific Affairs.</i>
GEORGE A. SILVER, M.D....	<i>Deputy Assistant Secretary for Health and Scientific Affairs.</i>
MILO D. LEAVITT, JR., M.D..	<i>Deputy Assistant Secretary for Science and Population.</i>
EDWIN F. ROSINSKI, M.D....	<i>Deputy Assistant Secretary for Health Manpower.</i>
WILLIAM GORHAM.....	<i>Assistant Secretary for Planning and Evaluation.</i>
ALICE M. RIVLIN.....	<i>Deputy Assistant Secretary for Program Analysis.</i>
ROBERT N. GROSSE.....	<i>Deputy Assistant Secretary for Program Systems.</i>
LISLE C. CARTER, JR.....	<i>Assistant Secretary for Individual and Family Services.</i>
ALVIN SCHOOR.....	<i>Deputy Assistant Secretary.</i>
DONALD SLATER.....	<i>Deputy Assistant Secretary of Community Development.</i>
DONALD F. SIMPSON.....	<i>Assistant Secretary for Administration.</i>
JOHN D. R. COLE.....	<i>Deputy Assistant Secretary for Administration.</i>
JAMES F. KELLEY.....	<i>Assistant Secretary, Comptroller.</i>
JAMES B. CARDWELL.....	<i>Deputy Assistant Secretary, Budget.</i>
JOHN R. CROXALL.....	<i>Deputy Assistant Secretary, Finance.</i>
ALANSON W. WILCOX.....	<i>General Counsel.</i>
ST. JOHN BARRETT.....	<i>Deputy General Counsel.</i>
F. ROBERT MEIER.....	<i>Assistant to the Secretary.</i>
HAROLD R. LEVY.....	<i>Assistant to the Secretary for Public Affairs.</i>
F. PETER LIBASSI.....	<i>Special Assistant to the Secretary for Civil Rights.</i>
CARLTON E. SPITZER.....	<i>Director of Public Information.</i>
EDMUND BAXTER.....	<i>Director of Field Coordination.</i>

OPERATING AGENCIES

SOCIAL SECURITY ADMINISTRATION

ROBERT M. BALL-----	<i>Commissioner of Social Security.</i>
ARTHUR E. HESS-----	<i>Deputy Commissioner.</i>
ROBERT P. FLYNN-----	<i>Assistant to the Commissioner.</i>
THOMAS C. PARROTT-----	<i>Assistant Commissioner, Field.</i>
ROBERT J. MYERS-----	<i>Chief Actuary, Office of the Actuary.</i>
J. S. FUTTERMAN-----	<i>Assistant Commissioner, Office of Administration.</i>
ROY L. SWIFT-----	<i>Information Officer, Office of Information.</i>
ALVIN M. DAVID-----	<i>Assistant Commissioner, Office of Program Evaluation and Planning.</i>
IDA C. MERRIAM-----	<i>Assistant Commissioner, Office of Research and Statistics.</i>
WILLIAM G. HANNA, JR.-----	<i>Acting Director, Bureau of Data Processing and Accounts.</i>
BERNARD POPICK-----	<i>Director, Bureau of Disability Insurance.</i>
JAMES W. MURRAY-----	<i>Director, Bureau of District Office Operations.</i>
J. DEANE GANNON-----	<i>Director, Bureau of Federal Credit Unions.</i>
THOMAS M. TIERNEY-----	<i>Director, Bureau of Health Insurance.</i>
CHARLES M. ERISMAN-----	<i>Director, Bureau of Hearings and Appeals.</i>
HUGH F. MCKENNA-----	<i>Director, Bureau of Retirement and Survivors Insurance.</i>

SOCIAL AND REHABILITATION SERVICE

MARY E. SWITZER-----	<i>Administrator.</i>
JOSEPH H. MEYERS-----	<i>Deputy Administrator.</i>
JAMES F. GARRETT-----	<i>Assistant Administrator, Research and Demonstrations.</i>
SAMUEL E. MARTZ-----	<i>Assistant Administrator for Program Planning.</i>
FRED H. STEININGER-----	<i>Assistant Administrator for States Relations.</i>
WILLIAM D. BECHILL-----	<i>Commissioner, Administration on Aging.</i>
STEPHEN P. SIMONDS-----	<i>Commissioner, Assistance Payments Administration.</i>
JOSEPH HUNT-----	<i>Commissioner, Rehabilitation Services Administration.</i>
FRANCIS L. LAND, M.D.-----	<i>Commissioner, Medical Services Administration.</i>
KATHERINE B. OETTINGER-----	<i>Chief, Children's Bureau.</i>

PUBLIC HEALTH SERVICE

WILLIAM H. STEWART, M.D.-----	<i>Surgeon General.</i>
LEO J. GEHRIG, M.D.-----	<i>Deputy Surgeon General.</i>
EUGENE H. GUTHRIE, M.D.-----	<i>Associate Surgeon General.</i>
M. ALLEN POND-----	<i>Assistant Surgeon General for Special Projects.</i>
JOHN H. KELSO-----	<i>Executive Officer.</i>
RICHARD A. PRINDLE, M.D.-----	<i>Director, Bureau of Disease Prevention and Environmental Control.</i>
LEONARD FENNINGER, M.D.-----	<i>Director, Bureau of Health Manpower.</i>
CARRUTH J. WAGNER, M.D.-----	<i>Director, Bureau of Health Services.</i>
JAMES A. SHANNON, M.D.-----	<i>Director, National Institutes of Health.</i>
STANLEY F. YOLLES, M.D.-----	<i>Director, National Institute of Mental Health.</i>
MARTIN M. CUMMINGS-----	<i>Director, National Library of Medicine.</i>
THEODORE D. WOOLSEY-----	<i>Director, National Center for Health Statistics.</i>

OFFICE OF EDUCATION

HAROLD HOWE II-----	<i>Commissioner of Education.</i>
J. GRAHAM SULLIVAN-----	<i>Deputy Commissioner of Education.</i>
RALPH C. M. FLYNT-----	<i>Associate Commissioner for International Education.</i>
WAYNE O. REED-----	<i>Associate Commissioner for Federal-State Relations.</i>
NOLAN ESTES-----	<i>Associate Commissioner for Elementary and Secondary Education.</i>
GRANT VENN-----	<i>Associate Commissioner for Adult and Vocational Education.</i>
JAMES A. TURMAN-----	<i>Associate Commissioner for Field Services.</i>
PETER P. MUIRHEAD-----	<i>Associate Commissioner for Higher Education.</i>
R. LOUIS BRIGHT-----	<i>Associate Commissioner for Research.</i>
JAMES J. GALLAGHER-----	<i>Associate Commissioner for Handicapped.</i>

FOOD AND DRUG ADMINISTRATION

JAMES L. GODDARD, M.D.-----	<i>Commissioner of Food and Drugs.</i>
WINTON B. RANKIN-----	<i>Deputy Commissioner of Food and Drugs.</i>
J. KENNETH KIRK-----	<i>Associate Commissioner for Compliance.</i>
THEODORE O. CRON-----	<i>Assistant Commissioner for Education and Information.</i>
E. RAYMOND LANNON-----	<i>Assistant Commissioner for Administration.</i>
EDWARD F. TUEK-----	<i>Assistant Commissioner for Planning and Evaluation.</i>

FEDERALLY AIDED CORPORATIONS

AMERICAN PRINTING HOUSE FOR THE BLIND

FINIS DAVIS-----	<i>Superintendent.</i>
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GALLAUDET COLLEGE

LEONARD M. ELSTAD-----	<i>President.</i>
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HOWARD UNIVERSITY

JAMES M. NABRIT, Jr-----	<i>President.</i>
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REGIONAL OFFICES

REGION I, BOSTON, MASS.

WALTER W. MODE-----	<i>Regional Director.</i>
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REGION II, NEW YORK, N.Y.

MRS. BERNICE L. BERNSTEIN----	<i>Regional Director.</i>
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REGION III, CHARLOTTESVILLE, VA.

BERNARD V. MCCUSTY-----	<i>Regional Director.</i>
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REGION IV, ATLANTA, GA.

WILLIAM J. PAGE, Jr-----	<i>Regional Director.</i>
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REGION V, CHICAGO, ILL.

JAMES G. BRAWLEY----- *Acting Regional Director.*

REGION VI, KANSAS CITY, MO.

JAMES W. DOARN----- *Regional Director.*

REGION VII, DALLAS, TEX.

JAMES H. BOND----- *Regional Director.*

REGION VIII, DENVER, COLO.

WILLIAM T. VAN ORMAN----- *Regional Director.*

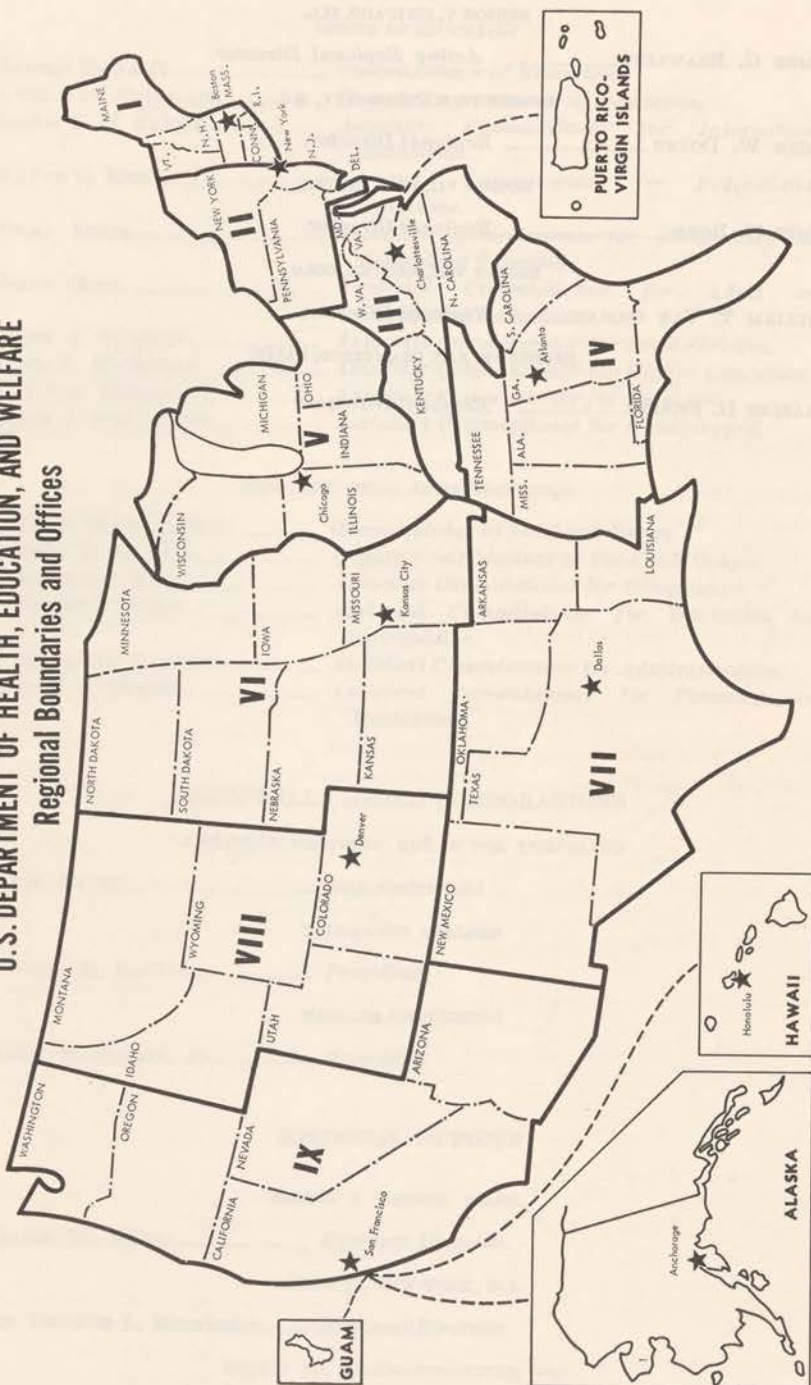
REGION IX, SAN FRANCISCO, CALIF.

CHARLES H. SHREVE----- *Regional Director.*



REGIONAL BOUNDARIES AND OFFICES
U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Regional Boundaries and Offices

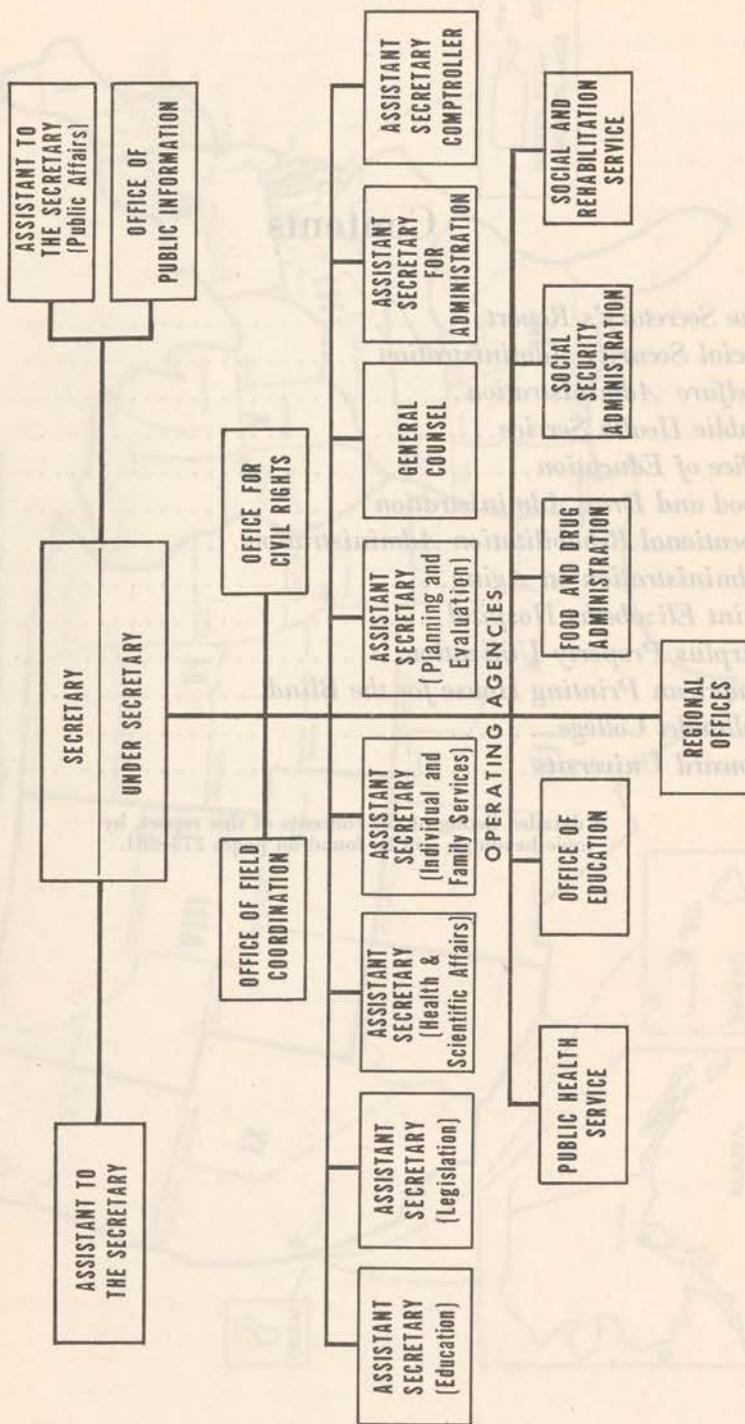


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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE



The Secretary's Report

The past year was one of achievement and promise in dozens of fields pertaining to the well-being of the American people. Both the progress and the promise are reflected in this account of stewardship.

Described in the pages of this annual report are programs of extraordinary scope, diversity, and vitality. They cover a spectrum as broad as the human needs and aspirations of the many millions of Americans touched by them.

The work of the Department of Health, Education, and Welfare reflects the deepest values of the American people. Our society has set itself the goal of improving the quality of life for every individual. It has taken on the difficult task of combatting all the conditions that stunt growth or prevent fulfillment or stifle the human spirit.

We are proud of HEW's role in that effort—but the programs reported on here are not "ours" in any proprietary sense. They are set in motion by the American people, through their elected representatives. They depend on the active participation of thousands of individuals and hundreds of agencies, public and private. They call for shared leadership among all levels of government.

In sum, the Department of Health, Education, and Welfare is a partner in a vast cooperative endeavor dedicated to better health and education, and greater opportunity for every American.

The responsibilities of the Department have grown rapidly as the nation has devoted more of its resources to these purposes. The legislation of the past few years has triggered the most comprehensive assault on our social problems in this country's history—and responsibility for administering the bulk of the legislation was given to HEW.

When the Department was created 14 years ago, its total spending was \$1.9 billion. In Fiscal Year 1967, it operated on a budget of \$12.3 billion. HEW's share of the total Federal budget has risen from 2.7 percent in 1953 to more than 10 percent today. Within the past five years alone, Federal expenditures for education and for health have both tripled.

During 1967 we completed the first full year of two historic measures: Medicare and the Elementary and Secondary Education Act.

The administrative tasks involved in preparing for these programs were formidable, but both got off to an auspicious start. And the results after the first year were impressive:

- Some 4 million older people were helped in paying their hospital and doctor bills, and more than 200,000 people received skilled nursing home care and home health services under Medicare.
- More than 8 million children in poverty-stricken areas were helped by special educational projects under the Elementary and Secondary Education Act.

Several other new programs were begun or substantially expanded during the year. For example, a major program in alcoholism was established at the direction of President Johnson. To carry out this program, a National Center for the Prevention and Control of Alcoholism was created within the National Institute of Mental Health.

The Department also expanded its services in the field of family planning, and tripled its support of family planning programs since a year ago. A new position of Deputy Assistant Secretary for Family Planning and Population was established to coordinate the Department's programs of medical, educational, and social services in family planning.

The Department gave high priority in the year under review to modernizing its administrative machinery and to revitalizing its organizational structure.

An important organizational change occurred in August 1967 when Saint Elizabeths Hospital, heretofore a separate agency within HEW, was transferred to the Public Health Service and became a part of its National Institute of Mental Health. The purpose was to convert a large, old-style mental hospital into a modern, community-based mental health center. Arrangements were worked out with the District of Columbia Health Department for the eventual transfer of Saint Elizabeths to the District, where it would become a part of its comprehensive community mental health program.

An even more significant reorganization followed later in August when three major agencies—the Welfare Administration, the Vocational Rehabilitation Administration, and the Administration on Aging—were combined in a new Social and Rehabilitation Service.

This major realignment was designed to:

- bring together the various HEW services that deal with special groups—the aged, the handicapped, and children;
- stress preventive and rehabilitative social services for all the disadvantaged;
- separate cash payments for welfare recipients from programs of service, thus making better use of scarce, highly skilled personnel;

—help improve the delivery of services by establishing simplified, clearer channels at the regional level to the States and communities.

In addition to these organizational moves, a number of improvements were made in management systems. Results of these efforts were evident throughout the Department. As one example, reimbursements for physicians' bills under Medicare were speeded up considerably. In another area, the Food and Drug Administration reported to the President that it had eliminated a long-standing backlog in processing new drug applications.

One of the most significant management reforms related to HEW assistance to State and local agencies. More than 90 percent of the funds appropriated to this Department are allocated to these agencies in the form of grants. The improvements included delegating more decision-making authority to regional offices, eliminating duplicative data requirements, and streamlining the technical review procedure. These reforms are expected to cut in half the time devoted to the processing of grants, and should enable the Department to respond much more quickly to State and local needs. The HEW effort both preceded and was a part of the work of the Joint Administrative Task Force established by President Johnson to speed up the processing of Federal grants-in-aid.

The Department worked in other ways to strengthen State and local agencies. An Intergovernmental Relations Staff was established in the Office of the Secretary to foster closer ties with cities and States. Task forces were set up on HEW relationships with State health agencies and on our relations with universities and educational institutions.

Particular attention was given to strengthening the Department's capacity to deal with urban problems. Among the most important steps was the creation, in January 1967, of the Center for Community Planning as a part of the Office of the Assistant Secretary for Individual and Family Services. The Center enables HEW to address itself directly to the problems of the central cities. It serves as a resource for city officials and a primary point of contact with the Department of Housing and Urban Development on model cities plans and programs. It works closely with HUD, the Department of Labor, and the Office of Economic Opportunity to coordinate multi-purpose projects involving education, land use, recreation, housing, health care, and social services.

A continuing task of the Department is its responsibilities in bringing about compliance with Title VI of the Civil Rights Act of 1964. Here, too, the Department moved to strengthen its organizational capabilities. All the civil rights functions heretofore scattered in

several agencies were transferred to a newly created Office of Civil Rights, headed by the Special Assistant for Civil Rights. More people were assigned to the regional offices in order to speed up compliance review and to work more effectively with State and local groups.

The regional offices continued to grow in scope and importance. A strong and resourceful field organization is essential in order to administer such new legislation as the Partnership for Health Act effectively and to fulfill the purposes of the new Social and Rehabilitation Service.

Public information officers were among the new specialists assigned to each of the regional offices. In another move to strengthen its services for the public, the Department set up an Information Center in the HEW headquarters building to serve as a "one stop center" for visitors seeking information about the Department's programs. The position of Information Center Officer was established to supervise this operation and to administer the Public Information Act of 1966, which calls for substantially wider access to government information for the public as well as the press.

In 1967 more than 100,000 men and women, in hundreds of occupational categories, were working in HEW. Most of these people are in highly trained professional or technical fields. Early in the year the Department established a career development program to encourage individual growth and organizational flexibility.

In sum, the past year was a busy and productive one—for this Department and this Nation, in field after field relating to individual fulfillment. It was a year of substantial accomplishments and of hopeful beginnings.

The aim of the Department of Health, Education, and Welfare is to accelerate that pace of progress and to work with others toward a better future for all Americans.

Table 1.—Grants to States: Total grants under all Department of Health, Education, and Welfare programs, fiscal year 1967

[On checks-issued basis]

States	Total	Welfare Administra- tion	Public Health Service	Office of Education	Ameri- can Print- ing House for the Blind	Adminis- tration on Aging	Vocational Rehabili- tation Adminis- tration
Total	\$7,276,071,777	\$4,466,635,481	\$310,095,506	\$2,284,948,817	\$962,500	\$5,188,308	\$208,241,165
Alabama	167,109,840	99,164,344	6,163,595	54,298,344	18,012	-----	7,465,545
Alaska	18,271,122	2,807,364	368,294	14,751,257	399	-----	343,808
Arizona	55,356,616	25,944,838	4,899,522	22,104,021	7,534	-----	2,400,701
Arkansas	116,181,869	70,022,121	5,323,650	34,313,912	10,228	251,489	6,260,469
California	1,080,409,383	831,939,862	22,383,242	206,778,980	89,260	493,928	18,724,111
Colorado	101,044,347	61,191,358	4,213,417	32,205,756	11,675	102,585	3,319,556
Connecticut	72,664,277	47,836,036	3,737,077	18,984,292	20,357	147,364	1,939,151
Delaware	13,307,444	6,742,196	720,162	5,277,803	2,944	54,514	509,825
District of Columbia	4,076,735	19,449,051	774,447	19,974,470	3,044	71,559	494,964
Florida	201,240,027	112,938,487	11,568,619	66,141,295	30,086	154,902	10,406,638
Georgia	189,491,003	107,668,859	7,640,489	70,638,293	22,652	36,588	3,484,122
Hawaii	33,865,375	12,501,545	2,876,371	17,501,115	3,493	88,727	894,124
Idaho	25,724,722	14,206,291	1,631,407	9,500,289	1,347	-----	385,388
Illinois	282,049,139	179,667,087	12,235,552	80,309,814	42,859	183,734	9,610,093
Indiana	92,601,750	38,573,882	6,762,691	34,793,544	19,259	5,746	2,446,628
Iowa	71,574,098	41,541,404	3,414,749	22,836,733	13,970	27,334	3,739,908
Kansas	74,133,340	38,131,805	5,016,471	29,612,243	17,812	52,018	1,402,999
Kentucky	176,385,971	116,067,312	6,707,900	51,335,986	11,027	96,829	2,166,917
Louisiana	225,928,051	158,772,211	8,591,711	53,621,306	17,064	158,718	4,767,041
Maine	35,181,696	20,925,287	1,985,111	11,086,699	4,490	64,122	1,115,987
Maryland	117,116,050	59,417,053	3,298,673	50,334,578	24,847	66,169	3,974,730
Massachusetts	209,927,154	151,008,601	7,936,475	46,604,481	31,184	297,950	4,048,463
Michigan	219,506,868	140,453,167	9,841,278	64,614,013	38,618	151,370	4,408,422
Minnesota	134,520,913	83,182,288	5,282,206	41,733,444	17,263	74,155	4,231,557
Mississippi	107,221,658	61,733,837	4,606,229	36,905,490	9,929	-----	3,966,173
Missouri	171,517,349	112,778,957	6,781,758	47,785,913	15,617	84,920	4,070,184
Montana	23,809,185	9,199,370	1,840,170	11,314,016	2,944	82,214	1,370,471
Nebraska	48,720,287	25,673,180	3,773,762	17,756,215	6,486	80,121	1,430,523
Nevada	15,404,658	7,643,870	994,518	6,273,577	1,746	45,000	445,947
New Hamp- shire	15,180,481	7,125,545	1,334,021	6,283,277	3,992	-----	433,646
New Jersey	135,393,450	73,779,977	5,928,587	51,231,681	38,069	65,550	4,349,586
New Mexico	59,851,272	28,685,671	2,316,546	27,651,362	4,989	101,019	1,061,685
New York	675,395,132	458,918,843	15,331,694	191,476,255	96,045	207,776	10,364,519
North Carolina	181,308,940	86,005,987	10,955,138	78,826,328	28,439	49,145	5,443,903
North Dakota	27,043,483	13,618,038	1,885,288	10,849,433	1,846	9,210	679,668
Ohio	233,656,536	139,719,382	9,529,775	78,380,284	44,854	199,549	5,782,692
Oklahoma	189,897,486	142,872,974	4,441,114	39,083,439	7,284	91,364	3,401,311
Oregon	58,243,133	30,128,885	2,038,764	22,684,092	12,773	37,371	3,341,248
Pennsylvania	317,640,049	181,807,010	19,665,519	97,017,610	66,808	506,718	18,576,384
Rhode Island	39,444,871	24,751,688	1,477,341	11,553,267	6,536	192,798	1,463,241
South Carolina	92,859,544	31,690,736	7,008,978	45,546,100	11,076	69,993	5,532,661
South Dakota	28,427,560	12,620,600	1,887,883	12,831,701	3,193	-----	1,084,224
Tennessee	137,512,977	74,543,769	6,203,016	51,819,966	18,211	49,259	4,878,765
Texas	374,825,827	201,809,050	24,297,730	140,407,854	40,913	193,879	8,076,401
Utah	39,957,350	20,686,262	1,921,569	15,611,211	6,037	59,492	1,672,779
Vermont	18,296,522	9,507,655	2,850,737	5,096,492	898	89,511	751,229
Virginia	122,615,167	36,224,118	6,380,581	76,087,729	24,797	3,014	3,894,928
Washington	108,570,449	66,996,066	3,152,679	34,803,669	16,265	121,901	3,480,469
West Virginia	83,078,263	50,491,350	3,694,011	24,037,649	12,274	66,000	4,776,979
Wisconsin	117,507,236	68,189,860	6,201,775	36,801,567	14,070	160,703	6,139,261
Wyoming	12,663,570	5,569,714	1,740,187	4,965,369	1,796	-----	386,504
Canal Zone	150	-----	-----	-----	150	-----	-----
Guam	4,925,997	515,079	160,043	4,134,375	-----	-----	116,500
Puerto Rico	81,134,282	40,152,828	8,092,115	30,239,460	5,039	42,000	2,602,840
Virgin Islands	2,616,827	1,280,522	230,919	1,010,089	-----	-----	95,297
Undistributed	1,766,704	1,762,209	-----	4,495	-----	-----	-----
American Samoa	52,527	-----	-----	52,527	-----	-----	-----
Trust territories	744,600	-----	-----	744,600	-----	-----	-----

Table 1.—Deaths by cause, sex, race, and age, 1950-1954

Cause of death		Total		Male		Female	
		Number		Rate		Rate	
		1950-1954		1950-1954		1950-1954	
		1950-1954		1950-1954		1950-1954	
All causes		1,000,000	100.0	100.0	100.0	100.0	100.0
Heart disease		250,000	25.0	25.0	25.0	25.0	25.0
Cancer		150,000	15.0	15.0	15.0	15.0	15.0
Lung disease		100,000	10.0	10.0	10.0	10.0	10.0
Stroke		80,000	8.0	8.0	8.0	8.0	8.0
Tuberculosis		40,000	4.0	4.0	4.0	4.0	4.0
Influenza and pneumonia		30,000	3.0	3.0	3.0	3.0	3.0
Diabetes		20,000	2.0	2.0	2.0	2.0	2.0
Kidney disease		15,000	1.5	1.5	1.5	1.5	1.5
Liver disease		10,000	1.0	1.0	1.0	1.0	1.0
Alcoholism		5,000	0.5	0.5	0.5	0.5	0.5
Suicide		3,000	0.3	0.3	0.3	0.3	0.3
Homicide		2,000	0.2	0.2	0.2	0.2	0.2
Accidents		1,000	0.1	0.1	0.1	0.1	0.1
Unspecified		50,000	5.0	5.0	5.0	5.0	5.0

Social Security Administration

Introduction

The Social Security Administration administers the Federal social security program, which provides retirement, survivors, and disability insurance, and health insurance for the aged. The program is the Nation's basic method of assuring income to the worker and his family when he retires, becomes disabled, or dies, and of assuring hospital and medical benefits to persons 65 or over.

The Bureau of Federal Credit Unions, a part of the Social Security Administration, administers the Federal credit union program. A Federal credit union provides its members an outlet for investing their savings and a source from which they may borrow easily and at reasonable rates of interest.

Developments in Social Security

Almost 87 million workers contributed to social security in calendar year 1967. Today, 95 out of 100 young children and their mothers are protected against the risk of income loss if the family provider dies. Survivorship protection alone amounted to about \$940 billion on June 30, 1967.

Monthly benefits were going to more than 23.2 million people—one out of every nine people in the country—as of June 30, 1967. Almost 14.8 million of these beneficiaries were retired workers and their dependents, about 2.1 million were disabled workers and their dependents, 5.5 million beneficiaries were survivors of deceased workers, and .7 million were 72 and older getting special payments (Chart 1).

Of all those 65 or over at the end of fiscal 1967, 90 percent were receiving benefits or were eligible to receive benefits when they or their spouses retire. Of those who reached 65 in 1967, 92 percent were eligible for social security cash benefits. Projections for the year 2000 indicate that 96 percent of all aged persons will be eligible by then for benefits under the program.

Nearly all of the 19.5 million people 65 or older were eligible for hospital insurance benefits under Medicare. More than 92 percent were also enrolled for Medicare's voluntary supplementary medical insurance.

What the Program did in Fiscal Year 1967

Beneficiaries and Benefit Amounts

Benefits paid under the retirement, survivors, and disability insurance program totaled \$20,747 million in fiscal year 1967—an increase of \$955 million over the amount paid in the preceding fiscal year.

Benefit payments to disabled workers and their dependents were 8 percent higher than in fiscal year 1966, and totaled \$1,861 million.

Retirement and survivors insurance monthly benefits rose 4 percent to \$18,640 million. Included was \$200 million paid to certain noninsured persons 72 and over for whom monthly benefits were provided, beginning October 1966, under Public Law 89-368 (the Tax Adjustment Act of 1966). Lump-sum death payments amounted to \$246 million, about \$22 million higher than in the previous fiscal year (chart 2).

The number of monthly benefits in current-payment status increased by 1.5 million (7 percent) to 23.2 million (charts 1 and 2) during the year, and the monthly rate rose \$95.2 million (6 percent) to almost \$1.7 billion. The increase was due to (1) the normal growth in the beneficiary rolls, and (2) benefits to certain noninsured persons 72 and over.

In June 1967, the average retirement benefit being paid to a retired worker with no dependents who were also receiving benefits was \$81 a month. When the worker and his wife were both receiving benefits, the average family benefit was \$144. For families composed of a disabled worker and a wife under 65 with one or more entitled children in her care, the average was \$213; and for families consisting of a widowed mother and two children, the average benefit was \$222. The average monthly benefit for an aged widow was \$75 in June.

The great majority of people now going on the benefit rolls have their benefits figured from average earnings since 1950 instead of since 1936. Among beneficiaries on the rolls at the end of June 1967 whose benefits were based on earnings after 1950, the average family benefit being paid was \$88 for a retired worker with no dependents receiving benefits; \$150 for an aged couple; \$219 for a disabled worker and a wife under 65 with one or more entitled children in her care; \$236 for a widowed mother and two children; and \$84 for an aged widow alone.

Disability Provisions

During the fiscal year, a period of disability was established for about 302,000 workers, 20,000 more than the previous high set in

CHART 1.—23.2 MILLION OASDI BENEFICIARIES
Numbers by Type of Beneficiary Are in Thousands

June 1967

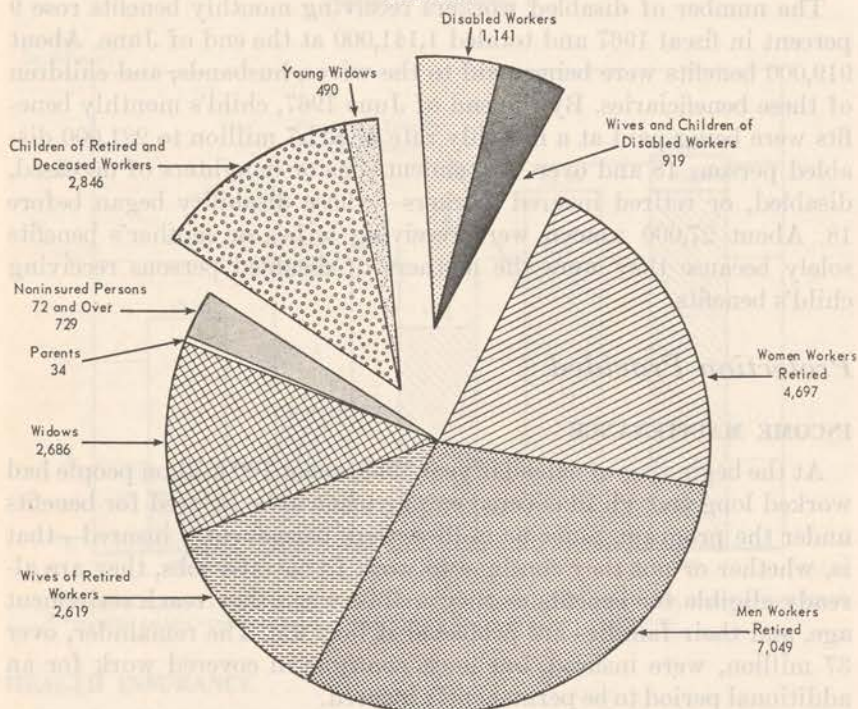
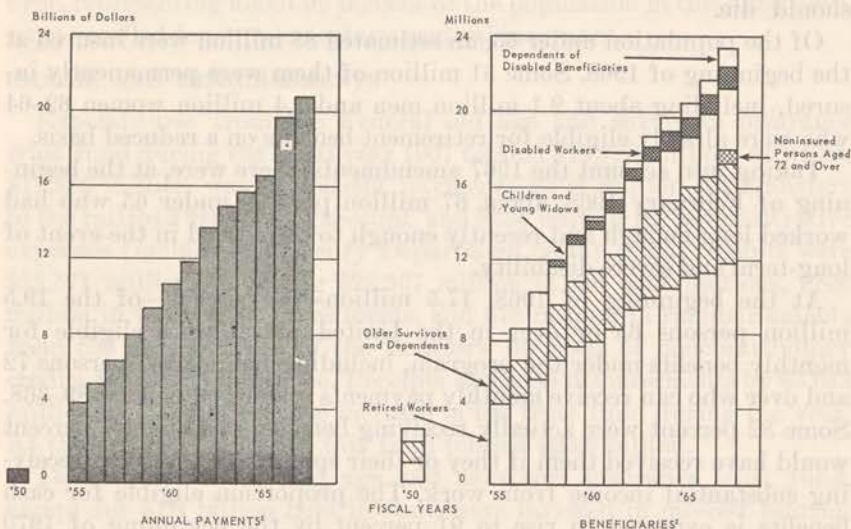


CHART 2.—BOTH OASDI BENEFIT PAYMENTS AND NUMBER OF BENEFICIARIES HAVE INCREASED RAPIDLY SINCE 1950¹



¹ The 1950 Amendments made major improvements in the program.

² Payments in fiscal year. Includes lump-sum death payments.

³ Beneficiaries on the rolls at the end of the fiscal year.

⁴ Part of the increase in 1966 was due partly to the retroactive payment in September 1965 of monthly benefit increases for the January-June 1965 period.

fiscal year 1966. The number of persons who were found to meet the disability requirements for childhood disability benefits totaled 23,000.

The number of disabled workers receiving monthly benefits rose 9 percent in fiscal 1967 and totaled 1,141,000 at the end of June. About 919,000 benefits were being paid to the wives, husbands, and children of these beneficiaries. By the end of June 1967, child's monthly benefits were being paid at a monthly rate of \$11.7 million to 221,000 disabled persons 18 and over—dependent sons or daughters of deceased, disabled, or retired insured workers—whose disability began before 18. About 27,000 women were receiving wife's or mother's benefits solely because they were the mothers of disabled persons receiving child's benefits.

Protection Provided

INCOME MAINTENANCE

At the beginning of calendar year 1968, about 100 million people had worked long enough in covered employment to be insured for benefits under the program. Some 63 million were permanently insured—that is, whether or not they continue to work in covered jobs, they are already eligible for benefits or they will be when they reach retirement age, and their families are protected if they die. The remainder, over 37 million, were insured, but must continue in covered work for an additional period to be permanently insured.

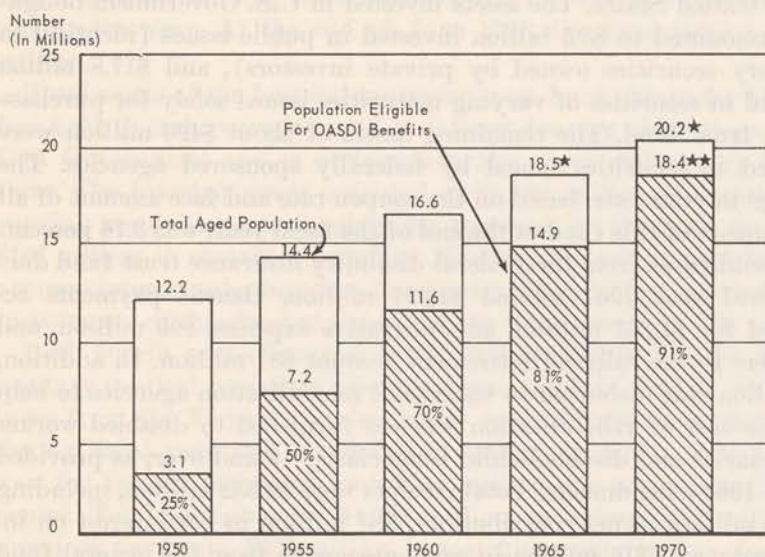
About 95 percent of all young children and their mothers would be eligible for monthly benefits if the breadwinner of the family should die.

Of the population under 65, an estimated 88 million were insured at the beginning of 1968. Some 51 million of them were permanently insured, including about 2.1 million men and 1.4 million women 62–64 who were already eligible for retirement benefits on a reduced basis.

Taking into account the 1967 amendments, there were, at the beginning of February 1968, about 67 million persons under 65 who had worked long enough and recently enough to be insured in the event of long-term and severe disability.

At the beginning of 1968, 17.5 million—90 percent—of the 19.5 million persons 65 or over in the United States were eligible for monthly benefits under the program, including noninsured persons 72 and over who can receive monthly payments under Public Law 89-368. Some 82 percent were actually receiving benefits, and about 7 percent would have received them if they or their spouses had not been receiving substantial income from work. The proportion eligible for cash benefits is expected to rise to 91 percent by the beginning of 1970 (chart 3).

CHART 3.—OF THE POPULATION AGED 65 AND OVER, BOTH THE NUMBER AND THE PROPORTION ELIGIBLE FOR OASDI BENEFITS CONTINUE TO INCREASE
(Figures as of January 1)



*Includes allowance for underenumeration in the census counts on which population projections are based.

**Includes certain noninsured persons aged 72 and over receiving monthly benefits.

HEALTH INSURANCE

Nearly all of the 19.5 million persons 65 and over on January 1, 1968, were eligible for hospital benefits; nearly 18 million persons 65 and over, representing about 92 percent of the population in this age group, were enrolled for supplementary medical insurance.

INCOME AND DISBURSEMENTS

Expenditures from the Federal old age and survivors insurance trust fund during the fiscal year 1967 totaled \$19,728 million, of which \$18,886 million was for benefit payments, \$508 million for transfers to the railroad retirement account, and \$334 million for administrative expenses (including Treasury Department costs). Total receipts were \$23,371 million, including \$22,567 million in net contributions, \$726 million in interest on investments, and \$78 million in reimbursements from the general fund of the Treasury for costs of noncontributory credits for military service. Receipts exceeded disbursements by \$3,643 million, the amount of the increase in the trust fund during the year. At the end of June 1967, this fund totaled \$23.5 billion.

Total assets of the old age and survivors insurance trust fund, except for \$1.8 billion held in cash, were invested in interest-bearing obligations of the U.S. Government and in certain federally sponsored agency obligations that are designated in the law authorizing

their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States. The assets invested in U.S. Government obligations amounted to \$3.5 billion invested in public issues (identical to Treasury securities owned by private investors), and \$17.8 billion invested in securities of varying maturities issued solely for purchase by the trust fund. The remaining assets of about \$420 million were invested in securities issued by federally sponsored agencies. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 3.76 percent.

Expenditures from the Federal disability insurance trust fund during fiscal year 1967 totaled \$1,997 million. Benefit payments accounted for \$1,861 million, administrative expenses \$99 million, and transfers to the railroad retirement account \$31 million. In addition, \$7 million was disbursed to vocational rehabilitation agencies to help pay the cost of rehabilitation services furnished to disabled-worker beneficiaries and disabled-child beneficiaries 18 and over, as provided by the 1965 amendments. Total receipts were \$2,332 million, including \$2,249 million in net contributions, \$67 million in net interest on investments, and \$16 million in reimbursements from the general fund of the Treasury for costs of noncontributory credits for military service. Receipts exceeded disbursements by \$335 million, the amount of increase in the fund during the year. At the end of June 1967, the fund totaled \$2,022 million.

Assets of the disability insurance trust fund consisted of a cash balance of \$189 million and \$1,833 million invested in interest-bearing obligations of the U.S. Government and in certain federally sponsored agency obligations. The invested assets consisted of \$313 million in public issues, \$1,376 million in securities of varying maturities issued solely for purchase by the trust fund, and \$144 million in securities issued by federally sponsored agencies. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 4.13 percent.

Expenditures from the Federal hospital insurance trust fund during fiscal year 1967 totaled \$2,597 million, of which \$2,508 million was for benefit payments and \$89 million for administrative expenses. Total receipts were \$3,089 million, including \$2,689 million in net contributions, \$46 million in net interest on investments, and \$16 million in transfers from the railroad retirement account. The remaining receipts consisted of reimbursements from the general fund of the Treasury, amounting to \$327 million, toward the costs of benefits to noninsured persons (persons who are not eligible for benefits under the retirement, survivors, and disability program nor qualified rail-

road retirement beneficiaries) and \$11 million for the costs of non-contributory credits for military service. Receipts exceeded disbursements by \$492 million, the amount of the increase in the trust fund during the year. At the end of June 1967, the fund totaled \$1,343 million.

Total assets of the hospital insurance trust fund, except for \$45 million held in cash, were invested in interest-bearing obligations of the U.S. Government and in certain federally sponsored agency obligations. The invested assets consisted of \$1,192 million in securities of varying maturities issued solely for purchase by the trust fund and \$107 million in securities issued by federally sponsored agencies. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 4.88 percent.

Both benefit protection and premium collection under the supplementary medical insurance program began on July 1, 1966. Expenditures from the Federal supplementary medical insurance trust fund during fiscal year 1967 totaled \$798 million, of which \$664 million was for benefit payments and \$134 million for administrative expenses. Total receipts were \$1,284 million, including \$647 million in premium payments, \$623 million in matching contributions from the general fund of the Treasury, and \$14 million in net interest on investments. Receipts exceeded disbursements by \$486 million, the total amount in the fund at the end of June 1967.

Assets of the supplementary medical insurance trust fund consisted of a cash balance of \$7 million and \$479 million invested in U.S. Government securities of varying maturities issued solely for purchase by the trust fund. The average interest rate, based on the coupon rate and face amount of all investments of this fund at the end of the fiscal year, was 4.75 percent.

Legislative Developments During the Year¹

In March 1966, President Johnson asked the Secretary of Health, Education, and Welfare to study the social security program and develop legislative recommendations for its improvement. In a speech at social security headquarters in Baltimore in October 1967, the President outlined his major recommendations for legislation, based on

¹ At the end of fiscal year 1967, the 90th Congress was considering the President's recommendation for changes in the social security program, as embodied in H.R. 5710. Later, the Social Security Amendments of 1967 were enacted into law as Public Law 90-248; these amendments did not, however, conform in all respects with the President's recommendations.

the Secretary's study. These recommendations included a general benefit increase, extension of health insurance protection to disability beneficiaries, and liberalization of the retirement test.

In his message to Congress in January 1967 on Older Americans, the President further elaborated on these proposals. He recommended an across-the-board benefit increase of at least 15 percent, with a \$70 a month minimum benefit—overall benefit improvements of 20 percent. Legislation embodying these and other proposals was pending in Congress at the close of fiscal 1967. Some of the major aspects of the President's program, as set forth in the legislation, are discussed below.

Cash Benefit Levels

The average social security benefit for retired workers 65 and over with no dependents is \$82 a month—\$984 a year. The Social Security Administration's measure of poverty, developed for the country as a whole, calls for at least \$1,470 a year for a person 65 or over living alone. An aged couple needs at least \$1,850 a year to remain above the poverty level. Even after the increase provided in the 1965 amendments, some 5 million of the 14.6 million people 65 and over who receive social security benefits still have incomes below this level. An additional 3 million have incomes that are just above the poverty level.

Benefits are also too low to allow the average worker of the future to maintain in retirement a level of living close to the level attained while working. If the program is to continue serving the worker with average and above-average earnings, benefits must be improved at all levels.

The general benefit increase of 15 percent, with an increase in the minimum benefit to \$70, as provided in the proposed legislation, would make a significant improvement in the standard of living of the 23 million beneficiaries and enable them to share more fully in the increasing abundance of the American economy.

Amendment of the provision in the law generally referred to as the "retirement test," under which benefits are payable in full only if a person's earnings do not exceed \$1,500 in a year, is also proposed. Benefits would be payable in full if a person's earnings did not exceed \$1,680 in a year.

Health Insurance

Most significant among the President's recommendations for changes in the health insurance program was the proposal to extend medicare protection to social security disability beneficiaries. This extension

would close one of the most serious gaps in the protection offered by the health insurance program. When a worker becomes severely disabled, just as when he retires, he suffers a drop in income which is accompanied by an increased need for health care. Under the proposal, 1.5 million disabled beneficiaries would be entitled to hospital insurance and eligible to purchase supplementary medical insurance on the same basis as the aged.

Disability Protection

Although the disability insurance provisions afford protection to most workers under 65—and their families—against loss of earnings because of severe disability, there are some significant gaps in disability protection under the program. Under the proposed legislation, benefits would be paid to widows under 62 who become disabled before or within a limited time after the death of the husband. Many disabled women recently widowed do not have substantial recent employment and therefore cannot meet the insured-status requirements for disability insurance benefits on their own earnings records. Such a disabled widow cannot qualify for social security benefits unless she has in her care a child entitled to benefits or she is 60 or over. Under the proposed legislation the widow of an insured worker, if she is under 62, would be eligible for widow's benefits if she became disabled before her husband's death, before her entitlement to mother's benefits ended, or within 7 years after either event. The 7-year period would protect her until she has had a reasonable opportunity to work long enough to be insured for disability benefits through her own earnings.

In addition, the general social security benefit increase recommended by the Administration would provide significant improvement in the economic situation of disability beneficiaries and their families.

Studies are continuing concerning possible ways of further improving disability protection under the program. Special emphasis is being directed to the problems of young workers who become disabled before they have worked long enough to be insured for disability benefits; the effects of the present requirement for a 6 months' waiting period before disability benefits can begin; and the situation of partially disabled older workers who are unable to continue working at their usual occupations and cannot get other jobs because of the combination of advanced age and severe impairments.

Coverage Provisions

To fill the gaps in the protection of Federal employees, President Johnson, in his legislative proposals for 1967, recommended that

social security credit be provided, through transfers of credit, for the Federal employment of workers whose Federal service is subject to the civil service or foreign service retirement systems. Often, benefits are not payable to the workers or their families under the staff system at the time they retire, become disabled, or die. (This transfer-of-credit proposal, which was included in H.R. 5710, was also recommended in the report of the President's Cabinet Committee on Federal Staff Retirement Systems, which was transmitted to the Congress by the President in March 1966.) Under a related recommendation, provisions would be added to the civil service and foreign service retirement systems which would guarantee that workers who qualify for benefits under one of these systems will receive benefits that are at least at the level that would have been payable if their Federal employment had been covered under social security. If also eligible for social security benefits, the worker would receive benefits under the retirement system and social security together.

Administering the Social Security Program

Fiscal year 1967 saw much of the attention and focus throughout the Social Security Administration centered on the implementation of the new Medicare program. At the same time substantial progress was made toward improving other areas of operation.

Improvements in operation were made through applications of new and more efficient electronic equipment, increasingly effective manpower utilization, recruiting and stepped-up training of staff, long-range planning for constructing and operating office facilities to better serve the public, and emphasis on procedure quality control to assure the highest possible integrity in the claims process.

Health Insurance

The official beginning of Medicare, on July 1, 1966, required the Social Security Administration to develop a wide range of policies and procedures to govern the administration and operation of the program. Since the law required that major parts of the health insurance provisions be administered through intermediaries and carriers, a host of new interrelationships was established by the Federal Government with independent and commercial insurance organizations, State health and welfare agencies, hospitals, extended care facilities, home health agencies, independent laboratories, and some 250,000 practicing physicians. Acting as agents for the processing of hospital claims are 74 subcontracting Blue Cross Plans of the Blue Cross Association, and 12 other insuring organizations. Carriers processing

medical insurance claims include 33 Blue Shield Plans, 15 commercial insurance companies, and an independent insurer.

Approximately 19 million Americans 65 or older were eligible for benefits under the hospital insurance program of Medicare. Of these, 17.7 million also enrolled in the voluntary medical insurance program, which helps to pay for physicians' services and certain other medical and health services not covered by the hospital insurance program. Of those enrolled for medical insurance, slightly over 15 million were receiving social security or railroad retirement benefits, or civil service annuities, and their premiums for medical insurance could be deducted from their monthly checks. The other 2.5 million enrollees pay their premiums directly.

INPATIENT HOSPITAL SERVICES

In the first year of Medicare, which ended June 30, 1967, there were 5 million inpatient hospital admissions of Medicare beneficiaries.

In the Medicare program 6,831 hospitals were certified individually for participation by teams from the several State agencies (and, in respect to compliance with Title VI of the Civil Rights Act of 1964, by the U.S. Public Health Service). These hospitals represent 98 percent of the short-term, general-care hospital beds in the country.

EXTENDED CARE FACILITIES

From January 1, 1967, when extended care benefits became effective, to the end of the fiscal year, there were 199,000 admissions under this program. Extended care facilities free hospital beds of patients who do not require further hospital care, but still require care that cannot be provided in the home.

As of June 30, 1967, 4,089 extended care facilities were participating in the program. Their total capacity was more than 281,000 beds. The participating institutions included skilled nursing homes, separately-organized extended care units in hospitals, and some distinct skilled nursing units connected with residential homes for the aged. Each participating institution met standards set out in the law.

HOME HEALTH SERVICES

Of the 228,000 requests for home health services to qualified home health agencies, approximately 70 percent were covered under the medical insurance program and 30 percent under the hospital insurance program.

OUTPATIENT HOSPITAL SERVICES

During fiscal year 1967, 1.2 million bills were paid for outpatient hospital services. These payments represented both diagnostic and therapeutic services.

PHYSICIAN AND OTHER MEDICAL SERVICES

A total of 14.1 million bills were paid for services of physicians, independent laboratories, and related medical services (such as supplies, including drugs and biologicals which could not be self-administered; splints, casts, and surgical dressings; X-ray therapy, and prosthetic devices). Of these bills, over 90 percent were for physicians' services.

At the close of the fiscal year, 2,380 independent laboratories had been examined by State agencies and found qualified, under the standards set by law and regulation, for reimbursement under the medicare program.

BENEFIT COSTS

During the fiscal year, \$2.7 billion was paid in hospital insurance benefits and \$669 million was paid in medical insurance benefits under the medicare program.

Equal Employment Compliance

The Social Security Administration, in accordance with Executive Order No. 11246, requires all contractors to maintain nondiscriminatory employment and personnel practices. The Administration currently has 135 contracts with fiscal intermediaries under the medicare program. These intermediaries have approximately 1,000 installations across the country which employ 50 or more employees, and they have an aggregate employment of 268,000 people.

In order to help these intermediaries pursue an active and effective equal employment program, a staff of compliance specialists was recruited and trained by the Administration. These specialists conduct on-site reviews of hospitals and other contractor installations.

To implement positive action programs and to promote a non-discriminatory policy, a series of seminars was held throughout the country, with the cooperation of the Equal Employment Opportunity office. They brought together representatives of insurance companies, industry, community organizations (such as civil rights groups, the Urban League and VISTA), State and local government agencies, and educational systems. The conferences were designed to establish direct lines of communication between the intermediaries and the minority community representatives to consider the problems of recruiting qualified minority group members.

Disability Insurance

With much of the policy and procedural structure completed for implementing the 1965 disability legislation, the Bureau of Disability

Insurance turned its attention during fiscal year 1967 chiefly to managing the peak workloads resulting from these amendments and improving the operational effectiveness of the program. Continuing emphasis was also given to liaison and consultation with related programs, professional groups, and community resources, to promote fuller coordination and cooperation in advancing the disability program goals of income maintenance and rehabilitation.

POLICY DEVELOPMENT

The medical and other policies governing the evaluation and documentation of disability claims were under continuing review during the year. Refinements were made to take into account amendments to the law, as well as operating experience and research findings.

Among the changes during the year was a revision in the criteria for evaluating earnings as an indication of a beneficiary's ability to work. A disabled beneficiary who earns as much as \$125 a month (increased from \$100) may continue to receive benefits, unless he has recovered from his impairment or there is other evidence of his ability to engage in substantial gainful activity. Refinements were also made in policy and procedures relating to the timely review of cases in which medical recovery of a disability beneficiary could reasonably be expected.

OPERATING IMPROVEMENTS

Refinements in operating policies and methods were effected to improve the quality and timeliness of claims processing.

VOCATIONAL SPECIALISTS

The importance of vocational as well as medical considerations in the evaluation of certain disability claims led to the establishment of a Vocational Consultant Staff in the Bureau of Disability Insurance and the assignment of selected staff members in State agencies as special vocational consultants. By the end of June 1967, 10 vocational specialists had been trained for duty in the central office, and 41 vocational specialists were working in 35 different State agencies.

The establishment of this specialized function serves to integrate into the disability determination process additional expertise in occupational and labor market analysis. This specialized knowledge is needed where a determination must be made on the remaining vocational capacity of an applicant who by reason of impairment alone would not be found disabled.

An application for disability benefits requires decisions not only on all the usual elements of entitlement to social security benefits—whether the applicant has worked long enough to be insured, and the

ages and relationships of his dependents—but also a determination on the question of whether he is “disabled,” as the term is defined in the law.

These determinations are ordinarily made by State agencies (usually the State rehabilitation agency), and are reviewed in the Bureau of Disability Insurance. As disability case records move for processing from the social security district offices, where they are received initially, through State agencies, and the central review office, close control of them is essential. A new electronic case control system, integrated with other advanced computer systems used in the total social security operation, makes it possible to locate these cases more promptly during processing and also to carry on more effective surveillance and management analysis of case handling.

DISABILITY INQUIRIES

We have virtually completed consolidation of functions for answering inquiries from regional offices, district offices, Congress, professional groups, and the general public, on disability matters. Improved quality, timeliness, and responsiveness have resulted. An important function of the consolidated operation is the personalized handling of “critical” cases referred from the district offices for prompt action because the applicants are in dire need of benefit payments. The Bureau receives and acts on between 700 and 800 of these cases each month.

BENEFICIARY REHABILITATION

To strengthen implementation of the rehabilitation goals of the disability program, the Social Security Administration, working with the Vocational Rehabilitation Administration, put primary emphasis on achieving the participation of all State vocational rehabilitation agencies and State agencies for the blind in the program providing rehabilitation services to selected disability beneficiaries. Under the law as amended in 1965, trust fund moneys can be allocated to qualified State agencies for such services. By the end of fiscal 1967, all but three agencies had amended their plans to meet the qualifications set out in the law. As a result, vocational rehabilitation obligations to State agencies amounted to \$9.8 million under this program.

DISABILITY RESEARCH

The Social Security Administration entered into a contract with the Ohio State University Research Foundation for a planning project to formulate recommendations for long-range research needed for improving the disability evaluation process, methods and resources for accomplishing this, and optimum means for making operating pro-

gram experience and research results available to appropriate users of such data.

Direct Service to the Public

On June 30, 1967, the Social Security Administration's field organization consisted of 633 district offices, 99 branch offices, 40 resident stations, 6 service centers, and 3,370 contact stations.

During the year, district office staff members made more than 36,760 talks, 108,711 radio broadcasts, 2,751 live television appearances, and arranged 23,065 district office and commercial theater motion picture showings; they placed 309,025 news items and 14,131 magazine articles; they set up 21,592 exhibits, and distributed an estimated 48,166,000 booklets, pamphlets, and other publications.

Extended Office Hours

In order to provide additional service to the public and to meet the extraordinary demands of the Medicare program, district and branch offices were kept open an extra 3 or 4 hours each week, either at night or on Saturday, as a convenience to people who could not come to the office during regular office hours. The idea of extended office hours is in line both with the President's policy of making sure that "each American receives from his Government the fastest, most efficient, and most courteous service," and the Civil Service Commission's recommendations that Government agencies with substantial public contact responsibilities extend office hours for the convenience of the public.

Construction of New Facilities for SSA Offices

The increase in social security workloads led to problems of space for workers both at headquarters and in the field. The Bureau of the Budget authorized a construction appropriation including \$850 thousand for purchase of land at headquarters, and \$6 million for acquisition of sites and construction of 20 district offices. Most of the projects are in the blueprint stage and are scheduled for completion in 1968 and 1969.

The expansion of the headquarters facilities in suburban Baltimore calls for the construction of an additional office building and a separate warehouse. As planned buildings are completed, staff now housed in leased space will be relocated in the Woodlawn headquarters.

Staffing and Special Employment Programs

Recruiting and training staff to carry out the Social Security Administration's increased responsibilities was a major administrative chal-

lenge during 1967. The difficult task of recruiting competent people in great numbers and training them effectively in the shortest possible time was accomplished despite many obstacles. The Vietnam situation, a rapidly-expanding economy, and intensified State and local government employment programs combined to create a serious drain on available qualified manpower in many localities. The situation was further complicated by the inadequacy of the Federal Service Entrance Examination (FSEE) registers in some regions, necessitating the listing of large numbers of applicants under direct hiring authority from the Civil Service Commission in order to meet the most urgent staffing needs.

District offices experimented with the liberalized FSEE recruitment methods approved by the Civil Service Commission. These included hiring superior scholastic achievers (students in the upper 10 percent of their graduating class or those with a 3.5 grade average or better) without written examination. Also, eligibles were hired without certification if they earned a rating of 85 or better on the FSEE examination. All recruitment efforts, for both clerical and professional positions, met Bureau, Region, and Administration objectives related to equal employment opportunity programs.

During fiscal year 1967, a number of significant changes occurred in clerical recruitment. In accordance with the SSA plan for improving the utilization of manpower, jobs were re-engineered to shift a substantial amount of work formerly performed by higher-graded claims representatives to service representatives, an intermediate position between the clerical employee and the claims representative. Their use represented a significant increase in service to the public at much less cost than by adding to the number of claims representatives.

The annual Conference of College Placement Officials, sponsored by the Employment Branch, was attended by representatives from all regions and from the social security payment centers. They met with college placement personnel as a part of the continuing college relations and recruitment program. Of the 35 colleges and universities represented, 12 were predominantly Negro. Specialists visited 20 other predominantly minority schools in the South, Southwest, and East to recruit juniors for the Student Assistant Program and seniors for a variety of positions in the Baltimore headquarters.

From over 23,000 persons given tests at 560 college campuses, more than 3,000 service representatives were recruited and hired for district offices throughout the country.

The Social Security Administration also participated in the Youth Opportunity Campaign, which is designed to provide meaningful summer jobs for youths 16-21, and in other Federal programs providing employment for disadvantaged young people.

Social Security Administration headquarters served as host for five highly successful "Joboramas," bringing together in one place more than 13,000 young men and women and 61 different employer representatives. The one-day Joboramas made possible employment interviews that would have taken the applicants weeks to arrange on an appointment basis.

Equal Employment Opportunity

The Social Security Administration's progress in carrying out a positive equal employment opportunity program is evidenced by the percentage of minority-group workers on the employment rolls. On September 30, 1966, 20.5 percent of the Social Security Administration's employees were from minority groups; on November 30, 1967, they represented 24.9 percent of the employee population. Minority-group employees at the Social Security Administration hold positions in all grades through GS-15.

The Administration stresses an affirmative policy of equal opportunity for all employees, regardless of race, creed, color, national origin, or sex. An ongoing informational program explains this policy and encourages all personnel to take advantage of the promotional and training opportunities open to them.

Employee-Management Cooperation

In response to Executive Order 10988, the Social Security Administration's working relationships between management and employee unions have broadened rapidly in scope and significance. More than 50 employee union lodges, representing 23,000 employees, have exclusive bargaining rights in the Social Security Administration headquarters, payment centers, and district offices. In addition, 40 additional employee unions have obtained formal recognition to speak for the 6,000 employees enrolled in the American Federation of Government Employees, the National Federation of Federal Employees, the National Association of Postal and Federal Employees, and the National Association of Government Employees.

Regular conferences and amicable negotiations between employee union representatives and management have led to many improvements in personnel policies and better working conditions throughout the Social Security Administration. Special training in Employee-Management policies, regulations, and techniques has been conducted for supervisory and management personnel throughout the Social Security Administration.

Improvements and Progress in Data Processing

Taking full advantage of modern data processing developments and computer capabilities, the Administration has scheduled hundreds of computer programs in its current operations. During fiscal year 1967, the computer program was invaluable in the establishing, processing, and maintaining of social security accounts and lifetime earnings records. Computerized procedures made possible high-speed wire communications between hundreds of SSA offices throughout the Nation. The computer made it possible to begin the Medicare program, within the time set by law, without exorbitant administrative costs.

An important amendment to the Social Security Act in 1965 provided that the earnings of working beneficiaries would be taken into account in determining possible benefit increases, and their benefits recomputed automatically to take into account their additional earnings. The Automatic Earnings Reappraisal Operations (AERO), designed to meet this need, electronically determine annual adjustments to a person's earnings account and add the information to his records.

Prior to this amendment, it was necessary for an individual who continued to work after receiving social security benefits to file an application in order to become entitled to increased benefit amounts.

AERO insures that each beneficiary will receive the highest benefit amount to which he is entitled, even though he may not have been aware of his eligibility for a benefit increase. During AERO's first year of operation, 12 million retirement accounts were reappraised, resulting in the discovery of 1,656,345 potential increases. Of this total, 1,466,000 have been completely processed through the payment centers.

Automatic recomputation of benefits ultimately will affect almost 2 million retirement and survivors' insurance beneficiaries who are currently on the active rolls.

Electronic data processing is also used to prepare eligibility notices for child beneficiaries, convert disability benefits to retirement benefits at 65, introduce initial wage earner information directly into the computer system, and prepare data necessary for the issuance of regular monthly checks.

The Administration formulated a program of review and analysis of the comparative costs of renting or buying automatic data processing equipment. As a result, 11 computer systems have been purchased, 9 during the period covered by this report. Ownership, as compared with rental of the same equipment, resulted in savings of over \$1,000,000 in fiscal 1967.

In July 1966, after exhaustive testing, an optical scanner which "reads" the type of most business machines was accepted. It offers substantial economies in the processing of typewritten earnings reports. When fully operational, the optical scanner will handle about one-fourth of the 70 million earnings items submitted quarterly on paper by over 4.5 million employers.

Controlled by a computer, the scanner reads more than 200 different type faces at a speed of 650 lines a minute. The data are transferred directly onto magnetic tape, eliminating the in-between step of key-punching the information into cards.

In an effort to make major electronic data processing applications more economical, programs were devised and written for medium-scale computer operation to allow for simultaneous processing of two jobs. This revised computer program eliminated approximately 225 reels of tape each month and reduced the large-scale computer operation by 20 hours during the same period. Consolidation of nine computer operations into four eliminated 12 magnetic tape files, simplified processing, and reduced operating time substantially.

Telecommunications

In an effort to expedite the claims process, the Social Security Administration joined the Advanced Record System, a dual-purpose national wire communication system operated by the General Services Administration. It is capable of (1) transmitting messages from any SSA installation in the continental United States direct to any other SSA installation; and (2) transmitting data from SSA to the military and other Government agencies over a high-speed circuit.

In addition, a two-way telecommunications system linking the central office in Baltimore with the district offices in San Juan, Puerto Rico, and Honolulu, Hawaii, was established for simultaneous data transmission via the Pacific Lanai Bird Satellite or the undersea cable. The system transmits voice also.

Cost Reduction and Productivity

During 1967, the Social Security Administration achieved cost reductions of 5,108.25 man-years and \$41,456,890. The major reduction—a total saving of \$32 million—was derived from the AERO program. Changes in the recomputation processes, as already explained, allowed for automated handling of benefit calculations and eliminated the necessity for an application interview with the beneficiary. Other savings were realized through refinement and extension of electronic data processing and refinement of operating procedures. Despite the high

degree of concentration on implementation of the 1965 amendments, the Social Security Administration deferred only a few of its cost reduction plans and managed several reductions not anticipated at the beginning of the year.

COST REDUCTIONS ACHIEVED IN 1967

I. Annualization of Savings on Actions Taken in Fiscal Year 1966

	<i>Man-years</i>	<i>Money</i>
A. Extension of use of ADP-----	71.75	\$477,100
B. Procedural improvements-----	188.50	1,353,800
C. Management improvements-----	41.75	938,775
Subtotal-----	302.00	2,769,675

II. Actions Taken in 1967

A. AERO-----	4,140.00	32,271,300
B. Other extensions of ADP-----	266.00	1,493,010
C. Representative payee accountability-----	111.00	750,471
D. Other procedural changes-----	281.50	1,990,763
E. Purchase of EDP equipment-----		1,006,899
F. Rental of additional computers at the Wood-lawn complex-----		888,000
G. Other management improvements-----	7.75	286,772
Subtotal-----	4,806.25	38,687,215
Grand total-----	5,108.25	41,456,890

As a result of the continued expansion of EDP applications and other improvements in operating procedures, productivity was increased by 12.8 percent during 1967. The following index illustrates how workloads in SSA have increased since 1960, the amount of manpower needed to process these workloads, and the index of productivity which has resulted:

COMPARISON OF MANPOWER WITH WORKLOAD

PRODUCTIVITY INDEX

FY 1960=100

Indices of work output, manpower, and productivity

<i>Year</i>	<i>Work output</i>	<i>Manpower</i>	<i>Productivity</i> ¹
1960 actual-----	100.00	100.00	100.00
1961 actual-----	114.11	116.39	98.04
1962 actual-----	132.10	134.50	98.22
1963 actual-----	137.55	135.35	101.63
1964 actual-----	144.80	137.24	105.51
1965 actual-----	151.60	136.84	110.79
1966 actual-----	219.47	187.66	116.95
1967 actual-----	253.55	192.27	131.91
1968 estimate ² -----	287.66	213.80	135.37

¹ Productivity index equals work output index divided by manpower index.

² 1968 figures include the effect of proposed legislation on workload, manpower, and productivity.

Workloads and Administrative Expenses

During the fiscal year, 6.6 million new social security accounts were established for individuals, an increase of 424,000 over the preceding year. Duplicate account numbers were issued to 4.3 million people who needed new ones because of name changes or lost or damaged cards. More than 317 million earnings items were received from employers or the self-employed for posting to social security accounts. District offices received 4.2 million claims, of which more than 800,000 were for disability benefits. More than 14 million claims inquiries were answered in district offices about the retirement, survivors, and disability insurance programs. In addition, over 15 million inquiries about the health insurance program were answered by social security personnel throughout the country.

At the close of the year, monthly benefits were being paid to more than 23 million persons, including over 2 million disabled workers and their dependents. Over 19 million persons were protected under the hospital insurance program; about 17.7 million were enrolled also under the supplementary medical insurance program.

Payments from all four trust funds for administrative expenses amounted to \$655 million, including \$62 million paid to the Treasury Department for collecting social security contributions and preparing checks for beneficiaries. This was 2.7 percent of the \$24.5 billion paid out for benefits.

Manpower and Resources

The Social Security Administration had 48,092 employees at the end of fiscal 1967, an increase of 2,784 over 1966. The majority were in field installations—20,995 in regional and district offices to provide personal service to the public; and 11,671 (including 918 temporary employees) in OASI payment centers to review claims for benefits, maintain the beneficiary rolls, and make certifications to the Treasury Department for benefit payments. The Bureau of Data Processing and Accounts, which establishes and maintains earnings accounts and provides central electronic data-processing services, had 7,633 employees. The Bureau of Disability Insurance, which processes claims for disability benefits, maintains the disability beneficiary rolls and certifies payment, had 3,466; and the Bureau of Hearings and Appeals employed 1,164. The relatively new Bureau of Health Insurance had

873 employees who are responsible for the administration of the health insurance program. Other central office and regional staff totaled 2,290.

Freedom of Information

The Freedom of Information Act of 1966 became effective July 4, 1967, and the Social Security Administration complied with the Act's provisions for broader public disclosure of information in Government files and internal publications by establishing information centers to provide document record search and copying services. More than 725 district and branch offices, the Bureau of Hearings and Appeals, and the Bureau of Federal Credit Union offices are serving as information facilities. An information station is also maintained at Social Security Administration headquarters in Woodlawn, Md.

General policies and procedures to be followed by all social security facilities in disclosing information to the public have been issued.

Administration of the Social Security Program Abroad

At the end of June 1967, benefits were being paid at the rate of \$12,715,833 per month to 185,592 beneficiaries in more than 100 foreign countries. To measure the validity of the entitlement and continuing eligibility of beneficiaries outside the United States, the beneficiary rolls in foreign countries are surveyed on a systematic basis. Surveys have been completed in 10 foreign countries, representing more than 50 percent of all beneficiaries residing outside the United States. The most recent surveys were conducted in Japan and Okinawa.

Because of the Federal Government's various international assistance programs, the United States possesses in some countries a supply of foreign currencies in excess of that needed to meet its normal obligations. To assist in the national effort to decrease the general balance of payment deficit, the Social Security Administration concurred in use of local currency to pay benefits to beneficiaries in such countries. During all or part of the past year, benefits have been paid in local currencies in Bolivia, Burma, Finland, Guinea, India, Indonesia, Israel, Morocco, Pakistan, Taiwan, Tunisia, Turkey, Syrian Arab Republic, United Arab Republic (Egypt), and Yugoslavia.

The Social Security Administration has worked closely with the Department of State to provide U.S. foreign service personnel with the training and instructional material needed to assist in the administration of the social security program outside the United States. There

is a continuing effort to distribute comprehensive informational material, in English and in the major foreign languages, which stresses both the rights and the responsibilities of claimants and beneficiaries residing abroad.

Financing the Cash Benefits and Health Insurance Programs

The difficulties involved in making exact predictions of the actuarial status of a program that reaches into the distant future are widely recognized. If different assumptions as to, say, interest, mortality, retirement, disability, or earnings had been used, different results would have been obtained. Accordingly, no one set of estimates should be looked upon as final, in view of the fact that future experience may vary from the actuarial assumptions. It is the Department's policy continually to reexamine the cost estimates of the programs in the light of the latest information available. Even though absolute precision in long-range cost estimating is not possible, the intent that the system be actuarially sound is expressed in the law by two contribution schedules that, according to the intermediate-cost estimate, result in the system being substantially in balance. One schedule applies to the old age, survivors, and disability insurance programs; a separate schedule covers the hospital insurance program.

The retirement, survivors, and disability insurance system, as modified by Public Law 90-248, has an estimated benefit cost that is in balance with contribution income. In enacting the 1967 amendments, Congress again made clear its intent that the program be self-supporting by contributions from covered workers and employers. Careful review was given to both short-range and long-range actuarial cost estimates prepared for the congressional committees in their legislative considerations. These estimates show that the program as amended continues to be financed on an actuarially sound basis both for the next 15 to 20 years and for the distant future.

Retirement and Survivors Insurance Benefits

The level-cost of retirement and survivors insurance benefits after 1966, on an intermediate basis, assuming an interest rate of 3.75 percent and earnings at about the levels that prevailed during 1966, is estimated at 8.77 percent of payroll (after adjustments to allow for administrative expenses and interest earnings on the existing trust

fund). The level-contribution rate, equivalent to the graduated rates in the law, is estimated at 8.78 percent of payroll, leaving an actuarial balance of 0.01 percent of payroll.

Disability Insurance Benefits

The Social Security Amendments of 1956 established a system for financing disability benefits which is separate from the financing of retirement and survivors insurance benefits. The estimated level-cost of the disability benefits (adjusted to allow for administrative expenses and interest earnings on the existing trust fund), on an intermediate basis, is 0.95 percent of payroll. Contribution income has been specifically allocated to finance these benefits; this income is equivalent to 0.95 percent of payroll. The system is therefore in exact actuarial balance.

Health Insurance Benefits for the Aged

The 1965 amendments established two separate health insurance programs for people 65 and over; these are financed in different manners.

HOSPITAL INSURANCE BENEFITS

For beneficiaries of the retirement, survivors, and disability insurance system and the railroad retirement system, the hospital insurance plan is financed through contributions and a trust fund separate from the contributions and trust funds already established for the payment of retirement, survivors, and disability insurance benefits. (Hospital insurance benefits for people who are not such beneficiaries are financed from general revenues.)

The level-cost of the benefits (including administrative expenses) over the 25-year period 1966-90, on an intermediate basis, assuming an interest rate of 3.75 percent, is estimated at 1.38 percent of taxable payroll. The level-equivalent of the graduated tax rates in the law is 1.41 percent of taxable payroll. Accordingly, the hospital insurance program has a positive actuarial balance of 0.03 percent of payroll.

SUPPLEMENTARY MEDICAL INSURANCE BENEFITS

Persons enrolled in the supplementary medical insurance plan pay a monthly premium which is matched by an equal contribution from general Federal revenues. During the period July 1966-March 1968, the premium was \$3. Effective April 1968, the premium is \$4 per month. The law provides for appropriate adjustment in premium rates to assure that the program will be soundly financed.

Here are the elements which required the \$1 increase in the premium :

- About 20 cents to finance the program at the level of the past 18 months. Recent estimates indicate that the protection provided by the program was worth \$6.40 per month during the past period, and the premium rate therefore should have been \$3.20.
- About 23 cents for the increased benefit protection provided by the 1967 amendments.
- About 27 cents to cover the expected increase of about 5 percent per year in physicians' fees.
- About 11 cents because it is expected that people under Medicare will use more services covered by the medical insurance.
- About 14 cents because the deductible which the patient pays will be a smaller proportion of the total covered medical charges in the future.
- About 5 cents as a margin for contingencies.

The Government will continue to match the increased premium, so the insurance is worth twice the amount of the premiums people pay for it.

Hearings and Appeals Activity

The Bureau of Hearings and Appeals provides fair and impartial hearings and reviews to claimants who are dissatisfied with the previous actions taken on their social security benefit claims, and issues new and independent decisions on their findings.

The Bureau handled 20,100 cases in fiscal year 1967. Hearings were completed in 17,840 cases; of the others, 1,600 were dismissed by the hearing examiner before the hearing. The balance included hearing-level cases which were reopened. The hearing examiners' time to process a case from receipt of the claim file until disposition was reduced to a median of 80 days—an extension of last year's improvement. This is the fastest processing time since the smaller caseloads of the years before the disability program began.

Special efforts were made to improve the vocational and medical aspects of disability hearing records through conferences with vocational experts and hearing examiners, and increased use of medical advisors. Vocational consultants now determine the existence of jobs from which claimants would not be barred by their impairments.

Policy and procedural regulations were developed for processing appeals in the medicare program. To comply with the Freedom of

Information Act of 1966, public reading rooms were established in hearing examiners' offices.

Research Activities

In order to evaluate the effectiveness of the social security system in providing basic economic protection for the American people, and means of continuing this effectiveness, the Social Security Administration (a) conducts a broad program of research in the general areas of income security and health insurance; (b) collects and analyzes operational statistics obtained as a by-product of its extensive data processing system, and conducts economic surveys; (c) operates a cooperative research and demonstration grants program; (d) studies social security programs in other nations; (e) analyzes the changing character of public and private employee benefit programs in the United States, and (f) publishes research findings.

Under the broad program, basic research carried on by the Office of Research and Statistics involves the study of various measures of income adequacy, the redistributive effects of social security benefits and contributions and their impact on the economy, the relation of health expenditures and insurance benefits to economic security, the effects of existing social security provisions on individual and family security, the impact of health benefit arrangements on the availability, quality, and cost of health care, trends in aggregate social security and social welfare expenditures, the relation of public and private income-maintenance and health insurance programs, and related matters.

The Office of Research and Statistics uses data from the data processing system and also makes them available to other Government agencies, research organizations, universities, and individual scholars.

The new health insurance program for the aged substantially broadened the scope of the research and statistical activities begun in 1966 with a study of noninstitutionalized disabled adults under 65. Primary emphasis was given initially to the development of a comprehensive statistical system to provide data on program operations and the experience of persons entitled to medical services. To supplement these data, obtained ultimately from the bills presented to fiscal intermediaries, the Administration also developed a Current Medicare Survey, which provides current utilization and cost estimates on the basis of interviews. In addition, major research projects were begun to assess the unmet needs of the covered population and to measure the impact of Medicare on utilization of medical services, on medical care costs,

on the financial status of hospitals, and on other health insurance programs, public and private.

Other major projects commenced, continued, or completed during fiscal year 1967 include the following:

Processing moved ahead on the data collected during the 1966 survey of noninstitutionalized disabled adults under 65. This is an extensive study that will provide information on early and involuntary retirement and other effects of work-incapacitating impairments. Additionally, plans were completed for a supplementary study of disabled adults confined in extended-care institutions, and questionnaires were developed for a continuing study of selected persons before and after their retirement to explore changes in income, assets, health, medical care, and living patterns. Also in the planning stage is a survey of newly-eligible beneficiaries to determine factors that influence the retirement decision, the extent to which such beneficiaries are receiving private pensions, and the extent to which wage loss is being replaced by social security benefits.

Administrative and technical assistance was provided to the National Conference on Medical Costs, held in June 1967, and data prepared by staff members are being provided to the HEW Task Force on Prescription Drugs.

As part of its continuing study of the poverty problem, the Office of Research and Statistics applied the Social Security Administration poverty indexes to an analysis of the economic situation of persons living in large cities and their suburbs. Other studies evaluated the role of social security as a poverty-preventing measure.

The Administration also continued a linkage of its data with that of the Census Bureau and the Internal Revenue Service, a project of interest not only to the cooperating agencies but to other Government and academic research groups as well. The linkage, accomplished without violating individual agency confidentiality policies, makes possible much broader studies than previously could have been attempted.

Groundwork was laid for investigations of the redistributive effects of taxes and benefits, the relation of total and taxable earnings covered by social security, and a number of methodological studies designed to improve the statistical base for future estimates.

SPECIAL PROJECTS

The Social Security Administration supplements the efforts of its staff researchers by means of research grants awarded to universities and other nonprofit organizations and by contracts with individual social scientists. At the close of fiscal year 1967, 21 research projects

related to the SSA program were being supported. Among these were four studies dealing with the cost, quality, and utilization of health services; three others concerned with issues surrounding early retirement, the changing patterns of income at retirement, and the economic and demographic factors associated with retirement; two projects having to do with the financing of income-maintenance programs; and five studies of life-time earnings and income security. A study of the utilization of medical service before and after Medicare went into effect, studies of the impact of the new health insurance program on hospital financing, and other related projects, are being carried out under contracts.

Two special projects of historical significance were continued during the year. Under the oral history program, tape-recorded interviews were conducted with persons who played key roles in the development of the medicare program. Together with a series of similar recordings made by the principal figures in social security's early years, these interviews form an invaluable record of historical events as recalled by the people who were directly involved with them. Progress was also made in the development of guides to historical social security records. These guides are expected to stimulate interest in the history of social security and assist librarians in locating records pertinent to research in this area.

RESEARCH PUBLICATIONS IN FISCAL YEAR 1967

Recurring publications produced during the year by the Office of Research and Statistics include the following:

Social Security Bulletin, the official monthly magazine of the Social Security Administration.

Annual Statistical Supplement. A supplement to the *Social Security Bulletin*, issued annually.

Social Security Programs Throughout the World. 1967 edition, issued triennially.

Monthly Benefit Statistics. Summary data on cash and medicare benefit operations.

Social Security Farm Statistics, *Social Security Household Worker Statistics*, *Social Security Disability Applicant Statistics*, and *State and Local Government Employment Under OASDHI*. Statistical publications, produced annually.

The following monographs were published in the research report series.

Sweden's Social Security System. No. 14, 1966. 159 pp.

State and Local Government Retirement Systems—1965, No. 15, 1966. 82 pp.

Widows with Children Under Social Security. No. 16, 1966. 96 pp.

Independent Health Insurance Plans in the United States—1965 Survey. No. 17, 1966. 98 pp.

Interindustry Labor Mobility in the United States: 1957 to 1960. No. 18, 1967. 330 pp.

The Aged Population of the United States: The 1963 Social Security Survey of the Aged. No. 19, 1967. 423 pp.

Special releases were issued in the following series:

Research and Statistics Notes. Analyses based on ongoing research or on preliminary findings. Twenty titles were published during the fiscal year.

Health Insurance Enrollment under Social Security, July 1, 1966. A tabular record of the number of persons enrolled under the medicare program, by geographic division, State, and county.

International Activities

The Social Security Administration was represented at the 16th General Assembly of the International Social Security Association (ISSA) in Leningrad, U.S.S.R., May 10-20, 1967, by a delegation that included the Under Secretary of Health, Education, and Welfare and the Commissioner of Social Security. The Administration also provided technical assistance to the U.S. Government delegation to the 51st International Labor Organization Conference in Geneva, Switzerland, and was represented on the U.S. Government Social Security Committee, which drew up recommendations leading to the adoption of a new international convention and recommendation on invalidity, old-age, and survivors insurance.

In cooperation with the State Department's Agency for International Development, SSA again conducted a program of orientation and training for persons from abroad. Sessions in the fiscal year 1967 were attended by 875 persons from 70 countries.

Representatives of the Social Security Administration also participated in discussions between the United States and Canadian Governments on a bilateral agreement to assure pension protection for persons who work intermittently in both nations.

Administering the Federal Credit Union Program

The Bureau of Federal Credit Unions charters, supervises, and examines all Federal credit unions. The Bureau's activities are financed through fees paid by Federal credit unions for these services; it receives no Federal appropriation.

Federal credit unions increased in number from 11,872 at the beginning of the fiscal year to 12,188 at the end of the year. They operated in all 50 States, the District of Columbia, the Canal Zone, Guam, Puerto Rico, and the Virgin Islands.

In fiscal year 1967, membership in Federal credit unions expanded from 8.9 million members to 9.6 million. Assets rose 9.8 percent, bringing the total assets of Federal credit unions to \$5.9 billion on June 30, 1967. Members' savings and outstanding loans recorded a 10-percent gain and amounted to \$5.2 billion and \$4.5 billion, respectively, at the year end. The average share account rose from \$528 to \$537.

During fiscal year 1967, the Bureau completed nearly 10,500 regular supervisory examinations. It granted 675 Federal charters, compared to 643 for the previous year. Of the newly chartered credit unions, 103 were for low-income groups, bringing the total number of outstanding charters held by low-income groups to 579.

The Bureau is participating in the War on Poverty through its Project Moneywise—a series of special training programs designed to help those with low incomes realize maximum benefits from their money. The training programs are provided under an interagency agreement with and are funded by the Office of Economic Opportunity. They are designed to teach the principles of consumer education, family financial counseling, Federal credit union operations, and essentials of leadership to local credit union officials. In fiscal year 1967, the Project Moneywise task force—Bureau teaching teams—conducted 4-week training classes in Chicago, Los Angeles, New York, Washington, and New Orleans. (The series started in Boston during the latter part of fiscal year 1966.)

The Bureau meets frequently with leaders of credit unions serving low-income groups to continue leadership training and to offer guidance in efficient credit union management. Bureau examiners are given specialized training to improve their skills in working with these groups.

As a part of the 1966 Cooperative Month program sponsored by the Department of Agriculture, the Bureau conducted a seminar, entitled "A Dollar Down—Credit Dilemma of the Poor." The seminar emphasized the place the credit union occupies in the War on Poverty and in preventing credit exploitation of the poor.

Computers in the Credit Union Program

During the year, as the Bureau's data collection program was expanded to meet increasing research and administrative needs, greater use of computer facilities was achieved. Research projects planned or in process include a study of the purpose of, and collateral for, loans made in a sample group of credit unions; the amount of regular reserves that would have been accumulated under several alternative formulas; and a study of growth patterns among Federal credit unions during a recent period.

Computer facilities were utilized for the first time to select credit unions eligible for the Thrift Honor Award. The award, a certificate

given to the Federal credit unions that show the largest proportionate gains in their small-share accounts, provides an incentive for the credit unions to promote thrift among members.

Nearly 500 Federal credit unions are now using some form of data processing accounting, and other credit unions have expressed interest in it.

Training Programs

A sequel to the total analysis process course was presented at three regional examiner conferences in fiscal year 1967. This followup training course emphasizes the importance of extensive analysis by the examiner as he makes supervisory examinations of Federal credit unions. The training course will be presented in fiscal 1968 at examiner conferences in the Bureau's other six regions.

The Bureau continued its training program for representatives of foreign countries interested in establishing credit unions. Assistance was provided for representatives from Kenya, Tanzania, India, Turkey, Korea, Uganda, Formosa, Bolivia, Netherlands Antilles, Vietnam, Mariana Islands (Saipan), Peru, and Australia. Special training was given to 140 Peace Corps Volunteers preparing to go to Latin America to work with credit unions.

A correspondence course on effective writing techniques was developed for Bureau personnel. Other special programs included a centralized basic examiner training course. Previously, each region had conducted its own examiner training program.

Table 1.—Federal credit unions: Assets, liabilities, and capital, 1966

[Amounts in thousands]

Item	Dec. 31, 1966		Change during 1966	
	Amount	Percentage distribution	Amount	Percent
Total assets/liabilities and capital.....	\$5,668,941	100.0	\$503,134	9.7
Loans to members.....	4,323,943	76.2	459,134	11.9
Cash.....	305,434	5.4	29,365	10.6
U.S. Government obligations.....	125,197	2.2	24,099	23.8
Federal agency securities.....	51,580	.9	40,010	345.8
Savings and loan shares.....	684,835	12.1	-89,244	-11.5
Loans to other credit unions.....	116,415	2.1	31,735	37.5
Other assets.....	61,536	1.1	8,035	15.0
Notes payable.....	115,788	2.0	20,336	21.3
Accounts payable and other liabilities.....	34,092	.6	5,400	18.8
Shares.....	4,944,033	87.2	405,572	8.9
Regular reserve.....	312,125	5.5	44,464	16.6
Special reserve for delinquent loans.....	4,909	.1	121	2.5
Other reserves ¹	21,844	.4	3,804	21.1
Undivided earnings ²	236,150	4.2	23,437	11.0

¹ Reserve for contingencies and special reserve for losses.

² Before payment of yearend dividends.

Table 2.—Federal credit unions: Selected data, by State, Dec. 31, 1966

State	Number of credit unions	Number of members	Total assets (thousands)	Members' shares		Loans to members		
				Amount (thousands)	Average ¹ per member	Made during 1966		Out-standing Dec. 31, 1966 (thousands)
						Amount (thousands)	Average ¹	
Total.....	11,941	9,271,967	\$5,668,941	\$4,944,033	\$533	\$5,507,081	\$880	\$4,323,943
Alabama.....	208	134,547	78,154	67,722	503	85,099	805	61,391
Alaska.....	36	39,991	27,120	23,448	586	26,190	958	21,278
Arizona.....	103	116,105	74,536	65,268	562	77,284	989	65,252
Arkansas.....	73	37,025	18,845	16,478	445	26,820	810	16,025
California.....	1,185	1,309,746	861,285	753,390	575	847,322	900	718,046
Canal Zone.....	7	14,844	5,926	5,122	345	7,392	461	3,598
Colorado.....	160	129,589	80,526	70,403	543	76,618	1,004	65,269
Connecticut.....	316	273,549	209,323	186,070	680	165,790	898	131,275
Delaware.....	66	47,033	23,428	20,242	430	25,183	745	19,114
District of Columbia.....	172	380,343	214,820	187,706	494	216,482	964	182,543
Florida.....	295	306,768	175,836	152,889	498	180,269	791	143,271
Georgia.....	224	167,155	88,012	76,955	460	121,839	805	69,428
Guam.....	3	7,892	1,736	1,584	201	2,647	492	1,641
Hawaii.....	167	159,647	141,059	124,008	777	126,303	1,214	96,121
Idaho.....	60	39,877	25,546	21,986	551	24,745	991	21,191
Illinois.....	388	175,287	96,161	85,155	486	85,372	783	67,794
Indiana.....	461	317,800	218,287	191,837	604	212,037	946	141,169
Iowa.....	6	6,096	4,778	4,391	720	3,755	933	2,945
Kansas.....	74	74,649	52,050	45,461	609	46,714	1,092	42,477
Kentucky.....	101	50,931	22,402	19,293	379	26,163	715	18,177
Louisiana.....	354	190,186	112,706	97,675	514	103,007	827	80,953
Maine.....	152	101,438	60,742	52,942	522	59,962	898	45,482
Maryland.....	175	160,084	82,521	72,536	453	84,259	781	68,148
Massachusetts.....	335	195,561	106,912	95,346	488	90,027	725	70,940
Michigan.....	379	566,314	403,258	346,049	611	385,763	1,151	323,120
Minnesota.....	54	27,513	12,450	11,079	403	10,270	819	9,776
Mississippi.....	136	79,624	38,013	33,412	420	40,161	646	30,507
Missouri.....	50	31,860	18,213	15,974	501	13,584	653	12,535
Montana.....	105	51,670	28,001	24,599	476	22,943	857	22,390
Nebraska.....	88	67,887	41,824	37,242	549	35,530	984	29,925
Nevada.....	68	49,059	32,767	27,060	552	36,182	980	27,924
New Hampshire.....	34	29,086	16,163	14,462	497	13,135	774	11,279
New Jersey.....	493	315,474	179,052	155,688	494	142,222	759	113,607
New Mexico.....	68	60,104	42,370	36,800	612	46,090	1,070	32,555
New York.....	1,029	704,358	409,577	358,190	509	357,964	895	292,698
North Carolina.....	67	64,508	27,107	23,966	372	30,462	634	22,501
North Dakota.....	33	16,492	8,661	7,500	455	7,904	730	7,211
Ohio.....	661	459,471	276,507	244,753	533	250,993	891	195,462
Oklahoma.....	131	94,755	56,077	48,756	515	59,058	946	48,113
Oregon.....	201	127,232	74,226	64,662	508	74,476	954	60,316
Pennsylvania.....	1,188	696,812	393,417	338,861	486	394,085	822	269,637
Puerto Rico.....	39	21,983	11,173	9,679	440	12,983	606	9,673
Rhode Island.....	34	9,006	3,853	3,409	379	3,019	604	2,089
South Carolina.....	97	87,271	37,811	33,371	382	44,604	597	32,619
South Dakota.....	103	41,096	23,390	20,428	497	25,088	1,100	17,682
Tennessee.....	190	142,541	103,599	90,214	633	107,882	852	76,068
Texas.....	874	636,261	382,239	328,525	516	412,358	840	311,277
Utah.....	98	45,760	29,027	25,050	547	29,555	1,031	24,549
Vermont.....	2	1,460	884	752	515	859	663	529
Virgin Islands.....	3	1,637	236	200	122	174	556	189
Virginia.....	208	177,434	87,738	76,061	429	89,913	736	67,715
Washington.....	175	138,235	94,310	82,323	596	85,559	974	76,816
West Virginia.....	150	62,753	37,024	31,848	508	37,823	800	28,558
Wisconsin.....	3	1,198	709	638	532	782	1,126	523
Wyoming.....	59	26,970	16,555	14,574	540	13,783	968	11,974

¹ Based on unrounded data.

Welfare Administration

THE WELFARE ADMINISTRATION was created in 1963 to consolidate major programs of the Department concerned with poverty and dependency.

During the past 4 years, the Welfare Administration has been responsible for implementing legislation which initiated a broad program of social services for public assistance recipients; expanded child welfare programs; increased maternal and child health services and services for crippled children and the mentally retarded; provided for comprehensive health service centers for needy children; authorized a new Federal-State medical assistance program for needy persons (Medicaid); and launched a nationwide series of grants for work experience and training projects for employable public assistance recipients and other needy people. It has placed special emphasis on the advancement of research in the field of social welfare; the training and recruitment of scarce social work personnel; and the development of closer Federal-State-local relationships, both public and non-governmental, in efforts to deal with poverty and related problems.

The Welfare Administration has also been responsible for programs to combat juvenile delinquency and to aid Cuban refugees, and for carrying out requirements of the Civil Rights Act of 1964 with respect to public welfare and related agencies and programs receiving Federal funds.

The programs of the Welfare Administration have been carried out through the Office of the Commissioner, Bureau of Family Services, Children's Bureau, Office of Juvenile Delinquency and Youth Development, and the Cuban Refugee Program.

Accomplishments for fiscal year 1967 are reported in detail in the sections which follow.

Fiscal 1967 marked the final year of the Welfare Administration as a single constituent agency in the Department of Health, Education, and Welfare. Shortly thereafter (August 15, 1967), Welfare Administration programs were transferred to a newly created agency of the Department, the Social and Rehabilitation Service, which also combines the programs of the former Vocational Rehabilitation Administration and the Administration on Aging.

Bureau of Family Services

Significant strides were made in 1967 in extending the provisions of the grant-in-aid programs of financial assistance, medical care, and social services to more needy people, and in providing work experience and training and other services that enable more needy persons to become self-sufficient. Progress was also made in simplifying the process of determining eligibility of individuals for public assistance and the methods of need determination, and in strengthening other aspects of the public assistance titles of the Social Security Act and related programs administered by the Bureau.

Legislation

Temporary legislation amending provisions relating to public assistance in the Social Security Act due to expire on June 30, 1967, was extended for a year to June 30, 1968.

This included: (1) extending the program of aid to families with dependent children (AFDC) to include needy families with an unemployed parent (Title IV, section 407); (2) providing for AFDC payments in nonprofit private child care institutions for children whose placement and care are the responsibility of the public welfare agency (Title IV, section 408); (3) permitting payments for children whose placement and care are the responsibility of "any other public agency with whom the State agency has made an agreement" (Title IV, section 408); (4) providing for protective payments to a qualified individual interested in the welfare of an AFDC family when continued money payments would be contrary to the benefit of the child (Title IV, section 406); (5) authorizing expenditure of \$2 million annually from the amount appropriated to States to support demonstration projects in State and local public assistance agencies (Title XI, section 1115); (6) authorizing temporary assistance for United States citizens and their dependents returned from foreign countries (Title XI, section 1113); and (7) providing for Federal participation in certain costs of community work and training programs designed to conserve and develop work skills of the unemployed parent receiving AFDC (Title IV, section 409).

Program Coverage and Expenditures

In June 1967, federally aided assistance under old-age assistance (OAA), aid to the blind (AB), and aid to families with dependent children (AFDC) was available in all 54 jurisdictions of the country—the 50 States, the District of Columbia, Puerto Rico, Guam, and the

Virgin Islands. Aid to the permanently and totally disabled (APTD) was available in all jurisdictions but one. Twenty-nine jurisdictions were administering medicaid—the new medical assistance program (MA)—and medical assistance for the aged (MAA) was still in operation in 19 jurisdictions. General assistance (GA), wholly State and/or locally financed, was available in some form for some persons in all 54 jurisdictions.

PROGRAM COVERAGE

About 8.4 million persons, or somewhat less than a fourth of the poor¹ were receiving money payments under public assistance programs in June 1967. They included 2.1 million aged persons receiving OAA, 5 million dependent children and their parents or other caretakers (including 3.7 million children in 1.2 million families) receiving AFDC, 615,000 disabled receiving APTD, 83,000 receiving AB, and 664,000 receiving GA. Vendor payments for medical care were also made on behalf of many of the recipients of public assistance money payments, as well as for some other medically needy persons.

The total number receiving public assistance money payments increased 7 percent in June 1967 compared with a year earlier. The largest program increase was in the nonfederally aided GA program—13 percent—and the next largest increase was in the federally aided AFDC program—11 percent. The APTD program showed a 7-percent increase; the AB program, a 2-percent decrease; and the OAA program, a 1-percent decrease.

A larger number than those now aided—about 8½ million—are estimated to be both needy and eligible for assistance under Federal provisions but are not receiving assistance because of the limitations of assistance standards in State programs. Many needy persons are not included under federally aided State public assistance programs,² and less than half of the people who are needy and eligible under Federal provisions were actually being aided by the States. This is because all States do not participate in all programs available under Federal law nor in all provisions of Federal laws; and because many States have placed restrictions in their public assistance programs for fiscal and/or other reasons, resulting in denial of aid to persons who would otherwise be eligible under Federal law.

¹ "A household is statistically classified as poor if its money income falls below levels specified by the Social Security Administration, currently \$1,570 for one unrelated individual, \$2,030 for a couple and \$3,200 for a family of four." See "Economic Report of the President," January 1967, p. 138.

² Those not being aided include, for example, many needy adults under 65 years of age who are unemployed or unable to earn an adequate income, many children in need because of the unemployment of a parent, most needy children living with both parents or someone other than a close relative, needy disabled adults who are not considered by State standards to be both permanently and totally disabled, and persons with incomes above a State's eligibility standard but far below the poverty level as currently defined.

For example, Nevada does not have an APTD program, 32 jurisdictions do not provide aid to families in need because a parent is unemployed (AFDC-UP), half the jurisdictions (27) do not provide for foster care of children, 23 jurisdictions do not permit earned income exemptions in OAA, 42 do not provide money payments to recipients under community work and training programs, 18 do not permit payments to children up to 21 years of age if attending school or a vocational or technical training course, 32 do not make payments in behalf of aged patients in institutions for the mentally ill, 38 do not make payments in behalf of aged patients in institutions for tuberculosis, and 17 do not provide assistance to persons on conditional release from mental institutions under specified circumstances.

Examples of State restrictions are State residence requirements, citizenship requirements, suitability-of-home provisions, limited definitions of disability and unemployability such as denial of assistance to needy mothers of dependent children considered to have employment resources, denial of supplementary assistance to any employed person regardless of the inadequacy of his earnings, a lower cut-off age for children than permitted under Federal law, and use of liens on a home and recovery provisions that discourage application for assistance.

EXPENDITURES

A total of \$635 million was expended for both public assistance money payments and medical vendor payments in June 1967—\$405 million for money payments and \$230 million for medical vendor payments. Total expenditures in June 1967 represented a 19-percent increase over June 1966. This included a 29-percent increase in vendor medical payments, reflecting the extension of medical assistance programs into 20 new jurisdictions during the year, and a 15-percent increase in money payments. Assistance payments during 1967 represented less than a cent per dollar of total personal income in the Nation during 1967.

Expenditures by Program

Total money payments to recipients from Federal, State, and local funds for the month of June 1967 for OAA were about \$140 million; AFDC, \$185 million; APTD, \$47 million; and AB, \$7 million. For GA, a total of \$26 million was expended from State and/or local funds only.

Medical vendor payments made in the month of June 1967 from Federal, State, and local funds amounted to \$230 million—\$197 million under the new medicaid program, \$5 million under the medical

assistance for the aged program, \$23 million under other federally aided categories of assistance, and \$5 million under general assistance.

All the programs providing money payments to recipients showed increases in expenditures in June 1967 compared with a year earlier—a 25-percent increase in GA, a 23-percent increase in AFDC, an 18-percent increase in APTD, a 5-percent increase in OAA, and a 2-percent increase in AB. The 97-percent increase in expenditures in the new medicaid program in June 1967 over June 1966 reflected the increasing number of States establishing the program. It was partially offset by an 84-percent decrease in the older MAA program, a 49-percent decrease in medical vendor payments under other federally aided categories of public assistance, and a 49-percent decrease in the State and/or locally financed GA program.

Monthly Average Payments

National monthly average public assistance money payments in June 1967 were \$68 per recipient of OAA, \$37 per recipient of AFDC (\$153 per family), \$77 per recipient of APTD, \$87 per recipient of AB, and \$39 per recipient of GA (83 per case).

The national average public assistance money payments under the federally aided categories of assistance provide little more than half the minimum amount required for subsistence according to the generally accepted poverty level, and in some States the average money payment is less than a fourth of that amount.

Average payments not only are low, but vary widely from State to State as evidenced in the range of payments for a dependent child in June 1967 from a low of \$9 per month in Mississippi (except for \$4 in Puerto Rico) to a high of \$56 in New Jersey; and for an old-age recipient from a low of \$39 in Mississippi (except for \$9 in Puerto Rico) to a high of \$102 in California.

Each State establishes its own assistance payment level which reflects both the State's fiscal capacity and prevalent social attitudes. Because of insufficient funds, a number of States reduce the amount of the payment, some set arbitrary maximums regardless of the size of the family, and others pay only a certain percentage of need computed under the State standard or impose unrealistic policies with respect to other potential income or resources or relatives' responsibility that serve to prevent meeting full need.

RELATION TO SOCIAL INSURANCE

About half of the OAA recipients received public assistance money payments to supplement their old-age, survivors, and disability insurance (OASDI) benefits in order to meet basic or special needs. The

percentage of other types of public assistance recipients who also received social insurance was considerably smaller—about 18 percent in AB, 14 percent in APTD, and 6 percent in AFDC.

Program Developments

MEDICAID

The medical assistance program, popularly known as "medicaid," which was authorized by Title XIX of the 1965 amendments to the Social Security Act, was being administered by 29 jurisdictions by June 30, 1967, and 15 jurisdictions were in the process of developing such a program. Medicaid has numerous forward-looking provisions designed to provide medical assistance of high quality and to simplify administration. For the present, however, many of its benefits are potential rather than actual.

To determine the kind of help needed by States to implement the provisions of the medicaid program most effectively, the Bureau reviewed the program's first year of operation in nine States. Preliminary analysis of State "overview" reports based on field study revealed that medical services available to the medically needy are still fragmented, emphasis on eligibility is often greater than on provision of services, other social services are not usually interrelated with medical care services in individual cases, and the medical care resources of the community are often not utilized to the fullest for the benefit of the medically needy.

In general, there is still lack of understanding and information about the provisions and administration of medical assistance among professionals, the public, and recipients. State and local program management needs considerable strengthening, and standards and methods to assure that services being provided are of high quality are still embryonic. Technical assistance is being provided to States in these areas, as well as in developing new Title XIX programs.

Discussions were held with State agency, hospital association, fiscal intermediary, and hospital administration staffs around "reasonable costs" requirements for reimbursement for inpatient hospital services, and policies were developed to implement provisions requiring payment of "reasonable costs" for hospitalization under the medicaid program. Effort was made to revise and clarify standards for skilled nursing homes; and policies were developed with respect to cooperative arrangements with other programs providing health or related services, such as crippled children's services, vocational rehabilitation, and public health programs. Applications for Office of Economic Opportunity grants for neighborhood health centers were reviewed with

respect to the relationship between these centers and the medicaid program.

Twenty-two jurisdictions were implementing a provision of Title XIX which enables the States to qualify for Federal matching funds to help defray the cost of payments for public assistance recipients who are over 65 years of age and are patients in institutions for the mentally ill. Policies relating to this provision were developed and with the cooperation of the National Institute of Mental Health technical assistance was provided to States in administering it.

Joint consideration was given by the Bureau and the Social Security Administration to administrative areas affecting both Medicare (Title XVIII) and Medicaid (Title XIX). Technical assistance was provided to States on data processing, management improvement methods, long-range medical care budget planning methods, and training in medical care administration.

Channels of communication were strengthened with the leadership of the American Medical Association, American Dental Association, American Hospital Association, American Nurses Association, and various organizations in the pharmaceutical field. A meeting of State pharmacists and pharmaceutical consultants was held to exchange ideas and experience with vendor programs for pharmaceutical services. A conference on "Group Practice in Title XIX" was held to consider a Welfare Administration policy concerning the use of group practice.

Interpretations of medicaid were given at meetings of national, State, and county medical societies; State and regional hospital association meetings; public welfare association meetings; and at seminars for administrators of nursing homes. Informational material on the program was prepared and distributed. A summary report, "Characteristics of State Medical Assistance Programs under Title XIX," was issued.

Over 169,000 persons have participated in the program's activities of supportive services, work experience, and training to increase their employability. Nearly 64,000 of these trainees have been enrolled in adult basic education at some point in their training assignment, about 9,000 benefited from high school equivalency courses and nearly 26,000 developed new work skills or up-graded existing skills through full-time vocational education. All trainees received supportive services such as child care, counseling, job orientation, homemaker services, etc., along with either full-time or part-time work experience or training, or combination of both.

As of June 30, 1967, approximately 54,000 trainees were still actively participating in the program and over 115,000 had terminated. All 169,000 of these people were severely disadvantaged, many of them no

longer young and most of them inadequately educated. Of the 115,000 who terminated, 25,000 had to leave before completing their assignments for valid reasons such as illness and disability, transportation or child care problems, and increased resources. The results the program had for the other 90,000 trainees are shown below.

Found gainful employment.....	41,000
Taking advanced vocational training.....	5,300
Completed training and thus increased their chances of employment	15,400
Dropped for poor attendance, misconduct, dissatisfaction, refusal of employment or lack of progress.....	18,000
Employment status on termination not known.....	10,500

Thus it is evident that more than half of the 90,000 dependent and socially handicapped people who completed a significant amount of training moved forward to gainful employment or advanced vocational training.

In a follow up study conducted by the Department of Health, Education, and Welfare, a preliminary analysis showed that more than three out of every four trainees who found employment immediately after leaving the project were still employed 3 months later. Their earnings ranged from \$74 for part-time employment to \$667 per month, and averaged \$273—about 80 percent greater than their average monthly AFDC payment of \$152.

Reduction in the amount of funds available for the work experience and training program in fiscal 1967 as compared to fiscal 1966—from \$151 million to \$125 million—resulted in reduction from a trainee level of 114,200 to 85,400. Projects were reviewed carefully and 48 of the least effective projects were terminated and some others were cut back.

A wide range of project activities was undertaken. Training in occupational areas where shortages exist was emphasized, innovative approaches were used to ease the acute shortage of day care facilities, "outreach" activities intensified recruitment to work projects, on-the-job training with private employers was provided to about 4,400 trainees, training in good homemaking and money management was increasingly incorporated into project activities, and experimental efforts were directed toward securing fidelity bonding for trainees with police records.

State agencies introduced use of a declaration form to determine financial eligibility of needy persons not receiving public assistance in lieu of extensive and time-consuming investigations. Local agency workers carried small caseloads, provided group services to facilitate a participant's progress toward gainful employment, and developed and followed individual employability plans. Training and use of case aides and work and training specialists' aides increased.

Several pamphlets and publications describing aspects of the program were issued by the Bureau of Family Services. One incorporates material from case histories, another describes projects which made noteworthy contributions to the natural beauty of their communities, and a third describes all projects since the beginning of the program.

Additional authority was delegated to Bureau regional staff to expedite the review and approval of new projects and amendments proposed by State agencies to ongoing projects. On-site evaluations were conducted by Bureau staff in cooperation with the Department of Labor. Procedures were established for management of Title V audits by the departmental audit agency.

Bureau staff participated in a joint HEW-Labor Department Task Force which prepared interim policies and procedures for implementing the Economic Opportunity Amendments of 1966 relating to Title V, and interim guidelines for joint evaluation of projects coming up for renewal. Staff also participated in the Cooperative Area Manpower Planning System program. This program includes the formation of coordinating committees at various levels of government (selected metropolitan areas, State, regional, and national) to draft annual plans for coordinating activities of various agencies with manpower programs.

Community Work and Training Program

Authorized by a 1962 amendment to the Social Security Act, the community work and training program (CW&T) was established as part of the public assistance program to permit use of Federal funds for payments to AFDC parents on work and training projects. Federal funds were made available for matching public assistance payments to individuals, administrative costs, and a few specialized services. Costs of work and training projects, including materials and project supervision, must be borne by State and local governments.

Although 22 jurisdictions were administering AFDC programs which included an unemployed-parent segment (AFDC-UP) under which community work and training programs are usually established, only 12 jurisdictions were administering such programs in fiscal 1967. Since the Title V program, which can be financed 100 percent by Federal funds, had as one of its objectives, demonstration of the potential of the community work and training program, States without such a CW&T program were required to indicate an intent to initiate CW&T programs in applying for demonstration funds under the Title V program. Although most States reported steps taken toward the adoption of community work and training programs, the progress

seemed slow when measured in terms of the States that actually established community work and training programs.

In those States which administer CW&T programs, staff responsible for this program are also responsible for Title V, thus integrating them in operation. Most of the States with CW&T programs have exhibited considerable creativity in utilizing the CW&T, Title V, and manpower development and training programs (MDTA) in varying combinations to obtain maximum benefits for the recipient group. The CW&T program, however, has tended to emphasize only training in work habits. Because of greater benefits and resources, Title V has become the preferred program in most places. Incomplete reports indicate that since the program began about 100,000 people had been assigned to CW&T projects and approximately 45,000 moved from projects into employment.

A report on the program, due to be terminated on June 30, 1967, was prepared by the Bureau and transmitted to the Congress by President Johnson in March 1967 with a request for extension. It was subsequently extended to June 30, 1968.

SOCIAL SERVICES

A nationwide review of State provision of social services indicated some services were being promoted, but there was wide variation among the States and within each State in the degree of progress achieved in implementing the various social service provisions of the 1962 Amendments to the Social Security Act. In general, there was more progress in the AFDC category than in the adult programs.

Except for child welfare services and several public assistance demonstration projects, social services were generally available only to recipients of financial assistance, and only minimum services provided. Few services were offered to former recipients, to persons potentially in need of financial assistance, or to those with problems not directly related to lack of income. The limited provision of social services was due in large part to the difficulties encountered by States and localities in raising their share of the cost even under the more liberal financing provisions of the 1962 public welfare amendments and in recruiting and retaining qualified staff.

Some progress was made by the States in implementing requirements for simplification of standards for determining eligibility and the amount of the assistance payment, but development of leadership and participation in community planning has been relatively slow. Training for staff providing services was often limited, and was handicapped by high turnover among staff.

During the year, Bureau staff gave substantial attention to the development of new organizational patterns for the delivery of services—

neighborhood service centers, day care centers, comprehensive services unit, residential and day care training centers—and to the development of services—legal, homemaker, family planning, and compensatory education. Guidelines were issued for State use on neighborhood day care services, family planning services to unmarried parents, children in need of protection, and family disrupted by desertion. Several demonstration projects were initiated on legal services, community planning, and neighborhood welfare centers.

In addition, significant progress was made in promoting the development of protective services for the aged, group services, community planning, volunteer services, and social aspects of housing needs for low-income families.

Since 1961, 31 State welfare agencies have initiated information referral, and counseling services related to family planning, and an increasing number pay for the medical services involved.

Pamphlets published this year include "The Role of Public Welfare in Family Planning," "Opportunities for Volunteers in Public Welfare Departments," and "Group Services in Public Welfare." A directory of homemaker services and a bibliography on community planning were also developed.

Guide materials for State use were prepared on services to unmarried parents, children in need of protection, and families disrupted by desertion. A report was prepared illustrating parent participation in projects and activities under the AFDC program, and work continued on guides for public welfare and vocational rehabilitation relationships.

Advisory committees assisted in the consideration of various aspects of social services, legal services, and neighborhood service centers. Interagency and interdepartmental cooperation increased through substantial staff participation in ad hoc work groups, task force committees, and other jointly undertaken assignments, particularly with respect to the Children's Bureau, The Welfare Administration, the Secretary's Office, and the Department of Housing and Urban Development.

DEMONSTRATION PROJECTS

More applications were received during fiscal 1967 for demonstration projects under section 1115 of the Social Security Act than in any year since the program began in 1962. Of the 161 applications received, 99 were approved, and 26 of the 28 continuation requests were granted. These projects obligated almost all of the \$2 million available for section 1115 projects before the end of fiscal 1967.

Of the 239 projects approved since the beginning of the program, 194 were active during the year. Of these, 32 involved direct social

services; 33 aimed to strengthen administration or stimulate program development; 19 involved new methods of administration, including restructuring of agencies; 96 were concerned with staff recruitment, development, or strengthening relationships with social welfare education; 10 involved new approaches to encouraging education or preparing for self-support; and 4 demonstrated extensions of eligibility or increased assistance payments. Projects were distributed among 47 different jurisdictions.

Model projects were designed for State use. One model stimulated three projects to demonstrate what is involved for public welfare departments in carrying out protective services for the elderly. Another model stimulated 47 projects in 31 States which financed the summer employment of 140 social work faculty on assignments relating social work education more closely to public welfare. A third model enabled four States to develop a system for classifying case information as a basis for planning for the provision of needed services. The "Operation Bootstrap" model, designed in 1966 to strengthen State agency administration, provided 31 new positions in 8 States for specialists in social services, homemaker services, volunteer services, public information, staff development, or medical care administration.

Six innovative projects were approved in four States: two in the use of a declaration form for determining eligibility, one in increasing assistance payments and providing extended social services, one in establishing welfare centers in neighborhood centers, one in exempting earnings of AFDC parents, and another in providing legal services to the poor.

Technical assistance was provided to States for project development. A "Four-Year Report" on the demonstration program is being processed.

REPATRIATION PROGRAM

Assistance was provided to 559 destitute or ill Americans returned to this country by the Department of State under legislation enacted in 1960 and 1961—Public Law 86-571 and section 1113 of title XI of the Social Security Act. Included were 191 children, 27 of whom were unaccompanied, and 92 mentally ill persons.

State and local public welfare agencies located at major ports of entry such as New York, Miami, New Orleans, and San Francisco provided reception services, emergency lodging and food, and hospitalization as needed by the repatriates, as well as transportation to their State of residence.

Nearly half the repatriates were returned from European countries, and about a fourth came from Cuba.

EMERGENCY WELFARE SERVICES

Under authority delegated by the Secretary of Health, Education, and Welfare and the Commissioner of Welfare, the Bureau continued its efforts to develop a national standby program of aid and services to the homeless in the event of national disasters, such as enemy attack. Manuals on emergency feeding and emergency welfare registration and inquiry were issued, completing the series of seven guidance manuals. A training course in emergency mass feeding, prepared jointly with the American Red Cross and the Office of Civil Defense, was also published.

When support was withdrawn by the Office of Emergency Planning for continuing other planned emergency welfare service activities, the Office of Civil Defense authorized the Bureau to perform specified work of special interest to the Office of Civil Defense. The authorization, which runs from October 1, 1966, to September 30, 1967, provides for the development of a definition of the role of emergency welfare services at all levels in community shelter planning, a system for testing and reporting readiness at State and local levels, staffing guidelines and a comprehensive training plan, practical methods for utilizing the skills and resources of local voluntary organizations and groups, and the convening of a national seminar of State and local public welfare and civil defense officials to facilitate achieving emergency readiness capability.

Administrative Developments

STAFF DEVELOPMENT

On July 1, 1967, new requirements related to the educational qualification of professional personnel in federally aided public assistance programs and to staff development became effective. All State agencies met most of these requirements. Almost all State agencies were fairly well staffed for planning and directing their staff development programs—about 650 persons in State and local agencies were engaged in staff development training in public assistance and child welfare programs in 1967 as compared with 400 in 1966. However, while most States had improved their educational leave program, considerably more effort is needed to provide sufficient qualified staff.

Technical assistance was provided States in various aspects of their staff training, and in developing undergraduate social welfare content

for teaching purposes. A monograph, "Illustrative Class Specifications for State Agency Personnel Administering Family Services in Public Welfare," was published. Guidelines were prepared for evaluation of the adequacy and effectiveness of training programs, as was a variety of training materials, including films.

Workshops were held for newly appointed State staff development personnel, and the biennial meeting of State and local directors of staff development was held in Washington, D.C.

Technical assistance was also given to schools of social work and public health in relation to course content in various subject areas in public welfare, medical care administration, and in work with the aging. Cooperative activities continued with various national social work and health organizations.

ORGANIZATION AND MANAGEMENT

Policies were developed toward improvement of several areas of State and local agency administration including standards for local agency office space and facilities and guides for the use of declaration forms to simplify application for assistance and for the use of an identification card to facilitate securing medical care.

Technical assistance was provided States on administrative and fiscal procedures, on reduction in paperwork, and on the use of automated data processing. A 3-day training meeting was jointly sponsored with the American Public Welfare Association for State automatic data processing managers. A publication was prepared on "Intake and Case Recording—Organization and Management in Public Assistance" based on practices in one local agency in California.

During 1967, Bureau regional staff carried out administrative reviews of social services, on nursing home compliance with title VI of the Civil Rights Act, and on "fair hearings."

A program of Federal administrative review of States' quality control systems was developed and tested, and review of these systems was initiated.

RESEARCH AND STATISTICS

A comprehensive revision of the statistical reporting system of public assistance was initiated to reflect significant program changes as well as a nationwide statistical analysis of quality control findings from all States.

Based primarily on data collected through State studies, articles were prepared on "Age Differentials for AFDC Children by Status of Father," "Age Variations in Old-Age Assistance," and "Trend in

Number of AFDC Recipients, 1961-65." Reports were also prepared on "Who Are the Public Assistance Recipients?," "Data on Rehabilitation of Recipients of APTD," and "1962 Study of APTD Recipients: National Cross-Tabulations." A preliminary report was issued on "Characteristics of Old-Age Assistance Recipients." Three reports of data by State and census division are planned for release and a series of national cross tabulations will be available on microfilm as a reference source for various analyses of the OAA population.

PUBLIC INFORMATION

The range and effectiveness of information activities were extended during the year. A motion picture, "Families Without," describes the people who receive public assistance, especially those receiving AFDC. A variety of material, including fact sheets and a color slide presentation, explaining the new medicaid program, were given wide distribution.

During the year, 127 publications were processed; exhibits and other visual aids were developed; and editorial assistance was provided to Bureau professional staff. Approximately 25,000 public inquiries about public assistance were answered, and more than 500,000 copies of Bureau publications were distributed.

The Bureau continued its efforts to strengthen communications with State public welfare information officers and with other non-Federal organizations. A guide, "Information Services in Public Welfare Agencies," was prepared for State use. Four States (Arkansas, Colorado, Utah, and Texas) developed demonstration projects in public information.

Children's Bureau

The Children's Bureau assists the States, through technical and financial aid, in enhancing and protecting the well-being of children and youth through child health and welfare services. The Bureau also studies many types of conditions affecting the lives of children and youth, makes recommendations to promote better practices in child health, child welfare, and juvenile delinquency, and helps establish standards for the care of children.

In fiscal year 1967, the Bureau broadened and improved its programs for children, with emphasis on the areas of civil rights, mental retardation, infant mortality, family planning, youth services, and training of professional workers.

1967 Appropriations

The amounts appropriated for the Children's Bureau for fiscal year 1967 were:

Salaries and expenses.....	\$5,331,000
Grants for maternal and child welfare.....	228,900,000
Maternal and child health services.....	50,000,000
Services for crippled children.....	50,000,000
Child welfare services.....	46,000,000
Special projects for maternity and infant care.....	30,000,000
Special projects for health care and services for school and preschool children.....	35,000,000
Research projects relating to maternal and child health and crippled children's services.....	4,900,000
Research, training, or demonstration projects in the field of child welfare.....	9,000,000
Training of professional personnel for care of crippled children	4,000,000

Interdepartmental Committee on Children and Youth

The Interdepartmental Committee on Children and Youth is composed of representatives of 40 Federal agencies whose programs affect the well-being of children and youth. The Chief of the Children's Bureau is First Vice Chairman and Acting Chairman by delegation of the Secretary of Health, Education, and Welfare, who is Chairman. The Bureau also provides the secretariat.

The Parent and Family Life Education Subcommittee focused on family life education for adolescents. The subcommittee recognized that family life education for adolescents is many faceted and part of a comprehensive program starting with young children. An annotated, classified listing of pertinent publications was compiled.

The Subcommittee on Transition From School to Work studied the various programs in the District of Columbia to determine the reasons for slow progress in reducing or removing obstacles to a smooth transition.

State Committees on Children and Youth

The Bureau sponsored five 2-day workshops for participants from 40 State Committees on Children and Youth. The purposes of the workshops were: (1) to increase attention to youth, their needs, and their problems; (2) to stimulate planning to improve conditions; and (3) to secure reactions to plans of the Bureau. Immediate results were

CHART 1.—MATERNAL AND CHILD HEALTH SERVICES, 1947-66

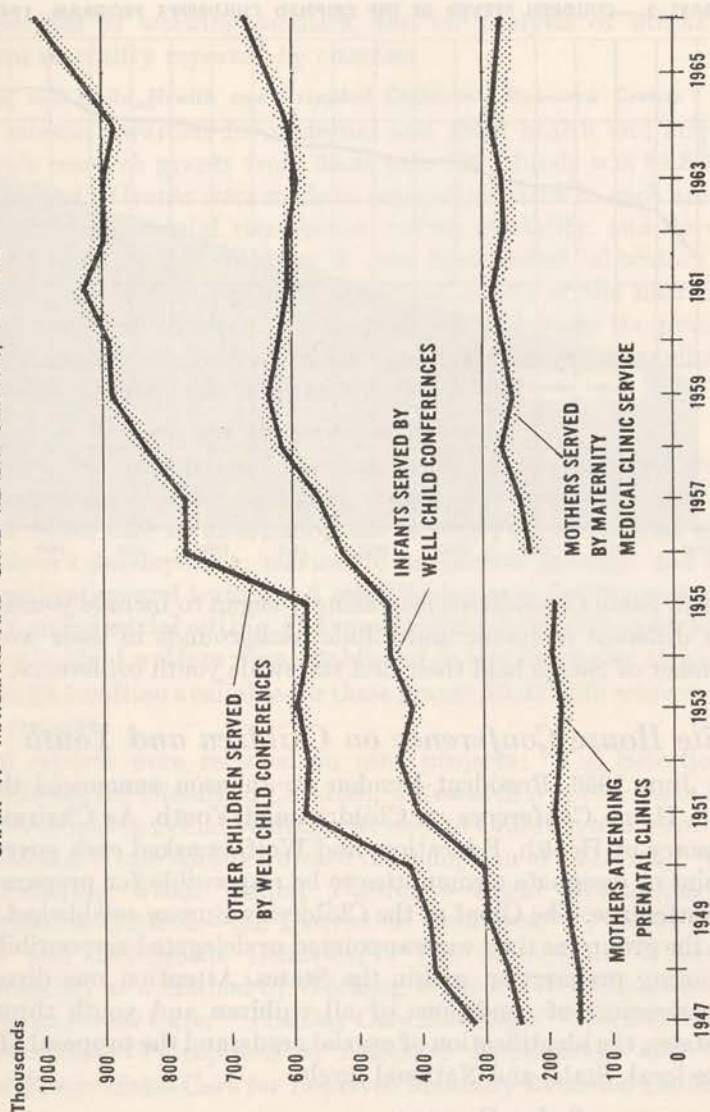
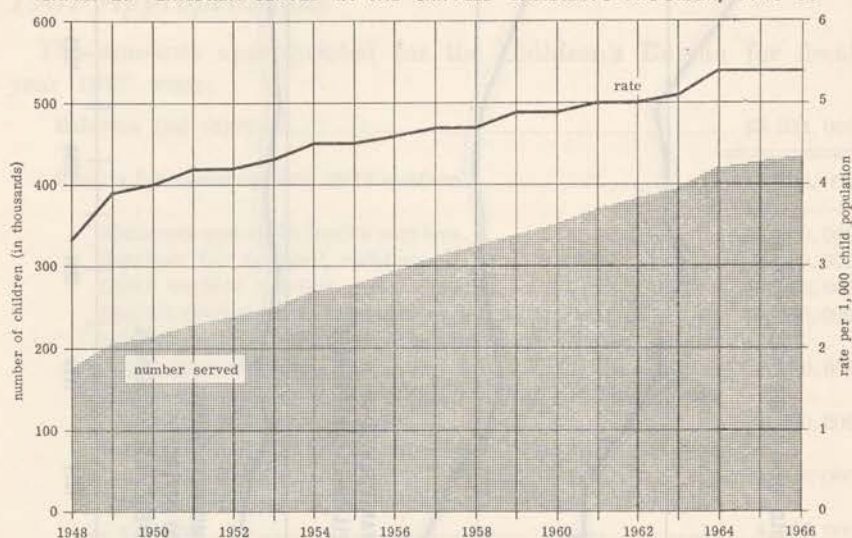


CHART 2.—CHILDREN SERVED IN THE CRIPPLED CHILDREN'S PROGRAM, 1948-66



evident. State Committees increasingly began to include young people from different economic and ethnic backgrounds in their work, and a number of States held their first statewide youth conference.

White House Conference on Children and Youth

In June 1966, President Lyndon B. Johnson announced the 1970 White House Conference on Children and Youth. As Chairman, the Secretary of Health, Education, and Welfare asked each governor to appoint or designate a committee to be responsible for preparation of the conference. The Chief of the Children's Bureau established liaison with the groups as they were appointed or delegated responsibility for promoting preparation within the States. Attention was directed to the assessment of conditions of all children and youth throughout the States, the identification of crucial needs, and the proposal of action at the local, State, and National levels.

Programs of the Bureau

RESEARCH AND CHILD LIFE

In addition to issuing its own studies and cooperating in joint studies, the Bureau supported research in child health and welfare through two grant programs.

During fiscal year 1967, the Bureau's joint and intramural research included an international comparative study of juvenile delinquency, an evaluation of a preschool enrichment program, a survey of juvenile courts and probation services, an analysis of a survey of child-care

arrangements of working mothers, and an analysis of infant and perinatal mortality reported by counties.

Maternal and Child Health and Crippled Children's Research Grants

The amount awarded for maternal and child health and crippled children's research grants from fiscal year 1967 funds was \$4,899,995 for 75 projects. Grants were made to support research in such areas as family planning, mental retardation, infant mortality, and development of prostheses for children. A core biochemical laboratory was established as the first phase of a national study of the nutritional status of preschool children. Another project will study the processes and consequences of decisions made by physicians in comprehensive health service centers for children and youth.

Child Welfare Research and Demonstration Grants

Child welfare research and demonstration grants supported studies in protective services for neglected, abused, and delinquent children; day and foster care services; adoption services; environmental effects on children's development; services to unmarried parents; and manpower utilization and training. A satellite day care facility was established in an industrial setting, and special clinical research and training facilities in child welfare were established in two inner-city areas.

Of the \$3.5 million available for these grants, \$3,497,113 was awarded for 41 projects.

Final reports were received on nine projects: "The Selection of Foster Homes for Disturbed Children," "Research Approaches to Manpower Problems in Social Welfare Services to Children and Families," "Attitudes of White Adults Toward the Adoption of Children," "Children Suffering From Mental Disorders—Legal Protections and Authoritative Controls—the District of Columbia," "Positional Authority and Delinquent Behavior," "The Division of Casework Responsibility as a Method of Working With Emotionally Disturbed Children in Foster Care," "The Day Care Exchange," "An Exploration of Caseworkers' Perceptions of Adoptive Applicants," and "Specialized Foster Home Care for Deprived Mentally Retarded Children."

Some Facts and Figures

Births in the United States during 1966 totaled 3,629,000, the lowest number born any year since 1950.

Children under 21 years of age numbered 80.5 million on July 1, 1966, an increase of 0.9 million (1.1 percent) since July 1, 1965.

The estimated number of orphans under age 18 in January 1965 was 3.3 million, 4.7 percent of the child population. Of this number, 2.3 million were paternal orphans, 0.9 million were maternal orphans, and 70,000 were full orphans.

An estimated 1,844,000 marriages were performed during 1966. The 1966 marriage rate of 9.4 per 1,000 population was slightly higher than the figure for 1965 (9.2 per 1,000).

An estimated 494,000 divorces were granted in 1966. The 1966 divorce rate—2.5 per 1,000 population—was the same as in 1965. According to the most recent data available, 60 percent of divorces involved children.

In March 1966, there were 28.1 million families with related children under 18 years of age. Of this number, 24.8 million (88.4 percent) were husband-wife families, 2.9 million (10.2 percent) were families with a female head, and 0.4 million (1.4 percent) were families with a male head.

There were 9.9 million working mothers with children under 18 in March 1966, or a little more than one-third of all mothers with children under 18 years of age. The figures included 3.8 million working mothers with children under 6 (2.1 million mothers with children under 3), and 6.1 million with children 6 to 17 years of age. About 3 mothers in 4 who worked in March 1966 had full-time jobs.

During the 12-month period ending June 1965, children 6 to 16 years of age experienced 107.5 million attacks of acute conditions, or about 2.6 conditions per year for each schoolage child. More than half of these acute conditions were respiratory.

According to the poverty index used by the Social Security Administration, which is based on a food cost-income relationship to family size and composition, in 1965 there were 14.3 million children under 18 in 4.4 million families living in poverty. This means that 1 out of 5 children under 18 was growing up in a family below the poverty line. Many of the children in poverty, 6.7 million or 45 percent, were in families where there were five or more youngsters.

MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN'S SERVICES

During 1966, State and local maternal and child health programs provided maternity clinic services for 282,000 expectant mothers. About 61,000 mothers and 10,000 premature infants received inpatient hospital care. About 19,000 expectant mothers received dental treatment.

About 1,764,000 children (680,000 infants, 842,000 preschool children, and 242,000 school children) were seen in well-child conferences. Almost 2 million children were examined by physicians in school health programs, and, where necessary, directed to further treatment. About 8,847,000 school children were screened for visual defects; 5,425,000 for hearing defects; and 2,386,000 for dental defects. Some 2,790,000 children received immunization (including boosters and revaccinations) for smallpox; 4,284,000 for diphtheria; 2,493,000 for

whooping cough; and 4,448,000 for tetanus. Public health nurses visited approximately 2,903,000 children.

State and local public health agencies spent an estimated \$130 million in fiscal year 1966 for maternal and child health services. This included expenditures of \$86.2 million from State and local funds (66 percent of the total) and \$43.8 million from Federal funds (34 percent).

Official health agencies reported services for more than 436,000 children with crippling conditions in 1966—or 3 percent more than the 423,000 children served in 1964. The rate remained at 5.4 children in each 1,000 children.

State and local crippled children's agencies spent an estimated \$116.2 million in fiscal year 1966 for crippled children's services. This included expenditures of \$71.6 million from State and local funds (62 percent of the total) and \$44.6 from Federal funds (38 percent).

Maternity and Infant Care Projects

Fifty-three projects were providing comprehensive maternity care to women from low-income families on June 30, 1967. During fiscal year 1967, these projects admitted about 102,000 new patients for maternity care. Forty-nine projects made special provision for homemaker service.

Maternity and infant care projects have had the effect of higher quality of patient care and more comprehensive maternity services not only for women from low-income families but also for other obstetrical patients. Because of these projects, obstetrics departments have strengthened their medical, nursing, and related health staffs. Closer working relationships have developed between departments of obstetrics and pediatrics. The projects have promoted the development of obstetric anesthesiology. One project reported a decline in the incidence of eclampsia.

Infant Mortality

In 1965, the United States infant mortality rate, 24.7 per 1,000 live births, was 1.6 percent lower than in the 3-year period 1962-64. The preliminary infant mortality rate for 1966 was significantly lower: 23.4 per 1,000 live births.

There is a close relationship between quality of maternity care and infant mortality. Approximately one-half of the expectant mothers from low-income families are receiving care under the maternal and child health programs or the maternity and infant care projects.

Family Planning

Nearly every State reported development or expansion of family planning services both in maternal and child health programs and

maternity and infant care projects. During fiscal year 1967, the 53 maternity and infant care projects admitted 66,000 new patients for family planning services. Oral contraceptives and intra-uterine devices were the most popular methods with those women who wished to plan their families.

It is estimated that 250,000 women received family planning services through maternal and child health programs and maternity and infant care projects during fiscal 1967.

Children and Youth Projects

On June 30, 1967, there were 55 projects providing health care and services to preschool and school children, particularly in areas with concentrations of low-income families.

Projects reported that these children previously had had inadequate health supervision, very little medical care, and virtually no dental or psychological care. Nearly every project tried to provide around-the-clock coverage for its patients.

Some projects began medical evaluations for all children in the project area. Several tried timesaving procedures, such as having parents fill out children's medical history forms at home. Some projects developed computerized systems for appointment information and records storage and retrieval. Nearly all projects had difficulty in finding suitable space in low-income neighborhoods. One project used mobile office trailers for examination of the children.

Extension of Services

State maternal and child health and crippled children's agencies began an inventory of their current services as a base line against which future extension could be measured. There was considerable variation in the methods used by the State agencies in their inventories. The surveys revealed differences in range of services and geographic coverage.

Mental Retardation Services

Services for mentally retarded children continued to expand. By June 30, 1967, there were approximately 140 mental retardation clinics supported in whole or in part by Children's Bureau funds. These clinics not only served mentally retarded children but also brought to light the complex problems of children with multiple handicaps who may not be mentally retarded but who function at a subnormal level.

Bureau staff gave more attention to prevention of mental retardation and early casefinding. The Bureau published a guide for nurses working with children, *A Developmental Approach to Casefinding With Special Reference to Cerebral Palsy, Mental Retardation, and Related Disorders*.

Training of Professional Personnel for Care of Crippled Children

The Social Security Amendments of 1965 authorized a new program of grants beginning in fiscal year 1967 for training of professional personnel for health and related care of crippled children, particularly mentally retarded children and those with multiple handicaps.

By the end of the fiscal year, grants had been approved for training programs in 8 of the 15 university-affiliated training centers for which the Public Health Service had awarded construction grants. Grants also had been made to two other institutions of higher learning. The professional personnel being trained included physicians, dentists, audiologists, nurses, physical therapists, occupational therapists, nutritionists, social workers, psychologists, and speech and language specialists.

CHILD WELFARE SERVICES

About 741,400 children were receiving services from public and voluntary child welfare agencies and institutions in the United States on March 31, 1966, or 6 percent more than were being served on March 31, 1965. The rate was 91 children served per 10,000 in the population, as compared with 87 per 10,000 in 1965. Services to children in their own homes increased 10 percent between 1965 and 1966, as compared with a 4-percent rise in services to children in other living arrangements.

Two-fifths of all children served lived with parents or relatives, or, in the case of older teenagers, maintained living arrangements on their own. Nearly one-third were in foster family homes; one-seventh were in institutions; and one-tenth in adoptive homes.

State and local public welfare agencies spent an estimated \$396.2 million in fiscal year 1966 for child welfare services, a 13-percent rise over 1965. This amount included expenditures of \$199.5 million from State funds (50 percent of the national total), \$157 million from local funds (40 percent), and \$39.7 million from Federal funds (10 percent).

Day Care Services

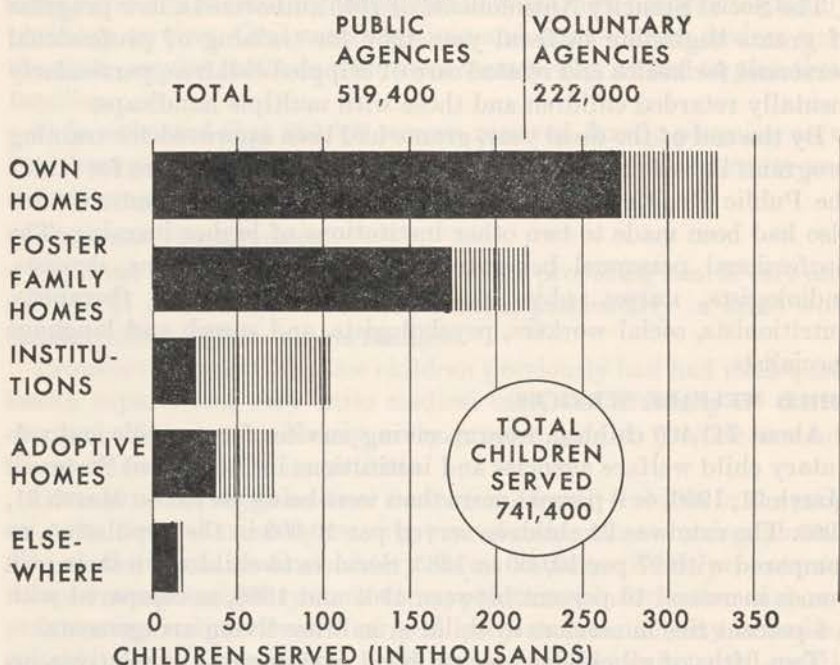
Cities recognized that day care for children of employed mothers was one of the top priorities, and many churches, citizens' groups, local agencies and organizations requested help in starting services. However, day care was still in a minimal level.

All States and Territories (except Idaho and Guam) included day care services in their child welfare services plans, and 37 States appropriated funds for day care services.

Homemaker Services

The States reported consistent, steady growth in homemaker service programs. A national survey in October 1966 counted approximately 900 homemaker service programs, about half of which were in public welfare agencies.

CHART 3.—CHILDREN RECEIVING CHILD WELFARE SERVICES BY LIVING ARRANGEMENTS, MARCH 31, 1966



More child care agencies directed their efforts toward examining the potentials of and developing homemaker services, along with additional protective casework services for children in their own homes as a means of preventing unnecessary placements of children.

Services to Children in Their Own Homes

State agencies slowly expanded services to children in their own homes. In general, there was need to identify the basic services and to strengthen them before the family breakdown or child neglect or abuse occurred.

Foster Family Care

The numbers of children in foster family homes in 1966 increased 5.8 percent over 1965. On March 31, 1966, public child welfare agencies were providing care for 172,400 foster children (78 percent); and voluntary agencies, 47,500 (22 percent).

More children in foster care, than in former years, were found to be maladjusted or emotionally disturbed to the point where they needed corrective family living experiences and treatment.

State and local governments financed 98 percent of the foster care and institutional care provided by public agencies; their appropriations were not increased at a rate comparable with the increase in child needs.

Group Care

Urbanization, population growth, and increasingly more serious and complex problems of families and children demanded changes in emphasis, quantity, and quality of group-care services. Institutional environments were being adapted into child-caring service centers. Other approaches included agency-operated group homes, halfway houses, and residential treatment centers with psychiatric, psychological, and other remedial services.

Protective Services

By the end of fiscal year 1967, all 50 States, the District of Columbia, and the Virgin Islands had enacted statutes relating to reporting cases of child abuse.

Although State and local efforts to develop protective services in the amounts needed were greatly handicapped by lack of funds and staff, both the quantity and quality of services expanded. The trend was to place greater emphasis on legislative actions, to redefine agency functions and goals, to restructure the delivery of services, and to mobilize the entire community into a working team.

Adoption Services

About 152,000 children were adopted in the United States in 1966, as compared with about 142,000 in 1965.

Prospective adoptive applicants and adoptive parents were more aware of the advantage of adoptions arranged by social agencies. The agencies tried new approaches for the hard-to-place child. Some agencies arranged interracial adoptions. Staff especially trained in the adoption services were effective in early placements of the handicapped, the older child, and the child from a minority group. Agencies considered using subsidies to encourage adoption with minority groups. There was increased interest among States in developing Adoption Exchanges which bring together adoptive families and children for whom agencies are unable to find homes. There are now 22 exchanges, most of which are operated by State departments of public welfare.

Services to Unmarried Mothers

In 1965 (the latest year for which figures are available), births out of wedlock continued to increase: the number rose from 275,700 in 1964 to 291,200 in 1965, but the rate of 23.4 per 1,000 unmarried women aged 15 through 44 years remained the same. In 1965 the highest rate (50 per 1,000 unmarried women) was for women 25-29 years. The rate for teenage mothers 15-19 years remained at 16.7 per 1,000 unmarried women.

Services to unmarried mothers remained insufficient. Agencies considered developing group homes and half-way houses for unmarried

mothers. The voluntary agencies which have traditionally carried primary responsibility for services to unmarried mothers faced realities of gaps in service. The general trend seemed to be a greater expectation of services from public welfare agencies.

Child Welfare Services for the Mentally Retarded

All States reported that child welfare programs included services to mentally retarded children; however, most States do not label children as neglected, mentally retarded, delinquent, etc., and therefore, cannot record the numbers served. A conservative estimate is that 40,200 mentally retarded children received services from public child welfare agencies and over 6,000 from voluntary agencies in fiscal 1967.

Civil Rights

The Bureau issued its first publication on civil rights, *Quest for Equality: The Story of How Six Institutions Opened Their Doors To Serve Negro Children and Their Families*. The publication was designed to help institutions make their services available to children of minority groups—Negro, Indian, Latin, and Oriental. By June 30, 1967, almost 40,000 copies had been distributed.

Child Welfare Training Grants

A total of \$5,499,802 was awarded for 163 grants to strengthen teaching programs in the field of child welfare, 741 traineeships at the post-master's level, 47 traineeships at the doctoral level, and 21 short-term training projects.

JUVENILE DELINQUENCY SERVICE

Numbers of Juvenile Delinquents

In 1965 juvenile delinquency cases increased two percent over 1964. Between 1957 and 1965, the increase in juvenile delinquency cases was 58 percent, almost double the increase of 32 percent in child population.

About 697,000 juvenile delinquency cases (excluding traffic offenses) were handled by juvenile courts in the United States in 1965. These cases represented 601,000 children, or about 2 percent of all children aged 10 through 17 years.

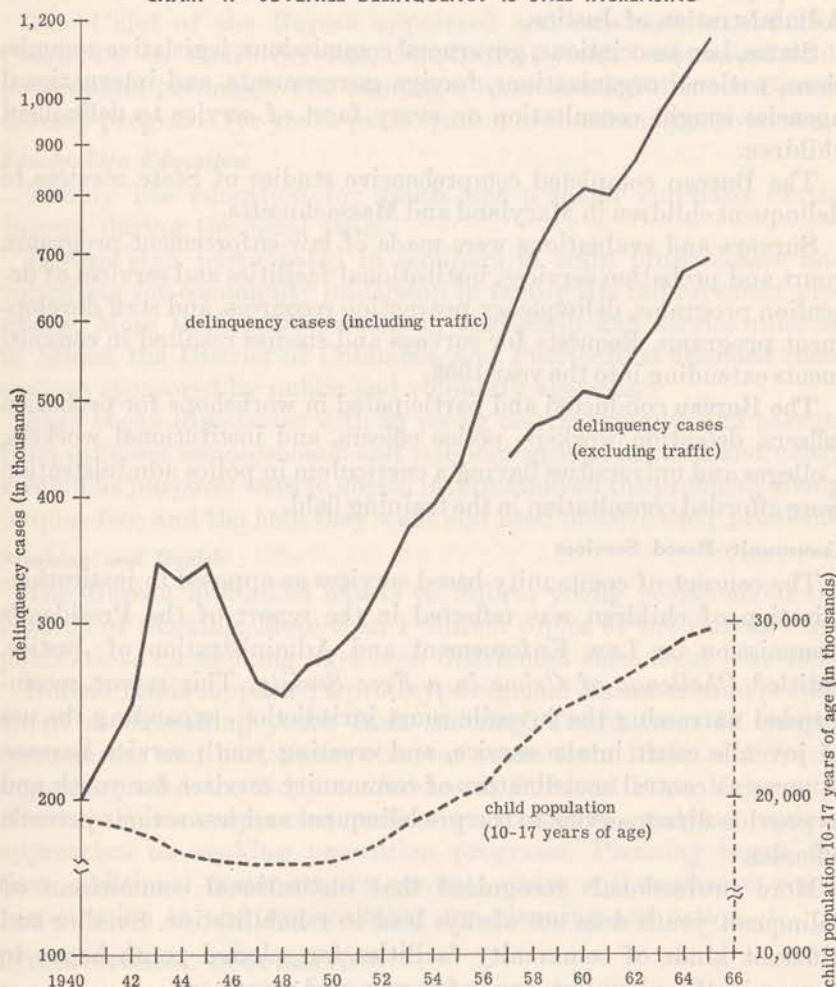
The President's Commission on Law Enforcement and Administration of Justice reported that the average daily population of delinquent children in places of detention was more than 13,000. In 1965, the total number admitted to detention facilities was more than 409,000, or approximately two-thirds of all juveniles apprehended. These youngsters were held in detention homes or jails for an average of about 12 days at a total cost of more than \$53 million.

Supreme Court Decisions

Two decisions of the Supreme Court of the United States regarding due process in the administration of justice to juveniles will motivate

States to reexamine their juvenile court statutes and procedures. The decision in the case of *Kent v. U.S.*, 383 U.S. 541 (March 1966) upheld the right of hearing preliminary to waiver to criminal court and was based on procedural rather than constitutional grounds.

CHART 4.—JUVENILE DELINQUENCY IS STILL INCREASING



In the case of *In the Matter of Gault*, 387 U.S. 1 (May 1967), the Supreme Court stated, "... neither the Fourteenth Amendment nor the Bill of Rights is for adults alone," and ruled that a juvenile had a constitutional right to counsel, right to confrontation of witnesses, privilege against self-incrimination, and right to notice of the charges.

Consultations, Surveys, and Workshops

Bureau publications relating to the application of standards of procedure and law were cited extensively in the Supreme Court decisions in the Kent and Gault cases.

Staff consulted with and furnished background materials and position papers to the President's Commission on Law Enforcement and Administration of Justice.

States, bar associations, governors' commissions, legislative commissions, national organizations, foreign governments, and international agencies sought consultation on every facet of service to delinquent children.

The Bureau completed comprehensive studies of State services to delinquent children in Maryland and Massachusetts.

Surveys and evaluations were made of law-enforcement programs, court and probation services, institutional facilities and services of detention programs, delinquency prevention resources, and staff development programs. Requests for surveys and studies resulted in commitments extending into the year 1968.

The Bureau conducted and participated in workshops for probation officers, detention workers, police officers, and institutional workers. Colleges and universities having a curriculum in police administration were afforded consultation in the training field.

Community-Based Services

The concept of community-based services as opposed to institutionalization of children was reflected in the report of the President's Commission on Law Enforcement and Administration of Justice, entitled *Challenge of Crime in a Free Society*. This report recommended narrowing the juvenile court jurisdiction, expanding the use of juvenile court intake service, and creating youth service bureaus to serve as central coordinators of community services for youth and to provide direct service to the predelinquent and less serious juvenile offender.

More professionals recognized that institutional commitment of delinquent youth does not always lead to rehabilitation. Smaller and different kinds of community facilities for selected youth began to appear in the planning stages for care and treatment.

Program Developments

Florida and Maryland began planning strong statewide aftercare supervision programs.

More institutions reported the use of some type of group therapy or counseling in the treatment of delinquents. Intensive training of group supervisory personnel in the techniques of guided group inter-

action was reported in the District of Columbia, Kentucky, Minnesota, and New York.

The new Los Angeles County Delinquency and Crime Prevention Commission met requirements of a new California law which can bring substantial State grants-in-aid to the county.

YOUTH SERVICES

The Chief of the Bureau appointed and convened an Ad Hoc Committee on Youth Services, composed of youth leaders and adult professional personnel. The committee recommended that the Bureau develop programs for youth participation in community activities.

Family Life Education

Family life education for youth was a major emphasis of the Bureau during the fiscal year.

Bureau staff participated in seminars to train professionals and volunteers for community leadership in family life improvement programs. More than 1,900 persons in leadership and service roles in 23 States, the District of Columbia, and Puerto Rico attended these sessions sponsored by public and voluntary agencies.

Staff began discussions with 30 young married couples and parents from different socioeconomic and religious groups in rural and urban areas. The purposes were to obtain information on the problems young couples face and the help they want and need to solve their problems.

Smoking and Health

The Bureau intensified efforts to inform young people about the hazards of smoking. More than 1 million copies of the Bureau's five publications on smoking have been distributed since fiscal year 1965.

Bureau funds supported a prototype regional demonstration project aimed at dissuading youth from smoking. Teams from 16 Oregon communities and participant-observer teams from Idaho and Washington attended the 2-day conference at Portland State University. Another Bureau-supported project in Minnesota analyzed various approaches to smoking prevention programs. Planning began for three additional demonstration projects which will emphasize youth participation in and responsibility for planning and action.

INTERNATIONAL COOPERATION

United Nations International Children's Fund (UNICEF)

The Children's Bureau serves as the focal point for coordinating technical advice from appropriate agencies of the U.S. Government on programs supported by UNICEF.

On December 9, 1966, the United Nations celebrated the 20th anniversary of the establishment of UNICEF by a special session of the Third Committee. Ambassador Goldberg announced a special contri-

bution of \$1 million to UNICEF by the United States to commemorate the awarding of the Nobel Peace Prize to UNICEF in 1965.

The Executive Board of UNICEF met in New York in June 1967 and committed \$47 million to 241 projects. This was the largest commitment in recent years. The amount for aid to education in 1967 was more than double the amount in 1966.

The major policy issue before the Board was UNICEF's role in family planning. Aid for family planning as an integral part of maternal and child health services was accepted without opposition.

Training

The Bureau, in cooperation with AID, the United Nations, the World Health Organization, and other agencies, planned training programs for a total of 220 visitors from 60 countries. Thirty-eight specialists received training for 1 month or longer in child welfare, juvenile delinquency, and youth services; 22 in nursing and midwifery; and 12 in other aspects of maternal and child health. Others with interests varying from part-time volunteer work to full-time professional service received training for less than 1 month.

Research Grants

With financing for two consecutive years, international research projects in the field of maternal and child health progressed rapidly. Three projects, which started as phenylketonuria screening programs, provided information on the incidence in different ethnic groups. These projects, expanded to provide for the study of the care and treatment of infants found to have phenylketonuria, will provide information useful to programs in the United States.

The research projects in India, Israel, Pakistan, United Arab Republic, and Yugoslavia formed the base for the student research fellowship program.

Student Research Fellowship Program

This new program got underway during the summer of 1966 when three students went to Israel, United Arab Republic, and Yugoslavia. The purpose of the program is to enable young scientists-in-training to work for at least 2 months on overseas research projects supported by the Bureau. The fellowships pay the cost of transportation and maintenance with U.S.-owned foreign currency.

By the end of the fiscal year, the Bureau had approved student research fellowships for 40 other young scientists from 29 schools of medicine.

Nutrition of the Young Child in Developing Countries

Cooperation with AID on matters pertaining to infant and child feeding began in January 1967. The major concern to both agencies

was the use of formulated foods in the child-feeding programs conducted by AID in its War Against Hunger and by the voluntary agencies which distribute foods overseas and conduct educational programs to improve the nutritional condition of the people in developing countries.

Table 1.—*Grants to States for maternal and child welfare, by program and State, fiscal year 1967¹*

[In thousands]

State	Maternal and child health services	Crippled children's services	Child welfare services
United States.....	\$45,311.9	\$44,508.8	\$45,994.2
Alabama.....	1,228.6	1,120.7	1,113.0
Alaska.....	203.6	173.1	116.7
Arizona.....	618.0	358.0	489.7
Arkansas.....	690.7	691.7	647.6
California.....	2,285.7	2,195.8	3,111.9
Colorado.....	826.4	450.5	489.6
Connecticut.....	735.9	442.3	473.1
Delaware.....	169.7	228.0	144.3
District of Columbia.....	378.6	392.2	170.4
Florida.....	1,565.0	1,187.9	1,406.2
Georgia.....	1,555.3	1,343.7	1,307.9
Guam.....	117.9	96.9	100.2
Hawaii.....	233.1	373.8	228.6
Idaho.....	206.6	343.3	257.4
Illinois.....	1,340.8	1,531.7	1,812.4
Indiana.....	931.8	1,062.6	1,122.5
Iowa.....	467.0	1,126.5	686.5
Kansas.....	362.4	487.4	561.3
Kentucky.....	1,206.7	1,092.2	948.3
Louisiana.....	1,139.7	1,038.7	1,141.9
Maine.....	292.5	331.0	315.8
Maryland.....	853.3	937.7	746.6
Massachusetts.....	919.5	682.4	956.4
Michigan.....	1,723.3	1,803.6	1,856.0
Minnesota.....	918.1	1,186.5	894.1
Mississippi.....	1,054.9	772.6	846.6
Missouri.....	1,009.6	859.0	961.1
Montana.....	198.0	315.4	243.6
Nebraska.....	233.5	335.1	394.6
Nevada.....	236.3	244.0	135.3
New Hampshire.....	205.0	201.6	215.7
New Jersey.....	765.5	653.8	1,154.3
New Mexico.....	606.2	349.0	382.0
New York.....	2,179.1	2,042.0	2,731.5
North Carolina.....	1,712.1	1,726.7	1,451.5
North Dakota.....	262.1	230.2	243.0
Ohio.....	1,957.2	1,894.2	2,218.2
Oklahoma.....	601.8	593.7	669.1
Oregon.....	516.9	483.8	454.1
Pennsylvania.....	2,107.7	2,546.7	2,337.5
Puerto Rico.....	1,363.3	1,212.1	1,046.8
Rhode Island.....	622.7	264.7	245.0
South Carolina.....	974.7	991.2	882.8
South Dakota.....	100.5	207.4	256.9
Tennessee.....	1,040.4	1,256.3	1,117.7
Texas.....	2,166.7	2,424.9	2,771.5
Utah.....	286.3	294.7	346.9
Vermont.....	177.1	165.1	166.5
Virgin Islands.....	140.9	136.1	86.7
Virginia.....	1,297.5	1,355.1	1,186.8
Washington.....	775.7	581.6	675.3
West Virginia.....	658.2	610.3	538.5
Wisconsin.....	901.6	926.9	992.7
Wyoming.....	190.4	154.9	144.0

¹ Additional grants were made for special projects to institutions of higher learning and to public or other nonprofit agencies and organizations as follows: Maternal and child health services, \$4,320.4; crippled children's services, \$5,109.0; child welfare research and demonstration projects, \$3,497.1; research projects relating to maternal and child health and crippled children's services, \$4,899.9; child welfare training, \$5,409.8; maternity and infant care projects, \$27,744.4; projects for comprehensive health care and services for children of school and preschool age, \$31,677.3; and training of professional personnel for care of crippled children, \$3,995.2.

Office of Juvenile Delinquency and Youth Development¹

The Office of Juvenile Delinquency and Youth Development administers the Juvenile Delinquency and Youth Offenses Control Act of 1961 authorizing grants for demonstration and training projects and providing technical assistance services.

The Office is concerned with innovative projects which may offer new solutions to the problem of delinquency prevention and control. The Office also helps develop experimental training methods and material for personnel who work with delinquent youth.

Demonstration Projects

Beginning in 1962, the Office awarded grants to communities to develop and/or implement comprehensive projects which would provide impoverished, alienated children and youth with greater social, academic, and vocational opportunities and with greater skills to take advantage of opportunities that already exist. Programs were established to provide preschool activities, job training and placement, updated curricula, extended welfare services, consumer education, legal aid, neighborhood organization, and recreation. During 1964, an arrangement was worked out whereby the Office of Economic Opportunity would fund these projects when juvenile delinquency grants terminated.

The Office of Juvenile Delinquency and Youth Development now supports special short-term demonstration projects in such problem areas as teenage violence, delinquency among American Indians, narcotics addiction, delinquency among girls, and reintegration of delinquents from training schools into the community.

Training Projects

The training program is seeking to overcome shortages of trained personnel by providing short-term training for the orientation of new workers serving youth and for upgrading and modernizing the skills of veteran personnel. The training program is also striving to develop new knowledge and to communicate more effectively knowledge that is currently available.

During the year, the Office supported training centers at three colleges and universities across the country. In addition to these centers,

¹ The legislation authorizing this Office expired June 30, 1967, thus terminating the program.

curriculum development projects have been or are being carried out by 30 organizations. Workshops, institutes, seminars, and related training activities have been conducted by 12 institutions and agencies. To date, over 35,000 persons—from such areas as law enforcement, corrections, education, welfare, and recreation—have been trained in youth work.

Technical Assistance

Technical assistance services provided by the Office have been geared to help communities and institutions design and carry out demonstration and training programs. The Office has supplied intensive consultation to all communities which have received grants and to numerous other communities which have requested assistance.

Cuban Refugee Program

The orderly airlift of refugees from Cuba, which began in December 1965, continued during 1967. As of July 29, some 73,960 relatives of persons in the United States had arrived on the twice daily, five-day-a-week flights from Cuba to Miami, Florida.

During fiscal year 1967, refugee registrations at the Cuban Refugee Emergency Center totaled 43,300 persons. Of that number 37,300 were resettled.

Voluntary Agencies Provide Homes and Job Opportunities

Since 1961, the Cuban Refugee Emergency Center in Miami has registered 253,883 persons.

The resettlement of a majority of the refugees has been accomplished by four national voluntary agencies—Church World Service, International Rescue Committee, United HIAS Service, and United States Catholic Conference. By June 30, 1967, these agencies had provided over 153,000 refugees with homes and job opportunities in almost 2,500 communities and in every state, Puerto Rico, and the Virgin Islands. Refugees already established in the United States also contribute materially to the quick adjustment of arriving relatives. Over three-fourths of the refugees arriving by airlift are resettled from Miami within 48 hours of arrival.

Appropriations

Fiscal Year 1967 appropriations totaled \$51 million. Legislative authority is the Refugee and Migration Assistance Act of 1962 (Public Law 87-510).

Training Efforts Increased

Refresher training for the professions, as well as English and vocational courses, received special attention during 1966. Some 500 refugee professionals—doctors, dentists, teachers, lawyers—attended special courses in 30 colleges and universities to qualify for employment in the United States. An estimated 9 million student hours were accumulated by refugees in Miami attending English and vocational courses. This training has substantially increased the refugees' resettlement potential.

Miami Center Focal Point of Operations

While national headquarters is in Washington, D.C., the Cuban Refugee Emergency Center in Miami continues to be the focal point of program activity. Here refugees are interviewed, given medical examinations and treatment, if needed, and counselled by the voluntary agencies on opportunities in resettlement. Airlift passenger lists are also processed at the Center with the cooperation of other Federal agencies.

Operational Programs in the Office of the Commissioner

The immediate office of the Commissioner had been responsible for broad administrative functions, management, long-range planning, legislative considerations, and public information. In addition, it carried operational responsibilities for social welfare research and international activities.

Welfare Research

The Division of Research in the Office of the Commissioner provides leadership to advance social science research related to the field of social welfare. The Division carries out both long-range and program-oriented research for purposes of providing objective information for policy making and program planning. Up through June 30, 1967, the Division supported research by non-Federal scholars and non-profit

organizations through grants-in-aid. The research staff of the Division represents a number of disciplines which include, in addition to social work, sociology, psychology, economics, history, and demography.

The Division's monthly research journal, *Welfare in Review*, provides a major channel of communication between the Welfare Administration and social welfare agencies and organizations. The majority of major articles carried in *Welfare in Review* in fiscal 1967 were prepared by Division staff, including "Cost-Benefit Analysis of the Work Experience Program," "Operation Big City," "Interviewing Low-Income Respondents," "Guaranteed Income Maintenance . . .," "Evaluating Program Effectiveness and Efficiency," "Some Conceptual Issues in Social Welfare Manpower Statistics," "Poverty and Family Planning," and "The Incidence of Illegitimacy in the U.S."

Additional research findings are issued in the form of separate reports and articles published in other professional journals.

Major studies currently underway include, among others, "Spanish-Americans of the Southwest," "National Study of AFDC Family Living Conditions . . .," "Long Range Consequences of Public Assistance Reciprocity of a Group of Knoxville (Tenn.) High School Students," "Impact of Work Experience and Training Programs Upon the Life Styles of AFDC-UP Families in Eastern Kentucky," "Development of a Research Evaluation Model to Assess the Effectiveness of Social, Vocational, and Educational Services to AFDC Mothers in Title V Projects," "Economic Impact of Cuban Immigration in Miami," "Experimental Study of Income Maintenance and Work Incentives," "A Baseline Nationwide Study of Utilization and Delivery of Medical Services Among Low-Income Families," "Survey of Social Welfare Manpower," "Evaluation of Neighborhood Service Centers," "Social Welfare Manpower Pilot Study," and a series of investigations relating to family planning, illegitimacy, and socialization.

Up through June 30, 1967, the Division also awarded grants for research under section 1110 of the Social Security Act. This cooperative Welfare Administration and Social Security Administration research grants program provided approximately \$1.8 million for 37 initial and continuation grant projects in fiscal 1967. An additional \$813,000 was provided for directed research.

International Office

International Meetings.—The Welfare Administration's International Office provided extensive services to the Thirteenth Session of the International Conference of Social Work, held in Washington

September 4-10, 1966. Over 2,700 delegates representing 75 countries participated. The Conference theme was "Urban Development—its Implications for Social Welfare."

The Welfare Administration cooperated with the Department of State in U.S. participation at several United Nations meetings, including the Commission on Social Development, the UNICEF Executive Board, and the UN Planning Conference on the European Social Development Program. Significant achievements include plans for the first UN declaration on social development, initiation of UN support for pilot programs to improve living conditions and opportunities for greater social development in slums and squatter settlements, and endorsement of higher priority for funding of social projects by UN bodies. The inclusion of the United States for the first time in the UN Planning Conference on the European Social Development Program opens the way formally for U.S. participants to be included in the expert groups and seminars regularly held in Europe, an exceptionally good opportunity for exchange with other industrialized countries.

International Research.—Under the special foreign currency international research programs, awards equivalent to \$1.5 million made possible 13 new projects in India, Israel, Pakistan, Poland, Tunisia, United Arab Republic, and Yugoslavia. This brings the total number of grants to 67. The project in Tunisia, the first in that country, provides for an overall assessment of social welfare needs and training of personnel. A study of problems of the aged in India will bring to the Welfare Administration the experience of another country in analyzing the needs and problems of its older citizens. Three new grants in Yugoslavia are concerned with foster care of children, maladjusted youth and the economic and social consequence of alcoholism in low-income families. Amended awards provided for extension in Israel of studies of heterogeneous groupings of children and experimentation in effective approaches in providing public welfare services in local communities.

Training.—The Welfare Administration in cooperation with AID organized and conducted seven group seminars with participants from 36 countries. Seminars on staff development and research were offered for the first time. Other seminars focused on youth leadership training, daytime programs for children, leadership training for youth activities, nurses and midwives, and social welfare research and the training of research personnel. Each seminar included conferences with technical experts in Washington, followed by observation in selected social welfare agencies throughout the United States.

During 1967, advisory services were provided for 935 individual trainees from 103 different countries. Of these, 433 were AID partici-

pants; 94 were UN Fellows; 164 were Department of State leaders and specialists; and 243 came under their own government or foundation grants, or by means of their own resources. Students and observers continued to show a keen interest in community development and organization, social work education and staff development, prevention of juvenile delinquency, and public administration.

Recruitment.—Recruitment of U.S. social welfare specialists for employment overseas resulted in referral of 82 individuals to AID and the United Nations. Two hundred and twenty-nine inquiries were received concerning overseas employment or programs.

The International Office successfully aided the Conference Board of Associated Research Councils in recruiting social work faculty and research specialists for 12 openings in schools of social work in nine countries for the academic year 1967-68.

Vietnam.—Welfare Administration cooperated with the Department of State, including AID, on social questions arising in Vietnam. The Administration developed materials on standards for care of children for use during a meeting on Vietnamese children called by the American Council of Voluntary Agencies for Foreign Service. Representatives from the International Office took part in Council planning for a more extensive social development and welfare program in Vietnam.

Publications.—Three publications were issued for use by international agencies, by public and voluntary organizations in the United States, and by schools of social work concerned with international programs: "International Seminars in Staff Development and In-Service Training"; "Social Welfare Research Seminar"; "Volunteer Opportunities Overseas for Social Workers."

The following pamphlets were translated into French and Spanish for use at the International Conference of Social Work and are available for trainees:

International Cooperation

Social Welfare in a Changing World

Helping People in Groups

Staff Development as an Integral Part of Administration.

Public Health Service

Established in 1798 as an agency to provide medical care for merchant seamen, the Public Health Service today has a twofold mission: to maintain and protect the health of Americans and to develop resources for advancing health to higher levels.

With a staff of 40,000, the Public Health Service conducted more than 100 Federal health programs in fiscal year 1967. It was also assigned responsibility for two major health laws enacted during the year by the Congress: the Comprehensive Health Planning and Public Health Services Amendments of 1966 (Public Law 89-749) which authorized new Federal support for health planning in States and communities and substantially altered the pattern of Federal aid to the States for public health programs, and the Allied Health Professions Personnel Training Act (Public Law 89-751), which provided Federal assistance for the training of professional and technical health workers.

These new programs, like all those conducted by the Service, are being carried out in cooperation with non-Federal health resources—official and voluntary health agencies in States and communities, hospitals, educational institutions, research centers, and many others. Of the total funds available to the Service in fiscal 1967—\$3.1 billion—almost half were allocated through grants and contracts to outside organizations in support of biomedical research, health facilities construction, public health programs, and other essential health development. (Table 2 shows Public Health Service appropriations, authorizations and obligations for fiscal 1967. Table 5 shows grants and awards for the year.)

Reorganization

Achieving a more efficient administration of the Service's cooperative programs and a more effective working relationship with non-Federal health resources was one goal of the reorganization of the Service which was completed during fiscal year 1967. Equally important, the reorganization realigns the programs of the Service to correspond with the major health needs of the American people.

PUBLIC HEALTH SERVICE

OFFICE OF THE SURGEON GENERAL	
Surgeon General	
Deputy Surgeon General	
Executive Secretary	
Executive Officer	
ASD for Special Projects	
Chief David Officer	
Chief Nurse Officer	
Chief Dental Officer	
Chief Food and Nutrition Officer	
Chief Quarantine and Communicable Diseases Officer	
Deputy Quarantine and Communicable Diseases Officer	
Special Assistant to Surgeon General	
Office of Program Planning and Evaluation	
Office of Legislative Affairs	
Office of International Health	
Office of Administrative Management	
Office of Personnel	
Office of Equal Health Opportunity	
Office of Communications, Health Planning and Development	

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NATIONAL CENTER FOR HEALTH STATISTICS

BUREAU OF HEALTH SERVICES

Office of Program Planning and Evaluation
Office of Health Economics
Office of Research and Development
Office of Administrative Management
Office of Educational and Training
Office of Information
Div. of Community Health Services
Div. of Health Statistics
Div. of Health Laboratory
Div. of Health Rehabilitation
Div. of Hospital and Medical Facilities
Div. of Medical Care Administration
Div. of Mental Retardation
Medical Programs: Bureau of Prisons, Peace Corps, Bureau of Employees' Compensation, U.S. Coast Guard
Appalachian Health Program

BUREAU OF HEALTH MANPOWER

Office of Program Planning and Evaluation
Office of International Health Manpower
Office of Administrative Management
Office of Educational and Training
Office of Information
Div. of Allied Health Manpower
Div. of Dental Health
Div. of Health Manpower (Educational) Services
Div. of Nursing
Div. of Physician Manpower

BUREAU OF DISEASE PREVENTION AND ENVIRONMENTAL CONTROL

Office of Consultation and Control
Office of Administrative Management
Office of Program Planning and Evaluation
Office of Research and Development
Office of Standards and Statistics
Office of Information
National Center for Air Pollution Control
National Center for Cancer Disease Control
National Communicable Disease Center
National Center for Radiation and Health
National Center for Urban and Environmental Health

NATIONAL INSTITUTES OF HEALTH

Office of Program Planning and Evaluation
Office of International Research
Office of Administrative Management
Office of Research Information
Council Center
Div. of Computer Research and Technology
Div. of Health and Human Resources
Div. of Research Services
Div. of Research Grants
Div. of Biologic Services
Div. of Biomedical Sciences
Div. of Regional Medical Programs
National Center for Human Developmental Disabilities
National Center for Infectious Diseases
National Center for Mental Health
National Center for Neurological Disorders
National Center for Radiation and Health
National Center for Skin and Allergy Diseases
National Center for Special Education
National Center for Special Health Research
National Center for Special Health Research

NATIONAL INSTITUTE OF MENTAL HEALTH

Office of Program Planning and Evaluation
Office of Administrative Management
Office of Administrative Management
Office of Communications
Div. of Extremity Research Programs
Div. of Field Investigations
Div. of Health and Human Resources
Div. of Mental Health Service Programs
Div. of Special Mental Health Programs
Mental Health International Research Program
Mental Health Research, Development, and Biomedical Research
Div. of Special Mental Health Research

PHS REGIONAL ORGANIZATION

January 1, 1967

Continued health progress in the United States requires that all people be assured access to *health care*, and *health protection*.

For the fulfillment of these requirements, there must be further development of the basic health resources—*knowledge* of the causes, prevention, and treatment of illness; and *manpower* to provide care, protection, and new knowledge.

The new five-Bureau structure initiated on January 1, 1967 (see chart on page 78), fosters coordinated effort toward each of these major goals.

The Bureau of Health Services combines the Public Health Service's direct medical care programs (for American Indians and other beneficiaries designated by the Congress) with programs related to the development of health facilities and services for all Americans. This will enable the Service to undertake, for the first time, a cohesive program to improve the quality and accessibility of health care in the Nation as a whole.

The Bureau of Disease Prevention and Environmental Control administers Service activities in the control of communicable and chronic diseases, injuries resulting from accidents, and environmental health hazards. This alignment of programs recognizes the direct and complex relationships which often exist between diseases and environmental contaminants, and encourages a unified approach to health protection.

The National Institutes of Health remains the principal research arm of the Service, administering and conducting biomedical research and training. It is augmented by a Division of Environmental Health Sciences, which will spearhead research in this area.

The Bureau of Health Manpower administers Federal programs in support of the education and training of health personnel, including school construction, student assistance, and educational support. The Bureau also provides a central resource for information on health manpower needs and allocation of priorities.

The fifth bureau, the National Institute of Mental Health, formerly a part of the National Institutes of Health, administers programs in its field, including programs in research, training, and assistance for the development of community mental health services.

The Office of the Surgeon General, expanded and strengthened, continues to provide policy and management direction to the Service. Directly related to the Office, but with independent status, are the National Library of Medicine and the National Center for Health Statistics.

Initiated at the direction of President Johnson and authorized by the Congress with its approval of Reorganization Plan No. 3 of 1966,

the realignment of responsibility and activity greatly strengthens the Service as the principal Federal health agency.

The following pages describe this work for fiscal year 1967, assess some of the Nation's major health problems and cite the achievements of the Service in combating them. Where 1967 appears without qualification, it refers to fiscal year 1967.

Health Record

Approximately 94 million persons—49 percent of the Nation's civilian noninstitutional population—have one or more chronic conditions, according to recent estimates by the Health Interview Survey conducted by the National Center for Health Statistics. In addition, about 11 percent of this population is limited in activity due to chronic illness or impairment.

Over a year's time Americans suffered an estimated 404 million acute illnesses or injuries requiring medical attention or causing at least 1 day of restricted activity. About 240 million of these conditions were respiratory, including 83 million cases of influenza, and about 48 million were injuries.

Americans experienced on the average an estimated 15.6 days of restricted activity during the year because of acute or chronic conditions, of which 6.3 days were spent in bed. It is estimated that two-thirds of the population saw a physician during the year, and about 40 percent visited a dentist.

About 1,869,000 deaths occurred in the United States in 1966, accounting for a death rate of 954 per 100,000 population, somewhat higher than the final rate of 943 for 1965.¹ The infant mortality rate was 23.4 per 1,000 live births, a significant decrease from the rate of 24.7 in 1965. The maternal mortality rate, based on deaths associated with pregnancy, childbirth, and confinement, was 2.7 deaths per 10,000 live births, compared with 3.2 in 1965. The rate for 1966 was the lowest ever recorded in the United States.

Heart disease, malignant neoplasms (cancer), and vascular lesions affecting the central nervous system (stroke), with respective death rates of 375, 155, and 105 per 100,000 population, together accounted for nearly two-thirds of all deaths. Accidents, with a rate of 57, were fourth.

While rates for these four causes have not changed greatly in the last decade, arteriosclerotic heart disease, including coronary disease,

¹ All 1966 vital statistics frequencies and rates are provisional figures covering the calendar year. Data on causes of deaths are estimates based on a 10 percent sample of deaths. The frequencies and rates may change when final figures become available.

which comprises over three-fourths of all deaths from diseases of the heart, has increased by more than 10 percent during that period and the death rate for malignant neoplasm of the respiratory system has increased by nearly 40 percent. Since 1961, the motor vehicle accident death rate has increased by about 30 percent, while the rate for other accidental deaths has remained about the same.

An infant born in 1966 could expect to live 70.1 years at the death rates prevailing for specific age groups during that year. Life expectancies by color and sex for 1965 (the latest year for which these figures are available) were as follows: White males, 67.6 years; white females, 74.7 years; nonwhite males, 61.1 years; and nonwhite females, 67.4 years. In recent years, the life expectancy at birth for female babies has been increasing at a faster rate than that for male babies and at faster rate for the nonwhite population than for the white population.

Births, Marriages, and Divorces

In 1966 the annual number of births continued to decline, falling below 4 million for the second time in 12 years. There were about 3,629,000 live births, giving a general birth rate of 18.5 per 1,000 population and a fertility rate (number of births per 1,000 women aged 15-44 years) of 91.8 per 1,000. The fertility rate has been declining since 1957, when it reached a postwar high of 122.7. To a significant degree this decline is a result of changes in the ages at which women are bearing children. The birth rates of women who are now over 25 years of age were relatively high during the 1950s, but the rates for these same women are now relatively low. Further, current declines in fertility at the younger childbearing ages (under 25 years) may be due to the postponement of marriage and childbearing to slightly later ages or the fact that married couples are planning on having fewer children.

A factor tending to offset the declining fertility rate is the large number of young men and women now entering the ages when most people marry and start families. About 18.6 million children were born in the 5 years 1947-51, as compared to about 15.3 million in 1942-46, greatly increasing the number of young persons who are now entering the childbearing ages. The growing number of women in the prime reproductive ages may be expected to offset declining birth rates enough to produce an upturn in the absolute number of children born annually.

The increasing number of young persons already has had some effect on the number of marriages. In 1966 there were about 1,844,000 mar-

riages, giving a marriage rate of 9.4 per 1,000 population, as compared with about 1,789,000 marriages in 1965 for a rate of 9.2.

There were an estimated 494,000 divorces and annulments in 1966, as compared with about 481,000 in 1965.

Office of the Surgeon General

The Office of the Surgeon General sets policy for and coordinates all activities of the Public Health Service. The Office is also responsible for internal management and administers certain activities of Service-wide significance.

Planning and Administration

Among the activities of the Office of the Surgeon General which were established or strengthened in the reorganization of the Service were the management and the administration of grants and contracts. In addition to the issuance of updated policy statements on research grants and training programs, work was begun on the restructuring of policies and procedures relating to construction grants.

Significant progress was made, through the integrated planning, programming, and budgeting system (PPBS) initiated in fiscal 1966, in improving the Service's capability to determine the implications of alternative courses of action in health programs. Detailed program analyses were undertaken to provide a comprehensive view of programs related to certain diseases and of the conformation of health resources. These analyses assist in the evaluation of strategy. Particular emphasis was placed on achievement of a high degree of coordination with other Federal agencies in areas of common concern.

Throughout 1967, internal management concentrated on the reorganization. A major revision of the Service appropriation structure was made to synchronize it with the new organizational structure. Management appraisal efforts were directed toward audits of selected program areas, including certain field activities. Audit coverage included the migrant health program and management of foreign travel funds.

Comprehensive Health Planning

Responsibility for implementing the Comprehensive Health Planning and Public Health Services Amendments of 1966 was centralized within the Office of the Surgeon General.

Known as the Partnership for Health Act, this landmark legislation seeks a more effective coordination of local, State, and Federal health

efforts. It encourages States and communities to establish planning mechanisms for determining their individual health needs and for achieving optimal use of their health resources in meeting those needs. Under provisions of the law which became effective July 1, 1967, the program emphasizes flexibility in the use of Federal grants for health services, enabling States and communities to allocate Federal funds in a manner which their planning reveals to be best suited to their health problems. Prior to the Act, the States were required to apply for health services grants in specific health categories.

The new grant programs are administered principally by the nine Public Health Service Regional Health Directors with the aid of Regional Advisory Health Committees and technical assistance from operating programs within the Bureaus of the Public Health Service.

Before the close of the fiscal year, the first 37 project grants were awarded for training, studies, and demonstrations in comprehensive health planning. The grants, totaling \$1,201,157, were made to public and nonprofit private agencies, institutions, and organizations in 29 States, Puerto Rico and the District of Columbia.

Equal Health Opportunity

The Office of the Surgeon General continued to implement title VI of the Civil Rights Act of 1964 which requires that all medical facilities and programs receiving Federal support be open to all persons without restriction as to race, color or national origin. On July 1, 1966, over 700 hospitals had not yet been certified to participate in Federal programs because of possible discriminatory practices. During the year, more than 500 of them took the necessary steps to eliminate such practices. A major effort was made to determine how many nursing homes could qualify under title VI to take part in Medicare. By the end of the year, over 4,000 nursing homes had been found eligible. Approximately 250 hospitals were also revisited to assure continued compliance with civil rights legislation.

Information Programs

A Service-wide effort to assure up-to-date health information to the health professions and to the public is directed and coordinated in the Office of the Surgeon General. In 1967, the Service's use of educational television was greatly expanded, with major stories on cancer research and the health hazards of cigarette smoking. Publication continued of *Public Health Reports*, official journal of the Service, and *PHS World*, the staff magazine. During 1967, the OSG information staff responded to 252,000 requests for information (an increase

of 45 percent over 1966) from professional organizations, members of Congress, the communications media, and the public.

International Health

The Service participated with the Department of State in formulating U.S. policy on international health matters and gave staff support to U.S. delegations to the governing bodies of international health organizations. Eleven Service officers were on full-time assignment with the World Health Organization and the Pan American Health Organization, and others served as short-term consultants.

Technical staff in 28 overseas assignments served with the above organizations, with the Peace Corps and the Agency for International Development. In addition, Participating Agency Service Agreements were negotiated with AID for 24 staff details and 17 projects.

As of January 21, 1967, 15 U.S. scientists had visited Russia and 16 Soviet scientists had visited the United States under the 1966-67 U.S.-U.S.S.R. exchange program.

National Library of Medicine

The Board of Regents of the National Library of Medicine, appointed by the President to advise the Surgeon General on policy relating to the Library, met three times in 1967. The Board was particularly concerned with the Library's research and development program and audiovisual plans. The Regents considered applications for grant support under the Medical Library Assistance Act of 1965 (P.L. 89-291).

More than \$6 million in grants were awarded in 1967, the first full fiscal year of operation under the Act. The grants program is designed to strengthen the Nation's public and private health-science libraries through support for construction, library resources, training of librarians, research, publications, and the development of a system of regional medical libraries. The Francis A. Countway Library of Medicine (of the Harvard Medical School and the Boston Medical Society) was awarded a \$104,872 grant which will enable it to become the Nation's first regional medical library.

Several major new programs were undertaken to increase NLM capability and responsiveness in coping with the expanding volume of biomedical information and improving the mechanisms for disseminating this information to health practitioners, researchers, and educators.

The Toxicology Information Program was instituted in January, 1967, in accord with the recommendations of the President's Science

Advisory Committee and a directive of the President. Initial steps were taken to contract for an inventory of toxicological information sources and for a study of user needs.

Through a research and development program in biomedical communications, established in April, 1967, NLM will develop automated document- and information-handling networks and other modern mechanisms to improve the flow of biomedical information. The programs will be responsive to a Congressional directive to plan for the establishment of a Center for Biomedical Communications.

The Surgeon General, acting on the report of a PHS Task Force and with the advice of the Board of Regents, acted to combine major programs of the Service concerned with biomedical communications. Administration of the PHS Audiovisual Facility, located in Atlanta, was transferred to the National Library of Medicine, effective July 1, 1967, and the facility was renamed the National Medical Audiovisual Center.

In a continuing effort to improve MEDLARS (Medical Literature Analysis and Retrieval System) services to the biomedical community, the Library initiated an evaluation project to provide data on the usefulness of demand search bibliographies. The project is believed to be the first extensive study of a large-scale, operating computerized information system.

Affording health professionals greater access to MEDLARS, a sixth decentralized MEDLARS station became operational. It is located at Ohio State University.

Additional computer equipment to further automate NLM services is being planned. In fiscal 1967, the NLM awarded a systems study contract which developed specifications to enhance and extend the effectiveness of MEDLARS.

Fiscal 1967 marked the beginning of a coordinated automation effort among the Nation's three national research libraries—NLM, the Library of Congress, and the National Agricultural Library. Among the goals are: Achievement of compatible bibliographic data elements for library cataloging; creation of a national pool of cataloging information; establishment of a national centralized pool of machine-readable data on serial-identification and holdings; and development of common nomenclature and classification schemes.

National Center for Health Statistics

The National Center for Health Statistics gathers, analyses, and disseminates basic statistical information on the health of the country

and its demographic characteristics. Significant activities this year included:

- Publication of handbooks giving recommended birth and death reporting procedures for hospitals, physicians, medical examiners and coroners, and funeral directors.

- Sponsorship and conduct of studies in advanced techniques for analyzing statistical information and in utilizing computer micro-simulation to assess population growth.

- Issuance of 36 new reports in the *Vital and Health Statistics* series.

- Investigation of special supplemental data collected during the ongoing health interview survey to provide information on timely and important health-related topics. Reports were published on the health implications of cigarette smoking, the comparative costs of prescribed and nonprescribed medicine, and the characteristics of persons with impaired hearing.

- Publication of reports of findings from the adult health examination survey, methodology reports concerning a nationwide survey of children, and manuals on examining procedures. The health examination survey has completed approximately one-half of a representative national sample of youths 12-17 years of age. The survey emphasizes factors related to growth and development.

- Acquisition of abstracts of medical records of patients from a sample of 300 hospitals in the Nation. Reports for calendar year 1965, based on 110,000 abstracts, were being prepared for publication.

- Publication of a manpower report assembling basic statistics on each of the nearly 200 health professions and occupations, grouped into 35 categories.

- Completion of a sponsored survey of approximately 120,000 licensed pharmacists, and completion of a study of State licensing provisions for 25 occupations and professions in the health field.

In international programs, the Center initiated a technical assistance consultation program and sought to improve the international exchange of documents and data. The Center supported 18 research projects in India, Pakistan, Poland, the United Arab Republic, and Yugoslavia with foreign currencies under the provisions of Public Law 480. Financial commitments for the fiscal year amounted to \$321,205 in foreign currencies. A research project on a preliminary study of techniques for construction of models for demographic change was completed and the results were published. Training under the AID program continued through the year for nine participants from India, Thailand, South Viet Nam, Turkey, Jamaica, and the Philippines.

Bureau of Health Services

The Bureau of Health Services is responsible for direct care programs of the Service, such as medical and hospital care for merchant seamen and American Indians. It conducts clinical research and research in the improvement of health services, and operates training programs for medical and health personnel.

The Bureau of Health Services is also designed to be a central resource for improving the quality and accessibility of health care for the American people. It has the primary responsibility in the Public Health Service for developing and maintaining effective working relationships with private medicine, public and private institutions and organizations, and official agencies in the field of health care, and for stimulating and supporting innovations in the delivery of health care. Specific areas of activity are described below.

Health Facilities Construction

By the end of fiscal 1967, the Hill-Burton program of health facilities construction, which celebrated its 20th anniversary in August 1966, had been responsible for 9,000 construction and modernization projects. Federal funds of \$2.9 billion have been awarded since the beginning of the program, with local matching funds bringing total construction expenditures to more than \$9.2 billion. The program is administered by the Division of Hospital and Medical facilities.

The 679 construction projects approved in 1967 received approximately \$253 million, with increased emphasis given to the modernization or replacement of older health facilities, particularly in large cities. When completed, the projects will add 30,538 beds in hospitals and nursing homes to the Nation's resources.

Continued emphasis was given to research and demonstration grants and contracts. Grants totaling more than \$11 million were approved for 29 projects concerned with improved organization, operation, administration, and utilization of hospitals and health facilities. More than half of these projects involve the use of computers in hospitals. Intramural research studies and research contracts also received increased emphasis. A total of 23 contracts involving \$1,208,000 was negotiated during 1967, a 128 percent increase over 1966.

The Division increased technical assistance and consultation activities through the development and publication of guide materials, research and studies, the organization of conferences and seminars, and by direct consultation. In addition to the architects, engineers, equipment specialists, and hospital administrators who are available to help communities plan health facilities, the consulting staff now includes

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specialists in nursing, dietetics, pharmacy, automation and communication, health education, environmental health, medical records, and central services.

Areawide health facility planning by 12 new planning agencies was supported, and 48 established agencies continued to receive aid. Grants for these purposes totaled \$4,753,355.

The Division sponsored, with the National Communicable Disease Center, 10 educational conferences and participated in two State-sponsored workshops on the hospital environment. Two volumes of a series of four publications on *Environmental Aspects of the Hospital* were published in 1967.

Effective Use of Health Resources

In order to make adequate personal health services available to the American people, the Division of Medical Care Administration encourages the development, expansion, improvement, and effective use of health resources. In 1967, a major effort was directed toward the professional aspects of the Medicare program, particularly in the development of standards and the certification of those who provide health services. Although the majority of hospitals and home-health agencies had been certified under Medicare in 1966, more than 400 hospitals and 700 home-health agencies were added during 1967. About 4,100 extended-care facilities and 2,500 independent laboratories were also certified; among the laboratories are 400 that became eligible after a special examination to test the professional competency of laboratory directors who did not meet certain educational requirements.

The Division invested more than \$3.7 million in 90 contracts with universities, hospitals, health agencies and other health related groups. These contracts provided for studies in the administration and delivery of medical care.

Purposes of the contracts included: Community-based utilization review programs, multiphasic screening demonstration projects, innovations in the organization of ambulatory service programs, and regional training centers for personnel responsible for the promotion, development, and operation of home-health and related services.

Other contracts established pilot programs to recruit, orient, and utilize inactive or retired health personnel; the development of materials to train nursing home administrators; the preparation of guidelines for nutritionists working in nursing homes; and the development of an instructor's guide for specialized training of licensed practical nurses.

Cooperative efforts with other Federal agencies and professional organizations included the publication of *Guidelines to the Develop-*

ment and Administration of Coordinated Home Care Programs (in collaboration with the American Medical Association), a handbook on mortgage loan guarantees for group practice facilities (produced with the Department of Housing and Urban Development) and a review of the American Osteopathic Association's accreditation program as a preliminary step in certifying AOA-accredited hospitals for Medicare. In addition, a physician's kit of booklets and articles on home care was developed, and more than 5,000 were distributed to State medical societies, State health departments, and other organizations.

Data on health resources was collected and processed for quick retrieval. Included were details on the size, services and facilities of 10,000 hospitals, 20,000 long-term care facilities, and 1,800 home-health agencies. Statistics were compiled on physicians and osteopaths in each State and on 3,000 licensed medical technicians.

Community Health

In 1967 the Division of Community Health Services awarded 95 research grants, totaling \$5,072,000, for studies concerned with improving the delivery and acceptance of community health services. These grants are supporting studies in the behavioral sciences, socio-economics, the financing of health care, planning, and administration.

Contracts were made for studies to promote the effective delivery of health services through improved planning, with emphasis on organization, utilization of personnel, and coordination of service providers in the community. The effectiveness of multipurpose neighborhood facilities was evaluated in several communities and study was begun to develop a design for communitywide health information systems.

Contracts were also awarded for field-testing projects designed to improve communications between patients and staff in outpatient clinics, for developing guidelines in community use of indigenous health aides, for developing ways of improving utilization of community health services, and for stimulating broader development and use of information and referral systems.

The health program for migratory agricultural workers and their families was expanded to include 111 projects in 36 States and Puerto Rico; about \$7.2 million was used for medical and dental care, health education, nursing, sanitation, and other health services. For the first time since the migrant health program was started in 1963, grants were made for projects to pay the costs of inpatient hospital care for migrants and their families, and 54 projects received such grants;

thus 162 cooperating hospitals in 26 States are now making their services available to 193,000 migrants.

During the year a rural health program was established to deal with special health problems encountered by the 54 million Americans living in rural areas. The Division worked with universities and with State and local health departments to explore the health needs of rural people, and developed model health services programs in seven States.

Mobilization for Disasters

The Division of Health Mobilization helps States and communities in their advance preparations to cope with emergency health problems created by disasters and also in their postdisaster recovery efforts. The help is given upon the request of the health department of a State, and supplies, equipment, consultants, and guidance material are available.

Community hospitals, to which injured disaster victims naturally turn, are being given the opportunity to obtain critical medical supplies and equipment that would make it possible for them, in an emergency, to care for a greatly expanded volume of patients. Negotiations with selected hospitals, with priority based upon estimates of the hospital's vulnerability and potential usefulness in a disaster, were begun in March 1967. By the end of June, 180 hospitals had signed contracts to participate in the inventory expansion programs.

There are two inventory expansion programs: The Packaged Disaster Hospital Program, which would make it possible for a hospital to increase its capability by an additional 200 beds; and the Hospital Reserve Disaster Inventory Program, which provides a 30-day back-up stock of supplies for disaster casualty care. To aid in the effective use of the Packaged Disaster Hospital supplies and equipment, a training kit was developed for the use of Division representatives in conducting exercises and demonstrations.

The assistance and advice of the Division is available to States and communities as they develop or update their plans to cope with disaster health problems. A model plan for communities, a companion document to the model State plan completed in 1966, has been prepared for the guidance of city planning groups.

Increased awareness and understanding of disaster health and medical care problems has resulted in the inclusion of disaster preparedness in the curricula of 338 schools of medicine, nursing, dentistry, pharmacy, and veterinary medicine. The Division is administering eight emergency preparedness research projects, financed by \$700,000 from the Office of Civil Defense. A study of local ability to cope with

disaster problems of water supply, waste disposal, and sewage treatment was completed in 1967.

Almost 2 million students were graduated from Medical Self-help classes during the year, an increase of 26 percent over the previous year. So far, 4,773,844 persons have received this training, intended to prepare them to care for themselves and their neighbors in a disaster which might isolate them from medical help.

Aid To The Mentally Retarded

The Division of Mental Retardation is charged with providing, stimulating, and assuring adequate and comprehensive health services to America's estimated 6 million mentally retarded citizens.

Grant funds were provided for the construction of community facilities for the mentally retarded in accordance with plans approved by State authorities; 79 projects received \$13,092,482 in 1967. Other construction grants up to 75 percent of total cost, were made to facilities for the retarded affiliated with a college, university, or hospital. Four projects received a total of \$10,355,906.

Grants were made to enable facilities for the retarded to upgrade the treatment and services offered; 85 projects received \$6,688,496. Another grant program enables institutions for the retarded to conduct training programs for attendants and technical personnel; 105 projects received \$2,182,000.

In the Student Work Experience and Training (SWEAT) program, experience in working with the mentally retarded is offered to students of high potential in the hope that they will choose careers in the mental retardation field. Some 700 students worked in SWEAT in 1967. Sixty-three institutions received \$505,000 in this program.

The Division undertook a program of consultative services in architectural design, planning of community facilities, and services. Public awareness of mental retardation and the programs available was stimulated by the production of publications and films.

Direct Health Services

About 47,000 patients were admitted to the 11 Public Health Service Hospitals in 1967. Merchant seamen accounted for 44.4 percent of the admissions, and members of the uniformed services and their dependents accounted for 41.2 percent. The general hospitals of the Service are in Boston, Staten Island, N.Y., Baltimore, Norfolk, Savannah, New Orleans, Galveston, San Francisco, Seattle, and Detroit. The hospital for leprosy patients is in Carville, La. There were about 1,620,000 visits to the outpatient clinics, outpatient offices, and offices of physicians of these hospitals during the year.

The Division of Direct Health Services, which administers the PHS hospitals, is committed to their utilization as "laboratories" for research and demonstrations affecting many aspects of hospital and health services programs. Research programs in health services have been established in New Orleans and Baltimore.

Two major clinical research efforts are the cooperative studies in renal disease and hypertension. In the renal disease project, publication of preliminary results of a comparative drug study was anticipated early in 1968. Support for both these programs and for research by individual investigators came not only from Division resources, but also from the National Institutes of Health, the National Aeronautics and Space Administration, and other Government agencies. Other research areas include cancer, pharmacology and toxicology, and the delivery of emergency care to patients, including studies of hospital emergency room operations.

Training programs in PHS hospitals range from the postgraduate professional level to the training of health aides. During the year 168 physicians completed residency training in their fields of specialty, and 120 physicians completed internship training. The hospitals also afforded training in dentistry, pharmacy, dietetics, medical records, and medical and X-ray technology. A wide variety of training programs for various groups ranging from high school students to unemployed parents, was offered by the hospitals and clinics in cooperation with the Office of Economic Opportunity. A Job Corps center was in operation at the PHS Outpatient Clinic in Chicago, and plans were made to enlarge that program and establish another.

The Division operates national programs in emergency health services, poison control, and rehabilitation medicine.

The Division also has responsibility for the staffing of PHS surgical teams in civilian hospitals of South Vietnam, a special activity that has been conducted since 1962 in cooperation with the Agency for International Development of the Department of State. Teams were on duty in 1967 caring for civilian patients in the provincial hospitals in Da Nang and Nha Trang.

Federal Employee Health Program

In the first year of operation, the Division of Federal Employee Health activated 17 new Federal employee health clinics, providing authorized occupational health services for employees of many Federal agencies. The new clinics are located in San Francisco, Los Angeles, Fort Worth, Kansas City, Mo., Chicago, Cincinnati, Boston, and Washington. They bring services to 34,000 additional persons.

In all, 62 employee health units are operated by the Division, serving more than 100,000 Federal employees.

An intensive diabetes detection program was begun, and 30,000 Federal employees participated. Chronic disorders such as diabetes account for a significant loss of man-hours in Federal employment, and reduce efficiency and productivity on the job. Screening for other disabling conditions—both physical and mental—has been instituted by the Division.

More than 100 requests were received from Federal agencies for consultation on improvement of their employee health services or advice on establishing new programs. The employee health programs of the Post Office (affecting some 700,000 employees) and Interior Department were reviewed.

The intramural safety and loss prevention program of the Public Health Service was studied intensively and reorganized. The problem of loss due to work injuries, and property damage due to fire and accident, is of great concern to all Federal managers, since the disabling work injury rate in the Government exceeds that of many manufacturing industries. An accident investigation and prevention program in clinical care facilities of the Public Health Service was instituted, and a hazards control branch was established.

Medical Services for Federal Agencies

The medical services of the U.S. Coast Guard and of the Federal Bureau of Prisons are legal responsibilities of the Public Health Service and are operated by personnel of the Bureau of Health Services assigned to the two agencies.

The medical program of the Bureau of Employees' Compensation, Department of Labor, and the medical program of the Peace Corps are conducted by Bureau personnel detailed to those agencies.

The Coast Guard medical program provides comprehensive health services, at both shore and floating units, to active and retired members of the Coast Guard and their dependents.

During the year, 94 commissioned officers of the Public Health Service were assigned to full-time duty with the Coast Guard. About 60 PHS medical officers were detailed for temporary assignments to cutters engaged in Arctic and Antarctic operations and ocean station duties in the Atlantic and Pacific.

There was a general upgrading of health services by a modest increase in officer strength, with resulting increases in patient visits and in dental completion rate.

The Coast Guard completely took over icebreaker operation, with medical staffing to begin in July 1967.

The assignment of medical officers within the Coast Guard was extended to medical coverage of vessels operating in the Vietnam area. Five officers were assigned to this duty.

The aviation medicine program was expanded by establishment of a residency in aerospace medicine.

There was a reorganization of medical board procedures which will provide for greater efficiency.

Five Public Health Service officers were recognized by the Coast Guard for outstanding service; the highest award was the Legion of Merit.

The Bureau of Prisons health program continued to furnish comprehensive health care to Federal prisoners and increased its contribution to rehabilitation of the prisoners by training and guiding institutional personnel in applying the techniques of behavioral science to corrections.

An extensive study of the Federal Prisons Health Service conducted by outstanding consultants in the field of hospital administration, behavioral science, and corrections was completed in December 1966. Notable improvement in management resulted from action taken on many of the recommendations. A management conference for chief medical officers and chief medical technical assistants of the prisons was held for the first time, and it generated so much interest and productivity that meetings will be held every year.

A preventive dental care program was begun to reduce tooth decay among prisoners.

A new research project, "READY," will attempt to devise new programming for difficult-to-manage delinquent youth. A cooperative project with the University of Illinois on "Dimensions of Delinquency" was completed.

A conference of psychiatrists, psychologists, and other personnel of the Bureau of Prisons health program formulated a treatment program to implement the Title II provisions of the new Narcotic Addict Rehabilitation Act (P.L. 89-793).

Services to Indians and Alaska Natives

The Division of Indian Health provides health services for nearly 400,000 Indians and Alaska Natives (Indians, Eskimos and Aleuts) most of whom live on reservations in the West and in small villages in Alaska. Largely a rural people, very few of them have access to the community resources available to other Americans, and the program

covers the entire spectrum of preventive, curative, rehabilitative, and environmental health services.

Care is provided through 51 hospitals with outpatient clinics, 49 health centers, and about 300 health stations. Additional services are given through contracts with community hospitals, private physicians and dentists, and State and local agencies.

Hospital admissions in 1967 were approximately 65,000, the most common reasons for hospitalization being childbirth, complications of pregnancy, respiratory diseases, accidents, diseases of the digestive system, and diseases of the nervous system and sense organs. The number of births in hospitals declined for the second year, as did the number of tuberculosis patients. A decrease of almost 50 percent in the tuberculosis census was reported among Alaska Natives. There was a large increase in the use of hospital outpatient clinics, field health centers, and stations.

New or intensified programs were undertaken in mental health, trachoma control, and family planning. Psychiatric services are now available to some extent and accident prevention and alcohol control programs are conducted on many reservations. Trachoma control teams screened more than 40,000 persons for trachoma and for other eye diseases or deficiencies, and are providing treatment as needed. Upon request, about 15,000 Indian and Alaska Native women were given family-planning counseling which is now an integral part of the Indian health program.

A new 80-bed hospital was completed in Lawton, Okla., replacing an older hospital. Other construction completed included an outpatient wing of the PHS Indian Hospital in Wagner, S. Dak., and health stations in Cherry Creek and White Horse, S. Dak. Contracts were awarded for a 50-bed hospital in Belcourt, N. Dak., and for six health stations in Florida, Arizona, and Washington.

Improvements in water and waste disposal systems were authorized or undertaken for approximately 6,600 families. The number of families receiving sanitation improvements since 1959 is about 37,000.

The Health Program Systems Center in Tucson, Ariz., began detailed systems studies on the Papago Indian Reservation to improve methods of planning, programing and budgeting for the provision of comprehensive health services.

Consultation, training assistance, and health services were provided for Peace Corps and Agency for International Development programs in Korea, Liberia, and Niger, and for Federal programs such as Head Start and assistance to migratory laborers in this country.

Bureau of Disease Prevention and Environmental Control

The Bureau of Disease Prevention and Environmental Control administers nearly a score of Public Health Service programs having a common objective: To prevent or ameliorate threats to the health of the public and to improve the quality of the environment and the living process. Environmental and disease control programs are joined in such a way that they can share information and coordinate their activities with greater effectiveness than before.

As an example of this effort to achieve high efficiency, the Bureau has initiated a Planning-Decision System through which each of the Bureau's five Centers and Bureau Headquarters are establishing Data-banks—central data collection points and reference centers. Data will be analyzed, summarized and made available in various forms to key Bureau and Center staff. The system will be fully operational by June, 1968.

Air Pollution Control

Under the Clean Air Act of 1963, and amendments, progress during 1967 exceeded anything registered in previous years. However, the severity of the problem continues to increase, paralleling the growth of urbanization and industrialization in the Nation.

Activities of the National Center for Air Pollution Control are in three principal areas: Criteria and standards development; control technology research and development; and abatement and control.

ABATEMENT OF POLLUTION

Progress was made in the solution of air pollution problems in nine interstate areas. The Secretary of Health, Education, and Welfare issued recommendations designed to solve the problems of three of these areas. In a fourth area, where previously issued recommendations had not been complied with, first steps were taken toward ensuring compliance.

In Garrison, Mont., technical investigations were completed in a case in which a phosphate plant allegedly caused injury to people and damaged livestock, plants, and other property. It was the first Federal abatement action involving only one State.

In compliance with a Presidential Executive Order, the Secretary issued standards for control of sulfur oxides from Federal facilities in New York, Chicago, and Philadelphia. These standards supplement those issued by the Secretary in 1966 for all other Federal facilities in the country.

CONTROL GRANTS

Thirty States, 50 municipalities, and 64 intermunicipal regions received \$7,318,824 in matching grants to establish control agencies or to improve existing ones. Eleven grants totaling \$867,186 were awarded for the survey of particular air pollution situations, and four grants totaling \$1,129,501 were awarded to permit demonstrations of techniques for control of pollution.

TRAINING

Orientation and training courses were given in Cincinnati and in the field to 1,583 persons working in various areas of the air pollution problem.

AIR QUALITY CRITERIA

Criteria defining the concentrations at which sulfur in the air begins to have adverse effects were issued. Similar criteria for four other pollutants are being prepared.

AIR MONITORING AND EVALUATION

Initial work has been completed on computerizing the storage and retrieval of air data, and an Analytical Methods Evaluation Service established. This service will make it possible to compare measuring techniques. A listing of the 20 areas with the most severe pollution problems among the 65 Standard Metropolitan Statistical Areas having an industrial population of 40,000 or more was released, and a detailed ranking of all of these areas was prepared for publication.

MOTOR VEHICLE POLLUTION

Standards for the control of evaporative losses from automobiles were proposed by the Secretary, and new test procedures developed for the projected standards.

NATIONAL CONFERENCE ON AIR POLLUTION

The third National Conference on Air Pollution in 8 years took place December 12-14, 1966, in Washington, D.C. The more than 3,600 registered participants was more than double the attendance at the previous conference.

Chronic Disease Control

Working with States and communities, the National Center for Chronic Disease Control conducts and coordinates a program for preventing and controlling the principal chronic diseases in the United States. It seeks to speed the conversion of new medical knowledge into health protection programs. Through grants, contracts, and demonstration projects, the Center develops surveillance activities and conducts research in the epidemiology of chronic diseases and on methods of prevention, diagnosis, treatment, and medical rehabilitation. It

cooperates with governmental and other organizations to this end and conducts public information and educational activities. The Center conducts nine major disease control programs, all of which achieved notable accomplishments during fiscal year 1967.

KIDNEY DISEASE CONTROL

Twelve centers to train patients to perform kidney dialysis at home were established, and 14 in-hospital artificial kidney centers are already functioning. The new units are expected to be as effective as the in-hospital units but much cheaper to operate. Studies were also begun on detection of asymptomatic urinary tract infections and urinary tract abnormalities. Basic data was gathered on the kidney disease problem with emphasis on morbidity and disability. The findings will be published early in 1968.

CANCER CONTROL

Cervical cancer casefinding projects supported by the Center have screened 908,446 adult women, resulting in the discovery of 3,697 pre-invasive (easily curable) cancers, 2,177 invasive cervical cancers, 989 genital cancers (other than cervical) and 3,773 nonmalignant abnormalities.

More than 450,000 women have been screened in physicians' offices under the cooperative cervical cancer project conducted by the Center with the American Academy of General Practice. Some 37 State academies are participating in the project. The project detected 874 proven carcinomas.

A joint survey conducted with the College of American Pathologists showed that 24.2 percent of adult women had cytological examinations in 1966, a 15 percent increase above 1963. For oral cancer, 140,828 persons were examined under Center-supported casefinding projects, with 427 proven carcinomas of the buccal cavity (mouth) diagnosed. About 13 percent of these were undetected by earlier clinical examinations.

Approximately 64,000 cases of breast cancer and 27,000 deaths are expected during calendar 1967, with no decline from 1966. The Center has begun evaluation of xerography, thermography, and 70 mm film techniques used in breast cancer screening. Production contracts have been awarded for six color-sound films stressing the importance of early cancer diagnosis. The Center has also supported the development of the new fiber-optic proctosigmoidoscope, an examination device.

HEART DISEASE CONTROL

Thirteen specialized hospital coronary care unit training centers have been established in schools of nursing to train more than 1,000 nurses in the treatment of acute heart attack victims. The Center has also supported development of coronary care units in small hospitals

(less than 200 beds), and 350 units are now operating in the Nation's larger hospitals.

Obesity and Health, a comprehensive source book on health problems related to overweight, was published during the past year, and over 10,000 copies have been distributed.

Automated analysis of medical signals was demonstrated before several medical meetings. At one meeting the first intercontinental transmission of computer-analyzed electrocardiograms via satellite was demonstrated.

SMOKING AND HEALTH

Through the National Clearinghouse on Smoking and Health, the Center has expanded library and information services to reach 1,200 persons and agencies involved in smoking and health research programs. Support was given to 40 research and demonstration projects designed to develop effective approaches to education and communication on the subject of smoking. A national survey was completed covering habits, attitudes, and other knowledge concerning smoking behavior. An antismoking program, in cooperation with the National Congress of Parents and Teachers, was continued, reaching parents of seventh and eighth grade children. Support continued for two organized community action programs in San Diego, Calif., and Syracuse, N.Y., which are testing methods of reducing cigarette smoking. A new anti-smoking educational program was developed with the American Dental Association.

DIABETES AND ARTHRITIS CONTROL

Diabetes screening programs conducted in the States have blood tested nearly 1 million persons, 816,000 more than in FY 1966. A cost-benefit analysis of public health programs in arthritis was completed, and found an increasing concern about arthritis at national, State, and local levels. A long-term community study in Sudbury, Mass., supported by the Center, led to a revision of criteria for diagnosis of rheumatoid arthritis.

NEUROLOGICAL AND SENSORY DISEASE CONTROL

Sixty community service projects were supported for establishing and improving speech and hearing clinics, glaucoma and preschool vision screening programs, and emphasizing effectiveness of comprehensive care for epileptics.

CHRONIC RESPIRATORY DISEASE CONTROL

A campaign was begun this year to increase knowledge of emphysema, chronic bronchitis and related chronic lung diseases and to promote nationwide application of prevention and control measures. The Center supported community screening programs for early detection,

treatment and patient education, including respiratory rehabilitation techniques, and intensive care for patients suffering acute respiratory failure.

HEALTH PROTECTION SYSTEMS DEVELOPMENT

A pilot study by the Kaiser Foundation Research Institute was initiated to evaluate semiautomated multitesting techniques for earliest possible detection of chronic diseases in young people. Children aged 6 through 12 are the subjects of the study.

Communicable Disease Control

Large segments of the population were vaccinated against measles in communitywide, single-day immunization programs. Intensive but more gradual efforts continue in other areas. Reported cases of measles for the first 6 months of 1967 dropped to about one-third the number for the same period in 1966 and to about one-seventh the median level for comparable periods during the 5 years before measles vaccine was licensed.

For the second consecutive year, reported cases of primary and secondary syphilis declined. This year a 9.1 percent drop from the most recent peak year, fiscal 1965, was recorded. Significantly, 31 States, the District of Columbia, and the Commonwealth of Puerto Rico now require reporting all reactive laboratory tests for syphilis.

Further scientific evidence presented at a National Tuberculosis Conference affirmed the effectiveness of isoniazid in preventing future cases of tuberculosis. Plans to incorporate chemoprophylaxis into the nationwide tuberculosis control program are underway with State and local health departments.

In collaboration with the WHO Global Smallpox Eradication Program, the National Communicable Disease Center continued assistance to 16 Western and Central African countries. The program, financed by Agency for International Development and directed and staffed by the Center, has administered more than 9 million vaccinations.

A field research laboratory established this year in El Salvador will study causes of persistent malaria transmission and develop more effective antimalarial measures. Regional evaluation offices in El Salvador and in the Philippines will provide service for malaria eradication programs in Latin America and the Far East.

Six confirmed human cases of plague and two presumptive cases were associated with widespread epizootics of plague in prairie dogs in the Southwest United States. Field experiments using insecticide bait boxes to destroy fleas on field mice demonstrated one way to control sylvatic plague pockets.

Six Puerto Rican projects developed combined chemical and biological curbs on the snail vector of schistosomiasis to virtually eliminate transmission of this widely prevalent parasitic disease.

Greater efficiency in detecting the continuing presence or reintroduction of *Aedes aegypti*, the carrier of urban yellow fever, was accomplished by using "ovitrap." Abate, a new compound for controlling these mosquitoes in cisterns and drinking water containers, appeared safe and effective after 18 months of field testing.

Aircraft were used for ultra low-volume application of insecticide to eradicate *Aedes* in South Carolina and to control encephalitis in Hale County, Tex.

More than 10,000 health workers from 43 States were enrolled in communicable disease control courses and seminars, with nearly 2,000 others taking correspondence courses. Participants included 435 professional health workers from 97 foreign countries.

Fifty-two community demonstration projects were conducted in 22 States, the Virgin Islands, Puerto Rico, and the border city of Agua Prieta, Mexico. Consultative and training services were furnished to WHO's workshop for the worldwide malaria eradication program.

The medical audiovisual facility began broadcasting over the community medical television system on May 27, 1967. This prototype instructional system links the Emory University School of Medicine and Hospital, Grady Memorial Hospital, the Georgia Department of Public Health, the Georgia Mental Health Institute, the Veterans Administration Hospital, and three private Atlanta hospitals with the facility.

The medical audiovisual facility received the annual National Audio-Visual Association award for leadership in the field of electronic medical communications.

In the area of foreign quarantine, the Center expanded its efforts to prevent importation of rats and flea vectors in military cargo arriving from plague-infected Vietnam and to develop improved control methods.

Lifting of requirements for vaccination against smallpox for travelers crossing the United States-Mexican border, provided they have visited no other countries than the United States and Mexico during the 14 days prior to arrival, became effective June 7, 1967.

Radiological Health

A joint Federal plan for the control of uranium mill tailings piles was signed in late 1966 by the Department of the Interior, the Department of Health, Education, and Welfare, and the Atomic Energy Commission. A subsequent agreement with AEC provides for technical

advice and assistance to States and industry in resolving the problem of uranium mill tailings.

The X-ray exposure study published by the National Center for Radiological Health in the fall of 1966 showed that more than half of all radiographic procedures had a beam area exceeding the reported film area. The Center has developed three automatic control systems for installation on collimators to reduce excess beam area. One system is being tested on a medical radiographic unit in the Center. The second has been in continuous use for 4 months at the National Institutes of Health. The third system was designed and built for a new collimator recently installed at Georgetown University Hospital. An interlock packaging device to prevent the loss of radium sources during transportation has also been developed.

The Southwestern Laboratory conducted successful experiments in removing more than 90 percent of polonium-210 from cigarette smoke. The laboratory used a filter containing a mixture of cation- and anion-exchange resin intended for water-demineralizer cartridges.

Soon after learning of the X-radiation hazard from certain color television receivers, the Center urged the manufacturer to take the initiative in warning the public and to announce a correction program. State and local health agencies were informed of the manufacturer's request for help in locating receivers and defective shunt regulator tubes.

An Electronic Products Radiation Laboratory was established to further the protection of the public from the radiation hazard potential in consumer and industrial electronic equipment. Among other functions, the laboratory will provide criteria and technical guidance to Federal and State agencies and to industry.

Additional data were collected for long-range studies on thyrotoxicosis, thyroid abnormalities in children in Utah and Nevada, and radiocesium in residents of Alaska.

Urban and Industrial Health

The National Center for Urban and Industrial Health operates programs in six areas: environmental sanitation, solid wastes, occupational health, water supply and sea resources, injury control, and arctic health.

INJURY CONTROL

Injury control activities seek to reduce death and injury from accidents around the home, on the highway, and at recreation places. This year, the Center co-sponsored a conference on burns and flame-retardant fabrics, with the New York Academy of Medicine, the

American College of Surgeons and the National Fire Protection Association. As a result of the conference, the Information Council on Fabric Flammability was established to act as a clearing house on technical information. The Center is represented on the council.

Guidelines were developed for ordinances and amendments to building codes to require safety glass in glass sliding doors and panels, storm doors and bath enclosures. The Federal Housing Administration revised its requirements, bringing its standards in line with those of the guidelines.

In the field of traffic injuries, the Center opened a driving research laboratory in Providence, R.I., where scientists use two advanced driving simulators to study the effects on driving behavior of such factors as aging, fatigue, drugs, alcohol, and physical and mental disabilities.

Injury control research grants totaled \$1,977,000 in 1967. Another \$217,500 was awarded to train injury control researchers. A surveillance team in Boston, Mass., is investigating the circumstances surrounding specific types of injuries and will recommend avoidance measures. A similar team is operating in Denver, Colo.

SOLID WASTES

In seeking to protect Americans from the health hazards presented by the 167 million tons of solid wastes generated in the Nation annually, the Center awarded more than \$8 million in grants during the year. There were 50 grants totaling \$5 million to demonstrate new or improved methods for solid waste disposal; 32 grants totaling \$1 million to survey and develop State disposal plans; 43 grants totaling \$1,677,000, principally to universities, for research; and eight grants totaling \$350,000 to universities to develop specialized graduate curricula in solid waste technology. In addition, 17 research contracts totaling \$1,280,000 were negotiated.

Scientists began preliminary operations at a composting plant in Johnson City, Tenn. The plant, a joint venture with the Tennessee Valley Authority and Johnson City, will be operated to study the conversion of solid wastes into usable soil conditioners by creating conditions in which harmless bacteria consume the waste material. Technical services activities included a survey of municipal incinerators in Washington, D.C.

WATER SUPPLY AND SEA RESOURCES

In the area of water and shellfish sanitation, the Center continued to provide surveillance of more than 770 municipal drinking water supplies serving interstate carriers and 80 million Americans. In carrying out its responsibilities under the National Shellfish Sanita-

tion Program for insuring the Nation a continuing supply of safe shellfish, the Center reviewed and endorsed 21 State programs covering 400 shellfish growing areas. It also developed and recommended minimum standards for heavy metal, radionuclide, and pesticide contamination in shellfish, and demonstrated that shellfish can be cleansed of virus in the depuration process. Research grants amounting to \$1,150,000 were awarded.

OCCUPATIONAL HEALTH

In 1967, the Center began a new, intensive effort to protect the health of the Nation's employed population. This year the foundation was laid for developing comprehensive programs to assess and reduce the hazards of beryllium, asbestos, community and industrial noise, lasers and masers, and heat stress.

Investigations continued on the development of criteria and standards for controlling occupational diseases. These activities included the multidiscipline attack on coal pneumoconiosis, a problem of national significance borne most heavily by coal miners. Past investigations are beginning to pay dividends. A long-term study of uranium miners, for example, served as the basis for establishing an environmental standard to reduce lung cancer among underground uranium workers.

Toxicologic examinations of the many new substances and processes introduced to industry annually have produced many procedures for their safe handling and prevention of potential health hazards. Research grants totaling \$2,980,000 were awarded under the program.

ENVIRONMENTAL SANITATION

Other Center activities focus on the prevention and control of health hazards in urban and recreational environments, including housing hygiene, crowding, food protection and area sanitation. In 1967, the Center awarded \$3,111,000 in research grants in these areas. Eighty-five milk shippers were added to the lists of the interstate milk shippers program, in which the Center participates actively, making a total of 1,611 shippers in 47 States and the District of Columbia. By the end of the year, 11 States, 67 counties and 65 municipalities had adopted the Grade "A" pasteurized milk ordinance—1965 recommendations of the U.S. Public Health Service. The program certified or recertified 45 State milk sanitation rating officers and evaluated five State milk sanitation programs.

TRAINING

The Center provided training for over 6,800 persons working in the urban environmental fields. Short courses, seminars and workshops were offered in occupational health, solid wastes, injury control,

water supply and sea resources, environmental sanitation and computational analysis. Sixty percent of the sessions were conducted in the field. Seven seminars were presented for the Food and Drug Administration on salmonella in dry milk. Visual aid libraries were established in 12 universities throughout the country.

National Institutes of Health

The National Institutes of Health has as its mission the discovery of knowledge for the control and prevention of disease and the extension of life.

Part of the biomedical research program is carried out by a staff of 1,400 scientists in the laboratories and clinical center of the National Institutes of Health at Bethesda, Md.

By far the largest part, accounting for \$1.15 billion of the \$1.4 billion appropriated for NIH in fiscal year 1967, is carried out through Public Health Service grants and awards administered by NIH.

This extramural program supports research through project grants to individual scientists, and research training, through training grants, fellowships, and traineeships. It assists the construction and equipping of new laboratory space in universities and other research centers. In addition, it supports the establishment of centers where special facilities—from primate colonies to computers—can be available to scientists of an entire region, and the establishment of clinical research centers where special facilities and staff make possible sophisticated clinical investigations.

Among the steps taken during fiscal year 1967 to further broaden and strengthen the programs of the NIH are:

An advisory committee to the Director, NIH, was established to provide advice on matters concerning overall direction and balance of NIH activities that are the appropriate concern of the Office of the Director.

A new Division of Environmental Health Sciences was established to conduct and support research on the effects of hazards present or introduced into man's environment. The new Division has its headquarters at the Environmental Health Center, in the Research Triangle of North Carolina.

Contractual arrangements were made with the National Academy of Engineering for a study of the application of engineering to problems of biology and medicine, as part of NIH's continuing effort to extend available resources in the application of new knowledge toward solution of health problems; and with the National Academy of

Sciences for a comprehensive, systematic study of all the life sciences.

In an effort to meet the critical shortage of knowledge and manpower in anesthesiology, a grant was awarded for a research and training center in anesthesiology, the first of its kind and the first award from special funds appropriated by Congress for anesthesiology centers.

Special research and postdoctoral fellowships were offered for the first time in the specialties of laboratory animal science and medicine.

Cancer

Research programs of the National Cancer Institute are investigating the most prevalent forms of cancer, applying knowledge gained in the successful operation of the acute leukemia task force established 5 years ago. Use of drugs and methods to combat their side effects is extending the lives of many leukemic children, and possibly curing some. Last year about half of all young Americans with leukemia were treated in research centers participating in the task force program.

A lung cancer task force set up during 1967 will deal with a disease which has reached almost epidemic proportions. The group of experts will concentrate on research for development of a less hazardous cigarette, prevention of occupational cancer, and improvement of the present low lung cancer cure rate of 5 percent.

The repeated observation of a viral cause of many cancers in laboratory animals strongly suggests that at least some human cancers may be caused by viruses. Two special programs have been undertaken in this area: one, on human leukemia, is already yielding important information; the other, on the more common solid tumors, is just getting under way.

Other possible cancer-causing factors, such as chemicals in man's increasingly polluted environment, are also being studied, as well as factors that in combination may produce cancer in susceptible individuals.

A number of childhood solid tumors, such as Wilms' (cancer of the kidney) and retinoblastoma (eye tumor) have yielded to drugs, surgery, and radiation; and a large percentage of cures is being reported.

Heart Disease

The National Heart Institute's new artificial heart-myocardial infarction program awarded contracts for the establishment of myocardial infarction research units at the University of Alabama, Cornell, Duke, Johns Hopkins, and Massachusetts General Hospital. These units, the first of 10 to 12 eventually to be established, will

combine intensive research on acute heart attacks with the finest in-patient care. An additional 57 contracts were awarded or extended under this program in support of research on materials, pump designs, power sources, control mechanisms, and other problems basic to the development of heart assist devices and artificial hearts. The total outlay for this joint program was nearly \$14 million.

The National Blood Resource Program awarded 12 contracts totaling \$1.7 million to: (1) support the development of a blood-fractionation system suitable for large-scale production of medically important cellular and protein components; and (2) evaluate adenine, a chemical preservative that promises to reduce substantially those losses of whole blood that now occur through outdating in storage.

The coronary drug project has enrolled all 55 participating clinics and recruited about 1,400 of the 8,500 patients who will eventually participate in this study to evaluate the effectiveness of lipid-lowering drugs in reducing 5-year mortality rates among heart-attack victims. The clinical phase of this study will be completed in 1974.

A total of 10 grants to develop planning for the eventual establishment of 10 to 12 cardiovascular research and training centers have also been awarded; the first to be operational by 1969 and all by 1973. These centers are expected to have a strong and salutary influence on the quality of research and clinical medicine both in the regions where they are located and also throughout the Nation.

Allergy and Infectious Diseases

The success of the live oral vaccine against adenovirus type 4 infection—a major accomplishment of the National Institute of Allergy and Infectious Diseases—was further indicated by the results of tests in nearly a half million military recruits, the group hardest hit by this infection. Progress also was made toward the development of vaccines against the rubella virus. And work on antiviral substances, particularly interferon, moved forward.

In transplant immunology, the transplantation immunology program efforts continued to develop standardized techniques for tissue typing, a procedure for matching donors and recipients of organs. Advances were also made on methods of increasing the effectiveness of drugs used to suppress the immune response, the chief cause of rejection in organ transplantation. In other research in immunology, an improved test for measuring reactions to ragweed pollen was developed, and new findings opened the way for a more effective attack on farmer's lung disease.

Research on persistent problems caused by bacteria and fungi was highlighted by the development of a promising experimental vaccine

against streptococci: by new knowledge of bacterial L-forms, by the assumption of the scientific management of the SEATO cholera research program, and by the linking of bats to histoplasmosis.

Because of the critical importance of drug resistance in human malaria, studies continued on the experimental chemotherapy of the disease, with emphasis on the newer drugs, on combinations of drugs, on ways of administering these drugs, and on the mechanisms of action and resistance.

Studies of rickettsial diseases were marked principally by the demonstration in Egypt and Ethiopia that the camel and donkey are susceptible to typhus and are involved in its epidemiology.

Finally, a broad-based, grant-supported program was initiated to determine the possible roles that infections and immunologic disorders play in causing emphysema.

Arthritis and Metabolic Diseases

Intensive investigations are continuing of rheumatoid arthritis and of the possible causative role of *Bedsonia* viruses and mycoplasma-type microorganisms, both of which have recently been implicated in animal joint diseases. A form of experimental arthritis in animals has been suppressed with anti-lymphocyte serum, a finding which may have significance for future treatment of human arthritis.

Continued experience with allopurinol has justified earlier optimism as to its use in gout therapy. Scientists at the National Institute of Arthritis and Metabolic Diseases have pinpointed a metabolic defect in some gout patients—partial loss of an enzyme of purine metabolism—associated with excessive production of uric acid.

A similar enzyme defect had earlier been identified in Lesch-Nyhan disease, a severe childhood disorder also marked by high uric acid production.

Studies of diabetes have provided evidence that small blood vessel disease may be an initial, rather than a late manifestation of diabetes, thus providing investigators with a new line of attack. It also has been shown that insulin in the blood of diabetic children may be structurally abnormal; a human juvenile diabetes-like disorder has been discovered in a strain of mice (which can serve as a much-needed laboratory model) and continuing studies of the Pima Indians of Arizona have revealed that the effects of child-bearing do not account for the higher prevalence of diabetes among women.

Stepped-up kidney disease research has produced a compact, economical, and more efficient artificial kidney that lowers the cost of treatment. A new technique for storing and re-using conventional artificial kidney equipment also has reduced the cost and simplified

the work involved in performing hemodialysis (blood cleansing), particularly in the patient's home.

In gastroenterology research, a new compound, amylopectin sulfate, has been found to be efficacious in treating and preventing the recurrence of chronic duodenal ulcers.

Child Health and Human Development

The Nation's high infant mortality rate is a cause of great concern in our society. In response to this concern, the National Institute of Child Health and Human Development has begun a major effort to identify and remedy the underlying biomedical causes of this problem. Already there have been some rewarding achievements in the management and prevention of Rh blood disease, a condition that is responsible for a large number of deaths among newborns. Several Institute grantees, in what is essentially an international effort, have found that administration of anti-Rh serum within a few hours after delivery of the first baby prevents the sensitization of the Rh-negative mother. Preliminary clinical trials have been so successful that the use of this agent promises to eliminate Rh incompatibility as a factor in infant mortality.

The Institute not only has a responsibility for improving family planning methods as related to the population problem, but also for investigating the health aspects of various family planning techniques. In view of the possible health problems in long-term, widespread use of oral contraceptives, a program is being developed to determine the immediate and delayed effects of this remarkably effective method of family planning. This program is designed not only to provide answers to questions concerning currently used medications and techniques, but also to monitor other methods as they develop.

Dental Research

If all oral health problems in the United States could be treated, first-year costs would approximate \$20-25 billion. To control and eventually prevent these problems, the National Institute of Dental Research conducts and supports programs of basic, clinical, epidemiological, and applied research and training. Studies encompass tooth decay, periodontal (gum) disease, oral cancer and ulcerations, problems of acquired and congenital oral-facial malformations, and improvements of dental materials and prostheses with emphasis on development of an adhesive bonding material.

Clinical trials of a simple, inexpensive method of applying fluoride gel through use of custom-fitted mouthpieces have shown an 80 per-

cent reduction of tooth decay among school children in an unfluoridated area.

A newly introduced method for the rapid identification of oral bacteria involved in tooth decay is being applied in epidemiological studies to help clarify the role of streptococci in human caries, as well as to better define the etiologic interaction of dietary and genetic factors.

In research on bone resorption characteristic of periodontal disease, animal tests indicate that a harmless 1-minute exposure of living bone to high levels of fluoride will prevent later bone resorption by parathyroid hormone. Other work suggests that ammonia commonly produced by oral bacteria may gradually damage gum tissue.

Seeking to better understand the causes of cleft lip and palate, current studies of American Indians and other selected population groups are demonstrating patterns of occurrence and incidence that should help to further clarify the role of genetic predisposition. Other research activities continue to add important new light on the causes and characteristics of such oral conditions as leukoplakia, with a view toward early detection of precancerous states.

To accelerate oral health research and training, approximately \$3 million was provided for planning and development of dental research institutes (centers) at the Universities of Washington, Pennsylvania, North Carolina, Alabama, and Michigan.

General Medical Sciences

In order to establish more precise program objectives, the National Institute of General Medical Sciences reassessed its research and training programs and reclassified them into seven broad scientific areas, including the structure and function of cells, genetics, pharmacology, and the clinical sciences. Funds and effort were focused on these areas, and in some cases discernible results were produced within months.

During the year, the anesthesiology research program progressed rapidly. The first grants were awarded to 30 teaching hospitals for training physicians in anesthesiology, a critically undermanned specialty. For the first time an award was made for a multidisciplinary center for research in basic and applied anesthesia and related studies.

Grants were awarded for six new major research projects in pharmacology and toxicology, bringing to 10 the number of large-scale research and research training operations funded by the Institute for studies on drug interaction and safety. Some of these new projects are expected to develop into full-scale research centers.

In genetics there were 200 project and research training grants totaling \$10 million. A notable advance was made at the Oak Ridge

National Laboratory under an Institute contract. Scientists, using their separation technique, recovered enough pure transfer-RNA (ribonucleic acid) in undamaged state to make feasible for the first time the distribution to scientists of this basic component of the genetic mechanism for intensive chemical and structural analysis.

Through various research training programs in general medical sciences nearly one half of the Nation's Ph. D.'s trained in basic scientific disciplines received support in 1967.

Neurological Diseases and Blindness

In laboratories of the National Institute of Neurological Diseases and Blindness and at grantee institutions, advances were made in research concerning disorders of the brain, nervous system, and sense organs. Prime targets included cerebrovascular disease (strokes), epilepsy, degenerative neurological disorders, problems associated with head injury, and disorders of vision.

Efforts to conquer stroke ranged from fundamental studies of cerebral blood flow and the brain's response to circulatory impairments to the clinical problems of diagnosis, treatment, and rehabilitation. Seventeen cerebrovascular clinical research centers are being supported and the program is being extended through a closely related network of outpatient units.

Working closely with the Surgeon General's Advisory Committee on the Epilepsies in developing a national program, the Institute last year launched a collaborative study of four medical centers to evaluate therapy for petit mal epilepsy.

Studies of slow-acting viral agents that may be linked with some degenerative neurological disorders received added impetus. The discovery of a virus agent in one rare disorder of the nervous system reinforced investigations of a possible similar agent in multiple sclerosis, Parkinson's disease, amyotrophic lateral sclerosis, and other ailments. The role of infectious agents during pregnancy in producing cerebral palsy and related defects of children was of acute concern to the collaborative perinatal project, which completed its obstetrical phase with the birth of the last baby to the more than 55,000 prospective mothers originally enrolled in the project.

Four research centers were established to study different aspects of head injury, a critical problem stemming from accidents.

Intense interest in eye research, represented by a 600-percent growth in vision research and training programs in the past decade, has extended to the establishment of 11 clinical eye research centers and eight outpatient vision research centers.

Environmental Health Sciences

The mission of the Division of Environmental Health Sciences, established on November 1, 1966, is to provide a scientific base for surveillance, standard-setting, control, and enforcement in environmental health programs.

During 1967, the management structure, staffing pattern, and extramural advisory apparatus appropriate to this task was established, and a liaison mechanism with the Bureau of Disease Prevention and Environmental Control was set up. Program priorities were established, and operating guidelines formulated for the research grants program. An advisory committee was organized with authority to review and recommend approval of grants-in-aid that merit support. At the advisory committee's initial meeting, approval was recommended for grants totaling \$1,924,000 (direct cost). A fellowship activity was inaugurated with funds reprogramed from money appropriated for research training grants, and 15 fellowships were awarded.

Research Facilities and Resources

Five programs aimed at upgrading and improving the Nation's resources for biomedical research are administered by the Division of Research Facilities and Resources.

This year, the first cycle of health sciences advancement awards went to seven institutions and totalled \$4 million. These awards are designed to help qualified institutions reach a level of excellence in the fields of biomedical research and research training.

Among facilities supported are general clinical research centers, in which the results of laboratory research are translated into new diagnostic and treatment methods for patients. Four new centers were supported this year, bringing the total to 91.

Construction was completed on the last of seven regional primate centers, in which intensive research is carried out on subhuman primates—so close in structure and function to man. Also the Division supported laboratory animal resources in 37 institutions; these resources serve as invaluable assets to health-related research.

Fiscal 1967 marked the 10th anniversary of the health research facilities program, which provided over 1 million net square feet of institutional research space this year through 66 construction grants totaling almost \$37 million. Seven new biomedical computing centers were supported by the special research resources program to allow researchers access to the latest data-processing equipment and techniques.

Regional Medical Programs

Federal grants to encourage the development of regional medical programs in heart disease, cancer, stroke, and related diseases were authorized by Public Law 89-239, enacted in October 1965. By the end of fiscal 1967, planning was underway for 49 regional medical programs, covering some 90 percent of the population. Awards for planning totaled \$27 million. Grants of \$6.7 million have been made to four of these regions to initiate operations. In addition, applications from four other regions covering the remainder of the country were under review or development as the year ended.

In accordance with provisions of the law, the programs were developed with local initiative and were planned and implemented by regional advisory groups broadly representative of all the health activities of the region. The programs involved regions varying in size from metropolitan areas or single States to multi-State and adjoining areas of several States. The purpose of the programs is to make the latest advances in diagnosis and treatment of heart disease, cancer, stroke, and related diseases widely available throughout the country.

Biologics Standards

Responsibility for the control of all biological products produced commercially for the prevention and cure of diseases in man is vested in the Division of Biologics Standards. These products are vaccines, antitoxins, therapeutic serums, and human blood and its derivatives. The first three are developed from potentially pathogenic microorganisms. Rigorous control is essential in their preparation to reduce to a minimum the hazards which might occur in processing, and to ensure final products of satisfactory potency.

Effective administration of these responsibilities requires the development, within a research context, of standards for the production and testing of biologics, careful surveillance of production methods, and continuous improvement of testing procedures. Consequently, the Division's research is essentially product-oriented.

Valuable scientific contributions in specific areas of research are a frequent by-product of the process of developing regulations for future products. This year, another valuable contribution was made in the field of rubella research. The two Division scientists who last year developed an effective experimental vaccine against rubella have now developed a test for detecting immunity to rubella. The new test is so simple and reliable that a physician can determine within hours whether an expectant mother has antibody protection against the

disease. Since the test is inexpensive and easy to perform, it is expected to become routinely available in hospitals, health departments, and other laboratories.

Research Grants

The Division of Research Grants coordinates and administers a major portion of the service's research support programs. More than 25,000 grant applications, of which 11,000 were new applications, were processed and assigned for scientific review during fiscal 1967. Training grant, fellowship, and career award applications increased by approximately 6 percent over fiscal 1966.

A major responsibility of the Division was the evaluation of assurances from grantee institutions in compliance with Federal policy on investigations involving human subjects.

Clinical Center

Continuing its supporting role of providing clinical research facilities for the categorical institutes, the clinical center proceeded with programs to assure the optimum in patient care.

Research by the staff was directly related to patient care activities. Through efficient use of blood components, 21,000 transfusions were given from 16,000 pints of blood received. Use of highly qualified nurses as clinical nurse experts rather than as supervisors returned these nurses to their most useful function—care of the patient, especially in difficult situations—and they also played a stronger role in training other nurses. Research and development continued on computer-assisted automated laboratory testing procedures.

New radioisotope and radiologic equipment permitted advances in diagnostic procedures. Services related to radioisotopes in clinical or laboratory work (nuclear medicine) were brought together organizationally and modernized.

Construction was begun to add two floors to a wing of the hospital. Work continued on an addition that will house the NIH library. Space freed by these additions will be used for additional hospital beds and laboratories.

The number of inpatients, 4,169, was quite close to the number for preceding years. The number of new outpatients, 2,856, was an increase of 400 over 1966 and of 650 over 1965.

Supportive Services

Provision of high-quality services to researchers resulted in a number of significant advances in medical technology. Among these is an

anaerobic (oxygen-free) chamber—the first of its kind ever built for biomedical research. The chamber makes feasible experiments with anaerobic organisms and with biological processes which occur in the absence of oxygen. Other noteworthy developments include an implantable left ventricular heart assist device which has been successful in short-term testing in calves and an original model eyeball for use in testing optical instruments.

During 1967 Division of Computer Research and Technology activities have centered on organizing and recruiting for research and development programs, converting to a new computer system, taking the first steps toward the creation of an NIH-wide system for remote processing of data, and designing several advanced computer systems, applying mathematical/statistical techniques in association with computer programming methods, and carrying out research in the physical sciences with particular reference to potential computer applications.

There was experimental use of techniques for transmission and processing of data from remote stations, and plans and requirements were outlined for a teleprocessing network which will utilize both remote terminals and small computers. Other activities include analysis of the needs for a computer-based patient record and information system in the Clinical Center, development of specifications for a real-time computation system for dental research studies, and design of a system for computer processing and display of biological images.

Bureau of Health Manpower

Within recent years, Congress has enacted a series of laws which provide Federal assistance for the development of health manpower—including the Health Professions Educational Assistance Act of 1963, the Nurse Training Act of 1964, and the Allied Health Professions Personnel Training Act of 1966. The Bureau of Health Manpower is charged with the conduct of these programs. It also serves as a national resource for information on manpower needs and programs.

BACKGROUND OF THE MANPOWER PROBLEM

The crisis in health manpower stems from several otherwise unrelated facts:

- The increasing complexity of health services;
- The steady population growth in metropolitan areas of the United States and shifts in population out of the core cities into suburbia;
- The increasing longevity of the American people;
- The greater awareness among Americans of the importance of health care;

The increasing ability of people to pay for high-quality health care, either through private resources or public programs such as Medicare;

The rising cost of educational facilities equipped and staffed to provide first-rate training in many of the health occupations, which imposes a drastic limitation on the schools' capacity to accept students, and makes it difficult, or impossible, for many potential students to meet tuition and related costs from family resources.

Health Manpower Trends

Active physicians (medical and osteopathic) in the United States totaled 297,000 (147 per 100,000 population) in 1966. This figure includes those in teaching, research, administration, and other pursuits. The ratio of physicians in private "family care" practice (general practitioners, internists, and pediatricians) declined from 76 per 100,000 persons in 1950 to 50 per 100,000 in 1965. In addition, spokesmen for almost every one of more than 30 recognized medical specialties have expressed concern about meeting the present and projected needs for their services.

Practicing dentists in the United States in 1966 numbered 95,400. There were 16,000 dental hygienists, 95,000 dental assistants, and 27,000 dental laboratory technicians. The ratio of available dentists per 100,000 population dropped from 51 in 1950 to 48 in 1966. The supply of dentists in 1975 is expected to be about 120,000 and the need about 135,000.

The available professional nurse supply is estimated to be about 640,000, augmented by about 300,000 practical nurses. The need for professional nurses is expected to reach 1 million by 1975, but we are falling short of current need by about 135,000.

The number of allied health occupations is increasing rapidly and undoubtedly will continue to increase. Practically every one shows a current shortage which will become more critical in the next decade.

The Bureau of Health Manpower is concentrating its efforts toward solution of the manpower problem in three general directions: better utilization of available health manpower; greater capacity and improved quality in health professional educational facilities; and recruitment of qualified young men and women into the health field.

Physician Manpower

Grants awarded since January 1, 1967, to aid the construction of teaching facilities in health professional schools total \$92.2 million. Of this, \$69.3 was awarded to medical schools; the construction will

add 303 new first-year places. Schools of dentistry, public health, and pharmacy received \$22.8 million, for 364 new student places. In 1967 the Division of Physician Manpower also supported a program for retraining inactive women physicians at the Presbyterian Medical Center, San Francisco, which will be extended to other medical centers throughout the country and which will include men as well as women physicians.

The Third Rochester (New York) Conference on Programed Instruction in Medical Education was given support by the Division. The Division has also encouraged utilization of new methods and approaches to the teaching of medical students and physicians where they seemed appropriate to the educational needs of a particular medical education program.

Contracts were signed with the Universities of Chicago and California to design a comprehensive community-health management course based on student health organization members' reaction to participation in poverty area and migrant health programs.

In demonstration and research projects involving community hospitals in the four-State area of Massachusetts, New Hampshire, Maine, and Rhode Island, medical school faculty and special consultants bring up-to-date developments to practicing physicians.

Dental Manpower

In addition to construction grants to dental schools under the health professions education assistance program, the Division of Dental Health awarded grants to all but one of the Nation's dental schools for the training of dental students in the more efficient use of chairside assistants. The Dental Clinical Development Center in Louisville, Ky., is studying the degree to which dental productivity can be increased by broader use of dental assistants.

Under contract with the American Association of Dental Schools, a survey of the faculty of every dental school in the United States and Canada resulted in the publication of a *Directory of Dental Educators in the United States and Canada*. This work will aid in assessing current and projecting future dental faculty manpower needs. The Division also produced *A National Survey of Dentists* and *A National Survey of Dental Hygienists* covering 48 States and the District of Columbia.

Other projects are developing and evaluating a battery of devices to aid in the selection of dental and parodontal students and to help to identify potentially successful dental teachers and researchers.

Consultation and technical assistance to the dental components of Job Corps, VISTA, and Community Action Programs (especially

neighborhood health centers) was expanded, and the Division provided assistance for a second year to dental programs serving more than 700,000 Project Head Start youngsters. At the same time, the Division provided leadership and information to dental service corporations and other prepaid dental plans, which now insure about 3 million people, and undertook a nationwide survey of privately sponsored prepaid dental care plans to be used in the revision of 1963 *Digest of Prepaid Dental Plans*.

During the year, the Division proved that no additional benefits to the child accrue with increasing prenatal exposure to fluorides. As a result, the Food and Drug Administration later banned certain prenatal prescription drugs with fluoride.

The clinical evaluation of dental restorative materials, therapeutic agents, equipment, and clinical techniques was accelerated.

Communities were assisted with the fluoridation of their water supplies—an established key to preventing tooth decay. (Minnesota and Illinois took final legislative action toward statewide fluoridation, and the city of Detroit instituted fluoridation with the result that now 72 million people have access to fluoridated water.)

The continuing dental education grant program was instituted and is now supporting five projects to increase the scope and geographic coverage of continuing education in dental schools.

Finally, the Division supported 41 active applied dental research projects, which have produced several significant publications, and administered three special research fellowship grants and three active research training projects.

Nursing Manpower

To help to meet the Nation's need for highly skilled nursing services, the Division of Nursing in 1967 gave special attention to the evaluation of the nurse training grants program, the recruitment and retraining of inactive nurses, the derivation and preparation of training materials from research projects, and the development of methods for studying problems in community and institutional nursing.

The Division prepared background data on the Nurse Training Act programs to enable the Program Review Committee to submit recommendations to the Congress by the end of the year, as required by the legislation. Table 1 summarizes Federal expenditures under the provisions of the Act since its inception.

The collected data show these positive changes, among others, in nursing education as affected by the legislation:

1. Seventy-one construction grants were funded to provide 2,674 new first-year places in schools of nursing in 29 States, Puerto Rico, and the Virgin Islands;

2. A total of 116 project grants for the improvement of nurse training had been made to 95 faculties of nursing schools, with 143 additional nursing programs participating in the projects;

3. Long-term traineeships, first awarded in 1957, provided advanced preparation for leadership roles and clinical specialization to about 6,000 professional nurses under the Act.

4. Short-term traineeships have provided much-needed continuing education in intensive short courses under regional sponsors to nearly 13,000 employed nurses.

During 1967, a national campaign was launched to return up to 30,000 inactive nurses to patient care. Contracts were signed with agencies in 45 States and the District of Columbia for the employment of a nurse coordinator in each to work with governmental and professional organizations concerned with the supply of nurses, and to coordinate and assist efforts to bring inactive nurses back to service. A guide for developing courses of study was made available to organizers of courses within the States, together with teaching tools to help nurses retrieve former skills and replace obsolete techniques with procedures in new technologies. Promotional materials were prepared for use in all media to recruit nurses to refresher courses.

Table 1.—Funds awarded under the Nurse Training Act of 1964, by provision and fiscal year

Provision	Total	Fiscal year		
		1965	1966	1967
Total.....	\$99,442,940	\$12,360,738	\$31,088,923	\$55,993,279
Construction grants.....	37,733,874		11,052,594	26,681,280
Project grants.....	7,436,128	1,989,564	1,927,620	3,518,944
Payments to diploma schools.....	5,997,150	771,900	2,156,350	3,068,900
Traineeships.....	27,000,000	8,000,000	9,000,000	10,000,000
Student loans.....	21,275,788	¹ 1,599,274	¹ 6,952,359	² 12,724,155

¹ The amount of loans includes the Federal share and the institutional share.

² Allocated funds.

Production continued of multimedia instructional systems developed from two cardiac nursing research projects—one to train nurses for service in intensive coronary care units and the other to prepare nurses to give intensive care to patients following open-heart surgery.

A prototype study was published to enable metropolitan areas crossing State lines to survey the socioeconomic characteristics of their areas which affect nursing, health needs, and the sources of nursing personnel available.

In other studies, the Division is analyzing the care of patients in 14 nursing homes and is attempting to determine what kind of nursing staff is needed to satisfy nursing requirements of individual patients.

Health Manpower Educational Services

In 1967 schools in the health professions received \$30 million in grants for educational improvement.

Student assistance, which includes both scholarships and loans, is made through grants to the schools. In 1967, Federal funds totaling \$3,875,200 were awarded to 227 schools for scholarships to 3,797 first-year students of dentistry, medicine, osteopathy, pharmacy, optometry, and podiatry. Loan funds of \$25 million were allocated to 196 schools, and 21,927 students were aided.

Nursing student loan funds totaled \$12,676,689, with 656 participating schools in the program.

In 1967, program and guidance services were provided to 489 new foreign students and 269 carryover foreign students by the Division of Health Manpower Educational Services, whose responsibilities include the student aid programs.

Allied Health Manpower

In 1967, a total of \$3,285,000 in basic educational improvement grants was awarded to 164 colleges and universities and 28 junior colleges to increase the quality of educational programs for allied health personnel. Also awarded were 64 traineeships for advanced training to prepare teachers, administrators, and specialists in the allied health professions.

Six grants totaling \$200,000 were awarded to develop, demonstrate, and evaluate curriculums for new types of health technologists, such as hospital and medical systems engineers and electroencephalography technicians.

Approximately 1,400 traineeships for graduate or specialized training in public health were awarded and short-term training and continuing education in public health for more than 12,000 health workers was also provided for.

Another 150 grants totaling \$5 million went to special projects designed to strengthen or expand graduate or specialized public health training in schools of public health, engineering, nursing, medicine, dentistry, and osteopathy. In addition, grants totaling \$3,750,000 were committed to the basic support of the educational programs of the 13 schools of public health.

Lastly, the Division of Allied Health Manpower initiated a number of new projects designed to develop a central resource within each

State for the collection and dissemination of data on health manpower supply, demand, and certain other problems.

National Institute of Mental Health

The basic mission of the National Institute of Mental Health is to develop knowledge, manpower and services to treat and rehabilitate the mentally ill, to prevent mental illness, and to promote and sustain mental health.

Research is carried out by the Institute and is supported by grants awarded to investigators in the Nation's universities, hospitals, and other institutions and agencies. Training programs for the development of skilled manpower in the mental health professions and allied fields provide support to individuals through grants to institutions and through research fellowships. Financial and technical assistance to States and localities aids the development of community mental health services to benefit people everywhere.

The Problem of Mental Illness

The American people as a Nation spend upwards of \$3.5 billion a year on direct mental health services. A very large part of these expenditures is for custodial care and contributes little to the prevention or cure of the mental illnesses. It is estimated that mental illness costs the Nation another \$20 billion indirectly through loss of earnings, loss of output because of excess absenteeism and lower productivity on the job, consequent loss of tax revenue, etc.

In 1964, it was estimated that there were 610,000 psychiatric admissions to general hospitals. If those psychiatric admissions, which for various reasons were not described as such, were included, it is likely that the number would reach about 2 million, or about 8 percent of all admissions.

About half of the Nation's hospital beds are still occupied by psychiatric patients, and it is still true that mental illness touches one family in three and one person in ten requires treatment for a mental disorder at some time during his life.

Progress has been made. However, for 11 consecutive years the resident patient population has decreased in the country's State and county mental hospitals. During 1966, the decline was the sharpest to date—24,000 patients, or 4.9 percent—and 6 percent below projections made on the basis of earlier downward patterns. Today, resident patients number 452,000—over 106,000 fewer than in 1955 when the downward trend began. If the pre-1955 pattern had continued uninterrupted,

there would now be over 702,000 patients in our mental hospitals—a quarter million more than is actually the case.

While this decrease is partially attributable to the use of the psychoactive drugs, it is also the result of the introduction of new treatment methods pioneered in community-based facilities.

Research

More than 40 percent of the NIMH research program is devoted to work in the behavioral sciences, encompassing studies to identify those physical, psychological, social and cultural factors that shape human behavior. Such studies provide the groundwork for productive clinical and applied research directed toward the resolution of specific problems in mental health.

In the biological sciences, advances have been made in a number of difficult areas: in control of schizophrenic deterioration, in the treatment of depression, in methods to help decrease the abnormal cravings in drug addiction. Studies have focused on mechanisms in the body, errors of metabolism or biochemical imbalances, which either trigger or perpetuate pathological behavior in man. Through work in NIMH laboratories, scientists are clarifying the mechanisms whereby the body handles catecholamines—the brain and body substances which play important roles in psychiatric illness and a patient's response to drugs.

In the search for further understanding of the etiology of schizophrenia, studies have focused on separating genetic from possible rearing factors in the development of the disease. Evidence from a study of adopted children indicates that heredity plays a significant role in schizophrenia. In another approach, a protein factor in the blood serum of schizophrenics has been isolated, and studies are being conducted to test the serum of twins in cases where only one of a pair suffers from schizophrenia. On the basis of the protein factor, biochemists have been able to differentiate the schizophrenic from the nonschizophrenic twin with great accuracy.

Activities have also been extended in the social sciences. New insight has been gained in the complex patterns of family interaction and how it can cause abnormal behavior. Psychological factors contributing to mental illness are being tracked. Studies have shown that dramatic improvement can be made in the IQ's of young culturally deprived children under special tutoring programs as well as through programmed learning techniques.

Advances have also been made in the field of sleep research, indicating that sleep difficulties may be the precursors of many mental ill-

nesses—the prelude to depression attacks, and harbinger of suicide attempts and acute schizophrenia episodes.

Progress continued in the development and application of methods to treat mental illness. Extensive advances were made in the development of new psychiatric drugs. Early clinical evaluations were conducted on 62 drugs: one of these, thiothixene, has now come on the market. Progress was made toward ascertaining the most effective drugs for specific types of patients, and more effective dosage levels have been determined for drugs useful in treating chronic schizophrenia. Methods were developed to measure chlorpromazine metabolites in urine and in blood, opening the door to an understanding of why some patients react differently or develop side effects in response to this drug.

Institute researchers, extending the work of earlier investigators, have confirmed the effectiveness of lithium carbonate in controlling the mania associated with manic-depressive psychosis. Studies will be continued in the hope that this substance may become an important weapon in the attack on this severe mental illness.

Innovative psychotherapeutic techniques have been further explored and applied, including family and filial therapy. Demonstrations have confirmed the feasibility of maintaining schizophrenic patients at home through a combination of drug therapy and other supportive techniques, providing evidence that many victims of this disorder need not be hospitalized if adequately treated in their home communities. The results of such studies are of particular significance since they indicate the potentials for the success of the community-based mental health program.

Community Mental Health Centers Program

The community mental health centers program, authorized by Congress in 1963 and extended and enlarged by amendments in 1965 and 1967, progressed dramatically during the year. The program makes available Federal funds to stimulate State, local and individual action in the development of comprehensive mental health services in the communities of the Nation. It provides support for the construction of new facilities or the expansion of existing ones, and support, for an initial period, of professional and technical staff delivering new services.

The aim of the centers program is to make accessible in all communities comprehensive mental health services, providing continuity of care tailored to the degree of illness of the patient, and available at whatever stage of illness they are needed.

As of June 30, 1967, 256 centers had received Federal grants in support of construction, staffing or both, totaling \$130.1 million. They will provide services for 41 million people, in urban, suburban and rural settings, in 48 States, Puerto Rico and the District of Columbia.

Legislation in 1967 extended the existing program of matching grants for construction of centers for an additional 3 years, and extended for 2 years the program of matching grants for staffing.

CHARACTERISTICS OF THE COMMUNITY MENTAL HEALTH CENTER

A community mental health center, to receive Federal assistance, must offer services to meet the mental health needs of all people living in a definite area, the young and the old, the rich and the poor and those who are considered to have types of illness difficult to treat.

To meet Federal requirements, each center must provide at least five essential services: (1) inpatient services for those requiring short-term hospitalization; (2) partial hospitalization during the day or overnight; (3) outpatient treatment for supportive therapy; (4) emergency psychiatric services around the clock; and (5) consultation and education, serving to bring together the health, welfare and social agencies of a community as their needs and competencies relate to the mental health of the community and its residents.

Centers have been funded to serve a variety of populations: 18 percent are located in cities of a half-million persons or more; 36 percent in cities of 50,000 to 500,000; and 49 percent in communities of 50,000 residents or fewer. Twenty-eight percent of the total will serve geographic areas covering some 350 predominantly rural counties.

Among the centers already funded, 40 percent will have new inpatient services, and an additional 30 percent will enlarge them through new construction, additional staffing or both. There will be partial hospitalization services in more than half the centers, located in areas where this service has never existed before. New outpatient services will be offered by 45 percent of the current centers, while an additional 40 percent will expand and improve their outpatient facilities. One-half of the centers will offer new emergency services, and an additional third will expand them. Forty percent will offer new consultative services and another 40 percent will broaden both the extent and kinds of consultation.

Of the facilities so far applying for grant support, 94 were general hospitals; 75 were mental health clinics or mental health centers; others included 15 mental hospitals, eight child care facilities, 13 university training hospitals, and a variety of voluntary agencies and local government agencies. Of these, approximately 40 percent were public agencies and facilities and 60 percent were private non-profit groups.

The diversity of the centers program is reflected in funding patterns. In some States, Federal money is being matched with State money exclusively; in others, with State and local money; in still others, with private money.

Data on the source of operating funds indicates that the mean operating budget is \$857,000 per center. Of this, 31 percent is Federal in origin, 40 percent comes from the States, 6 percent from county and local sources; 4 percent from private philanthropy; and 19 percent from fee payments, including third-party insurance.

Hospital Improvement Programs

As the mental health centers program has focused on improved mental health services in communities, the NIMH has also stimulated the improvement of services and quality of patient care in State mental hospitals.

In 1967, project awards for demonstrations of improved methods of care, treatment, and rehabilitation of the mentally ill were awarded to 141 institutions. More than 200,000 patients have benefited from the improved services made possible by this program, now in its fourth year.

More than 80 percent of the NIMH support went for personnel to provide new therapeutic services. Major emphasis has been placed on programs to improve treatment, training, and rehabilitation of the long-term more chronically ill.

In a related program, designed to increase the effectiveness of auxiliary staff in mental hospitals, more than 50,000 hospital attendants and aides have been given inservice training. In 1967 NIMH support enabled 175 mental hospitals to provide such training.

Special Mental Health Problems

In the fiscal year 1967, the planning and administration of programs directed toward specific problem areas of mental health were concentrated in a number of "centers" within the Institute. Each "center" has responsibility for the entire Institute program activity in its field, and serves as the national focus for related research, manpower development and delivery of services. The following special mental health problems are affected.

PREVENTION AND CONTROL OF ALCOHOLISM

It is estimated that there are between 4 and 5 million alcoholics in the United States. Including their families, some 20 million persons may be affected by alcoholism. In some States it is claimed that communities spend \$50,000 to \$100,000 in support of an alcoholic during

his lifetime. Costs to industry have been estimated at more than \$2 billion per year. It is estimated that alcohol contributes to or is associated with from 50 to 87 percent of all fatal motor vehicle accidents.

Today there is increased acceptance of the concept that alcoholism is an illness rather than a moral transgression. Most physicians concur that it results from a complex interaction of social, biological and cultural factors.

To combat a problem of such magnitude and social impact, the Institute is formulating new programs and conducting research in its own laboratories. It also coordinates all DHEW activities in alcoholism.

Major accomplishments in 1967 include the establishment of intramural research facilities at Saint Elizabeths Hospital to conduct behavioral and biological studies. This includes addicting an animal to alcohol, defining addiction in terms of the pharmacological criteria (tolerance and dependency) of addiction. If an animal can be addicted to alcohol, it will be possible to examine changes in metabolic and neurofunction with biochemical and neurological methods, which may clarify the developmental factors in alcohol addiction.

Grants were awarded for the establishment of three university-based multidisciplinary research centers for the study of alcoholism and alcohol-related problems. These are located at Boston City Hospital and Harvard Medical School; Barnes Hospital and Washington University Medical School, St. Louis; and Baltimore City Hospital and Johns Hopkins School of Medicine.

Steps were taken to assure attention to alcohol problems within the developing community mental health centers throughout the Nation.

SUICIDE PREVENTION

In 1967 the first major national suicide prevention program in the United States was launched. Its mandate is to coordinate an attack on the problem of suicide, encompassing research, training and service demonstration programs throughout the country, as well as direct research within the Institute.

Suicide represents the area of highest mortality in the mental health field. At least 22,000 suicides are reported annually in the United States. It is the tenth leading cause of death, and in the 15-19 age group, ranks third; among college students it ranks second.

The most important achievement of the first year was establishment of a new profession—"suicidology"—a step toward the development of a new cadre of trained professionals—psychiatrists, social workers, clergymen, sociologists, public health nurses and others—with special interest in suicide.

Johns Hopkins University was awarded a 5-year grant to establish fellowships in suicidology for which a curriculum of suicidology was established within the Department of Psychiatry.

Research studies were initiated in community activities for suicide prevention; education of "gatekeepers," especially physicians; demonstration information programs in suicide prevention; followup programs for suicide attempters; refinement of statistics on suicide; and suicide among college students.

NARCOTIC AND DRUG ABUSE

The growing problems of drug addiction and abuse urgently require coordinated and programmed research, both basic and clinical, leading toward prevention and control in narcotic, amphetamine, and barbiturate addiction, and the mind-altering drugs, chiefly LSD and marijuana.

During the past year, NIMH has intensified research in the biological, psychological, and social factors relating to drug addiction and abuse. Some highlights:

- Major efforts have been directed toward evaluation of methods for determining maintenance doses of methadone and cyclazocine, found effective by Institute scientists in helping to break the cycle of drug addiction.
- Demonstration projects to rehabilitate narcotic addicts have been developed and supported.
- Studies have been initiated to determine the extent of use of the mind-altering drugs in the United States, and psychological and social factors related to their use.
- A grantee has partially isolated for the first time a psychoactive component in marijuana, opening the way toward basic research with this substance.
- Studies to determine the possible therapeutic effectiveness of LSD were intensified.
- Plans were made for the development of treatment programs for opiate-dependent persons, as authorized under title IV of the Narcotic Addict Rehabilitation Act of 1966.

METROPOLITAN AND REGIONAL MENTAL HEALTH PROBLEMS

The Institute's activities in this area reflect rising concern with the complex mental health implications of urban living. The interrelationships between the Nation's metropolitan areas and the mental health of the more than 60 percent of Americans living within those areas need serious exploration. The Institute's programs are designed to produce better understanding of urban life and the points of intervention through which mental health can be fostered. The Institute

provides research and training support, including training in community planning, urban sociology and anthropology. In 1967, five research grants were awarded for: (1) evaluation of mental health intervention in relocating families uprooted by urban renewal; (2) exploration of the social consequences of abolishing a large city's skid row in an urban development project; (3) initiation of basic research in human responses to social and physical density; (4) an experiment in interlocking a community mental health center program and a neighborhood multipurpose service program in a ghetto area; and (5) a study of the nature and import of mental health components in successful model cities plans.

A grant was awarded to the University of California to establish a doctoral program in "special policies planning," reflecting the Institute's primary interest in planning urban development with full consideration of the social consequences.

EPIDEMIOLOGIC STUDIES

The control and prevention of mental and emotional illnesses requires close assessment of their prevalence and distribution. The Institute consequently is projecting a national program for epidemiologic study and control of mental illness in population groups.

At year's end, a field station was established for surveys, reporting and data analysis.

OTHER SPECIAL MENTAL HEALTH PROGRAMS

Schizophrenia.—Coordinated and programed research in this major mental illness constitutes more than one-fourth of the Institute's research program.

Mental Health and Social Problems.—The Institute's activities are concerned with research, training and services related to mental health aspects of such social problems as poverty, intergroup relations, mass violence, family breakdown, technological changes and disasters. Research in mass violence was accelerated through new studies supported by NIMH at the Center for Study of Violence at Brandeis University, Boston; the Lafayette Clinic, Detroit; and the Behavior Research Institute, Detroit.

Crime and Delinquency.—The Institute's activities have included research on the causes of antisocial behavior, direct intervention with street-corner gangs, work with offenders in correctional institutions, and studies to determine effective means of rehabilitation. Special attention was focused on the problem of violence, including studies of factors that produce violence-prone and homicidal individuals.

Mental Health of Children and Youth.—In 1965, some 4,000 Americans under 15 years of age were admitted to mental hospitals. Projections for the decade 1963-73 indicate that, with an increase of

only 13 percent in the proportion of 10- to 14-year-olds estimated for the country's population, the mental hospital population of this age group will increase by 164 percent. For older children, a 70 percent increase is expected in the wards of mental hospitals.

Among public school children, an estimated 10 percent are emotionally disturbed and in need of psychiatric guidance. In 1965, nearly 400,000 children under 18 with emotional disorders were diagnosed at outpatient psychiatric clinics. Of these only 35 percent were treated.

Recognition of the appalling human and economic cost of mental health problems of children has led the Institute into research and training programs aimed at developing preventive programs and improved patterns for the delivery of mental health services to children. A major special program to study children's emotional illnesses was underway, funded by a 2-year Institute grant to the Joint Commission on Mental Health of Children.

Manpower and Training

The training programs of the Institute, geared toward the development of manpower to meet the mental health needs of the Nation, provide support for many disciplines. In addition to the "core" mental health professions of psychiatry, psychology, social work, and nursing, these include, among others, occupational therapists, mental health aides, physicians, teachers, the clergy, and research scientists in the biological and social sciences.

To keep pace with the developing national mental health program, it is estimated that the present manpower pool of almost 68,000 core mental health professionals must be increased to more than 99,000 by 1972.

In addition, there is an urgent immediate requirement to enlarge the total manpower supply through the development of new types of mental health workers.

To approach these goals, the NIMH in 1967 stressed training efforts in four major areas:

- (1) Recruitment and training of mental health professionals.
- (2) Training of professionals for specialized activities in specific problem areas, such as alcohol, suicide, drugs, behavioral science research; and in community mental health, through which mental health skills may be applied to many clients rather than a few.
- (3) Experimental programs to develop new kinds of personnel, such as mental health technicians, not to substitute for professionals but to stretch their reach by providing help in non-professional tasks.

(4) Continuing education, to improve skills of those already working in mental health, and train qualified persons from other fields, such as general practitioners, for more active roles in mental health.

In 1967, some 11,000 professionals were being trained for careers in mental health under the NIMH training and fellowship program—up 11 percent over the previous year, and up 400 percent over 10 years ago. More than 2,300 psychiatrists, for example, received training under NIMH support during this period, as against fewer than 500 in 1957.

This rate of production brings the goal of 99,000 mental health professionals by 1972 hopefully within reach.

OTHER DEVELOPMENTS

Administration of the Public Health Service hospitals for drug addiction at Lexington, Ky., and Fort Worth, Tex., became the responsibility of the Institute in 1967. These hospitals will be gradually converted into clinical research centers specializing in the treatment and study of narcotic addicts and others with such diagnoses as psychopathic personalities.

Table 2.—Statement of appropriations, authorization, and obligations—
fiscal year 1967

[In thousands]

Appropriations	Funds available for obligation					Amounts obligated
	Appropriations and authorizations	Net transfers between appropriations	Repayments for services	Prior year unobligated balances	Total funds available	
Total.....	\$2,577,319	0	\$155,083	\$387,661	\$3,120,063	\$2,588,729
Appropriations, PHS.....	2,576,948	0	155,083	387,361	3,119,392	2,568,788
National Library of Medicine, PHS.....	6,392		81		6,473	6,365
National Library of Medicine, PHS (1967-68).....	13,800				13,800	3,233
National Library of Medicine, PHS (1966-67).....				3,034	3,034	3,000
National health statistics, PHS.....	9,312		310		9,622	9,253
Scientific activities overseas (special foreign currency program) PHS.....	10,000			76	10,076	9,226
Buildings and facilities, PHS.....	18,279		14	28,313	46,606	12,728
Salaries and expenses, Office of the Surgeon General, PHS.....	7,858	-60	1,566		9,364	9,261
Retired pay of commissioned officers, PHS.....	10,743				10,743	10,838
Consolidated working fund, HEW, PHS.....			3,913	1,931	5,844	3,400
Do.....			3,302		3,302	3,302
Emergency health activities, PHS.....	10,000		16	4,935	14,951	6,324
Medical care services, PHS.....	10,359		3,552		13,911	13,760
Community health practice and research, PHS (1966-67).....	101,038		73	20	101,131	99,609
Hospitals and medical care, PHS.....	64,121	+60	11,633		75,714	75,635
George Washington University Hospital construction, PHS.....						
Hospital construction activities, PHS.....	16,025				16,025	15,865
Do.....	12,500			29,139	41,639	16,120

See footnote at end of table.

Table 2.—Statement of appropriations, authorization, and obligations—
fiscal year 1967—Continued

[In thousands]

Appropriations	Funds available for obligation					Amounts obligated
	Appropriations and authorizations	Net transfers between appropriations	Repayments for services	Prior year unobligated balances	Total funds available	
Hospital construction activities, PHS (1967-69)		+\$819			\$819	\$164
Hospital construction activities, PHS (1967-68)	\$285,000	-819			284,181	50,326
Hospital construction activities, PHS (1966-68)				\$584	584	200
Hospital construction activities, PHS (1966-67)				231,179	231,179	230,714
Hospital construction activities, PHS (1965-67)				488	488	150
Indian health activities, PHS	76,324		\$630		76,954	76,780
Construction of Indian health facilities, PHS	14,489			9,213	23,702	13,319
Consolidated working fund, HEW, grants for research, PHS			964	259	1,223	944
Health manpower education and utilization, PHS (1967-68)	2,485				2,485	8,868
Comprehensive health planning and services, PHS	1,750				1,750	1,378
Comprehensive health planning and services, PHS (1967-68)	2,500				2,500	37
Dental services and resources, PHS	9,693		315		10,008	9,888
Nursing services and resources, PHS (1966-67)	25,518		2		25,520	23,678
Construction of health educational facilities, PHS	160,000			30,581	190,581	131,524
Do.	727				727	652
Foreign quarantine activities, PHS	8,202		682		8,884	8,876
Injury control, PHS	5,668				5,668	5,560
Chronic diseases and health of the aged, PHS	88,841		286		89,127	86,823
Chronic diseases and health of the aged, PHS (1967-68)	2,750				2,750	1,335
Chronic diseases and health of the aged, PHS (1966-68)				630	630	188
Air pollution, PHS	36,021			1	36,022	35,854
Do.	4,040				4,040	
Environmental engineering and sanitation, PHS	21,962		803		22,765	22,216
Occupational health, PHS	6,592		10		6,602	6,555
Radiological health, PHS	20,895		2,355		23,250	22,886
Control of tuberculosis, PHS	21,597				21,597	20,115
Control of venereal diseases, PHS	10,593				10,593	10,496
Communicable disease activities, PHS	35,120		16,206		51,326	51,103
Communicable disease activities, PHS (1967-68)	9,100				9,100	6,490
Communicable disease activities, PHS (1966-67)				3,874	3,874	3,874
Bureau of State Services Management funds, PHS			5,514		5,514	5,437
Construction of mental health, neurology research facility, PHS				3,334	3,334	2,718
National Institutes of Child Health and Human Development, PHS	64,922				64,922	62,237
Biologics standards, PHS	7,904				7,904	6,979
General research and services, NIH, PHS	68,522		651		69,173	65,119
National Cancer Institute, PHS	175,644		37		175,681	173,320
National Institute of General Medical Sciences, PHS	145,088				145,088	144,805
Regional medical programs, PHS	2,004				2,004	1,849
Regional medical programs, PHS (1967-68)	43,000				43,000	17,100
Regional medical programs, PHS (1966-67)						
Environmental health sciences, PHS	24,298		144		24,442	23,126

See footnote at end of table.

Table 2.—Statement of appropriations, authorization, and obligations—
fiscal year 1967—Continued

[In thousands]

Appropriations	Funds available for obligation					Amounts obligated
	Appropriations and authorizations	Net transfers between appropriations	Repayments for services	Prior year unobligated balances	Total funds available	
National Heart Institute, PHS	\$164,757	-----	\$9	-----	\$164,766	\$164,342
National Institute of Dental Research, PHS	28,295	-----	3	-----	28,298	28,070
National Institute of Arthritis and Metabolic Diseases, PHS	135,675	-----	-----	-----	135,675	133,508
National Institute of Allergy and Infectious Diseases, PHS	90,657	-----	592	-----	91,249	90,190
National Institute of Neurological Diseases and Blindness, PHS	116,284	-----	49	-----	116,333	113,116
Grants for construction of health research facilities, PHS	56,000	-----	-----	\$27	56,027	40,419
National Institute of Health management funds, PHS	-----	-----	49,647	-----	49,647	49,641
General research support grants, NIH, PHS	-----	-----	51,700	-----	51,700	51,700
National Institute of Mental Health, PHS	263,604	-----	124	-----	263,728	257,614
Construction of community mental health centers, PHS (1967-68)	50,000	-----	-----	-----	50,000	4,620
Construction of community mental health centers, PHS (1966-67)	-----	-----	-----	39,743	39,743	39,693
Appropriations, special project funds made available by other agencies	-----	-----	-----	-----	23,447	19,567
Supplemental grants-in-aid, Appalachian assistance (transfer to HEW, PHS), Commerce	-----	-----	-----	-----	11,046	7,726
Development facilities grants, Economic Development Administration (transfer to PHS)	-----	-----	-----	-----	4,556	4,556
Salaries and expenses, Bureau of Prisons (transfer to HEW, PHS)	-----	-----	-----	-----	3,215	3,207
American sections, international commissions, State (transfer to HEW, PHS)	-----	-----	-----	-----	6	5
Highway trust fund (transfer to PHS)	-----	-----	-----	-----	1100	1100
Salaries and expenses, Office of the Secretary of HEW	-----	-----	-----	-----	1,375	1,166
Assistance to refugees in the U.S., Office of the Commissioner, Welfare Administration	-----	-----	-----	-----	1,690	1,518
Technical cooperation and development grants, economic assistance, executive (transfer to HEW, PHS)	-----	-----	-----	-----	1,459	1,289
Gift funds donated for general and specific purposes	371	-----	-----	300	671	374
Contributions, Indian health facilities, PHS	252	-----	-----	3	255	254
Public Health Service unconditional gift fund	13	-----	-----	154	167	8
Special statistical work, vital statistics, PHS	10	-----	-----	8	18	15
Public Health Service conditional gift fund	50	-----	-----	104	154	51
Patients' benefit fund, PHS hospitals	46	-----	-----	31	77	46

¹ Contract authorization.

Table 3.—PHS total paid employment by bureau and division, as of June 30, 1967

	Grand total	Full time				Foreign countries	Part time and intermittent		
		Total	United States	Washington metropolitan area	Outside		Total	Advisers and consultants	Others
Public Health Service, all bureaus.....	40,376	38,499	37,839	17,506	20,333	413	1,877	394	1,483
Office of the Surgeon General.....	1,198	1,166	1,143	890	253	23	32	8	24
Immediate Office of the Surgeon General.....	100	97	97	52	45	—	3	3	—
Office of Information.....	53	51	51	51	—	—	2	1	1
Office of Comprehensive Health Planning and Development.....	69	69	69	43	26	—	—	—	—
Office of Program Planning and Evaluation.....	49	45	45	45	—	—	4	2	2
Office of Extramural Programs.....	12	12	12	12	—	—	—	—	—
Office of Legislation.....	7	7	7	7	—	—	—	—	—
Office of Equal Health Opportunity.....	75	73	73	35	38	—	2	2	—
Office of Administrative Management.....	87	87	87	323	56	—	8	8	—
Office of Personnel.....	182	170	170	170	—	—	12	12	—
Office of International Health.....	38	37	37	36	1	—	1	—	—
Details to Agency for International Development.....	23	6	6	—	—	—	—	—	—
Details to Food and Drug Administration.....	157	157	103	54	—	—	—	—	—
Details to Federal Water Pollution Control Agency.....	35	35	3	32	—	—	—	—	—
Details to other Government agencies.....	6	6	5	1	—	—	—	—	—
Bureau of Health Services.....	15,201	14,401	14,236	2,343	11,893	145	800	63	737
Office of the Director.....	170	158	158	156	2	—	12	11	1
Division of Community Health Services.....	176	165	165	116	49	—	11	7	4
Division of Direct Health Services.....	6,049	5,689	5,685	254	5,431	16	360	5	355
Division of Federal Employees Health.....	162	161	161	100	61	—	1	—	—
Division of Health Mobilization.....	176	174	173	77	96	—	2	—	—
Division of Hospital and Medical Facilities.....	317	293	293	172	121	—	24	15	9
Division of Mental Retardation.....	91	72	72	58	14	—	19	15	4
Freedmen's Hospital.....	1,077	1,045	1,045	58	14	—	28	15	13
Division of Medical Care Administration.....	302	291	290	173	117	—	11	3	8
Division of Indian Health.....	6,088	5,765	5,765	130	5,635	125	323	—	323
Medical program, Peace Corps.....	138	133	133	12	1	—	—	—	—
Medical program, Bureau of Prisons.....	300	298	298	24	274	—	2	—	—
Medical program, U.S. Coast Guard.....	109	109	109	9	100	—	7	—	—
Details to other Government agencies.....	46	39	39	17	22	—	—	—	—
Bureau of Disease Prevention and Environmental Control.....	8,659	8,338	8,064	1,811	6,253	209	301	70	231
Office of the Director.....	228	215	214	102	22	—	13	9	4
National Center for Air Pollution Control.....	830	807	807	501	306	1	23	4	19
National Center for Chronic Disease Control.....	929	868	867	579	288	—	61	26	35
National Communicable Disease Center.....	4,377	4,279	4,010	135	3,875	82	187	7	91
National Center for Radiological Health.....	1,067	990	983	426	567	—	77	17	60
National Center for Urban and Industrial Health.....	1,214	1,185	1,172	261	911	12	29	7	22
Details to other Government agencies.....	14	14	11	2	9	3	—	—	—

Table 3.—PHS total paid employment by bureau and division, as of June 30, 1967—Continued

	Grand total	Total	Full time			Territories and possessions	Foreign countries	Part time and intermittent		
			Total	Washington metropolitan area	Outside			Total	Advisers and consultants	Others
Bureau of Health Manpower.....	832	758	758	568	190	-----	-----	74	48	26
Office of the Director.....	118	112	112	108	4	-----	-----	6	6	-----
Division of Allied Health Manpower.....	53	51	51	47	1	-----	-----	-----	-----	2
Division of Health Manpower Educational Services.....	91	89	89	88	1	-----	-----	-----	-----	2
Division of Nursing.....	191	184	184	183	36	-----	-----	28	24	4
Division of Dental Health.....	301	282	282	137	145	-----	-----	19	13	16
Division of Physician Manpower.....	70	59	59	59	-----	-----	-----	17	15	2
Details to other Government agencies.....	1	1	1	1	-----	-----	-----	-----	-----	-----
National Institutes of Health.....	11,213	10,746	10,571	10,103	468	142	33	467	146	321
Office of the Director.....	1,476	1,432	1,412	1,407	5	1	19	44	17	27
Clinical Center.....	1,697	1,570	1,579	1,577	2	-----	-----	118	7	116
National Institute of Allergy and Infectious Diseases.....	1,708	1,638	1,642	1,641	191	48	-----	10	5	5
National Institute of Arthritis and Metabolic Diseases.....	653	628	627	613	14	-----	-----	25	8	17
National Cancer Institute.....	1,493	1,448	1,446	1,392	54	-----	-----	45	32	13
National Heart Institute.....	685	652	649	594	55	2	-----	33	8	25
National Institute of Dental Research.....	312	299	298	292	6	-----	-----	13	4	9
National Institute of General Medical Sciences.....	208	189	189	189	-----	-----	-----	19	10	9
National Institute of Child Health and Human Development.....	371	346	345	354	91	-----	-----	25	7	18
National Institute of Neurological Diseases and Blindness.....	833	788	698	693	5	90	-----	45	11	34
Division of Biologics Standards.....	309	305	305	305	-----	-----	-----	4	-----	3
Division of Computer Research and Technology.....	274	271	270	270	-----	1	-----	3	-----	3
Division of Environmental Health Sciences.....	63	58	58	15	43	-----	-----	5	-----	5
Division of Regional Medical Programs.....	112	97	97	97	-----	-----	-----	15	14	1
Division of Research Facilities and Resources.....	155	143	143	143	-----	-----	-----	12	3	9
Division of Research Grants.....	609	564	564	563	1	-----	-----	45	24	21
Division of Research Services.....	1,255	1,249	1,249	1,248	1	-----	-----	6	-----	6
National Institute of Mental Health.....	2,430	2,266	2,263	1,090	1,173	-----	3	164	42	122
Office of the Director.....	568	510	509	357	152	-----	-----	58	19	3
Division of Extramural Research Programs.....	105	88	88	88	-----	-----	1	17	-----	16
Division of Field Investigations.....	1,046	1,025	1,025	72	953	-----	-----	20	1	19
Division of Manpower and Training Programs.....	83	75	75	75	-----	-----	-----	8	1	7
Division of Mental Health Service Programs.....	63	58	58	57	1	-----	-----	5	1	4
Division of Special Mental Health Programs.....	105	97	97	44	53	-----	-----	8	3	8
Mental health intramural research program.....	437	389	388	374	14	-----	1	48	16	3
Details to other Government agencies.....	23	23	23	23	-----	-----	-----	-----	-----	-----
National Library of Medicine.....	382	356	356	356	-----	-----	-----	26	14	12
National Center for Health Statistics.....	461	448	448	345	103	-----	13	3	-----	10

Table 4.—PHS total paid employment by bureau, commissioned officers and civil service, as of June 30, 1967

	Grand total	Commissioned officers					Civil service				
		Total	United States			Territories, possessions, and foreign countries	Total	United States			Territories, possessions, and foreign countries
			Total	Washington metro-politan area	Outside			Total	Washington metro-politan area	Outside	
Public Health Service, total.....	40,376	6,077	5,800	2,047	3,753	277	34,299	33,890	16,162	17,728	409
Office of the Surgeon General.....	1,198	301	278	170	108	23	897	897	749	148	19
Bureau of Health Services.....	15,201	2,483	2,337	200	2,137	146	12,718	12,699	2,213	10,486	19
Bureau of Disease Prevention and Environmental Control.....	8,659	1,629	1,550	390	1,160	79	7,030	6,791	1,517	5,274	239
Bureau of Health Manpower.....	882	118	118	57	61	27	714	714	534	180	149
National Institutes of Health.....	11,213	1,183	1,156	1,027	119	27	10,030	9,881	9,396	485	149
National Institute of Mental Health.....	2,430	328	326	168	168	2	2,102	2,100	1,058	1,042	2
National Library of Medicine.....	382	8	8	8	8	2	374	374	374	374	2
National Center for Health Statistics.....	461	27	27	27	27	2	434	434	321	113	2

Table 5.—Summary of Public Health Service grants and awards,

[Exclusive of grants for scientific

Supporting institute or division	Total dollars	Research grants		Construction grants		Training grants	
		Number	Dollars	Number	Dollars	Number	Dollars
Grand total.....	1,829,916,285	16,838	713,039,988	1,017	527,492,268	6,693	314,881,383
Bureau of Disease Prevention and Environmental Control..	139,129,602	793	26,481,969	-----	-----	249	9,523,249
Air Pollution.....	17,984,661	197	6,218,012	-----	-----	29	2,015,014
Communicable Disease Center.....	41,408,351	109	3,354,144	-----	-----	-----	-----
Chronic Disease Control.....	53,582,980	64	3,795,348	-----	-----	137	2,989,362
Radiological Health.....	7,256,876	97	2,328,699	-----	-----	42	2,500,017
Urban and Industrial Health.....	18,896,734	326	10,785,766	-----	-----	41	2,018,856
Bureau of Health Manpower.....	249,597,343	106	3,773,046	85	166,199,741	1,913	77,861,960
Allied Health Professions Manpower.....	3,726,843	-----	-----	-----	-----	210	3,726,843
Dental Health.....	5,013,544	43	1,151,955	-----	-----	53	2,824,128
Health Manpower Education Services.....	53,898,428	-----	-----	-----	-----	996	53,634,248
Nursing.....	46,905,976	51	2,087,000	42	26,681,280	654	17,676,741
Physician Manpower.....	140,052,552	12	534,091	43	139,518,461	-----	-----
Bureau of Health Services.....	327,662,837	252	17,519,415	760	276,603,834	140	4,236,819
Community Health Services.....	23,526,997	101	5,220,027	-----	-----	9	750,000
Direct Health Services.....	87,527	3	87,527	-----	-----	-----	-----
Hospital and Medical Facilities.....	276,586,283	60	5,585,000	756	266,247,928	-----	-----
Medical Care Administration.....	6,632,509	-----	-----	-----	-----	-----	-----
Mental Retardation.....	20,829,521	88	6,626,861	4	10,355,906	131	3,486,819
National Institute of Mental Health.....	253,106,633	1,707	70,983,372	98	42,376,058	1,956	90,161,635
National Institutes of Health.....	842,985,124	13,937	593,312,534	74	42,312,635	2,411	131,694,877
Allergy and Infectious Diseases.....	58,801,974	1,460	46,515,706	-----	-----	194	8,896,038
Arthritis and Metabolic Diseases.....	103,755,044	2,089	82,911,466	-----	-----	313	14,795,206
Cancer.....	86,257,844	1,481	71,018,453	-----	-----	207	12,078,401
Child Health and Human Development.....	49,772,988	1,187	36,809,157	-----	-----	149	9,249,238
Dental.....	20,978,697	330	14,069,988	-----	-----	116	5,372,632
Environmental Health Sciences.....	10,227,899	89	6,619,687	-----	-----	46	3,509,342
General Medical Sciences.....	130,170,057	1,752	67,313,075	-----	-----	684	43,495,000
Heart.....	121,175,633	2,401	97,064,745	-----	-----	400	17,662,551
Neurological Diseases and Blindness.....	86,624,600	1,806	64,892,194	-----	-----	296	16,391,253
Office of International Research.....	3,923,123	140	2,724,032	-----	-----	-----	-----
Regional Medical Programs.....	25,324,080	-----	-----	-----	-----	-----	-----
Research Facilities and Resources.....	145,973,185	602	103,374,031	74	42,312,635	6	245,216
National Library of Medicine.....	5,289,271	43	969,652	-----	-----	13	755,570
Office of the Surgeon General.....	12,145,475	-----	-----	-----	-----	11	647,273
Comprehensive Health Planning.....	516,786	-----	-----	-----	-----	-----	-----
Bureauwide ¹	11,628,689	-----	-----	-----	-----	11	647,273

¹ Includes awards made for staffing community mental health centers and awards made by the Division of Regional Medical Programs.² Administered jointly by Bureaus of Health Manpower, Health Services, and Disease Prevention and Environmental Control.

by type of award and institute or division, fiscal year 1967

evaluation purposes]

Traineeship awards		Fellowship awards		Research career program awards		Health services			
						Formula		Project	
Number	Dollars	Number	Dollars	Number	Dollars	Number	Dollars	Number ¹	Dollars
546	4,145,284	4,516	30,259,300	1,406	28,494,134	485	53,584,727	1,980	158,019,201
194	1,550,669	66	458,824			270	29,216,118	1,130	71,898,773
		62	433,124					164	9,318,511
194	1,550,669					54	2,995,900	277	35,058,307
						162	23,792,058	613	21,455,543
		4	25,700			54	2,428,160		
67	264,180	108	510,916					76	6,066,412
						53	987,500		
		3	49,961			53	987,500		
67	264,180	105	460,955						
72	359,935	22	150,000			108	16,632,509	195	12,160,325
		22	150,000			54	10,000,000	135	7,406,970
								60	4,753,355
72	359,935					54	6,632,509		
		953	5,703,373	160	3,436,346	² 54	6,748,600	158	33,697,249
213	1,970,500	3,360	23,312,710	1,246	25,057,788			59	25,324,080
		140	1,105,687	113	2,284,543				
		281	2,542,740	163	3,505,632				
		159	1,282,210	90	1,878,780				
		167	1,607,760	101	2,106,833				
		62	545,626	55	990,451				
		15	98,870						
		2,057	12,221,934	370	7,140,048				
		194	1,816,508	220	4,631,829				
213	1,970,500	116	850,981	134	2,519,672				
		164	1,199,091						
								59	25,324,080
		5	41,303						
		7	123,477						
								259	3,440,572
								179	11,498,202
								26	516,786
								153	10,981,416

¹ Funds administered by Office of the Surgeon General, programmed by the National Institute of Mental Health.

Office of Education

Introduction

The largest enterprises of the century-old Office of Education, those embraced by the Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965, were extended by new legislation in October 1966 to continue through fiscal year 1968.

The Elementary and Secondary Education Act authorizes programs for the education of children of low-income families, for acquisition of library materials, for establishment of supplementary educational centers and services, and for strengthening State departments of education. In the 1966 amendments a provision was added to the Act providing grants for educational programs for handicapped children, authorizing the establishment of a National Advisory Committee on Handicapped Children, and directing that a bureau of education for the handicapped be established within the Office. Also, the category of educationally deprived children covered by the Act was expanded to include Indian children, migratory children, children in institutions for neglected or delinquent children, and children in Department of Defense schools overseas.

The Higher Education Act provides assistance for community service and continuing education programs and programs for strengthening developing institutions of higher education through cooperative agreements and national teacher fellowships. It also provides for student financial aid through educational opportunity grants, low-interest insured loans, and expanded work-study opportunities. It provides fellowships for prospective as well as experienced teachers.

Other established programs were also extended through amendments. The Manpower Development and Training Act amendments and the Economic Opportunity Act amendments were passed in November 1966. Three new programs were authorized under the Library Services and Construction Act Amendments of 1966. These included

assistance for the States in providing specialized State library services including library services for State institutions and services for the physically handicapped.

The Education Professions Development Act, passed in June 1967, amends and extends title V of the Higher Education Act of 1965, authorizing funds for the Teacher Corps and for local recruiting and training of professional teachers and teacher aides. It also extends the present teacher fellowship program and expands it to include graduate education for preschool, adult, and vocational education personnel.

Under the Adult Education Act of 1966, administrative authority for the adult basic education program was transferred from the Office of Economic Opportunity to the Office of Education. Also, authorization to broaden curriculum offerings was provided, as well as the specification that between 10 percent and 20 percent of the funds appropriated are to be reserved for special projects and teacher training programs.

Planning for Assistance to Education

Several long-range studies on general and long-term education needs were started in fiscal year 1967 in such fields as vocational education, student assistance, education of the disadvantaged, and patterns of future enrollment, teaching manpower, and educational expenditure.

These studies relate directly to planning and evaluation activity within the long-range planning and programming process introduced in fiscal year 1966. They help to make the annual budget an increasingly more accurate expression of the financial dimension of program plans.

Equal Educational Opportunities

Plans to centralize all civil rights activities in the Department of Health, Education, and Welfare were announced by the Secretary on May 10, 1966. Under the reorganization all civil rights activities of the Department's agencies were to become a part of HEW's Office for Civil Rights. During fiscal year 1967 the Equal Educational Opportunities Program continued as the focal point of school desegregation activities of the Office of Education in the administration of titles IV and VI of the Civil Rights Act of 1964.

Title IV provides funds to assist State and local school systems in dealing with educational problems arising from desegregation. Grants to State and local school systems totaled \$2,651,267 in fiscal year 1967,

compared to \$2,847,740 the previous year. Grants for institutes at colleges and universities totaled \$3,866,152 in fiscal year 1967, compared to \$3,412,589 in 1966. Some 13,900 teachers counselors, and supervisors received training in the two grant programs in fiscal year 1967, compared to 6,400 the previous year.

The increase in the number of persons receiving training resulted in part from the use of 14 college and university centers, funded by title IV, which provided professional personnel with special knowledge in various fields of school desegregation such as administration, curriculum, and human relations.

Under title VI of the Civil Rights Act of 1964, use of Federal funds is prohibited for programs that discriminate as to race, color, or national origin. The Equal Educational Opportunities Program administers guidelines for school desegregation in the 17 Southern and Border States which formerly operated dual school systems and has conducted compliance reviews in schools in the Northern States as well, where complaints of possible racial discrimination have arisen.

A survey of desegregation in the 17 States in the fall of 1966, after the opening of school, showed that 12.5 percent of the Negro children were in desegregated schools in the 11 Southern States—double the number in the previous year; and 45.1 percent were in desegregated schools in the six Border States. The percentages apply to Negro pupils attending schools where less than 95 percent of the enrollment is Negro.

Of the 4,882 school districts in the Southern and Border States, eligibility for Federal funds was terminated in 64 at the end of fiscal year 1967. Noncompliance proceedings which lead to termination of funds were pending against 174 other school districts. Remaining districts have either abolished the dual school system, or are desegregating according to voluntary plans or court orders. Approximately 445 school districts completely abolished the dual school system during the 1966-67 school year.

By the end of fiscal year 1967, five higher education institutions had Federal assistance terminated for failure to comply with title VI. Plans were made to obtain more detailed information from the Nation's colleges and universities to assist in evaluation of their compliance with title VI in the 1967-68 school year.

Staff Work on Behalf of the Disadvantaged

The Office of Programs for the Disadvantaged was established on December 28, 1966 replacing the Office of the Disadvantaged and

Handicapped. The Office of Programs for the Disadvantaged has three major tasks. It is responsible for reviewing all approved and established policy and procedural directives relating to programs for the disadvantaged within the Office of Education. It also holds grass roots conferences with responsible elements of communities with disadvantaged populations. In addition it collects, publishes, and disseminates information on Office of Education and related Federal programs for the disadvantaged. During fiscal year 1967 the staff:

- Held a conference for Mexican Americans on August 5-7, 1966 in Los Angeles to learn the problems and needs of Mexican Americans and to describe Federal programs which may benefit them.

- Co-sponsored a Community Service Coordination Symposium in Miami on September 9-10, 1966 with the Office of Community Service, Diocese of Miami to disseminate information on Federal programs.

- Conducted an in-depth study on selected cities operating Elementary and Secondary Education Act title I programs and Office of Economic Opportunity, Community Action Program title II-A programs to determine the coordination existing between them.

- Established an *ad hoc* coordinating committee to consider the educational needs and related Federal programs affecting migrants.

- Initiated meetings with representatives of private foundations and Office of Education staff to consider possible programs to fill educational needs of the disadvantaged.

- Initiated meetings between labor union representatives and Office of Education staff concerned with work-study programs.

- Held a conference on the Continuing Education of Pregnant School Girls in Detroit on May 4-5, 1967 which demonstrated coordination at the Federal, State and local levels.

- Disseminated studies on *Office of Education Programs Specific to Teacher Education for the Disadvantaged* and a *State Profile on Poverty Indices in Relation to OE Programs Specifically for the Disadvantaged in FY 1966*.

Opportunity for Educationally Deprived Children

For the second consecutive year more than a billion dollars was obligated in fiscal year 1967 for special education for some 9 million educationally deprived children. Objective of the program is to help them catch up to those with educational advantages.

The program was authorized by title I of the Elementary and Secondary Education Act of 1965, which adds title II to the amended Public Law 81-874 on school maintenance and operation. The statutory formula determining entitlements for Federal payments stresses low-income factors and welfare data. Accordingly, the largest proportion of the Federal funds is for rural counties in the South and slum areas in the larger cities.

The 50 States of the Union, the District of Columbia, Puerto Rico, and the Territories of American Samoa, Guam, and the Virgin Islands, plus the Territory of the Pacific Islands, which the Nation administers under the United Nations Trusteeship System, are eligible under this program. Only American Samoa was a nonparticipant in fiscal year 1967.

In addition to grants to local education agencies, funds were available to State educational agencies for projects involving a number of special groups of children.

Under an amendment of title I contained in Public Law 89-313, grants totaling \$15 million were made available to State agencies for the education of handicapped children at schools supported or operated by that agency.

Under amendments passed in 1966 under Public Law 89-750, \$2 million became available for educational programs for children in State-operated or supported institutions for delinquent children, and \$250,000 was authorized for neglected youngsters in similar institutions.

In addition, Public Law 89-750 authorized \$9.7 million in grants to educational agencies for intrastate and interstate educational programs for children of migratory agricultural workers.

Also under the amendment, \$5 million was made available to the Department of the Interior for educational programs in 254 Bureau of Indian Affairs schools serving 50,000 children.

Table I shows fiscal year 1967 allotments for distribution by State educational agencies for local educational agency programs, State institutional programs for the handicapped, delinquent, and neglected children, educational programs for migratory children, and to the Department of the Interior for Bureau of Indian Affairs schools.

Supplementary Educational Centers and Services

The Projects to Advance Creativity in Education (PACE) program, authorized by title III of the Elementary and Secondary Edu-

Table 1.—Federal assistance to help meet special educational needs of educationally deprived or handicapped children: Fiscal year 1967¹

States, other eligible areas, and Department of the Interior	Local educational agencies	Handicapped children (State agencies)	Juvenile delinquents in institutions (State agencies)	Dependent and neglected children in institutions (State agencies)	Migratory children (State agencies)	Total program	Administration	Total
Alabama.....	\$30,462,526	\$119,451	\$24,155		\$90,895	\$30,705,027	\$307,060	\$31,013,087
Alaska.....	1,805,503		2,087			1,883,190	75,000	1,883,190
Arizona.....	8,422,776	157,319	37,664		255,010	8,882,769	88,828	8,971,597
Arkansas.....	20,375,839	154,068	15,829		108,491	20,654,325	206,548	20,861,373
California.....	71,538,472	441,653	202,995		1,420,932	73,024,052	736,241	74,360,293
Colorado.....	7,798,390	388,934	26,471	\$6,691	290,883	8,481,559	84,816	8,566,375
Connecticut.....	7,907,261	486,726	25,602	5,909	87,484	8,482,982	84,830	8,567,812
Delaware.....	1,884,356	135,407	13,907		36,565	2,070,235	75,000	2,145,235
Florida.....	26,445,029	489,814	79,469		1,156,323	28,170,635	281,706	28,452,341
Georgia.....	34,437,063	153,481	30,768		1,103,734	34,725,066	347,251	35,072,317
Hawaii.....	2,108,762	113,393	4,270			2,226,425	75,000	2,301,425
Idaho.....	2,473,984	45,103	7,991		121,730	2,650,898	75,000	2,725,898
Illinois.....	46,230,999	297,243	75,695	17,087	92,772	46,713,796	467,188	47,180,984
Indiana.....	14,580,136	516,953	30,991	24,593	72,098	15,224,771	152,248	15,377,019
Iowa.....	15,153,804	214,134	17,992	18,835	9,800	15,414,565	154,146	15,568,711
Kansas.....	9,608,706	252,255	18,648		112,904	9,992,513	99,025	10,092,438
Kentucky.....	27,130,913	94,853	6,250	7,268	75,537	27,334,291	273,343	27,607,634
Louisiana.....	28,668,961	103,282	62,894		114,967	29,010,574	290,106	29,300,680
Maine.....	3,403,277	80,076	14,050		802	3,498,204	75,000	3,573,204
Maryland.....	14,197,635	204,456	80,198		35,361	14,522,650	145,226	14,667,876
Massachusetts.....	14,067,878	692,070	46,923		32,209	14,796,080	147,691	14,943,771
Michigan.....	36,670,217	825,463	67,688		623,194	38,086,607	320,867	38,407,474
Minnesota.....	18,897,365	594,263	48,701		36,393	19,486,722	194,567	19,681,289
Mississippi.....	23,130,923	16,823	131,187		23,320,443	23,320,443	233,294	23,553,737
Missouri.....	23,086,158	452,200	45,212		100,659	23,682,259	236,823	23,919,082
Montana.....	2,903,356	104,374	10,208	5,935	102,932	3,216,805	75,000	3,291,805
Nebraska.....	5,294,692	104,478	10,708	3,871	33,356	5,447,165	75,000	5,522,165
Nevada.....	12,010	12,010	11,628		7,508	19,100,902	75,000	19,175,902
New Hampshire.....	1,267,759	44,626	4,046		1,652	1,317,513	75,000	1,392,513
New Jersey.....	22,865,209	810,086	60,451		237,901	23,973,647	239,736	24,213,383
New Mexico.....	9,639,504	147,456	22,908		128,035	9,927,903	99,279	10,027,182
New York.....	111,091,007	2,085,837	253,594		284,824	113,674,692	1,136,747	114,811,439
North Carolina.....	45,081,410	371,376	70,454		46,726,811	46,726,811	467,268	47,194,079
North Dakota.....	3,893,214	51,587	4,860		123,736	4,071,397	75,000	4,146,397
Ohio.....	34,197,997	283,617	92,109	25,475	179,869	34,779,157	347,732	35,126,889

Oklahoma.....	16,819,413	130,163	18,291	13,979	135,772	17,117,608	171,176	17,288,784
Oregon.....	6,982,937	228,708	38,476	25,027	202,081	7,452,902	75,000	7,527,902
Pennsylvania.....	46,609,883	1,324,212	46,555	23,937	82,128	48,152,478	481,323	48,634,003
Rhode Island.....	3,481,096	87,014	9,408	3,317	80,464	3,580,835	215,017	3,795,852
South Carolina.....	21,052,884	123,380	27,467	8,356	80,464	21,301,060	215,017	21,516,077
South Dakota.....	5,330,191	67,372	5,815	4,069	4,069	5,407,447	75,000	5,482,447
Tennessee.....	29,251,987	138,730	43,498	25,027	32,209	29,491,451	294,915	29,786,366
Texas.....	65,290,201	453,435	104,789	23,937	2,362,164	68,204,532	682,043	68,886,571
Utah.....	2,724,300	202,973	11,027	28,885	28,885	2,807,185	75,000	3,042,185
Vermont.....	1,484,141	96,528	8,663	630	630	1,586,962	75,000	1,661,962
Virginia.....	23,658,931	192,796	33,310	101,843	101,843	23,986,880	239,869	24,226,749
Washington.....	9,840,169	472,491	48,171	242,658	242,658	10,003,489	106,053	10,109,542
West Virginia.....	14,658,391	83,449	14,443	2,135	17,194	14,775,612	147,756	14,923,368
Wisconsin.....	14,357,885	293,754	53,352	78,804	78,804	14,783,486	147,855	14,931,330
Wyoming.....	1,235,793	55,218	7,297	4,549	89,177	1,391,944	75,000	1,466,944
American Samoa.....	75,000	---	---	---	---	75,000	25,000	100,000
District of Columbia.....	5,397,367	177,909	39,506	27,255	---	5,642,037	75,000	5,717,037
Guam.....	542,390	---	---	---	---	542,390	25,000	567,390
Puerto Rico.....	18,628,375	---	---	---	---	18,628,375	186,284	18,814,659
Trust territories.....	701,259	---	---	---	---	701,259	25,000	726,259
Virgin Islands.....	270,042	---	---	---	---	270,042	25,000	295,042
Department of the Interior.....	5,000,000	---	---	---	---	5,000,000	---	5,000,000
Total.....	1,015,162,657	15,078,410	2,037,344	224,809	9,737,847	1,042,231,067	11,178,933	1,053,410,000

* Initial authorization for this program is title I of the Elementary and Secondary Education Act of 1965.

cation Act of 1965, is intended to support vitally needed supplementary services and to encourage innovative and exemplary applications of new knowledge in schools throughout the Nation. Grants may be awarded for projects which invent a creative solution to a problem, demonstrate an exemplary program, or adapt an exemplary program for local use. A total of \$135 million was appropriated for fiscal year 1967.

Local public educational agencies in the 55 parts of the Nation and the Trust Territory of the Pacific Islands are eligible to participate. The 1966 amendments to the Act also require that schools operated by the Department of the Interior (Bureau of Indian Affairs) and the Department of Defense overseas be included in the program.

A total of 1,766 project proposals requesting \$260,531,200 were submitted in fiscal year 1967. Of these, 857 projects requesting \$105,975,900 were approved by the end of the fiscal year. An additional 112 projects were in "hold" status, pending negotiations for approval. Table 2 gives a sample of the approved planning and operational projects by main category. It is estimated that the operational projects will serve 11.4 million elementary and secondary pupils, 148,935 pre-school children, and 90,707 teachers in public and nonpublic schools.

A Mini-Grant program, designed to allow smaller school districts and other districts with special planning and dissemination needs an opportunity to apply for limited title III funds (up to \$25,000) without regard to announced project approval deadlines, was instituted during fiscal year 1967. Of 541 Mini-Grant applications received, 223 projects requesting \$4,799,500 were approved.

Guidance, Counseling, and Testing

Title V-A of the National Defense Education Act of 1958, as amended, provides assistance to the 56 "States"—including the 55 parts of the Nation and the Canal Zone—in establishing and maintaining guidance, counseling, and testing programs in elementary and secondary schools, junior colleges, and technical institutes. All except American Samoa and the Canal Zone participated in fiscal year 1966, the most recent year for which figures are available.

Final figures from State departments for fiscal year 1966 show that the equivalent of 37,800 full-time counselors were employed in guidance and counseling programs at a cost of more than \$257 million. Of this amount, \$24.4 million was the total Federal obligation for fiscal year 1966.

Although the number of counselors increased to 34,500, serving more than 80 percent of the secondary students in fiscal year 1966, the

Table 2.—A sampling, by category and type, of 212 approved projects, with amount of Federal support in fiscal year 1967 for supplementary educational centers and services under title III of the amended Elementary and Secondary Education Act of 1965

Project category	Planning projects		Operational projects	
	Number	Federal support	Number	Federal support
Multiple purpose.....	24	\$1,358,644	44	\$4,669,031
Supplementary and learning centers.....	8	434,000	13	1,835,468
Media and materials centers.....	8	512,427	4	434,800
Demonstration programs.....	3	77,300	12	1,310,146
Cultural enrichment programs.....	4	203,517	14	1,048,117
Mobile services.....	1	131,400	1	40,500
Special programs.....	28	1,186,046	58	4,905,951
Determining needs and resources.....	4	249,604	2	121,800
Curriculum development.....	2	80,800	19	1,261,576
Special education.....	3	60,400	11	1,160,638
Planning.....	16	673,360	8	696,200
Outdoor education.....	1	28,948	1	79,900
Guidance, counseling, testing.....	1	22,550	10	564,743
Remedial instruction.....			4	612,364
Self instruction.....			1	110,430
Preschool education.....	1	65,584	2	298,300
Administration and personnel.....	8	389,010	28	2,790,976
Teacher inservice training.....	3	41,100	16	1,372,690
Computer processing.....	3	301,800	4	490,400
School administration.....			2	76,100
Team teaching.....	1	36,500	3	289,486
Teachers' aides.....			2	312,600
Community resources.....	1	9,610	1	249,700
Subject matter.....	5	206,600	15	1,058,942
Arts, humanities, social sciences.....	1	21,200	6	433,700
Science and mathematics.....			2	118,805
Vocational education.....	3	150,400	2	169,700
Language arts.....	1	35,000	4	308,537
Foreign languages.....			1	28,200
Others.....	1	48,200	1	104,000
Grand total, all categories.....	66	3,188,500	146	13,528,900

ratio of full-time counselors to secondary school students remained the same as that in fiscal year 1965, that is, 1 to every 460. The counselor-student ratio for junior colleges was 1 to every 920 for fiscal year 1966.

During fiscal year 1966 more than 9 million scholastic ability and achievement tests were administered in the public schools. More than 300,000 tests were given in nonpublic schools. Also, 273,467 nonpublic school pupils in 39 States were tested by testing agencies under contract.

State-approved guidance, counseling, and testing programs during the first 8 years of the program have cost \$1,127,750,720. Of this amount, 4.5 percent was derived from State funds, 10.8 percent from title V-A funds, and 84.7 percent from local funds.

Instructional Materials and Equipment

Many programs of Federal support are administered by the Office of Education to help improve instruction. Some provide financial assistance for acquisition of instructional materials and equipment.

School Library Resources, Textbooks, and Other Materials

This program, authorized by title II of the Elementary and Secondary Education Act of 1965, enables public education agencies to acquire school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. The \$102 million made available for fiscal year 1967 was allocated on the basis of the number of school children in each of the 56 States and Territories, including the Trust Territory of the Pacific Islands. Also, part of the amount appropriated for the outlying areas was allocated for children and teachers in schools operated by the Department of the Interior (Bureau of Indian Affairs) and the Department of Defense.

Recent amendments to title II permit States to continue to use up to 5 percent of their allocation or a newly authorized minimum of \$50,000, whichever is greater, for administrative costs. In addition, State plans now must make provision for making loaned materials accessible through the development and use of catalogs or lists of materials acquired with title II funds. When administrative functions are assigned to local public education agencies, appropriate administration funds must be made available by the States.

In general, States spent the largest percent of their allotment for school library resources. Eighteen States used 100 percent and another 30 used between 50 and 75 percent of funds for this purpose during fiscal year 1967.

For fiscal year 1967 many States revised their plans to provide improved methods for distributing funds within the State on the basis of relative need. More demonstration projects were implemented to increase and strengthen services to teachers. Nineteen States used funds for special purpose grants for demonstration projects. Some States utilized mobile equipment to bring demonstration materials to teachers in rural areas. In 29 States, 3,265 new elementary public school libraries have been established.

Strengthening Instruction in Critical Areas

This program, authorized by title III of the National Defense Education Act of 1958, as amended, seeks to strengthen elementary and

secondary school instruction in subject areas of critical importance by providing funds for the acquisition of equipment and materials other than textbooks and for supervisory and administrative services.

By 1967 the number of critical areas included civics, English, geography, history, reading, and economics, as well as the original areas of science, mathematics, and modern foreign languages. An amendment through the Higher Education Amendments of 1966 added industrial arts, to become effective in fiscal year 1968. The annual authorization for fiscal years 1966 through 1968 was increased from \$100 million to \$110 million for acquisitions without changing the previously authorized \$10 million for services.

A total of \$88.2 million was appropriated for fiscal year 1967. Of this amount \$79.2 million was for grants to States, \$1.5 million for loans to nonpublic schools, and \$7.5 million for supervisory and administrative services.

In fiscal year 1967 the 50 States, District of Columbia, Guam, Puerto Rico, and the Virgin Islands participated in the program. Federal funds matched those of local school districts or the States for State-approved projects. Twenty-four loans for acquisitions by 22 nonpublic schools were approved for a total of \$456,372.

As in the previous year, about 73 percent of the amount approved for loans was for science equipment. Modern foreign language equipment accounted for about 16 percent of the funds compared with 20 percent in fiscal year 1966. Loans for audiovisual equipment increased from 3 percent of the total to more than 10 percent in fiscal year 1967.

In 1958, before the program began, there were 33 supervisors at the State level for science, mathematics, and modern foreign languages. By the end of fiscal year 1967 there were 108 in science, 98 in mathematics, and 69 in modern foreign languages.

Strengthening Instruction in the Arts and the Humanities

Section 12 of the National Foundation on the Arts and the Humanities Act of 1965 authorizes Federal grants and loans for acquisitions similar to those for strengthening instruction in critical subject areas. Funds are allotted in the same manner except that the program applies only to the 55 parts of the Nation and focuses solely on the arts and the humanities.

From a lump-sum appropriation, allotments of \$440,000 for grants and \$60,000 for loans were made. By the close of fiscal year 1967 all parts of the Nation were participating in the program. Loans to two private schools were approved for a total of \$2,216.

Instructional Equipment

Part A in title VI of the Higher Education Act of 1965 authorizes two grant programs to help colleges and universities improve undergraduate instruction. One focuses on laboratory and other special equipment, related minor remodeling, and instructional materials other than textbooks; the other on television equipment, related minor remodeling, and materials for closed-circuit instruction.

A State commission receives applications from public and from non-profit private institutions. This commission determines priority of eligible projects and the Federal share (up to 50 percent except in hardship cases, when it may reach 80 percent). Recommended applications are forwarded to the Office of Education for action under the law and under the related regulations published in the *Federal Register* on March 22 and amended on May 14, 1966.

Public Law 89-787, enacted November 7, 1966, appropriated \$14.5 million of the \$60 million enabling legislation authorized for fiscal year 1967. Table 3 shows details of the program for fiscal year 1967.

Improving Qualifications of School Personnel

Various kinds of institutes, fellowships, and other advanced study opportunities receive Federal support administered through the Office. Some are designed to improve the qualifications of teachers and allied personnel for elementary and secondary schools.

The Teacher Corps

The Teacher Corps was authorized and extended for another three years on June 29, 1967, when Public Law 90-35—an act to amend and extend title V of the Higher Education Act of 1965—was signed into law.

Among amendments to Teacher Corps legislation by the 90th Congress were:

- Local recruitment, selection, and enrollment of Teacher Corps members. (Previously, these were responsibilities of the Commissioner of Education.)
- Teacher Corps intern pay of \$75 per week plus \$15 per dependent, or the lowest rate for teaching full time in the local school system in which they serve, whichever is less. (The old law provided that corpsmen be paid the lowest salary offered a beginning teacher in the local school system.)

Table 3.—Number of approved applications by State¹ with amount of Federal grants in fiscal year 1967 under the Higher Education Act of 1965, title VI, part A (for equipment, related minor remodeling, and materials to improve undergraduate instruction)

State	Grants for equipment, minor remodeling, and materials (other than textbooks)			
	Laboratory and other special equipment		Closed-circuit television	
	Number	Amount	Number	Amount
Alabama.....	12	\$193,668	2	\$22,347
Alaska.....	1	6,638		
Arizona.....	7	149,948	2	18,382
Arkansas.....	7	127,683	1	14,000
California.....	39	1,450,104	11	167,319
Colorado.....	14	173,121	3	20,119
Connecticut.....	12	147,353	1	17,002
Delaware.....	3	17,786		
Florida.....	19	330,296	2	38,111
Georgia.....	13	226,270	4	26,108
Hawaii.....	2	43,142	1	4,978
Idaho.....	8	53,305	1	6,225
Illinois.....	21	588,086	8	67,856
Indiana.....	14	325,436	2	38,775
Iowa.....	22	229,325	7	26,460
Kansas.....	19	207,355	5	23,926
Kentucky.....	13	210,391	5	23,515
Louisiana.....	11	249,146	2	28,748
Maine.....	6	55,399	1	6,500
Maryland.....	14	188,796	3	21,785
Massachusetts.....	26	437,154	4	50,440
Michigan.....	25	578,607	5	66,763
Minnesota.....	20	293,104	8	33,504
Mississippi.....	9	163,685	1	13,689
Missouri.....	30	311,137	8	35,900
Montana.....	6	52,890	1	6,258
Nebraska.....	9	107,979	3	13,876
Nevada.....	1	13,563	1	1,565
New Hampshire.....	6	49,934	1	5,973
New Jersey.....	11	227,465	3	26,246
New Mexico.....	6	73,910	2	8,528
New York.....	74	1,040,626	4	120,071
North Carolina.....	20	317,314	1	36,613
North Dakota.....	6	61,709	1	7,120
Ohio.....	16	610,733	1	70,469
Oklahoma.....	8	229,566	2	26,488
Oregon.....	16	164,245	1	18,951
Pennsylvania.....	38	639,488	12	73,787
Rhode Island.....	6	74,064	1	8,546
South Carolina.....	14	130,542	1	15,063
South Dakota.....	7	62,211	2	7,178
Tennessee.....	10	276,667	2	31,923
Texas.....	24	728,084	6	84,010
Utah.....	4	152,737	1	17,205
Vermont.....	5	39,778	1	4,590
Virginia.....	9	221,728	1	25,576
Washington.....	24	251,586	2	29,029
West Virginia.....	16	127,359	1	14,696
Wisconsin.....	15	310,579	3	35,836
Wyoming.....	2	25,764	1	2,973
American Samoa ²				
District of Columbia.....	7	80,497	2	5,171
Guam.....	1	3,045		
Puerto Rico.....	4	104,687		
Virgin Islands ³				
Total.....	732	12,936,685	144	1,470,073

¹ Sec. 801(b) of Public Law 89-329 (Higher Education Act of 1965) specifies: "The term 'State' includes in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands."

² American Samoa has no institutions of higher education as defined in sec. 801(a) of Public Law 89-329.

³ No institution in the Virgin Islands applied for a grant under this program in fiscal year 1967.

- State education agency must approve local school system's request for Corps members and their training program.

- In exceptional cases where the local school system can demonstrate the need, the Federal contribution for the compensation of Teacher Corpsmen may exceed 90 percent. (Previously, the Federal Government was limited to 90 percent.)

Though \$36.1 million was authorized late in 1965 for fiscal year 1966 and \$64,715,000 for fiscal year 1967, it was not until May 1966 that \$9.5 million was appropriated for fiscal year 1966. In October 1966, the Teacher Corps received \$7.5 million for fiscal year 1967. Because of late funding many universities were unable to set up programs starting that summer. As a result, only \$6.3 million in grants and contracts were awarded out of fiscal year 1966 funds for 50 university training centers. The \$7.5 million paid 90 percent of Corpsmen's salaries in 275 schools in 111 school systems.

A total of 1,600 Teacher Corps members underwent pre-service training in the summer of 1966 at 50 university centers in 29 States, Puerto Rico, and the District of Columbia. In November 1966—when funding was at last assured—1,200 Teacher Corpsmen still in the Corps entered schools in the urban slums of 20 large cities and in the rural poverty areas of the Ozarks and Appalachia; in Spanish-speaking communities, Indian schools, and migrant communities; and in dozens of other towns and cities across the United States.

During the academic year 1966-67, the Teacher Corps reached 250,000 poverty children, through the schools and community agencies of the Nation. Nine-tenths of the school superintendents who employed them have invited Teacher Corps back in 1967, and three-fourths of the schools and universities with Teacher Corps programs believe the Corps is a better way to train teachers.

Action to continue the Corps was delayed through May and June 1967. In the uncertainty of funding, a number of universities voluntarily assumed tuition costs, fees, and stipends for their interns for the second term, with no guarantee of reimbursement. At one college in Arkansas private citizens contributed \$1,000 to carry on the program during the summer.

Between May 1966 and June 1967 some 13,000 candidates applied to join the Corps. Requests have been received from school systems for three times the number of Corpsmen that were available in the 1966-67 school year.

Public Law 90-35 authorizes \$33 million for fiscal year 1968, \$46 million for fiscal year 1969, and \$56 million for fiscal year 1970. If funds are appropriated in time, present plans call for training 2,000 Corpsmen for the 1967-68 school year and 2,500 for the 1968-69 school year.

Experienced and Prospective Teacher Fellowships

Fellowship awards for study of up to two years for an advanced degree other than the doctorate are made under programs authorized by part C of title V of the Higher Education Act of 1965. Goal of the legislation is to improve the quality of elementary and secondary school education by upgrading qualifications of those pursuing or planning a career in such schools. The career may be in teaching or in other directly related fields.

Experienced teacher fellowship holders receive \$4,000 per academic year plus dependency allowances. Prospective teacher fellowship holders receive \$2,000 the first year and \$2,200 the second plus dependency allowances. An additional stipend of \$400, plus \$100 per dependent, is available for summer study.

Colleges and universities conducting fellowship programs receive \$2,500 a year per fellow for program support. Any tuition charged the fellows must be paid out of these grants.

The 1,500 experienced teacher and the 2,336 prospective teacher fellowships in fiscal year 1967 were given for study beginning in the fall of 1967. Federal obligations amounted to \$12.5 million each for these two programs. Grants from an additional allotment of \$5 million in fiscal year 1967 were made to help strengthen teacher education in 107 of the institutions conducting the fellowship programs.

Institutes for Advanced Study in 12 Areas

Institutes for Advanced Study under title XI of the National Defense Education Act of 1958 are authorized in 12 areas—English, English for speakers of other languages, modern foreign languages, reading, geography, history, civics, economics, and industrial arts, and for teachers of disadvantaged youth, school library personnel, and educational media specialists.

During 1966-67 there were 554 institutes conducted with funds from the previous year's appropriation of \$34,987,000. Most were short-term programs held during the summer of 1966. An exception was the \$1 million National Institute for Teachers of Disadvantaged Youth conducted during 1966-67 academic year. Ball State University, which received the award, subcontracted with the American Association of Colleges for Teacher Education to develop the program under the guidance of a steering committee of national leaders in the field of teaching disadvantaged children.

In fiscal year 1967 the title XI appropriation was \$30 million. From the 1,430 proposals received, 493 institutes were approved, most to be held during the summer of 1967. The National Institute for

Teachers of Disadvantaged Youth was also continued for a second year with an award of \$216,000.

Twenty-three special institutes to develop new methods to strengthen elementary education were planned for the summer of 1967 and the following school year.

Thirteen programs will provide advanced study for leadership personnel in early childhood education and will provide models for training activities to be launched in the fall of 1967 in connection with Project Follow Through for Head Start children.

Nearly 1,500 proposals were received by the May 26 deadline and most had been evaluated when fiscal year 1967 closed. Also, for the first time, proposals were encouraged in the area of international affairs, as authorized by an amendment to title XI of the National Defense Education Act of 1958 in section 202 of the International Education Act of 1966.

Institutes in the Arts and the Humanities

Eleven institutes for advanced study to strengthen teaching of the arts and the humanities in public and private nonprofit elementary and secondary schools, authorized by section 13 of the National Foundation on the Arts and the Humanities Act of 1965, were held in the summer of 1966. The cost of nearly \$500,000 was covered with funds obligated in the 1966 fiscal year.

Twelve programs were approved and held in the summer of 1967. Because of the limited number of institutes which can be supported by the \$500,000 authorization, an effort was made to increase program impact by encouraging maximum participation by supervisors and trainers of teachers.

Counseling and Guidance Institutes

Part B of title V of the amended National Defense Education Act of 1958 authorizes grants to colleges and universities for the conducting of short-term and regular-session institutes for advanced training in the counseling and guidance of students in elementary and secondary schools and in higher education institutions, including junior colleges and technical institutes.

Forty-seven short-term institutes and 19 regular session institutes were held in the summer of 1966 and the 1966-67 academic year using fiscal year 1966 funds. Of the 1,980 participants, 1,410 were enrolled in the summer programs. The cost was about \$7.25 million.

Two hundred thirty-five proposals for 1967-68 were received, the largest number in the 9-year history of the program. Grants were made

to support 31 short-term institutes to be held in the summer of 1967 and 19 programs for the 1967-68 academic year. Fiscal year 1967 funds were obligated to finance them as follows:

Institutional level	Fiscal year 1966		Fiscal year 1967 ¹	
	Federal funds	Percent	Federal funds	Percent
Elementary.....	\$2,024,066	28	\$2,899,900	40
Secondary.....	4,276,688	59	2,102,600	29
Higher education.....	949,246	13	2,247,500	31
Total.....	7,250,000	100	7,250,000	100

¹ Rounded to nearest hundred.

Training for Education of the Handicapped

Public Law 85-296, as amended, authorizes expenditure of Federal funds for programs for teachers, supervisors, and specialized personnel working with physically or mentally handicapped children.

During fiscal year 1967 progress was achieved in the program for the preparation of professional personnel in the education of handicapped children. Grants were made to public and private nonprofit institutions of higher learning and to State educational agencies. Preparation included senior-year traineeships or graduate fellowships. Other preparation took place in special study institutes and summer traineeships. The law also authorizes grants for development of new educational programs for the handicapped in institutions of higher education.

In academic year 1966-67 (fiscal year 1966) 8,320 teachers and students were trained in 221 institutions of higher learning, and through 54 participating State educational agencies. Also, 53 grants were made to colleges and universities for development of new training programs. Funding was \$19,481,324, an increase of \$4,981,880 over the previous fiscal year.

Awards totaling \$24.5 million were made to 243 colleges and universities and to 54 "State" educational agencies (including the District of Columbia, Puerto Rico, Virgin Islands, and Guam) in academic year 1967-68 (fiscal year 1967) to train 11,593 persons. Sixty-five grants for the development of training programs were awarded to 58 educational institutions.

Table 4 summarizes information for each part of the program by type, number, and amount of awards from fiscal year 1967 funds to colleges and universities. Table 5 presents similar information on Federal obligations for awards to State education agencies.

Table 4.—Summary information on Federal awards to colleges and universities from fiscal year 1967 funds under Public Law 85-926 as amended, for programs for training of professional personnel in the education of handicapped children

Program area	Number participating institutions	Fellowships			Traineeships				Program development grants		Total Federal obligation
		Number of masters	Post masters		Senior year		Summer		Institutes		
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	
Mentally retarded	177	566	133	\$3,984,300	784	\$2,822,400	---	---	92	\$48,106	\$6,970,600
Deaf	52	237	21	1,812,600	138	496,800	161	\$153,900	145	121,076	2,651,614
Speech impaired and hard of hearing	131	402	26	2,439,600	42	151,200	64	73,200	289	121,343	3,043,643
Visually handicapped	25	108	36	820,800	82	295,200	137	153,300	105	70,319	1,371,319
Emotionally disturbed	60	321	62	2,183,100	9	32,400	12	10,800	36	34,303	2,455,700
Crippled	23	138	10	843,600	90	324,000	162	201,450	---	---	1,469,050
Other health impaired	28	112	14	718,200	---	---	49	56,400	71	37,500	924,100
Administration of special education	17	---	61	347,700	---	---	---	---	---	---	397,700
Supplemental stipend	---	---	---	---	---	---	---	---	---	---	224,000
Grand total	1,243	1,944	363	13,149,900	1,145	4,122,000	585	649,050	2,738	440,647	19,506,235

¹ At least 1 participating institution is in each of 49 States (excluding Alaska), the District of Columbia, and Puerto Rico. A few of the 243 are represented in all 8 program areas; the rest are represented in 1 or more program areas.

² Involved are 28 institutions—9 in the speech impaired and hard of hearing program

area, 5 in the mentally retarded and visually handicapped program areas, and in the following program areas: 4 in deaf, 3 in other health impaired; and 2 in emotionally disturbed.

³ These 66 grants were made to 68 institutions.

Table 5.—Summary information on Federal awards to State education agencies from fiscal year 1967 funds under Public Law 85-926, as amended, for programs for the training of professional personnel in the education of handicapped children

Program area	Number of participating State education agencies	Fellowships ²			Senior year				Traineeships				Total number of awards	Total Federal obligation
		Number of masters	Postmasters		Number		Amount		Summer		Institutes			
				Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number		
Mentally retarded	53	16	0	\$547,200	56	\$201,600	970	\$1,041,300	26	\$130,372	2,241	\$1,920,472		
Deaf	28	12	0	68,400	2	7,200	79	78,450	5	27,275	251	131,325		
Speech impaired and hard of hearing	40	48	1	279,300	23	82,800	238	249,300	11	64,812	865	676,212		
Visually handicapped	30	7	0	39,900	1	3,600	91	81,450	4	11,547	224	136,497		
Emotionally disturbed	40	38	0	216,600	3	10,800	236	230,250	4	18,910	443	476,560		
Crippled	28	9	0	51,300	2	7,200	110	116,000	7	32,534	413	202,694		
Other health impaired	20	17	1	102,600	0	0	37	30,000	22	270,417	1,518	403,017		
Administration of special education	20	0	26	148,200	0	0	24	30,300	13	146,822	863	325,322		
Administrative costs	54											669,726		
Grand total	331	227	28	1,453,500	87	313,200	1,785	1,852,650	92	702,689	6,818	4,991,765		

¹Public Law 89-105 of Aug. 4, 1965, extended coverage of the basic legislation by defining "State" to include the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands, as well as the 50 States of the Union. Except for American Samoa, each State educational agency participated in 1 or more program areas.

² Fellowships for administrators of special education are awarded at postmaster's level; other fellowships may be awarded at any graduate level.

Assistance to Federally Affected and to Disaster Areas

Public Laws 81-815 and 81-874 were enacted in 1950 to assist school districts in the maintenance and operation of schools and construction of school facilities where federally conducted military and civilian activities placed financial burdens on local educational agencies by increasing school populations and removing real property from local tax rolls. Assistance in the repair and replacement of school facilities damaged or destroyed by major natural disasters was authorized by an amendment to each of these laws contained in Public Law 89-313, approved November 1, 1965. By passage of Public Law 89-750, approved November 3, 1966, a number of amendments were made to the basic provisions of both Public Laws 815 and 874. The most significant of these amendments include:

- The requirements for eligibility for both acts were substantially liberalized. An additional category of children was classed as federally connected, two categories of federally owned property not previously identified as such for the program were made eligible under both acts, and the basis for making deductions of other Federal payments was changed.
- The Commissioner was given authority to transfer without cost title to federally owned buildings constructed on Federal property to local educational agencies when it was in the Federal interest to do so. Section 14 of Public Law 81-815 designed to meet the problem of school districts educating children living on Indian reservations was made permanent.
- Under the liberalized eligibility requirements most large school districts and a number of smaller districts not previously eligible became eligible under the new provisions of Public Law 81-874. More school districts were able to meet eligibility requirements for assistance under Public Law 815, the districts were able to do more effective planning and additional children not previously eligible could be counted under the new provisions.

School Construction

During fiscal year 1967, \$23,045,394 in Federal funds was allocated to 81 school districts for 106 construction projects to provide 560 classrooms and related facilities for 15,863 children under Public Law 81-815. An additional \$11,057,713 was obligated for construction by the Federal Government to provide classrooms and related school facilities for an estimated 2,400 children living on Federal installations.

In fiscal year 1967 there were eight declared disasters in seven States. School districts in these States have submitted 27 applications under section 7 of Public Law 81-874 and one under section 16 of Public Law 81-815. It is estimated that \$1,662,145 will be authorized under Public Law 81-874 and \$147,786 under Public Law 81-815 for payments under these applications.

School Maintenance and Operation

In the 1967 fiscal year 3,900 school districts were eligible for \$387 million in Federal funds under Public Law 81-874. This sum includes an estimated \$14 million for children residing on Indian properties, or residing with a parent employed on Indian properties, or both.

The \$387 million is approximately 5 percent of the current operating expenses of eligible school districts. In terms of average daily attendance, it was paid on behalf of 2.38 million of the approximately 16 million children in these districts.

Also, \$21 million in Federal funds in fiscal year 1967 provided schooling for over 48,000 children living on Federal property. These are children for whom such services otherwise were not available.

Strengthening State Departments of Education

Grants were awarded under title V of the Elementary and Secondary Education Act of 1965, as amended, to "States"—the 55 parts of the Nation—to assist them in strengthening the leadership resources of their education agencies. Of the \$30 million authorized, \$22 million was appropriated for the second year of the program. The 1966 fiscal year appropriation had been \$17 million.

Under section 503, 85 percent of the appropriation, \$18.7 million, was allocated to State education agencies for basic grants to enable them to reinforce their capacity for leadership in various areas. The 50 States and the District of Columbia were allotted \$100,000 each plus a share of the remainder in proportion to their public school enrollment.

The improvement of services to local school districts in the area of instruction received major emphasis with more than 22 percent of the funds granted. Other fields included general administration; statistics and data processing; and study, planning, and evaluation. Almost 900 new professional and more than 760 new nonprofessional positions were budgeted by the State agencies in these same fields.

The remaining 15 percent of the appropriation, \$3.3 million, was reserved under section 505 for experimental projects to develop State leadership or to establish special services holding promise of solving problems common to the education agencies of all or several States. Eighteen multi-State projects involving education agencies of all 55 parts of the Nation were begun or continued during fiscal year 1967.

Section 507 authorizes the assignment of personnel employed by any State education agency to the Office of Education and Office personnel to State agencies for up to 2 years. In fiscal year 1967 interchange agreements were made with six States.

Under this authority a cooperative career development project with State universities was initiated in March 1966 to offer young men and women beginning their professional careers a year's work experience and training in the Office of Education. This fiscal year 34 fellows from 25 State universities in 20 different States participated in the program.

Financial Aid for Students

The Office administers several programs under which students receive financial aid to help them pursue their studies.

Educational Opportunity Grants

This program, which began operation in the fall of 1966, is the newest federally supported program of student financial aid. The program was authorized by title IV, part A, of the Higher Education Act of 1965, Public Law 89-329, as amended.

Grants are made to students for each of the 4 years of undergraduate study in amounts ranging from \$200 to \$800, as determined by the financial ability of the student and his family and by the costs of attending the institution. Also, beginning in the fall of 1967, any student in the upper half of his class during the preceding academic year may receive an additional \$200. Except for the \$200 award, each grant must be matched by an equal amount of aid from other specified sources, so that the student receives a "package" of financial assistance.

This is not a scholarship program. The awards are for students who have come from lower-income families and need help to augment loan and work assistance already provided. The program is the first in American education specifically for disadvantaged young people who have the ability to benefit from higher education.

A total of \$58 million was appropriated in fiscal year 1966 for use by institutions during fiscal year 1967. This amount supported an es-

estimated 134,000 awards, averaging \$430, to students in 1,420 institutions. During the 1967 fiscal year \$110,200,000 for use during fiscal year 1968 will enable 221,200 students in 1,630 institutions to receive awards averaging \$455.

College Work-Study

The college work-study program is authorized by title I, part C of the Economic Opportunity Act of 1964, as amended, and is administered by the Commissioner of Education. Grants are made to institutions of higher education to expand part-time work opportunities for their eligible needy students. Through August 20, 1967, the Federal share of student compensation was 90 percent.

The fiscal year 1967 appropriation was \$134.1 million, compared to \$99.1 million in fiscal year 1966. Of this amount approximately \$62 million was obligated to 1,540 institutions to operate programs in the spring of 1967, estimated to benefit 190,000 students. The balance was obligated to 1,704 institutions to operate programs in the summer and fall of 1967, to benefit an estimated 180,000 students.

Guaranteed Loans for Higher Education

Under this program, authorized by part B of title IV of the Higher Education Act of 1965, students are helped in obtaining low-cost loans from lending institutions. Loans are guaranteed by a State student loan agency, a private agency, or, where the need is not otherwise met, by the Federal insurance program.

The Federal Government provided \$17.5 million in fiscal year 1966 to help State and private agencies guarantee these loans. Approximately \$400 million was loaned to about 480,000 students from the beginning of the program through fiscal year 1967.

Guaranteed Loans for Vocational Education

Purposes and operational aspects of this program, established under the National Vocational Student Loan Insurance Act of 1965, are similar to those under the program for higher education students. Legislation was required in many States before the program could be implemented. It is now operative in 44 States.

National Defense Education Act Student Loan Funds

More than a million students have borrowed approximately \$1 billion from funds at colleges and universities in the 9 years that loan

funds have been available under this program authorized by title II of the National Defense Education Act of 1958 and related amendments.

In fiscal year 1967, approximately \$246 million was lent to about 400,000 students in 1,700 institutions. Federal funds were \$190 million and colleges and universities contributed \$21.1 million. The rest represents repayments that were reloaned.

The amount of cancellation was increased, beginning in academic year 1967-68, for teachers of handicapped children in elementary and secondary schools. In fiscal year 1966 a provision for partial loan cancellation for teaching service was amended to increase the amount of cancellation for teachers in areas of high concentrations of low-income families.

Encouraging Utilization of Educational Talent

A total of 55 contracts were awarded for educational talent search projects in 34 States and the District of Columbia for fiscal year 1967. This program, authorized under section 408 of the Higher Education Act of 1965, had a fiscal year 1967 appropriation of \$2.5 million.

The program authorizes contracts of up to \$100,000 for State and local education agencies and other public or nonprofit organizations and institutions to:

- Identify qualified youths of exceptional financial need and encourage them to complete secondary school and undertake post-secondary training;
- Publicize forms of student financial aid; and
- Encourage secondary school or college dropouts with demonstrated aptitude to re-enter educational programs.

Higher Education Facilities

Authorization for grants and loans for construction of academic facilities under the Higher Education Facilities Act of 1963 was increased and extended through fiscal year 1971 by the Higher Education Amendments of 1966. The amendments also included works of art as eligible project costs.

Grants and loans for construction were made to 888 higher education institutions (and their branch campuses) in fiscal year 1967 compared with 864 in fiscal year 1966. As in the previous year, some institutions received funds under more than one title of the legislation. Table 6 provides detail on each of the 55 political subdivisions eligible to participate in the program.

Table 6.—Grants and loans by geographic area to 888 higher education institutions (and branch campuses) in fiscal year 1967 for construction of academic facilities under the amended Higher Education Facilities Act of 1963

States ¹	Grants for undergraduate facilities (title I)						Total	Grants for graduate facilities (title II)		Loans for academic facilities (title III)	
	Sec. 103 ²		Sec. 104 ³		Number (6)	Amount (7)		Number (8)	Amount (9)	Number (10)	Amount (11)
	Number (2)	Amount (3)	Number (4)	Amount (5)							
(1)											
Alabama.....	10	\$2,439,690	14	\$5,562,839	24	\$8,002,529	3	\$1,311,879	3	\$1,953,000	
Alaska.....	1	356,954	1	356,954	1	356,954	1	356,954	1	2,646,000	
Arizona.....	4	894,687	10	3,526,163	14	4,420,850					
Arkansas.....	1	51,023	13	2,726,356	15	2,777,379	1	500,000	6	2,173,000	
California.....	19	7,062,072	50	38,639,791	69	45,731,863	6	5,931,983	5	12,069,000	
Colorado.....	5	1,092,179	7	4,297,599	12	5,389,778	1	808,562	2	1,502,000	
Connecticut.....	3	343,356	12	5,483,306	15	5,826,662	2	3,076,266	4	2,774,000	
Delaware.....	1	166,211	2	821,831	3	988,042					
Florida.....	8	3,093,214	19	7,042,887	27	10,136,101	2	1,514,549	8	3,624,000	
Georgia.....	6	1,431,073	19	7,454,550	25	8,885,623	1	168,367			
Hawaii.....	1	411,401	2	1,307,573	3	1,718,974					
Idaho.....	2	702,191	6	1,213,852	8	1,916,043			3	6,104,000	
Illinois.....	3	4,078,477	26	18,424,817	29	22,503,294	1	1,023,034	2	435,000	
Indiana.....	7	4,236,985	12	6,843,774	19	11,080,759	3	2,497,642	10	12,552,000	
Iowa.....	3	1,895,369	18	5,799,129	21	7,694,498	3	1,466,933	4	5,726,000	
Kansas.....	8	3,304,158	13	2,702,503	21	5,006,661	3	1,228,612	3	1,372,000	
Kentucky.....	5	1,915,789	12	5,329,978	17	7,245,767			3	10,965,000	
Louisiana.....	3	1,033,992	15	7,353,311	18	8,387,303	3	3,091,328	4	1,333,000	
Maine.....				1,726,458	8	7,245,458					
Maryland.....	4	2,079,221	11	5,324,809	15	7,404,030	1	1,304,276	1	750,000	
Massachusetts.....	2	3,381,442	21	9,031,935	23	12,413,377					
Michigan.....	11	5,781,287	28	14,545,616	39	20,326,903	3	2,200,414	3	1,093,000	
Minnesota.....	10	2,336,993	12	7,547,602	22	9,884,595	1	995,547	6	5,781,000	
Mississippi.....	11	1,994,704	19	3,429,950	30	5,424,654	1	770,850	2	1,534,000	
Missouri.....	7	3,192,765	19	7,281,287	26	10,474,052	1	453,252	5	442,000	
Montana.....	2	271,068	5	1,596,247	7	1,867,345			2	959,000	
Nebraska.....	1	862,979	10	2,974,326	11	3,837,305	1	80,476	2	895,000	
Nevada.....			1	710,165	1	710,165	1	1,554,410	1	895,000	
New Hampshire.....			6	1,705,398	6	1,705,398	1		1	1,333,000	
New Jersey.....	5	2,813,854	24	9,048,682	29	11,862,536	2	227,201	6	478,000	

See footnotes at end of table.

Table 6.—Grants and loans by geographic area to 888 higher education institutions (and branch campuses) in fiscal year 1967 for construction of academic facilities under the amended Higher Education Facilities Act of 1963—Continued

States ¹	Grants for undergraduate facilities (title I)				Total		Grants for graduate facilities (title II)		Loans for academic facilities (title III)	
	Sec. 103 ²		Sec. 104 ³		Number	Amount	Number	Amount	Number	Amount
	Number	Amount	Number	Amount						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
New Mexico.....	4	681,108	12	1,955,048	16	2,636,756	3	1,323,035	1	58,000
New York.....	5	6,576,887	40	30,780,771	45	37,370,458	8	7,155,216	11	22,748,000
North Carolina.....	13	3,853,824	45	7,787,619	58	11,641,443	2	857,434	5	1,608,000
North Dakota.....	1	120,725	5	1,422,445	6	1,543,170				
Ohio.....	8	5,284,309	36	18,778,233	44	24,062,542	6	4,086,185	6	6,555,000
Oklahoma.....	6	1,391,903	17	5,330,786	23	6,722,089	2	754,417	1	1,155,000
Oregon.....	3	1,251,020	14	4,161,439	17	5,412,459			1	1,374,000
Pennsylvania.....	13	6,397,743	39	19,247,245	52	25,644,988	2	10,770,099	14	11,518,000
Rhode Island.....	2	471,648	4	1,714,708	6	2,186,356			3	3,837,000
South Carolina.....	8	1,692,220	15	3,891,538	23	5,583,753	1	359,615	3	2,861,000
South Dakota.....			10	1,597,077	10	1,597,077				
Tennessee.....	2	2,024,575	24	6,980,387	26	9,004,962			3	1,446,000
Texas.....	17	5,596,957	37	18,803,786	54	24,500,743	8	7,500,000	20	14,692,000
Utah.....	3	730,036	9	3,031,475	12	3,761,511	1	485,283	1	131,000
Vermont.....	4	257,458	5	916,293	9	1,173,751			5	3,480,000
Virginia.....	5	2,210,986	20	7,250,122	25	9,470,108			6	2,956,000
Washington.....	5	1,756,026	12	6,551,992	17	8,308,018			5	4,901,000
West Virginia.....	2	377,926	14	4,373,900	16	4,751,826	1	815,142	3	1,333,000
Wisconsin.....	4	2,547,448	15	8,353,761	19	10,906,209	1	1,058,768	12	16,333,000
Wyoming.....	1	202,769	1	691,327	2	894,096	1	487,071	1	875,000
American Samoa.....										
District of Columbia.....			6	2,382,517	6	2,382,517	2	2,392,096	3	6,469,000
Guam.....			1	153,633	1	153,633				
Puerto Rico.....	2	1,142,014	7	3,100,854	9	4,242,888			6	3,751,000
Virgin Islands.....	1	62,704	1		1	62,704			1	401,000
Grand total.....	251	101,628,296	804	349,094,244	1,055	4450,720,540	79	60,000,000	211	199,992,000

¹ Title IV, sec. 401(m) of Public Law 88-204 (Higher Education Facilities Act of 1963) specifies: "The term 'State' includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

² Public community colleges and technical institutes.

³ Higher education institutions other than public community colleges and technical institutes.

* Includes \$5,172,652 which was reallocated during fiscal year 1967 from fiscal year 1966 funds. Some of this amount was made available by reductions in previously approved grants.

Grants under title I provide up to 40 percent of the development cost for facilities at public community colleges and technical institutes and up to 33½ percent for facilities at other higher education institutions. The 251 Federal grants to public community colleges and technical institutes at a total outlay of \$101,626,296 for fiscal year 1967 compared with 241 totaling \$104,971,841 the previous year.

The 804 grants to other higher education institutions amount to \$349,094,244. These figures compare with 822 grants for \$362,067,676 the previous year.

Construction grants under title II provide up to 33½ percent of the development cost for facilities at graduate schools or at cooperative graduate centers. The 79 grants under this title in fiscal year 1967 compare with 95 the previous year, while the amount of Federal funds—\$60 millions—is the same as last year.

Loans for construction under title III require that at least a fourth of the development cost be financed from non-Federal sources. Title III was amended by the Participation Sales Act of 1966 to create a revolving loan fund and provide for participation under the Federal National Mortgage Association Charter Act. The 211 loans totaling \$199,992,000 in fiscal year 1967 compare with 144 amounting to \$99,789,000 the year before.

Comprehensive Planning

The Higher Education Amendments of 1966 authorized \$4 million for grants to State commissions for comprehensive planning to determine the construction needs of institutions of higher education. During fiscal year 1967, 49 States, Puerto Rico, the District of Columbia, and Guam received \$3,916,009 for such planning.

Disaster Assistance

The Disaster Relief Act of 1966 amended the Higher Education Facilities Act to provide Federal assistance to public institutions of higher education which suffered a major disaster. Two institutions received a total of \$2,122,775 in fiscal year 1967 to assist in the replacement of academic facilities destroyed by disasters.

Payments to Land-Grant Institutions

The Office made payments totaling \$14.5 million in fiscal year 1967 to the 50 States and Puerto Rico for distribution to the 68 land-grant colleges and universities. Part of the payments were from a \$2.55 mil-

lion permanent annual appropriation made by the Second Morrill Act of August 30, 1890, as amended.

The remainder came from the \$11.95 million appropriated by Public Law 89-481 of June 30, 1966, for carrying out the provisions of section 22 of the Bankhead-Jones Act of June 29, 1936, as amended. Part of this latter sum—\$7.65 million—covers payments in equal shares to the States and Puerto Rico. The remaining \$4.3 million covers allotments on the basis of population.

Aid for Developing Institutions

Title III of the Higher Education Act of 1965 provides for assistance in raising the academic quality of colleges which are termed "developing institutions." These institutions must have the desire and potential to make a substantial contribution to higher education but have been unable to do so because for financial and other reasons they are isolated from the main currents of academic life and are struggling for survival.

To assist such colleges, Federal funds are authorized for a national teaching fellowship program and for the establishment of cooperative or consortium arrangements. These programs allow the developing institutions to draw on the experience, capabilities, and resources of established colleges, universities, and business enterprises in an effort to improve their academic quality.

For the 1967 fiscal year, \$30 million was appropriated for title III. Support for 560 proposals in the amount of approximately \$53 million was sought by institutions of higher education in 47 States, the District of Columbia, Guam, and Puerto Rico.

Grants in an average of \$73,000 were awarded in fiscal year 1967 to 411 institutions in 47 States, the District of Columbia, Guam, and Puerto Rico. Involved were 466 developing institutions, 168 cooperating institutions, and 53 business concerns. National teaching fellowships in fiscal year 1967 totaled 1,523.

National Defense Fellowships

Fellowships for graduate students who intend to enter college and university teaching are authorized by title IV of the National Defense Education Act of 1958, as amended. The 3-year fellowships are for study to the Ph. D. or its equivalent. During the 1967-68 academic

year, 15,000 fellows will be on tenure at American colleges and universities.

The fellowship provides a stipend of \$2,000 for the first academic year of tenure, \$2,200 for the second, and \$2,400 for the third, together with an allowance of \$400 per year for each dependent. An additional stipend of \$400, plus \$100 per dependent, is available for summer study.

For academic year 1967-68, 193 graduate schools and 2,692 doctoral programs are approved for fellowship support. Appropriation for fiscal year 1967 was \$80,842,000. The 6,000 new fellowships for 1967 brought to 23,500 the total of awards made over the 9-year period of the program, including over 2,000 fellowships which were re-awarded because of early resignations.

College and Research Library Resources

A total of 3,387 basic, supplemental and special-purpose grants for \$24,506,687 were made to 1,989 colleges and universities to strengthen their library resources under part A, title II of the Higher Education Act of 1965.

Institutions from 54 "States" received grants to purchase books, periodicals, documents, magnetic tapes, phonograph records, audiovisual aids, and other library materials. During the program's first year, basic grants of more than \$8 million were made to 1,830 institutions in fiscal year 1966.

An appropriation of \$3 million authorized under part C, title II, plus an additional \$478,000 from the \$25 million appropriated under part A, title II, were transferred to the Librarian of Congress to strengthen research library resources from foreign countries.

Librarianship Training

Grants were made to 38 colleges and universities during fiscal year 1967 totaling \$3,733,250 under the librarianship training program authorized under part B, title II, of the Higher Education Act of 1965. Of 501 fellowships in library sciences awarded, 327 are at the master's level, 58 at the post-master's level, and 116 at the doctoral level.

Grants for almost \$900,000 were made the first year to 24 colleges and universities in fiscal year 1966 to train 139 fellows.

Community Service and Continuing Education

Forty-nine States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands are participating in the program under title I of the Higher Education Act of 1965 to use the resources of colleges and universities in solving community problems. The State plans for fiscal year 1967 required \$9,755,002 in Federal funds. At least 25 percent of the total program budget was from non-Federal sources.

The scope of the program has increased since fiscal year 1966 when 301 institutions of higher education were involved in 548 projects. In fiscal year 1967 an estimated 315 institutions were working with about 595 projects designed to solve such urban, suburban, and rural problems as housing, employment, health, transportation, and sound community leadership.

Adult Basic Education

During fiscal year 1967 the adult basic education program was transferred from the Office of Economic Opportunity to the Office of Education with the repeal of part B, title II, of the Economic Opportunity Act of 1965, as amended, and the enactment of the Adult Basic Education Act of 1966 (title III, Elementary and Secondary Education Act amendments of 1966).

Fifty-four States and Territories participated in fiscal year 1967. The appropriation was \$30 million and the cumulative enrollment 642,000 participants.

The new legislation continues to emphasize instruction in the English language below the eighth-grade level for those over 18 years of age whose lack of communication and computational skill lessens their potential for employment. A new legislative provision made in section 304(a) of the Adult Education Act of 1966 is that not less than 10 percent or more than 20 percent of each annual appropriation be used for special experimental demonstration projects and teacher training. Also authorized by section 310 of the Act is the appointment of the Advisory Committee on Adult Basic Education consisting of the Commissioner of Education as chairman and seven others.

Contracts were made with 19 higher education institutions for adult basic education institutes to be held in July and August 1967. Plans were made for fiscal year 1967 funds to be used for 11 special projects involving innovative methods, systems, and materials for adult basic education programs.

Civil Defense Adult Education

Courses in the civil defense program are administered by the Office under contract with State educational agencies with funds provided by the Department of Defense. In fiscal year 1967, 49 States, the District of Columbia, and Puerto Rico participated in the personal and family survival course, which focuses on basic civil defense principles and procedures. A total of 419,806 persons completed courses in fiscal year 1967, compared with 347,718 in 1966. A total of 6,899 additional persons qualified to teach the course.

Forty-one States, the District of Columbia, and Puerto Rico offered radiological monitoring (RAMONT) courses. Twenty State contracts were amended late in fiscal year 1967 to provide for the teaching of shelter management training courses. There were 31,915 persons who completed RAMONT courses during calendar 1967 compared with 25,902 in 1966. Total Federal funds available were \$4,009,000.

Vocational and Technical Education

The Vocational Education Act of 1963 provides Federal funds to upgrade and broaden programs in the field of vocational and technical education.

The original legislation, the Smith-Hughes Act of 1917 and the George-Barden Act of 1946, limited Federal support to specified occupational areas. These laws, amended to be administered with the Act of 1963, now allow flexibility to meet local needs of occupational skill shortages in the 55 "States" eligible to participate.

Programs Under Matched Funds

Under these laws, Federal funds must be matched with non-Federal funds. An exception under the 1963 Act is the residential vocational education school program which has not been federally funded.

The total local, State, and Federal expenditures for vocational education increased 32 percent from \$604,645,727 in fiscal year 1965 to \$799,894,562 in 1966, the last year for which figures are available from the States.

Enrollments in vocational and technical education programs for fiscal year 1966 reached 6,070,059 compared with 5,430,611 in 1965.

Estimated enrollment for fiscal year 1967 is 6,880,000 with estimated local, State, and Federal expenditures reaching \$1,047,790,333. Federal appropriations for the programs totaled \$265,377,455. This total includes the permanent appropriation of \$7,161,455 for the

Smith-Hughes Act to provide grants for vocational education and teacher training in agriculture, trade and industry, and home economics. It also includes \$49,991,000 appropriated under the George-Barden and supplemental acts to expand these programs and add programs in distributive, and health occupations, fishery trades and industry, and technical education.

Grants to States under the Act of 1963 were \$198,225,000 and \$10,000,000 for work-study programs.

HIGH SCHOOL AND POST-HIGH SCHOOL PROGRAMS

About one-fourth, or 3,048,248 of the Nation's high school students were enrolled in federally aided vocational education programs in fiscal year 1966. Estimated enrollment in high school vocational education programs for 1967 is 3,690,000.

The post-high school programs are the most rapidly growing as shown in the 113 percent increase from fiscal year 1965 of 207,201 to a 1966 enrollment of 442,097. Estimated post-high school enrollment in 1967 is 525,000, an 18.8 percent increase over 1966.

PROGRAMS FOR EMPLOYED ADULTS

The adult programs have been the slowest to expand with a 6.4 percent increase in fiscal year 1966 enrollment of 2,530,712 as compared with 2,378,522 in fiscal year 1965. Estimated fiscal year 1967 adult enrollees show a 6.7 increase with 2,700,000.

PROGRAMS FOR THE HANDICAPPED

The increased number of students with special needs enrolled in vocational education programs reflects the increasing concern for youth and adults who require special services to help them succeed in the regular vocational education programs. The enrollment jumped from 25,638 in fiscal year 1965 to 49,002 in 1966. Projected enrollment for special needs in academic year 1967 is 155,000.

CONSTRUCTION OF AREA VOCATIONAL SCHOOLS

Approximately 1,100 area vocational schools have been approved for construction or expansion since the 1963 Act funds became available. In fiscal year 1966 there were 350 projects funded for construction, expansion or remodeling of 237 separate school plants. Combined local, State, and Federal spending for construction during fiscal year 1966 was \$160,615,345.

ANCILLARY SERVICES AND ACTIVITIES

The 1963 Act requires that at least 3 percent of each State's allotment of Federal funds must be expended for ancillary services. In fiscal year 1966, 10 percent was spent by the States for ancillary services. Activities and services specified in this provision include teacher

training and supervision, program evaluation, special demonstration and experimental programs, development of State administration and supervision, guidance and development of instructional materials.

Work-Study Program

The work-study program provides Federal financial assistance for part-time employment of students who need earnings to begin or continue in vocational education. During the academic year of 1966 Federal funds of \$20,381,100 were spent by States for 70,139 work-study students. The \$10 million appropriated for 1967 will provide assistance for about 35,000 students.

Construction of Facilities in Appalachia

The Appalachian Regional Development Act of 1965 supplements the Federal funding of vocational and technical school construction in all the counties of West Virginia and specified counties in 11 other States.

Since fiscal year 1966, when funds became available for this purpose, a total of 86 projects have been approved and funded using \$30,341,704 appropriated under sections 211 and 214 of the Act. Of these projects, 62 were totally funded and nine were partially funded during fiscal year 1967 for an amount of \$25,474,299 in Appalachian funds.

Manpower Development and Training

The Manpower Development and Training Act of 1962 (Public Law 87-415), as amended through 1966, authorized Federal support for training the unemployed and the underemployed and for training individuals to meet occupational skill shortages. The program provides training for those who lose their jobs as a result of automation, for those who need to up-date skills, for unemployed professionals who need refresher courses, for those needing training in redevelopment areas, and for part-time training of persons, employed or not, who through further education and training can help fill jobs vacant in occupations of critical skill shortage.

Administering the Act is the combined responsibility of the Secretary of Labor and the Secretary of Health, Education, and Welfare, with the Division of Manpower Development and Training of the Office of Education directly responsible for the classroom instruction.

The Department of Labor selects individuals to be trained and the Office of Education enters into agreements with State education agencies to provide the training needed. Contracts are negotiated with public or private education or training institutions to establish class-

room instruction when States are unable to provide necessary institutional training.

Prior to fiscal year 1967, full Federal financing was applicable to all phases of the program. Starting in 1967, the Federal contribution was reduced to 90 percent of the State costs for projects conducted under section 231 of the Act. Federal funding continued at 100 percent for the remainder of the program.

Since the beginning of the program, 10,700 institutional projects (not including coupled on-the-job training or redevelopment area projects) have been developed for 613,000 trainees at a total Federal cost of \$950 million. During fiscal year 1967, 2,148 of the projects and 121,595 of the trainees were approved at a cost of \$230,619,890.

Similar programs started under the Area Redevelopment Act (Public Law 87-27) in November 1962, were brought under the amended Manpower Development and Training Act of 1962 by addition of section 241 which took effect on July 1, 1965. Projects, basically similar to those under section 231, are developed for persons residing in areas designated as redevelopment areas by the Secretary of Commerce. In fiscal year 1967 there were 17,409 persons approved for training in 256 redevelopment area projects. Straight institutional projects were for 10,664 persons and 6,745 were for on-the-job training and coupled on-the-job training projects at a total Federal cost of \$23,994,449.

Also, in fiscal year 1967, the Office arranged for classroom instruction for one-third, or 50,945, of the trainees to be enrolled in on-the-job training by the Department of Labor.

Library Services and Construction

The Library Services and Construction Act as amended in 1966 with authorization through 1971 extended title I, Public Library Services, and title II, Public Library Construction, and added three new programs. Title III provides for cooperative networks of libraries at local, regional, State, or interstate level. Part A, title IV, provides for establishment and improvement of institutional library services in State prisons, correctional training schools, and hospitals. Part B, title IV, provides for the establishment of library services for the physically handicapped who cannot use conventionally printed materials.

Complying with new regulations and new guides for developing State plans under the amended Act, 55 State plans were in operation in fiscal year 1967.

For public library service programs in the area covered by title I plans, available funds from State and local levels increased from \$409,842,820 in 1966 to \$448,881,232 in fiscal year 1967. Federal funds for fiscal year 1967 were increased from \$25 million to \$35 million making a total of \$483 million available for public library expenditures in areas where services were unavailable or inadequate. These funds provided for improved services to approximately 85 million persons, including 2 million formerly without services.

In fiscal year 1967, \$24,528,285 of the \$40 million Federal funds available under title II were obligated for 278 construction projects. These funds were matched by \$52,107,100 in local funds and supplemented by \$1,815,142 from Appalachia funds. This makes a total of \$78,450,527 obligated for construction of public library buildings in fiscal year 1967 as against \$93,827,293 obligated in 1966 for 364 projects including \$29,778,386 in Federal funds, \$62,455,387 in local funds supplemented by \$1,593,520 in Appalachia funds.

The decrease in number of projects and in obligations reflect the States' response to the 1966 amendment which authorized a one-year carryover of Federal funds for public library construction, thereby permitting time for more careful planning.

Interstate programs and coordination among libraries and other public services and educational agencies are noteworthy elements in the new State plans.

Federal funds for title III and parts A and B of title IV could be used only for planning in fiscal 1967. States have been devising plans for specific projects to be used when operational funds become available in fiscal year 1968.

Educational Television Facilities

At the end of fiscal year 1967 there were 135 educational television stations on the air compared with 114 the previous year.

Accepted for filing under part IV of the Communications Act of 1934, as amended, were 200 applications requesting nearly \$45 million in grants for educational television broadcasting facilities in 47 States, the District of Columbia, and Puerto Rico. These statistics compare with 144 requests for \$30 million in matching Federal funds for facilities in 46 States and the other political subdivisions during the previous year.

During fiscal year 1967, 50 Federal grants totaling \$8,734,132 were approved. Grants amounting to \$7,209,335 were made to activate 33 new stations and \$1,524,797 was awarded for the expansion and improvement of 17 existing stations.

The \$32 million authorized under the original program has extended the benefits of educational television to include coverage in all but three of the States and Territories. About 140 million people are now within range of an educational television signal. Institutions using various programs in educational television now enroll about 40 million students.

Assistance for Cuban Refugees

Cuban nationals receiving political asylum in the United States are benefited by three programs administered by the Office. The programs, with support from funds channeled through the Welfare Administration, are carried out under regularized procedures for emergency actions established by the Migration and Refugee Assistance Act of 1962 as amended.

U.S. Loan Program for Cuban Refugee Students

A total of 3,732 Cuban refugee students borrowed \$3,260,961 to attend 347 colleges and universities in the United States during fiscal year 1967. This emergency program was first approved by the President on February 3, 1961. The average annual loan per student is \$870. Since the program began, 6,938 refugee students have borrowed about \$13,000,000.

Projects for Professional Personnel

Five professional programs for 342 Cuban refugees were supported at a Federal cost of \$239,161 in fiscal year 1967. Two were for the professional preparation of teachers of Spanish; one was for the preparation of former teachers with university or normal school backgrounds in a variety of subject areas for eventual placement on the elementary or secondary level; one was to train librarians and another provided a postgraduate program for physicians.

The programs for teachers were at Mount St. Mary's College in Los Angeles, Fairleigh Dickinson University in New Jersey, and at the University of Miami. Librarianship training was offered at Kansas State Teachers College in Emporia and the postgraduate training for physicians was held at the University of Miami.

Aid to Dade County Public Schools

Grants to Dade County, Florida, for education service to Cuban refugees for fiscal year 1967 were made under Public Law 87-510, the

Migration and Refugee Assistance Act of 1962. Grants for the elementary and secondary school program were made for 45 percent of the per pupil cost for Cuban refugee children in families not receiving public assistance, and 60 percent for those in families receiving such assistance who had entered the United States prior to October 5, 1965. Grants also were made at the full per pupil cost for current operating expenses and at the rate of \$600 per child for construction of school facilities for the new influx of refugee children which began after October 5, 1965.

Total cost for operating expenses and other educational services for about 19,800 refugee children in average daily attendance in fiscal year 1967 was about \$7.3 million and about \$2.2 million was paid for construction of facilities for almost 3,800 children.

In the adult English language and vocational training programs, 1.8 million hours of training was provided for some 21,000 participants at a cost of about \$1 million. A summer program for 8,000 children was operated at a Federal cost of \$100,000.

Science Clubs

The Office encourages the development and strengthening of State and local leadership in fostering scientific activities among youths—especially through clubs to supplement and enrich classroom studies. State departments of education, colleges, universities, and State academies of science conduct the programs under contract, as authorized under Public Law 85-875.

Federal contributions are \$5,000 the first year and \$2,500 the next with financial responsibility thereafter being assumed below Federal level. Programs in 11 States are now being conducted under this Act. A status study of science youth activities in the Nation, begun in fiscal year 1966 and completed in fiscal year 1967, is being analyzed.

International Organizations and Conferences

More than 100 Office staff members contributed to the preparation of U.S. reports for international use and served as resource persons for international conference preparation during fiscal year 1967, as shown in Table 7. Other Federal agencies including Departments of Agriculture, Labor, Defense, Interior, and State, and the National

Table 7.—*International conferences and meetings attended by Office of Education Staff in fiscal year 1967*

Date	Conference or meeting ¹	Place
July 4-5, 1966.....	*31st Council Meeting, International Bureau of Education (IBE).	Geneva.
July 7-18, 1966.....	*29th International Conference on Public Education, IBE and United Nations Educational, Scientific, and Cultural Organization (UNESCO).	Geneva.
July 18-23, 1966.....	11th Assembly, World Organization for Early Childhood Education.	Paris.
July 25-28, 1966.....	Conference on Special Education, the Association for Special Education (of the United Kingdom).	London.
July 25-29, 1966.....	International Leadership Conference of Art Educators, National Art Education Association (USA), UNESCO and International Society for Education Through Art (INSEA).	Belgrade.
Aug. 3-10, 1966.....	18th World Congress, INSEA.	Prague.
Aug. 7-13, 1966.....	*2d School Building Seminar for Latin America, UNESCO Latin American Regional Center for School Construction.	Mexico City.
Aug. 8-9, 1966.....	1st International Congress on Reading, International Reading Association and UNESCO.	Paris.
Aug. 15-26, 1966.....	Pan-Indian Ocean Conference on Technical Education and Training, University of Western Australia.	Perth.
Aug. 21-Sept. 4, 1966.....	20th International Film Festival, International Film Festival.	Edinburgh.
Sept. 2-7, 1966.....	Joint Conference, Institute of Management Sciences and European Econometric Society.	Warsaw.
Sept. 4-10, 1966.....	13th International Conference of Social Work, International Conference of Social Work.	Washington.
Sept. 6-10, 1966.....	3d International Seminar on Special Education, International Society for Rehabilitation of the Disabled.	Bad Hartzburg.
Sept. 7-17, 1966.....	International Seminar on Teacher Education in Music, University of Michigan, International Society for Music Education (ISME), and U.S. Office of Education.	Ann Arbor.
Sept. 11-17, 1966.....	10th World Congress, International Society for the Rehabilitation of the Disabled.	Wiesbaden.
Sept. 11-18, 1966.....	32d Council Meeting, International Federation of Library Associations.	The Hague.
Sept. 14-15, 1966.....	*10th Meeting, Educational Investment Planning Group, Committee for Scientific and Technical Personnel, Organization for Economic Co-operation and Development (OECD).	Vienna.
Sept. 18-26, 1966.....	7th International Conference, ISME.	Ann Arbor.
Sept. 21-Oct. 5, 1966.....	*Special Intergovernmental Conference on the Status of Teachers, UNESCO.	Paris.
Sept. 26-28, 1966.....	*Intergovernmental Conference on Education and Utilization of Highly Qualified Personnel, Committee for Scientific and Technical Personnel, OECD.	Paris.
Sept. 29-30, 1966.....	*Symposium on Operational Research in the Public Service, OECD.	Oslo.
Sept. 30-Oct. 2, 1966.....	*Ditchley Park Seminar on Policies for Educational Change, Ford Foundation and OECD.	London (Oxford).
Oct. 16-22, 1966.....	Fourth International Conference of School and Vocational Guidance, International Vocational Guidance Association.	Vienna.
Oct. 19-21, 1966.....	*16th Session, Committee for Scientific and Technical Personnel, OECD.	Paris.
Oct. 25-Nov. 30, 1966.....	*14th General Conference, UNESCO.	Paris.
Nov. 17-25, 1966.....	International Educational Achievement Project Meeting, University of Chicago and Hamburg Institute for Education.	Hamburg.
Nov. 28-Dec. 9, 1966.....	*Technical Meeting for Improvement of Educational Statistics, Organization of American States.	Washington.
Jan. 25-27, 1967.....	*Ad Hoc Group on Systems Analysis Techniques in Educational Planning, OECD.	Paris.
Feb. 1-3, 1967.....	*17th Session, Committee for Scientific and Technical Personnel, OECD.	Paris.
Feb. 3-6, 1967.....	Conference on Selective and Comprehensive Systems in Secondary Education, The Ditchley Foundation.	London (Oxford).
Feb. 6-9, 1967.....	*Ad Hoc Committee of 21, IBE.	Geneva.
Feb. 13-14, 1967.....	*44th Session, Executive Committee, IBE.	Geneva.
Apr. 2-15, 1967.....	91st Conference on Problems of Education, Wilton Park Conference.	London (Sussex).
Apr. 18, 1967.....	*Ditchley Group Meeting on Program of Cooperation in Educational Research and Innovation, OECD and Ford Foundation.	Paris.
Apr. 19-21, 1967.....	*18th Session, Committee for Scientific and Technical Personnel, OECD.	Paris.
May 15-19, 1967.....	*Young World Food and Development Regional Seminar for North America, Food and Agriculture Organization and Massey-Ferguson, Ltd.	Des Moines.
May 29-31, 1967.....	*11th Session, Educational Investment Planning Group, Committee for Scientific and Technical Personnel, OECD.	Paris.
June 29, 1967.....	*Bureau Meeting, Committee for Scientific and Technical Personnel, OECD.	Paris.

¹ Asterisk denotes intergovernmental conference or meeting.

Science Foundation aided in the preparation of U.S. position papers and reports as did a number of professional organizations.

The Office gave major attention to the programs of the United Nations Educational, Scientific and Cultural Organization (UNESCO), International Bureau of Education (IBE), Organization for Economic Cooperation and Development (OECD), International Labor Organization (ILO), Food and Agriculture Organization (FAO), and the Organization of American States (OAS), and the educational work of UN Regional Economic Commissions.

For the 30th International Conference on Public Education, called jointly by the IBE and UNESCO, the Office developed *Measures Taken to Meet the Shortage of Secondary School Teachers and Health Education in Primary Schools*. The report to the conference on *Progress of Public Education in the United States of America 1966-67*, prepared in four languages, contained statistics on U.S. education and described Federal programs in the Nation designed to strengthen the arts and humanities.

In response to UNESCO's request for data on implementation of its Recommendation Against Discrimination in Education, a report was prepared by the Office on steps taken to provide for equality of educational opportunity for all U.S. citizens.

UNESCO Recruitment

In fiscal year 1966 the Office assumed responsibility for assisting UNESCO with recruiting educational experts for its technical assistance program in developing countries. In fiscal year 1967 a total of 319 recommendations were made to UNESCO. During the same period applications of 83 American candidates were submitted to governments of recipient countries, as part of a panel for final selection, and 38 were selected.

The table below shows the breakdown by regions and fields of specialization of the appointed experts:

Field of specialization and geographical regions of assignment of U.S.A. persons approved by UNESCO

Fields of specialization	Geographical regions				Total
	Africa	Arab States	Asia	Latin America	
Education.....	4	1	3	4	12
Natural sciences.....	2	3	1	1	7
Engineering.....	1	2	5	8	16
Other.....	1	0	1	1	3
Total.....	8	6	10	14	38

Foreign Credentials Interpretation

In fiscal year 1967, the Office responded to more than 12,000 requests for interpretation of foreign academic credentials, representing an increase of about 3,000 over the previous year and a three-fold increase during the past 10 years. The requests received in the last 4 months of fiscal year 1967 foretell a new annual rate of 14,000. Principal share of the increase was from governmental agencies (Federal, State, and local), which accounted for almost two-thirds of the requests.

At the end of fiscal year 1967, consideration was again being given to the possibility of making contractual arrangements to have needed credential interpretation services performed outside the Office.

Language and Area Centers and Studies

Early in 1967 the Assistant Secretary for Education was given the responsibility of coordinating the following programs related to international education: (1) foreign language and area centers and national defense foreign language fellowship programs under the National Defense Education Act of 1958 (Public Law 88-665); (2) foreign language and area training and foreign studies extension programs under the Mutual Educational and Cultural Exchange Act (Public Law 87-256, Fulbright-Hays Act), and the Agricultural Trade Development and Assistance Act (Public Law 83-480); and (3) graduate and undergraduate international studies programs under the International Education Act of 1966 (Public Law 89-698).

National Defense Education Act Language and Area Centers

The National Defense Education Act of 1958 provided support for the establishment of language and area centers at institutions of higher education, for fellowship stipends for the study of modern foreign languages and related area studies, and for basic research and the preparation of instructional materials in language and area studies.

A language and area center refers to a program or center within an institution of higher education which provides instruction in a specific civilization or culture and its languages. Prior to the 1966 amendments to the National Defense Education Act, language and area centers were essentially restricted to non-Western areas—i.e., all world areas with the exception of Western Europe and Canada.

There are certain characteristics common to all of these centers. They study a geographic area from the points of view of several academic disciplines, they encourage interdisciplinary approaches while respecting departmental identities, and they promote unity of purpose in research without sacrifice of individual scholarship. Proficiency in the language of the area is considered a prerequisite to the successful completion of a degree program at a center.

In fiscal year 1966, \$5,080,000 supported the new and expanded activities of 98 language and area centers during the academic year 1966-67, and 24 programs of intensive language study during the summer of 1966. This increased to \$6,130,000 in fiscal year 1967 for the support of 106 academic year centers and 21 summer programs at 65 institutions. During the 9-year grant period, approximately \$27 million has been obligated for these programs.

For a number of critical languages, the centers have over one-half of the course enrollments in the United States as reported by the Modern Language Association for fall 1965. Major languages in this category are Chinese, Hindi-Urdu, Korean, Serbo-Croatian, and Swahili.

Data reveal that 534 doctorates were earned at these centers in 1965-66, about 3 percent of all doctoral degrees awarded that academic year.

In 1958-59, before they received Federal assistance, 19 centers had enrollments of 7,207. In the fall of 1965, enrollments at the original centers totaled 16,073.

National Defense Education Act Modern Foreign Language Awards

Modern foreign language fellowships are authorized by title VI of the National Defense Education Act of 1958 to help meet the national need for persons with advanced training in modern foreign languages and related area studies.

Under title VI, funds are provided for training in languages designated as being of critical importance to the United States. This support is available to undergraduate, graduate, and postdoctoral students for the study of those foreign languages at U.S. institutions of higher education with approved language and area studies programs. First priority languages are Arabic, Portuguese, Chinese, Hindi-Urdu, Japanese, Latin American Spanish, and Russian.

Awards from fiscal year 1967 funds for programs in the summer of 1967 and academic year 1967-68 amounted to \$6,870,000 and were distributed as follows:

9 at postdoctorate level.....	\$91, 047
2,025 at graduate level.....	6, 329, 567
522 at undergraduate level (for summer study only).....	449, 386

Language and Area Training for Mutual Understanding

Overseas activities in support of modern foreign language and area studies is authorized by section 102(b)(6) of the Mutual Education and Cultural Exchange Act of 1961 (Fulbright-Hays Act).

The Act supports a three-part program that includes:

- Overseas research and study grants to teachers and prospective teachers in American schools, colleges, and universities in the field of foreign language and area studies.
- Grants to institutions of higher education to support group activities overseas, to acquire research and teaching materials, to hold seminars and to establish centers overseas for advanced studies.
- Grants to foreign curriculum specialists who are assigned to colleges, school systems, and State departments of education to assist them in program and curriculum development.

In 1967, 259 grants totaling \$3 million were awarded for the support of projects involving approximately 591 participants. Among the various overseas projects supported were seven summer seminars for high school and college teachers in Africa, Chile, Japan, Mexico, Lebanon, Singapore, and the United Arab Republic.

In 1967, 32 grants totaling \$385,328 were made to educators from Spain, Bolivia, Japan, Colombia, United Arab Republic, Federal Republic of Germany, Chile, Zambia, France, India, Mexico, and Nigeria. They will assist educational institutions in 24 States and the District of Columbia.

FOREIGN STUDIES EXTENSION

In fiscal year 1967 excess foreign currency funds, authorized under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480), provided 25 additional grants for the support of Foreign Studies Extension activities such as those described above. These funds amounted to \$823,467 and supported projects involving 380 participants in India, Israel, Yugoslavia, Tunisia, Pakistan, Poland, and the United Arab Republic.

Teacher Development and Exchange

The Office continued to administer the international teacher development program and the teacher exchange program under the Mutual Educational and Cultural Exchange Act of 1961, as amended, and in cooperation with the Department of State's Bureau of Educational and Cultural Affairs.

By Executive Order 11034, the President delegated his authority for these programs to the Secretary of State. The responsibility of

the Office of Education for two of the programs, teacher development and teacher exchange, stems from an interdepartmental agreement between the Secretaries of State and of Health, Education, and Welfare, which provides for a further delegation to the Commissioner of Education. Funds for staff and for grants are transferred from the Department of State as required. The transfer of funds in dollars totaled \$992,403 in fiscal year 1967. An additional 3 million in dollars or dollar equivalent from a variety of sources supported the teacher exchange program.

Teacher Development

During fiscal year 1967, 519 visiting teachers, supervisors, and school administrators came to the United States from 59 countries for further training. Ten colleges and universities arranged special programs for 238 educators in elementary, secondary and vocational education, elementary and secondary school administration and supervision, English as a second language, science teaching, and American civilization studies.

An additional 188 educators from 14 countries took part in 16 short-term training projects conducted by 13 different training centers. Three workshops also were held at the University of Puerto Rico for 93 Latin American educators.

Teacher Exchange

Supervisory and administrative services were provided during the summer of 1966 and the 1966-67 school year for 603 teachers and social science supervisors under the teacher exchange program. Included were 218 from 19 foreign lands who were teaching in the United States and 385 from the United States who attended summer seminars or taught abroad in 34 countries. Among the Americans were 19 social science supervisors who attended the first seminar in India on the collection and preparation of materials on India to be used for curriculum enrichment. The seminar was held in New Delhi.

Publicity and recruitment during the year resulted in the issuance of 548 awards prior to June 30, 1967 to be effective during the summer of 1967 and the 1967-68 academic year. Interchanges of teaching positions were arranged for 122 pairs of teachers with a total of 10 countries.

On a noninterchange basis, 81 teachers from the United States received awards for assignments in 19 countries while 61 foreign teachers from 14 countries received assignments to schools in the United States.

Bilateral Technical Cooperation

The Office administers an international educational training program under foreign assistance legislation and a contractual agreement with the Agency for International Development (AID). In fiscal year 1967, training programs were arranged for 618 participants under technical assistance projects. Forty-two countries were represented by these participants, with the largest numbers coming from Africa, Latin America, and the Far East, in that order.

The resources of 160 educational centers throughout the Nation were used to carry out the training. Of the 618 participants, approximately 365 were candidates for degrees, the majority on the graduate level.

Projected fiscal year 1968 figures from AID indicate approximately 650 participants will be assigned for this program.

Support of Agency for International Development

In accordance with the general agreement between the Agency for International Development and the Department of Health, Education, and Welfare, the Office of the Assistant Secretary for Education provides technical consultation and support services as requested by AID.

Servicing these requests involves various specialists in the Office of Education.

Secondary and Nongrant Visitor Program

A technical service program of the Office is the secondary and nongrant visitor program. It operates as part of the day-by-day work of the Office without a specifically designated appropriation and involves a wide range of services.

About 1,000 foreign visitors received these services in fiscal year 1967, compared with about 2,000 last year. The decline is caused by a reduction in the number of large groups. Since the number of itineraries has increased, there has been no appreciable reduction in workload.

Some participants are "secondary visitors"—those on U.S. Government grants who are being programmed by other agencies but referred to the Office for some services. The others are "nongrant visitors," referred by Ministries of Education, universities, foundations, or other agencies at home or abroad.

Research and Related Activities

In fiscal year 1967, an aggregate of \$99.1 million was appropriated to the Office for a variety of educational research and related activities.

Cooperative Research Program

Of the \$70 million appropriated for cooperative research in fiscal year 1967, not to exceed \$12.4 million remains available until expended for construction of facilities for research and related purposes. The amount available for research, training, dissemination, and demonstration under the Cooperative Research Act was applied to a balanced total research effort.

RESEARCH AND DEVELOPMENT CENTERS

Under the Cooperative Research Act, the Office established the research and development center program in 1963. At the end of fiscal year 1967, the Office was funding 10 centers under this act and two others under the Vocational Education Act of 1963.

The center at the University of Pittsburgh, investigating the learning process, has developed individualized instructional materials and procedures. The University of Oregon center seeks educational improvement through increased understanding of the social context in which educational institutions operate.

The center at the University of Wisconsin seeks to improve children's skills, such as problem solving, reading, and creativity. Harvard's center has concentrated on how to make school policy and practices more responsive to children's individual differences.

Of the two centers supported under the Vocational Education Act, the one at Ohio State University is concerned with leadership development in vocational and technical education. The center at North Carolina State University at Raleigh is developing programs of occupational education and teacher training.

At the University of Georgia the center is conducting research on the intellectual stimulation of 3- to 12-year-olds. The University of Texas center is concerned with improving inservice and preschool teacher training.

The center at Stanford University seeks to improve teaching by investigating and then influencing the teacher's classroom attitudes and actions, and also by studying the organizational context of teaching as it affects children's learning.

The center at the University of California at Berkeley focuses on higher education in terms of its impact on student careers, its organization, administration, influence and the changes taking place in it.

The University of California at Los Angeles center is devoted to the evaluation of instructional programs.

The most recently established center, at Johns Hopkins University, has been studying how school desegregation affects the academic performance, values, interests, and motivation of students of varying backgrounds.

REGIONAL EDUCATIONAL LABORATORIES

Twenty regional educational laboratories have been established to speed the application and dissemination of educational research and development, and to develop materials and procedures that can be easily adopted and used by the schools.

In fiscal year 1967, about \$17.7 million of cooperative research funds was used to support these laboratories and their programs:

- Appalachia Educational Laboratory, Charleston, West Virginia.
- Central Atlantic Regional Educational Laboratory, Alexandria, Virginia.
- Central Midwestern Regional Educational Laboratory, St. Ann, Missouri.
- Cooperative Educational Research Laboratory, Inc., Northfield, Illinois.
- Center for Urban Education, New York, New York.
- Eastern Regional Institute for Education, Syracuse, New York.
- Far West Laboratory for Educational Research and Development, Berkeley, California.
- Educational Development Center, Inc., Newton, Massachusetts.
- Mid-Continent Regional Educational Laboratory, Kansas City, Missouri.
- Michigan-Ohio Regional Educational Laboratory, Detroit, Michigan.
- Northwest Regional Educational Laboratory, Portland, Oregon.
- Research for Better Schools, Inc., Philadelphia, Pennsylvania.
- Regional Educational Laboratory for the Carolinas and Virginia, Durham, North Carolina.
- Rocky Mountain Regional Educational Laboratory, Denver, Colorado.
- South Central Regional Educational Laboratory Corporation, Little Rock, Arkansas.
- Southeastern Educational Laboratory, Hapeville, Georgia.
- Southwestern Cooperative Educational Laboratory, Albuquerque, New Mexico.
- Southwest Educational Development Laboratory, Austin, Texas.
- Southwest Regional Laboratory, Inglewood, California.
- Upper Midwest Regional Educational Laboratory, Inc., St. Paul, Minnesota.

EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

The Educational Resources Information Center system, including a network of information clearinghouses, acquires, abstracts, indexes, stores, retrieves, and disseminates educational research information. Through coordination in Central ERIC in the Office of Education, the system seeks to provide educational information promptly and inexpensively to a wide variety of audiences. Announcements of documents are made through *Research in Education*, a monthly publication, started in November 1966. A cumulative index is to be published annually.

In the institutions which operate clearinghouses, listed below, the specialized focus of each Center is indicated in parentheses. The six newer clearinghouses are listed first:

- University of Illinois, Urban (early childhood education).
- University of Minnesota, Minneapolis (library and information sciences).
- National Council of Teachers of English, Champaign, Illinois (teaching of English).
- Stanford University, Palo Alto, California (educational media and technology).
- Syracuse University, Syracuse, New York (adult and continuing education).
- University of Wisconsin, Madison (educational facilities).
- University of California, Los Angeles (junior colleges).
- Center for Applied Linguistics, Washington, D.C. (linguistics, and uncommonly taught languages).
- Council for Exceptional Children (National Education Association, Washington, D.C. (exceptional children).
- Indiana University Foundation, Bloomington (reading).
- University of Michigan, Ann Arbor (counseling and personnel services).
- Modern Languages Association of America, New York City (teaching of foreign languages).
- New Mexico State University, University Park (rural education and small schools).
- City University of New York (school personnel).
- Ohio State University, Columbus (science education).
- Ohio State University, Columbus (vocational-technical education).
- University of Oregon, Eugene (educational administration).
- Yeshiva University, New York, New York (the disadvantaged).

EDUCATIONAL RESEARCH TRAINING

Funds for training of educational researchers and for strengthening institutional staff and curricular capability were authorized by an amendment to Public Law 83-531 included in title IV of the Elementary and Secondary Education Act of 1965. The support provided by this program includes both stipends for trainees and institutional allowances, as well as funds for staff and research-curriculum development.

During fiscal year 1967, 154 grants totaling \$6 million were awarded to 85 institutions to support the continuation of undergraduate, graduate, and development programs started during fiscal year 1966, as well as for several postdoctoral programs, institutes and special projects. There were 1,738 trainees who participated.

PROJECT RESEARCH

During fiscal year 1967, approximately \$19 million of cooperative research support was used for more than 700 separate research projects, undertaken by individuals and organizations outside the Office. These projects were in addition to large scale continuing activities,

such as regional educational laboratories and research training programs.

Projects were concerned with every level of education, from pre-school to post-graduate. For example, research and development projects at six colleges and universities, coordinated through a center at the University of Illinois, form a nucleus for the study of early childhood education from birth through the primary grades.

A number of projects have been concerned with education of migrants and minority groups. One such project was a conference on American Indian education, which brought together social scientists, educators, Indian leaders, and representatives from several government agencies.

Projects have been conducted to improve instructional materials in almost every area of the elementary-secondary school curriculum. In one at Tufts University, researchers have been working to develop materials on ethnic and cultural diversity in America.

Projects conducted in higher education included a project at Duke University in which 17 manuscripts were prepared by outstanding educators, summarizing research and practice among higher education institutions across the country.

Vocational Education Research and Training

Activities funded under section 4(c) of the Vocational Education Act of 1963 are intended to strengthen vocational education capabilities at every level, with emphasis on the needs of young people from economically depressed situations. This program also encourages an interdisciplinary approach. Specific areas of research in fiscal year 1967 were program evaluation, vocational education curricula, vocational education resources development, vocational guidance and career choice processes, and adult and continuing education. Support also was provided for institutes for vocational education teachers, counselors, administrators, and related personnel.

New interpretation of section 4(c) of the Vocational Education Act by the Congress brought a drastic reduction in monies available for vocational education research and training compared to the prior fiscal year. As a result, funding of 21 previously approved research proposals and approximately 40 planned summer teacher training institutes had to be eliminated. Also, funding had to be reduced on the majority of the remaining 75 continuation projects in order to stretch available funds to support 33 new projects in emerging critical areas.

Media for Educational Purposes

For fiscal year 1967, \$4.4 million was appropriated for grants and contracts for research and dissemination of information concerning

educational uses of media such as radio, motion pictures, other audio-visual equipment and materials, including computers and printed and published materials. This support is authorized by parts A and B of title VII of the National Defense Education Act of 1958, as amended.

Obligations for a total of 32 research and experimentation projects amounted to \$1.8 million. Another \$2.6 million was earmarked for 32 dissemination projects.

Language Development Research and Studies

The Language Development Research and Studies Program became operational in fiscal year 1959 under title VI of the National Defense Education Act of 1958. Since then 473 contracts have been awarded for surveys and studies, for research on methods of instruction and for development of instructional materials in more than 125 modern foreign languages.

Of \$3.1 million appropriated for fiscal year 1967, \$2.8 million was obligated—for 57 new and 14 continuing research projects—while \$300,000 was obligated for National Defense Education Act Language and Area Centers.

Foreign Currency Financed Projects

About \$.7 million of foreign currencies utilized by the Office under amended Public Law 83-480 and related appropriation legislation was applied during fiscal year 1967 to the financing of educational bibliography and translation projects and research studies of foreign educational problems of interest to American education.

Sixteen research projects were in various stages of completion in India and 25 in Israel. Agreements to initiate a program in the United Arab Republic remained unsigned due to the outbreak of the Middle East crisis.

Arts and Humanities Research

Arts and humanities research exemplifies ways in which support from a number of different authorizations can be brought to bear on an area of increasing concern in education. About \$1.9 million was invested in projects in music, art, theater and dance, museums, and humanities during fiscal year 1967.

Most of the support for arts and humanities research was drawn from Cooperative Research funds, but some also came from title VII of National Defense Education Act. Laboratory theater projects, set up in two cities, were funded jointly by title III of Elementary and Secondary Education Act and the National Endowment for the Arts, as well as from the Cooperative Research Program.

Education of the Handicapped

The Office supports a wide variety of projects designed to improve the education of handicapped children. Any project can be supported, provided it fits within the broad definition of research or related activities.

The program is authorized by Public Laws 88-164 and 89-105. Under the authorization, the Office provided support for research and demonstration activities relating to the education of children who are mentally retarded, hearing impaired, speech impaired, visually handicapped, seriously emotionally disturbed, crippled or otherwise impaired. For fiscal year 1967, 126 projects were funded for a total of \$8,041,248. This represents an increase over the previous year of \$2,044,074.

Captioned Films for the Deaf

For fiscal year 1967, \$2,745,000 was made available for the Captioned Films Program for the Deaf. For training, \$345,000 was obligated, \$146,000 for research, and \$450,000 for film production.

Funding for the acquisition program and support equipment came to \$886,000. Acquisitions of films included 52 general interest films, 45 educational films, 14 filmstrips and 23 free or sponsored films, which were provided by government agencies and private enterprise.

During the 1967 fiscal year, 1,000 overhead projectors, 1,000 film-strip projectors, and 2,000 screens and supporting equipment were purchased and made available to schools for the deaf.

Showings of general interest and educational films in schools, churches, and clubs totaled 52,084 with an audience of 1,258,593, representing an increase of approximately 50 percent over the previous year.

Distribution of other educational media such as filmstrips reached an estimated 90 percent of all educational programs for the deaf in the U.S. and 95 percent of the hearing impaired children in school.

Educational Materials Center

The Educational Materials Center provides liaison between educational publishers and local, regional, and international groups interested in newly published instructional materials. The Center's collection of 15,000 volumes includes the latest texts used by elementary and secondary school students and their teachers, as well as children's literature found in school and public libraries. Domestic and foreign educators use this non-lending collection for study and research.

During fiscal year 1967, in collaboration with the American Text book Publishers Institute, the Center worked with Department of State consultants on a survey of U.S. material related to international programs. The Center also continued other surveys, among them a bibliography on "Family Life and Sex Education" which was widely distributed to schools and libraries.

Library Research and Development

The Library and Information Science Research Program was initiated in fiscal year 1967 with the appropriation of \$3.55 million under part B, title II of the Higher Education Act of 1965.

These funds were used to provide support for 37 research activities, including state-of-the-art studies, prototype development, feasibility studies, testing and evaluation, and demonstration and implementation activities.

Regional Research Program

The Regional Research Program, initiated in fiscal year 1967, is a result of a decentralization of small project research and research development grants to the nine DHEW Regional Offices. This decentralization is designed to facilitate communication between the educational research community and the Federal research support programs for which they are eligible.

In fiscal year 1967, both the small project research program and the research development grant program were administered from six Regional Offices (Atlanta, Charlottesville, Chicago, Dallas, Denver, and San Francisco). The offices in Boston, Kansas City, and New York City are scheduled to be staffed early in fiscal year 1968. Approximately \$3 million was expended for Small Project Research (projects involving less than \$10,000 in Federal support).

Demonstration Center

The Demonstration Center of the Office is staffed and equipped to provide facilities and supporting services for demonstrating the newest and most promising developments in educational methods, materials and facilities. It provides space and supporting services for conferences, seminars, staff meetings, and previews of new learning materials. The Center complex also includes facilities that Office staff members use to prepare audiovisual materials, such as slides, overhead transparencies, charts, and tape recordings.

During fiscal year 1967 the Center was host to 458 demonstrations, research reports, conferences, and previews in support of Office program activities. Attendance at these activities was more than 19,000.

Comparative Studies of Education in Foreign Countries

Seven publications in the Office's comparative education series were issued by the Government Printing Office during fiscal year 1967. Countries covered were Israel, Denmark, Spain, the Republic of the Congo, and the Union of Soviet Socialist Republics. New contracts were arranged for studies of educational systems and developments in Kenya, French African areas, Greece, Communist China, Colombia, the United Arab Republic (Egypt), East Germany, and Central America.

Nine manuscripts prepared by Office of Education staff or under contractual arrangements, made prior to 1967, were at various stages of review, editing, and clearance for publication. Four others were in preparation.

American Education

The magazine *American Education*, published 10 times a year, is a popular link between the Office of Education and the public. It covers all aspects of education in the United States and furnishes the lay reader and the professional educator with timely insights into programs of the Federal Government relating to education.

National Center for Educational Statistics

The staff of the Center made considerable progress during fiscal year 1967 on its program to modernize and mechanize both the information system of the Office of Education and the information system it operates to serve the Nation's educational community at large.

Automation demands consistency of definitions and the Center devotes substantial effort to achieving that requirement, including the publishing of manuals and handbooks to facilitate the standardization of terms and concepts. The Higher Education General Information Survey, used for the first time in the fall of 1966, brings together in a coordinated form all the information desired by the higher education community. Soon, instead of filling out new questionnaires each year, institutions will be able to update computer printouts. Duplicate copies of the printouts will be sent to State agencies which will eliminate separate surveys.

Through a remote inquiry system, now in pilot operation, data of general interest is made instantaneously available to Federal, State and local agencies throughout the Nation. The system allows the user to communicate directly over a teletype line with the central computer

in Washington, D.C., without having to work through a programmer or computer operator.

State Education Agency Statistical Services

Grants to assist State education agencies improve and strengthen their statistical services are authorized under section 1009, title X, of the National Defense Education Act of 1958, as amended. During fiscal year 1967 staff members provided consultation and assistance in improving and expanding statistical operations of the State education agencies.

Program activities increased for the eighth straight year, with all "State" education agencies but two, American Samoa and the Canal Zone, participating. Thirty-five States received the maximum grant of \$48,313 in fiscal year 1967. Twenty-six States overmatched Federal funds to the extent that the State share of the expenditure, \$4,021,225, was more than 75 percent greater than the Federal contribution, \$2,244,098.

Administration of the Office

Establishment of the Bureau of Education for the Handicapped provided the major organizational change within the Office during fiscal year 1967.

Also, the Office of Construction Service was established. It is composed of a Division of Facilities Development and a Division of Construction Support. By agreement between the Office of Education and the Department of Housing and Urban Development, certain responsibilities for educational construction formerly performed by the Department are now performed by the Office through its Division of Construction Support.

At the close of fiscal year 1967 there were 3,172 employees in the Office of Education, compared with 3,198 a year earlier. Training was provided for 1,220 employees, 860 of whom were trained by the Office. Training was provided to 124 employees, largely by the Civil Service Commission, at a total cost of \$16,465. Nongovernmental facilities provided training to 298 employees at a cost of \$59,768.

An Office of Education fellowship program was begun in September 1966 under section 507, title V, of the Elementary and Secondary Education Act of 1965 (Public Law 89-10). Thirty-four young men and women from 25 State universities received work experience and training under the program in the Office.

Chart 1 shows the organization of the Office of Education effective on June 30, 1967.

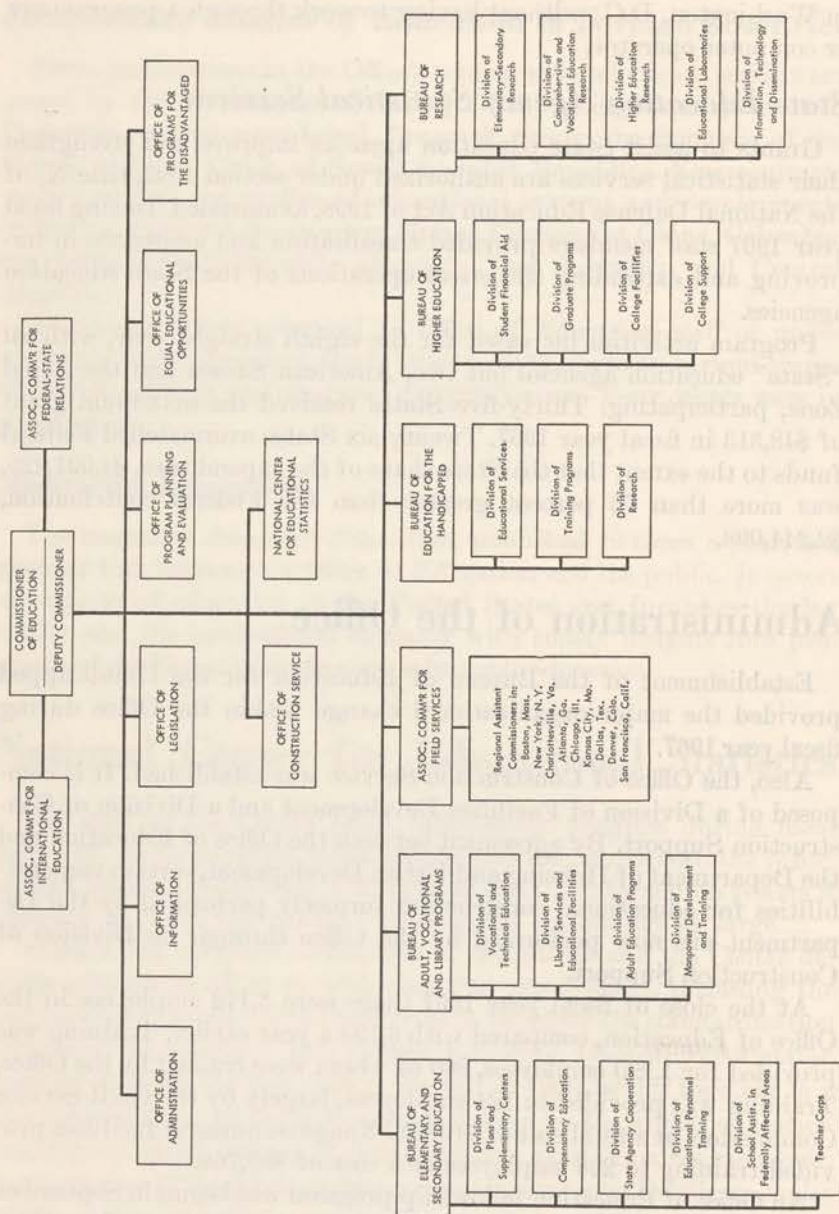


Table 8.—Office of Education appropriation summary, fiscal years 1966 and 1967

Program	Fiscal year 1966	Fiscal year 1967
Elementary and Secondary Educational Activities.....	\$1,308,097,000	\$1,464,610,000
School Assistance in Federally Affected Areas.....	438,078,000	469,137,000
National Teacher Corps.....	9,500,000	11,323,700
Higher Educational Activities.....	980,784,000	1,179,373,775
Expansion and Improvement of Vocational Education.....	235,691,000	268,016,000
Libraries and Community Services.....	76,300,000	146,950,000
Educational Improvement for the Handicapped.....	28,300,000	37,875,000
Research and Training.....	94,550,000	91,050,000
Educational Research and Training (Special Foreign Currency Program).....	1,000,000	1,000,000
Salaries and Expenses.....	27,384,000	32,836,000
Civil Rights Educational Activities.....	8,000,000	8,028,000
Arts and Humanities Educational Activities.....	1,000,000	1,000,000
Colleges of Agriculture and the Mechanic Arts.....	2,550,000	2,550,000
Promotion of Vocational Education, Act February 23, 1917.....	7,161,455	7,161,455
Student Loan Insurance Fund.....	550,000	3,200,000
Higher Education Loan Fund.....	110,000,000	200,659,000
Total.....	3,328,945,455	3,924,769,930

Field Reorganization

In fiscal year 1966 the Office's field service was expanded and strengthened by assignment of regional assistant commissioners and design of a new regional structure. In fiscal year 1967 the emphasis was on the continued regionalization of program operations, delegation of authority for decision making, and development of new working relationships with the States, institutions of higher education, and other segments of the educational community.

The State grant programs—affecting most elementary and secondary education programs, and adult, vocational and library programs—have been decentralized to five regional offices. The program of small projects (under \$10,000) research grants was also established in six of the nine regional offices.

By the end of fiscal year 1967 the following programs either had been or were in the process of being regionalized:

- **Elementary and Secondary Education:**

Title III, National Defense Education Act as amended (except section 305), Public Law 85-864.

Part A, title V, National Defense Education Act as amended (except section 504(b)), Public Law 85-864.

Section 12, The National Foundation on the Arts and Humanities Act of 1965, Public Law 89-209.

Title II, Elementary and Secondary Education Act, Public Law 89-10, as amended by Public Law 89-750.

- **Adult, Vocational, and Library Programs:**

Adult Basic Education—Adult Education Act of 1966, title III, Public Law 89-750.

Vocational and Technical Education Programs—Smith-Hughes Vocational Education Act of 1917; George-Barden Vocational Education Act of 1946; part A, Vocational Education Act of 1963 (except section 4-C), Public Law 88-210.

Library Services and Construction Programs—titles I and II, Public Law 88-269.

- **Higher Education:**

Higher Education Facilities—titles I and III, Public Law 88-204; Higher Education Act of 1963 as amended by Higher Education Act of 1965, Public Law 89-329.

Student Financial Aid—title II, National Defense Education Act, Public Law 85-864; title IV, Higher Education Act of 1965, Public Law 89-329.

- Research:

Small Grants Program—Cooperative Research, Public Law 83-531; title IV, Elementary and Secondary Education Act, Public Law 89-10.

Research Development Program—title IV, Elementary and Secondary Education Act, Public Law 89-10, as amended, and Public Law 83-531.

"Consumer Administration"—an agency to coordinate all consumer protection through the new administrative structure—falls within the purview of the Food and Drug Administration under its new Commission, James L. Goodford, M.D.

Ensuring compliance with high standards in products and labeling is the primary goal, whether accomplished by research, education, law, or independent proceedings.

If recalling a defective product will provide better consumer protection than a seizure, FDA will urge the manufacturer to recall the product. Recall has been initiated for products from 1946 to April 1965 in total 1965. Drug recalls increased 25 percent, from 444 in 1964.

And it is better to all prevailing devices in the current way to avoid false information in medical product advertising that FDA will issue that such a letter be issued. Some such "Dear Doctor" letters were issued by Administrative concerns in April 1965.

In an address to the Federal Bar Association, the Commissioner said that the increased emphasis on administrative action rather than on enforcement by court action stems from the kind of problems which now confront FDA. The increased cost of the regulatory and enforcement of foods and drugs which has been collected to meet a kind of new system case of almost each year, with such a problem.

In dealing with such problems, the Commissioner said FDA goes into the greater use of "Dear doctor" letters—some such as "Dear Doctor" letters, more effective for public health than report to Congress."

"At this point," the Commissioner said, "we are now in a position reporting that gives the whole picture of the Food, Drug and Cosmetic Act are relevant to the contemporary problems of public health. We are that industry can approach us—the Agency that regulates us—and tell us in the language of scientific data concerning safety and health."

Food and Drug Administration

"CREATIVE ADMINISTRATION"—to secure a maximum of consumer protection through the most effective courses of action—is the objective of the Food and Drug Administration under its new Commissioner, James L. Goddard, M.D.

Promoting compliance with high standards in products and labeling is the primary goal, whether accomplished by research, educational activities, or enforcement proceedings.

If recalling a defective product will provide better consumer protection than a seizure, FDA will urge the manufacturer to recall the product. Recalls increased 67 percent, from 538 in fiscal 1966 to 900 in fiscal 1967. Drug recalls increased 45 percent, from 446 to 651.

And if a letter to all practicing doctors is the surest way to correct false information in medical journal advertising then FDA will insist that such a letter be issued. Seven such "Dear Doctor" letters were sent out by pharmaceutical concerns in fiscal 1967.

In an address to the Federal Bar Association, the Commissioner said that the increased emphasis on administrative actions rather than on enforcement by court actions, stems from the kind of problems which now confront FDA. He pointed out that *Salmonella* contamination of foods and drugs, which has been estimated to cause around two million cases of illness each year, was such a problem.

In dealing with such problems, the Commissioner said FDA must make greater use of "other alternatives—some more swift, less punitive, more effective for public health—than resort to the courts."

"At this point," the Commissioner said, "we see some mechanisms appearing that give the administration of the Food, Drug and Cosmetic Act new relevancy to the contemporary problems of public health. We see that industry can approach us—the Agency that regulates it—and join us in the exchange of scientific data concerning *Salmonellosis*.

We see also that preventive measures can be worked out in an atmosphere of service to the public, rather than under the somber gun of enforcement . . .

"Workshops, seminars, scientific meetings, training aids for supervisory and manufacturing personnel—these and other tools are being developed for better administration. Of course, the laws—civil and criminal procedures—are also instruments that may be called into play.

"Not all companies can or wish to comply * * *. We have companies that do not conform to good industry standards, that do not maintain proper surveillance over incoming raw materials and the finished products off the line, that do not train their personnel with any rationally organized programs, that—in a word—play fast and loose with the health of the consumer. For such companies, we move from the administrative mechanisms and turn to the enforcement procedures."

Notwithstanding greater emphasis on preventive measures, the total number of court actions recommended by the agency was practically unchanged—from 1,362 in fiscal 1966 to 1,360 in fiscal 1967.

Reorganization changed significantly the basic philosophy of planning and the relationship between Washington headquarters and the field District Offices. District Directors were given much greater autonomy for development and operation of programs needed in their particular areas. Under application of the principle of delegation to the first echelon where decisions can be made, District Directors now control selection of supervisory employees, allocation of funds within budget ceilings, and deployment of inspection manpower, and make their recommendations for legal action directly to the General Counsel of the Department of Health, Education, and Welfare.

To secure nation-wide uniformity and effectiveness of enforcement is a function of the Washington-based Bureau of Regulatory Compliance. This is accomplished through Field Legal Action Guidelines, planning conferences, and continuous two-way communication.

New government-wide practices in program planning and budgeting were applied in FDA. Emphasis shifted from the scheduling of inspections (now a District function) to identifying and concentrating on major health, sanitation, and economic problems involving foods, drugs, and cosmetics, with the health problems receiving highest priority. For the second successive year, manpower and funds devoted to drug problems exceeded that expended on foods. Projections for the current fiscal year (1968) show 51.9 percent of FDA's financing allocated for drug activities, with 33.4 percent on foods, 1.3 percent for cosmetics, 1.2 percent for devices, 1.8 percent for hazardous substances, and 10.4 percent unallocated.

FDA became more deeply involved in the urgent health and social problems of drug abuse—particularly the menace of LSD. Appropria-

tions for the Bureau of Drug Abuse Control and its 9 field offices increased to \$5.1 million, comparable to the entire FDA budget only 12 years ago.

Appropriations increased from \$53 million in fiscal 1966 to \$60 million in 1967, with \$66 million budgeted for 1968.

Personnel for fiscal 1967 totaled 4,692 full-time positions, and 149 intermittent and temporary positions. Projected ceilings for 1968 were 5,080 full-time and 90 part-time positions.

Installation of an electronic data processing system culminated five years of preparatory work to develop better access to the great volume of scientific and regulatory information constantly flowing into the Agency. Ultimately, all District Offices will be linked directly to the central computer for both input and receipt of information. The Bureaus of Medicine, Drug Abuse Control, Regulatory Compliance, and Science already had computerized data which can now be fed into the new IBM 360-30 installation and printed out for a great variety of uses. Areas of use include recording of information on new drug applications, adverse drug reactions, toxicity of drugs and chemicals, incidence of different types of law violations, identification of repeat offenders, and planning, budgeting and accounting operations.

Direct FDA representation in Regional Offices of the Department of Health, Education, and Welfare was established by creating the position of Regional Assistant Commissioner. The Assistant Commissioners will provide executive liaison between HEW Regional Directors and State officials, and assist in developing and coordinating Federal and State food and drug programs.

In Washington the new Office of Legislative and Governmental Services was created by combining the Office of Legislative Services and the Office of Federal-State Relations.

Food, Drug and Cosmetic Act

FOOD ACTIVITIES

Insuring the cleanliness and safety of over 280 billion pounds of food consumed annually by 200 million Americans is one of the FDA's biggest responsibilities. Expanding work in other areas, however, particularly drugs, reduced the proportion of time and money devoted to food problems to approximately one-third of FDA's total effort.

At the same time, greater emphasis is being placed on health hazards rather than on routine inspections, non-hazardous filth, and strictly "pocketbook" violations.

"Wholesale grocery firms and public warehouses continue to have problems of rodent contamination and insect infestation in foods held too long. While some individual firms have effected

corrections and are able to operate in a sanitary manner, much of the industry has shown little improvement, despite many inspections and enforcement actions."

This comment, by one district, was confirmed by others. Seizures of food for filth violations increased from 331 in fiscal 1966 to 393 in fiscal 1967. Numerous voluntary destructions of unfit products, warning citations, and criminal prosecutions resulted from FDA inspection.

An extensive educational campaign was carried on via industry workshops and conferences. FDA Districts held a total of 26 such meetings, attended by representatives of more than 700 firms. It is too early to determine the effectiveness of such activities, but encouraging results have already been noted.

In two problem areas the incidence of violations has declined. Rodent, insect, and chemical contamination of food grains is substantially less extensive than it was a few years ago. Seizures of wheat declined from 41 carloads in 1966 to 19 carloads in fiscal 1967.

In the egg products field, the once-notorious "incubator reject" racket has largely disappeared. New Federal and State requirements that commercial egg products be pasteurized have materially improved industry conditions.

Food Poisoning

Salmonella contamination became an urgent problem of the U.S. food industries during fiscal 1967 and was found also to be a serious problem in the drug field. A series of outbreaks, beginning with reports in February 1966 of 29 cases of illness traced to instant non-fat dry milk, led to an organized, nation-wide campaign by FDA, other government agencies, and the affected industries. A Salmonella Project Officer was designated by the Commissioner to coordinate educational, enforcement, and liaison activities. Investigations, principally by FDA, identified new problem areas, new vectors, and new carriers of the organism. The widespread incidence of the problem, long suspected, was corroborated by thousands of bacterial inspections and tests.

Consumer protection was sought by a "total strategy" approach, including inspections, analysis of samples, enforcement actions, industry education, and voluntary recalls of contaminated products.

Over 15,000 examinations were made of non-fat dry milk samples, two-thirds being the "regular" product and one-third the "instant" type. Of 362 firms, 33 had contaminated products, 22 the regular variety, and 11 the instant. Eighteen different serotypes of the organism were found in these tests. Manufacturers recalled 21 dry milk products from channels of distribution.

As the Salmonella program developed, numerous other products were found to be contaminated. A total of 175 voluntary product

recalls were carried out by the manufacturers and distributors. Ninety-six of these were drugs containing animal substances such as thyroid, pancreatin, liver powder, etc. Other product categories were: carmine red color, 6 recalls; confectionery, 31; and miscellaneous foods (mixes, frozen pies, ice cream, smoked fish, etc.) 21.

Enforcement actions in the courts, charging *Salmonella* contamination, included 35 food seizures, five drug seizures, and two injunction suits. The largest single product category was eggs and egg products, with 21 seizures.

A statement of FDA policy issued March 15, 1967, announced that nine feed ingredients and any similar animal by-products would be regarded as adulterated and subject to legal action if found to contain *Salmonella*. This was transmitted by the Commissioner with a letter to the executive officers of eight national trade associations in the feed and livestock industries.

The industries responded. The National Renderer's Association, for example, put on nine regional educational workshops for feed manufacturers in major cities across the country. At these meetings FDA spokesmen and industry experts discussed all phases of the problem and gave technical information on steps to break the infection cycle. The industries were advised that enforcement actions would not begin until guidelines could be issued to FDA's 17 field districts to insure uniform, nationwide action. This compliance program was issued on July 10, 1967. It includes a set of Good Manufacturing Practice Guidelines for Processors of Animal, Fish, and Poultry By-products.

There are over 1,200 strains or serotypes of the *Salmonella* bacterium, all of which are capable of causing infection. Almost 20,000 cases of illness in humans are reported annually to the U.S. Public Health Service, but this is estimated to represent only from 1 to 5 percent of the total cases. The gastrointestinal illness is believed to be frequently mistaken for some type of "influenza." It is of short duration, but can be fatal among children and older people.

Mass production of convenience foods has increased the hazard of food-borne infections. Much more attention must therefore be given to preventive measures. This requires more scientific knowledge of all phases of the problem. In addition to research in the FDA Bureau of Science, studies are being conducted by many other agencies and institutions. Notably, the National Academy of Sciences is undertaking a broad study of *Salmonella* contamination, its impact on human health, the chain of infection, and the effectiveness of control measures. Specialists in microbiology, epidemiology, microbial genetics and physiology, immunology, food technology and agriculture will

be called upon in the 18-month investigation, which is jointly financed by FDA and the U.S. Department of Agriculture.

In another investigation, the Midwest Research Institute will carry out a system analysis of the scope and depth of the Salmonella program relative to total environment, the food and drug industries, and the consumer.

Since the majority of food-borne infections involve organisms of intestinal origin, the measures taken to deal with Salmonella are applicable to other enteric micro-organisms, thus providing increased protection against *Clostridium perfringens*, Shigella, viruses, and other agents concerning which present knowledge is limited.

Chemicals in Foods

Better control over pesticide residues has been achieved through coordination of Federal, State, and local enforcement activities.

The principal FDA regulatory action of the year involved massive endrin contamination of cucumbers and cantaloupe from the Apatzingo area of Mexico. Routine sampling by the Dallas District disclosed the problem in late January 1967. For several weeks the District operated 24 hours a day, seven days a week, analyzing samples. Four inspectors were sent to Apatzingo, at the request of the Mexican Ambassador, to work with Mexican officials and farmers. They sampled 249 fields, representing 8,880 acres of a total of 11,250 acres planted in cantaloupes. A mobile laboratory was put in operation at Laredo, Texas, to handle import shipments.

Samples from Apatzingo were flown to the Dallas laboratory by the Mexican authorities, and daily reports of the findings were made by telephone to the U.S. inspectors in the growing area. Where fields were found with cantaloupes bearing significant residues, the inspectors supervised voluntary destruction of the crops. Certificates on satisfactory shipments were issued by the Mexican Government, based on the Dallas lab reports. A total of 1,285 cantaloupe samples were analyzed, resulting in 116 detentions. Cucumber samples numbered 279, with 6 detentions.

Use of insecticides in food plant equipment may be just as hazardous as allowing the insect infestations to develop, two macaroni manufacturers learned. An injunction was recommended against one firm whose products were found to contain unsafe residues of lindane and methoxychlor. The other company is facing trial on charges of both insanitary plant conditions and adulteration of its macaroni products with lindane and methoxychlor. As a result of FDA investigation, a rye miller had stocks of flour and meal embargoed by the State of Wisconsin because of DDT and DDE contamination from use in milling equipment.

FDA held numerous workshops and conferences on pesticide residue control for farmers, shippers and regulatory officials. For some of these a mobile teaching unit was used.

Scientific equipment and methods of testing for pesticide residues have been highly developed. FDA scientists have perfected multi-residue methods by which as many as 54 different pesticide chemicals can be detected and measured in a single test procedure. Extensive data so obtained shows that while there is a relatively high frequency of many different pesticides in the U.S. food supply, the incidence and levels of residues are not dangerous or even alarming. At the same time, the frequency and amounts must not be permitted to increase unnecessarily. Surveillance and control must continue at current levels to deal with unexpected and unavoidable sources as well as misuse.

Recommendations of the Pesticide Residues Committee of the National Academy of Sciences-National Research Council were adopted by an agreement between the Secretary of Agriculture and the Secretary of Health, Education, and Welfare. As recommended by the Committee, finite tolerances will replace "zero" tolerances for residues when supported by adequate data. In conformity with this policy, tolerances were published for residues of DDT and its degradation products in milk and milk products, based on a petition from the California Departments of Agriculture and Public Health.

This petition was referred to a scientific advisory committee, as provided by the law, and the tolerances established were those recommended by that committee: 0.5 ppm for total residues of DDT, DDD, and DDE in milk, and 1.25 ppm for total residues in manufactured milk products, calculated on a fat basis. Restrictions against use of the pesticide in forage crops and animal dairy barns were unchanged. The tolerances are to cover the small amounts which get into milk despite these restrictions. The Committee concluded that pesticide-free milk is a practical impossibility because of the wide use of DDT and its chemical stability.

Pocketbook Protection

Among the activities to protect the consumer's pocketbook were 103 separate actions to remove substandard, short-weight or mislabeled products from the market (compared with 81 such actions last year). Food seized for economic violations totaled 692,000 lbs. (compared with 857,000 last year).

Adulteration of orange juice was reported by several districts. One firm was estimated to have turned out 323,000 gallons of orange juice with 40 percent added water. Legal action was taken.

In a bacteriological investigation it was found that a crab meat packer was substituting cheap codfish for crab meat in frozen deviled

crabs. A New Orleans District scientist, an entomologist by training, promptly developed a new test method taking advantage of the different ways in which crab and cod tissue transmit light.

A large supermarket was found to be increasing the sales appeal of swiss cheese by punching artificial "eyes" in portions where they had not formed naturally. Some 12,000 lbs. were seized. The charge was concealment of inferiority and non-compliance with the cheese standards.

Multiple seizures and a prosecution were invoked to deal with the "stretching" of "pure" cane or sorghum syrup by adding much cheaper corn syrup.

Other cases involved slack-filled and substandard canned fruits, substandard fruit preserves imported from Canada, short-weight candy bars, chopped pieces of broccoli packed as whole frozen broccoli, fruit beverage concentrate with artificial sweeteners substituted for natural sweeteners, and swiss cheese seriously deficient in milk fat. A criminal prosecution was filed in the latter case.

Special Dietary Foods

After reviewing several thousand comments on the special dietary foods labeling regulations and standards, published in June 1966, FDA announced on December 14, 1966 that the regulations would be stayed pending the outcome of a public hearing. Some 22 separate issues were listed for consideration at the hearing, but no date had been set at the end of the fiscal year.

The pending regulations affect both the labeling and the content of special diet foods and food supplements and are intended to give the public greater protection against misleading nutritional or calorie claims. They would substitute "recommended dietary allowances" of recognized vitamins and minerals for "minimum daily requirements"; clarify labeling on foods promoted on the basis of lower than normal calorie values; establish classes of foods that may be fortified with vitamins and minerals; and limit the kinds and amounts of vitamins and minerals permitted in diet supplements.

The Foods Plus case was closed with destruction of \$268,000 worth of food supplements and labeling material originally seized in January 1962. Representations by a radio "health lecturer" were the basis of charges that the articles did not bear adequate directions for treating or preventing a long list of serious diseases and conditions for which they were recommended in the broadcasts. The final decree permanently enjoined Foods Plus from shipping any drug, or food supplement which fails to bear in the labeling the purpose and condition for which the products are offered, and which fails to include in the labeling directions for use which provide sufficient information to enable a layman

to safely and effectively attempt self-medication without professional assistance.

Dr. Herman Taller, author of the book *Calories Don't Count*, was found guilty on 12 of 49 counts involving postal fraud, Food and Drug law violations, and conspiracy. The finding by the jury came after a six-week trial. Dr. Taller was charged with conspiring with Cove Vitamin and Pharmacal, Inc., and CDC Pharmacal, Inc., in a scheme to defraud and mislead the public in their promotion of CDC capsules. Dr. Taller was fined \$7,000 and placed on probation for two years. He has since appealed. The other defendants had previously pleaded guilty and were fined a total of \$8,000.

In collaboration with the Post Office Department, prosecution was instituted against a food supplement manufacturer who was charged with marketing products misbranded with excessive claims and mail fraud. The promotion involved fake urine tests made by an associated laboratory.

FDA also participated in numerous other mail fraud cases involving nutritional quackery. Among the articles and products were: Air Force Diet Manual (booklet); Bruce's Cancer and Sugar Cane (cancer cure); Con-Trol Cocktail (for weight reduction); and Crash Weight-Gain Formula No. 7 (to put on weight).

DRUGS AND DEVICES

Improvement of the quality and reliability of drugs was a major objective and activity of the Food and Drug Administration in fiscal 1967. Educational, regulatory, and scientific actions were undertaken in a coordinated effort to reduce the incidence of defective products reaching the public.

Mounting drug recall statistics revealed the nature of the problem—from 340 in 1965, to 538 in 1966, to 651 in 1967. These were products which drug firms, on their own initiative or at the insistence of FDA, called back from channels of distribution because of defects too serious to risk their continued use. They ranged all the way from a single mislabeled bottle in a lot to gross errors in formulation. Every type of firm—large and small—was represented. Of the drug recalls in FY 1967, 40 were due to label mix-ups, 126 were for subpotency, 40 were otherwise substandard, 46 did not meet disintegration tests, 184 were adulterated, 22 misbranded, 18 non-sterile, and 42 were antibiotics for which certification had been revoked.

FDA also concentrated on getting widespread industry understanding of, and compliance with, the Good Manufacturing Practice Regulations established under the 1962 Drug Amendments. Five national industry conferences and 22 regional seminars and workshops

were held during the year on these regulations. Compliance with the GMP regulations would have prevented most of the recalls.

On the scientific and regulatory fronts, a National Center for Drug Analysis was established at St. Louis in the laboratories formerly occupied by the St. Louis District. The work and territory of that District were divided among adjoining Districts and a new building scheduled for St. Louis District will be planned and constructed to meet the special needs of the drug Center. Mass production techniques and automated equipment will be used to assay as many as 300,000 drug samples per year when the laboratory is in full operation.

The recall procedure was the one used most frequently, but court actions were also started in a number of cases charging violation of the Good Manufacturing Practice Regulations.

A criminal prosecution of one firm on a six-count indictment resulted in a maximum fine for the company, and fines with suspended prison sentences and probation terms for two individuals. Four other criminal prosecutions were terminated with fines, and four more cases were filed and pending at the year's end. Three injunction suits were filed, and restraining orders or injunctions were obtained in six cases. Eight seizure cases were filed.

New Drugs

Major actions were undertaken during the year to improve the scientific quality of new drug applications, expedite their review by the Bureau of Medicine, and eliminate a long-standing backlog of pending applications.

On September 22, 1966, Commissioner Goddard went to the White House to meet with President Johnson. The Commissioner assured the President that FDA would take steps to eliminate its backlog of new drug applications by the end of the fiscal year.

To carry out this commitment FDA obtained the services of 70 physicians and pharmacists who were detailed from the Public Health Service. Production of a computer-printed "New Drug Application (NDA) Status Report" was begun, and the first issue came out on December 5, 1966. On this date 278 NDA's were pending, of which 93 were considered "backlog" (pending longer than the statutory limit of 180 days). On June 26, 1967, a week before his year-end deadline, the Commissioner again visited the President and reported that the backlog had been eliminated.

During the year, 425 NDA's were found to be incomplete because of serious deficiencies in the data.

Testifying August 10, 1967, before the Monopoly Subcommittee of the Senate Committee on Small Business, the Commissioner gave this breakdown of incomplete applications: 45 percent lacking sufficient

animal safety data; 72 percent lacking in clinical safety data; 76 percent lacking clinical efficacy data; component and composition data not adequate in 30 and 41 percent respectively; inadequate manufacturing controls in 71 percent; unacceptable samples in 46 percent; and unacceptable labeling in 53 percent.

To deal with such problems, the Commissioner said FDA would adopt more formal procedures. Instead of giving the manufacturers an opportunity to correct the deficiencies via additional research- and time-consuming telephone calls, conferences, and correspondence, FDA plans to file the applications as submitted and then make formal decisions on them. "If a manufacturer knows he may not be able to make continuing corrections in his submission, he will have a greater incentive to send us the best possible submission the first time," the Commissioner said.

Delays and difficulties in reviewing new drug applications have also resulted from chronic shortcomings in the organization and presentation of data. Revised regulations were published spelling out a format requiring such features as: a summary of the essential elements in the NDA; an optional detailed summary if needed; a table of contents; an evaluation of safety and effectiveness for each of the labeling claims; a required sequence for information to aid in review and handling; specific requirements for binding, assembling, and numbering pages and volumes; and a report of all adverse experiences with the drug be reported on a standard form for review and data processing.

New Drug Applications.—A total of 271 original new drug applications for drugs for human use were submitted during the fiscal year and 289 applications were resubmitted. There were also 1,468 amendments and other correspondence relating to pending NDA's. There were 189 drugs approved for marketing during the year, of which about two dozen represented new chemical entities.

Significant new drugs approved during the fiscal year included pipobroman, an antineoplastic agent; ethacrynic acid, a potent diuretic; methotrimeprazine, a potent non-narcotic analgesic; amantadine hydrochloride, an agent for the prophylaxis of influenza due to the A-2 virus; cholestamine, useful in the treatment of pruritis associated with bile stasis and other forms of partial obstructive jaundice; clofibrate and sodium dextrothyroxine, two separate drugs for lowering serum cholesterol; clomiphene citrate, a fertility agent; haloperidol, a major tranquilizer; thiabendazole, a potent anthelmintic; and allopurinol, a drug for the treatment of gout.

Investigational New Drug Applications.—Sponsors of drug research must report their research plans to FDA when they are ready to start

trials on human patients. A total of 671 such "Notices of Claimed Investigational Exemption for a New Drug" were submitted to FDA during the fiscal year. In addition there were 12,662 amendments and progress reports on the approximately 4,100 Notices received during the last 4 years.

Sponsors discontinued investigations covered by 562 Notices. FDA invoked termination procedure against 18 Notices after review by the scientific staff of the Bureau of Medicine. A total of 38 Notices were reinstated from discontinued status and one Notice from terminated status. Seven Notices were transferred to the Division of Biological Standards at NIH, and 6 were cancelled.

As of June 30, 1967, a total of 38 Notices had been submitted for clinical investigations of DMSO. Ten of these were for active clinical studies; four of the original Notices had been discontinued by the sponsor; and 24 had been terminated by the Food and Drug Administration.

At the end of fiscal 1967 there were approximately 600 Notices over 60 days old which had not received a complete initial review. A program is being instituted to reduce or eliminate this backlog.

A permanent Federal court injunction stopping widespread distribution of an investigational "anti-cancer vaccine" by the Rand Development Corporation, Cleveland, Ohio, was issued April 5, 1967, following a 9-day trial. As shown by the court record, the firm filed a Notice in August, 1966, for clinical trial of a preparation made from human malignant growths, rabbit gamma globulin, and Freund's Incomplete Adjuvant. Sufficient data to establish safety was not submitted, and permission to ship interstate for clinical testing was refused. Notwithstanding this, Rand shipped the vaccine to a number of physicians for use on humans. Subsequent inspections by FDA and the National Institutes of Health showed gross inadequacies in manufacturing practices and bacterial contamination. Nationwide publicity initiated by Rand misrepresented the safety and effectiveness of the vaccine. Several seizures and the complaint for injunction were filed early in 1967. A Notice of Appeal was filed by Rand on June 5, 1967.

Drug Efficacy Study.—The drug efficacy study being conducted under contract by the National Academy of Sciences—National Research Council (NAS-NRC) progressed on schedule. In this study, about 3,000 drugs approved for marketing under the new drug and antibiotic certification procedures prior to 1962 are being evaluated for efficacy. A policy statement published in the *Federal Register* offered manufacturers the opportunity to present the best data available in support of the medical effectiveness of the drugs. In response 237 drug firms submitted to FDA 2,824 reports, some of which include multiple dosage forms, bringing the total number of drug products

under study to 3,637. These reports, transmitted to NAS-NRC, serve as the primary source of information for the evaluation. The study is being conducted by 29 expert panels under the supervision of a Policy Advisory Committee. The first reports to FDA were due early in the new fiscal year.

Official Names for Drugs.—In the first such action under the 1962 Drug Amendments, official names for 28 drugs were designated by the Commissioner. An agreement was effected at the close of the fiscal year between the sponsors of the United States Adopted Names (USAN) Council and the Food and Drug Administration whereby the latter has representation on the Council and agrees to accept as the established or official name any name which the Council selects unanimously.

New Drug Surveillance.—A total of 1,083 new drug application supplements were received during the fiscal year. The backlog of those pending increased by 279, and there were 1,534 supplements in process as of May 31, 1967. Actions taken totaled 804, compared with 514 in fiscal 1966. Reports on medical experience with approved new drugs totaled 4,049.

New information resulted in numerous actions to up-date applications for marketed drugs through the supplement procedure. A number of drug recalls also resulted.

Basic data on each supplement will be computerized for periodic or special printouts to determine the status of all supplements at any time. This program was initiated on July 1, 1967, for development and implementation during fiscal 1968. When completed this will be the largest data programing system in FDA.

Adverse Reactions Reporting

An Adverse Reactions Task Force was established to attack anew the difficult problem of collecting, processing and computer storage and retrieval of reports of adverse drug experiences received from hospitals, manufacturers, physicians, consumers, and the FDA Districts. At the year's end a coding unit was processing 60 to 100 reports daily out of 2,000 hospital reports received per month. A dictionary of 1,200 adverse reaction terms and synonyms (DART) was developed, capable of providing meaningful computer storage and retrieval of reaction reports. It will be further expanded to include 3,000 to 4,000 terms. Hospital reporting, on contract, is being expanded to approximately 100 hospitals. In addition, military, VA, and PHS hospitals are cooperating in the program, and this will also be expanded. Feedback from the system in the form of monthly cumulative reports was expected as soon as the storage, increasing by 1,000 to 2,000 reports

per month, became adequate. Alert-type reports, computer-generated every two weeks, were feasible at the end of the year. Working liaison with a WHO pilot project for International Drug Monitoring is being developed.

Prescription Drug Advertising

Vigorous efforts were continued to help insure complete and correct information in labeling and advertising of prescription drugs. A major step in this activity was the development of revised regulations to define more specifically the do's and don'ts of promotional labeling and advertising copy. They listed 34 specific practices which may cause a medical journal advertisement to be considered "false, lacking in fair balance, or otherwise misleading."

The proposed labeling regulations required all prescription drug packages to include adequate information for the professional use of the drug. "Full disclosure" would be required in drug file cards, extensive brochures, and publications such as the "Physician's Desk Reference." Less complete information would be allowed in other types of promotional labeling material. The industry was given until September 1, 1967, to comment on the proposals.

A "Compendium of Medical Advertising" was published, putting on record the letters, agreements, and interpretations exchanged with the pharmaceutical industry over the past 4 years in regard to the advertising provisions of the Drug Amendments of 1962.

Advertising violations were charged in seizures of three drugs and at FDA's insistence, 7 drug companies sent "Dear Doctor" letters to the medical profession to correct misinformation contained in the advertising and labeling of 13 prescription drugs.

Medical Advisory Committees

The Medical Advisory Board met quarterly during fiscal 1967. Its deliberations included consideration of possible policy changes regarding over-the-counter preparations for the treatment of iron-deficiency anemia, the "informed consent" required to be obtained before patients are given investigational new drugs, the pharmacologic effects of delayed-action aspirins, the therapeutic use of cobalt salts, and regulations governing advertising of prescription drugs.

The report on oral contraceptives by the Obstetrics and Gynecology Advisory Committee was published in August 1966. At subsequent meetings the Committee considered the safety and efficacy of intra-uterine devices, and is preparing a report on this subject.

The Respiratory and Anesthetic Drugs Committee met twice, considering halothane labeling, requirements for compressed gases, and special toxicity of some bronchodilators.

Drug Research Contracts.—Five research contracts dealing with oral contraceptives were funded during fiscal 1967:

1. An on-going retrospective epidemiologic study of the incidence of thromboembolic phenomena in women taking oral contraceptives.

2. A new project to investigate changes in carbohydrate metabolism in women on oral contraceptives.

3. A general oral contraceptive adverse reaction study.

- 4 and 5. Two feasibility studies intended to lay the ground for long-term follow-ups of large numbers of women on oral contraceptives.

Other research contracts funded during fiscal 1967 included:

Two studies on the teratogenic response of rhesus monkey embryos to maternally administered drugs.

An evaluation of the accuracy of some clinical laboratory test "kits".

A clinical study of vasodilators and anti-anginal drugs.

A clinical test of percutaneous absorption of C^{14} tagged constituents of specified hair dyes.

Two studies to develop statistics on drug dosage and usage.

A project to develop a comprehensive drug monitoring system.

A methodology study of bone marrow depression evaluation.

In addition, the Bureau of Medicine, in conjunction with the Pharmaceutical Manufacturers Association, the American Medical Association, and the National Institutes of Health, supported the operation of a Registry of Tissue Reactions to Drugs at the Armed Forces Institute of Pathology.

Veterinary Drugs and Medicated Feeds

The report of the Advisory Committee on Veterinary Medical and Non-Medical Uses of Antibiotics, released in August 1966, made recommendations for dealing with the problem of drug residues. Subsequently, FDA published an order requiring the drug companies to submit additional data on drug residues in meat, milk and eggs from treated livestock. Information was requested first on products for treating dairy animals by intramammary infusion. FDA then began a testing program on preparations considered most likely to leave residues after the prescribed period for discarding the milk. Tests were completed on 14 products, most of which were either reformulated, labeled with a longer withdrawal period, or taken off the market.

Manufacturers are continuing to develop new information and submit reports on other dosage forms for veterinary use in food-producing animals.

Under an FDA contract, the National Academy of Sciences established panels of experts to review the effectiveness of veterinary as well as human drugs which were cleared for safety before 1962. Substantial progress was made in reviewing applications covering over 700 veterinary drugs.

Concern among medical scientists regarding development of resistant strains of disease organisms led FDA to call meetings of interested scientists from Government agencies. A symposium was sponsored at Georgetown University to discuss the matter.

The Bureau of Veterinary Medicine, in cooperation with the National Academy of Sciences, sponsored an international Symposium on the Use of Drugs in Animal Feeds, at Washington, June 5-7, 1967.

For the first time, veterinarians were assigned to work at the FDA field districts. Such assignments were made to the Cincinnati, Dallas, San Francisco, Kansas City, and Atlanta Districts.

A major concern of FDA veterinarians during the year was the Agency-wide Salmonella project.

An extensive educational program for medicated feed manufacturers was carried on in collaboration with the Bureau of Education and Voluntary Compliance.

Close surveillance is being maintained over highly potent new drugs such as the systemic organophosphate derivatives for internal parasites and hormonal preparations for the control of estrus in animals.

Added personnel made it possible to reduce the number of pending medicated feed and veterinary new drug applications by 25 percent, despite a substantial gain in the number of applications submitted.

Antibiotic certification privileges were withdrawn from several veterinary drug firms because of failure to comply with the Good Manufacturing Practice Regulations. In one case an injunction writ was filed to require compliance.

Therapeutic Devices

During fiscal 1967 more than 80 regulatory actions were taken against various misbranded medical devices. In addition, some 40 actions were taken against prophylactics which failed to meet required standards.

A Diapulse device was found to be misbranded by a Federal Court at Hartford, Conn., after a 4-week jury trial. The Government charged that the labeling for the device, a pulsed electromagnetic generator, was false and misleading in suggesting that it was adequate

and effective for more than 100 diseases and therapeutic purposes.

Twenty-one witnesses testified for the Government, largely from the medical and scientific fields. Approximately 15 witnesses testified in support of the claimants' contentions. The jury returned a general verdict for the Government in less than 5 hours. Responding to special interrogatories, they found 49 specific claims to be false or misleading, including treatment of infections, stimulation of tissue response, stimulation of the reticuloendothelial system, otitis media, systemic disease, tuberculosis, typhoid fever, osteoarthritis, staph infections, gangrene, increasing leukocytes and steroids in the blood for the stimulation of the liver and spleen, and giving results where all else has failed. No finding was made as to the other claims charged by the Government.

The distributor, Diapulse Corporation of America, New York, N.Y., is estimated to have sold over 3,000 of the machines at a cost of some \$2,300 each to medical practitioners throughout the Nation. An appeal was to be filed.

Faulty packaging resulted in numerous seizures and some recalls of articles such as catheters, needles, disposable syringes, surgical dressings, etc., which were not sterile.

Imported electric thermometers were detained because of failure to comply with standards. Later a recall was instituted to recover those which had been distributed.

A seizure of the Hubbard E-Meter was contested by the Founding Church of Scientology of Washington, D.C. After a 13-day trial the jury returned a verdict that the devices were misbranded by false claims that they were effective in diagnosing, preventing, and treating "all mental and nervous disorders and illnesses . . . and all psychosomatic ailments." The claims covered such disorders as arthritis, cancer, stomach ulcers, radiation burns from atomic bombs, poliomyelitis, and the common cold. The Government showed that the only demonstrated effect of these electrical devices was to measure skin resistance to electric currents. The devices were used by the claimant organization in the practice of "scientology." More than 100 of the machines, and approximately 3 tons of literature, were seized. The E-Meter and Scientology are inventions of E. Ron Hubbard, a former science-fiction writer. Many persons have contributed substantial sums to this health cult.

Nationwide distribution of an electrical gadget for "effortless reducing" was halted by a permanent injunction. More than 100 of the devices under such names as Figurecare, Figuretone, Figuremagic and Isotron, had been seized in separate court actions in 10 States over the past 5 years. The device causes muscle contractions by electric current

through pads applied to the skin. The injunction prohibited interstate distribution of the machine if it is promoted—or is to be promoted—in any way for achieving weight reduction, girth reduction, or any significant increase in calorie utilization.

The injunction complaint charged that “before and after” pictures used in advertisements of the devices were taken on the same day; that some of the people who posed actually were dissatisfied with the device and did not consider it effective, and that others who allegedly received “remarkable benefits” had a financial interest in sales of the machine and had not received any benefits. The defendants were required to notify all distributors outside of Texas concerning the device and to have them return all promotional materials for destruction under FDA supervision. Signers of the decree were John D. McDonald, the manufacturer, and David Lee Causey and Wilbur E. Causey, the national distributors.

Vibrator-massager devices are being heavily promoted for the treatment of arthritis, rheumatism, high blood pressure, and other serious diseases. Some are inexpensive, battery-operated hand units; others are large, motor-driven pieces of furniture. Oral claims were the basis of seizures of the Niagara brand of vibrating chairs at Los Angeles, San Diego, and Phoenix.

Drug Abuse Control

A significant increase in the use of the illegal hallucinogenic drug LSD was a major factor in expansion of the new Bureau of Drug Abuse Control. Authorized personnel strength was increased from 278 positions at the end of fiscal 1966 to 397 positions as of July 1, 1967. Nine BDAC field offices and 24 resident offices have been opened and more will be opened as the need arises. The Bureau's initial budget for 1966 was \$2.2 million. In fiscal 1967 its budget was \$5.1 million.

Administration of the drug abuse law accepts, as a fact, that the problem cannot be solved by conventional law enforcement methods. A “total approach,” unique in this area of law enforcement, combines investigative, medical, statistical, psychological, and educational activities.

Investigative efforts have three objectives: (1) to detect diversions of stimulant, depressant, and hallucinogenic drugs from legitimate channels; (2) to find and close down illicit supply operations; (3) to investigate and stop all drug counterfeiting.

Records Accountability Investigations have proven to be effective in detecting diversions and providing a deterrent to the flow of drugs into the illegal market. While a significant portion of the Agency's investigative effort is devoted to this program, a considerably greater

share is given to undercover investigations of drug peddlers and counterfeiters.

There were 1,920 criminal investigations by the Bureau during FY 1967, with 312 arrests and 191 prosecutions terminated. There were 660 accountability investigations, 178 drug injury investigations, and 538 cases involving LSD and other hallucinogens.

Forty-five seizures were made with a total value on the illicit market of \$26 million. Dosage units seized exceeded 102 million, broken down as follows: stimulants, 61.9 million; depressants, 35.9 million; hallucinogens, 1.7 million; counterfeit drugs, 1.2 million; other prescription drugs, 1.3 million.

Educational activities include training courses for State and local law enforcement officials; a publication, the *BDAC Bulletin*, for enforcement personnel; and a program of conferences with leaders of the pharmaceutical profession and the drug industry.

Under a contract with the National Association of Student Personnel Administrators, more than 1,500 college deans have been able to meet with experts to discuss the drug abuse problem on college campuses.

Research activities focusing on the social, psychological, and physiological aspects of drug abuse were conducted by the Division of Drug Studies. About \$300,000 has been provided for research contracts to study abuse potential in animals, particularly primates.

Initial planning has been done for social-psychological studies to determine the drug management practices of health professionals. Preliminary steps have also been taken to obtain estimates of the prevalence of drug abuse in underprivileged groups.

Fact sheets, films, and printed materials are used to inform the public concerning the dangers of drug abuse. A film, "Bennies and Goofballs" has been widely shown on television and to live audiences, particularly students, parents, and teachers. More than 200 prints are in circulation. The film may be borrowed through the Public Health Service Audiovisual Facility, Atlanta, Ga. 30333.

A *Federal-State partnership* to combat drug abuse, particularly as it involves the local pharmacy, is being expanded. The States assume responsibility for routine inspection of pharmacy records and investigate sales of dangerous drugs without prescription. BDAC, in turn, investigates major diversions and assists the States when they request help. Training of State personnel and free laboratory services are also provided. Eighteen States are now participating: California, Colorado, Connecticut, Florida, Georgia, Indiana, Iowa, Kansas, Maryland, Massachusetts, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Virginia, and Washington.

An agreement between FDA and the Narcotics Bureau of the Treasury Department defines the responsibilities and cooperation of the two law enforcement agencies. This has resulted in a profitable exchange of information, many joint arrests, and active cooperation between agents in the field. Liaison and working agreements have also been established with the Federal Bureau of Investigation, the Secret Service, Bureau of Customs, Department of Defense, Post Office Department, Immigration Service and others.

Approximately 5,000 combination drugs containing stimulants or depressants were evaluated to determine whether they should be brought under control. About 750 of these are now controlled. A classification and coding system has been adopted for identification and record keeping.

COSMETICS

"Hair growers" and "skin regenerators" continue to account for most FDA actions in the cosmetic field. Legally, however, products with such claims are drugs.

Eight seizures were made of "Ahead," represented as a hair grower, and selling for \$9.95 per one-ounce jar. Intensive promotion campaigns had been launched in Los Angeles, Pittsburgh, Cincinnati and other large cities. The court papers charged that the article was a new drug which had not been proven safe and effective, and that the active ingredients had not been declared. One of the seizures was contested; the others were held in abeyance pending the outcome of the contested case.

An Embryo-Serum Skin Treatment was seized as a new drug, not cleared for safety and effectiveness. Three other products for the hair or skin were seized for false claims or inconspicuous labeling.

Approximately 80 detentions of imported cosmetics were made, as compared with 25 last year. False and misleading claims for skin rejuvenation, growing hair, and breast development; inconspicuous labeling; and omission of mandatory label information accounted for the actions.

CERTIFICATION OF COLORS AND DRUGS

Color additives. Only those color additives listed in FDA regulations can legally be used in foods, drugs, and cosmetics. Unless exempted by regulation, each batch of colors manufactured must be tested and certified by FDA. In 1967, the quantity of color additives certified showed a slight upward trend; 3,670,440 pounds were certified, compared to 3,546,939 in 1966, an increase of 3.5 percent. The increase is due partly to growth in population and partly to an increase in the types of products being colored, rather than to the quantity of color used in a product.

Insulin. Three hundred and one batches of insulin were tested for industry and one batch for another Government agency. All batches were satisfactory.

Antibiotics. Samples of 21,089 batches of antibiotics and antibiotic-containing preparations were submitted for certification by industry. Thirty-two different antibiotic ingredients were represented. Of these, 146 batches failed to meet the standards of identity, strength, quality, or purity. An additional 377 batches of antibiotic products were submitted by other Government agencies and were examined for suitability for use or for extension of expiration date.

Imports

Major actions of the year involving imports included detentions of 1,270,000 lbs. of cocoa beans at San Francisco because of rodent contamination; 1,500,000 lbs. of colby cheese from New Zealand because of contamination with DDT, DDE, and TDE; and canned mushrooms from Taiwan contaminated with maggot filth. Taiwan officials visited Seattle District to discuss means of prevention.

Actions to deny entry of imported goods were challenged in two injunction suits, one involving 3,394 bags of coffee beans damaged in a shipboard fire, the other concerning a Synchro-Therme device for measuring differentials in skin temperature, shipped from Canada to chiropractors in the United States.

Hazardous Substances Act

The Federal Hazardous Substances Labeling Act of 1960 required that labels contain warnings against potential dangers from articles packaged for use around the home, list antidotes and give other label information that would be useful in the event anyone was injured.

As FDA gained enforcement experience with this law, it became evident that several loopholes needed closing. This led to the President's recommending amendments to:

- bring all hazardous substances, whether packaged or not, under the safeguards of the Act.
- ban from interstate commerce those household substances that are so hazardous that no warning label could be written that would give sufficient protection.

- ban the sale of toys and other children's articles containing hazardous substances, regardless of their packaging or labeling.

As a result, the "Child Protection Act of 1966" was passed by the 89th Congress, signed by President Johnson, and became effective in November 1966. Regulations to fully implement the amendment were published August 4, 1967.

The new authority soon proved its usefulness. Dangerously flammable imported dolls were seized, and other shipments detained at port. The plastic faces, made of nitrocellulose (gun cotton), burned at the rate of one inch in 3 seconds; the hair, of another cellulose material, burned even faster—two inches per second. The importer was asked to recall outstanding stocks; 100,000 of the dolls were seized and another 200,000 were denied entry.

In another action FDA secured a Federal court ruling that a do-it-yourself kit to make large firecrackers was banned under the law.

By regulation, FDA took steps to ban further distribution for household use of the extremely flammable X-33 Water Repellent. This product, for waterproofing basement walls and other masonry, was first marketed in 1962. As then manufactured, it had a flash point (the lowest temperature at which the fumes or vapors from a substance will ignite) of 40°F. below zero. Over 500 individual seizures were necessary to remove the product from the market. Before this could be accomplished, at least three people had died and 30 or more were injured by explosions.

FDA instituted criminal prosecution against the manufacturer, Wilmington Chemical Co., Chicago, Ill., and its president, J. S. Klehman. After several delays and attempts to dismiss the case, the corporation plead guilty to 10 counts of shipping misbranded hazardous substances in interstate commerce and Mr. Klehman pleaded nolo contendere. On June 6, 1967, the corporation was fined \$5,000 and Mr. Klehman \$2,500.

In addition to the above actions, FDA initiated over 60 other seizures against a variety of products, including automotive chemicals, polishes, cleaners, paint products, and novelties for failure to bear adequate cautionary information.

Seizure actions were taken against cartridge-type tear gas pen guns, following reports of injuries to hands and eyes from accidental discharge of the devices.

Several lots of cadmium-containing silver solders and welding rods were seized for failure to warn that poisonous fumes are formed when the rods are heated during use. The problem was taken up with an association of manufacturers and a standard warning statement was devised and recommended to all members of the group.

Administration of Other Acts

A total of 138,371,181 pounds of tea was examined under the Tea Importation Act. Imports for the fiscal year exceeded those of last year by over 3.7 million pounds, making it the second highest in Tea Act history. Rejections totaled 379,542 pounds. Five rejections were

appealed to the U.S. Board of Tea Appeals but the FDA examiner's decision was upheld in each case.

The Federal Import Milk Act was reinterpreted in a Statement of Policy published September 10, 1966, as covering all imported, canned, heat-processed milk products. As a result, many lots of sweetened condensed milk were detained at ports of entry because the shippers did not have valid permits. The Import Milk Act is designed to insure that imported milk products are produced under sanitary conditions from healthy animals, as shown by government inspections. Two regular one-year permits were issued during the fiscal year to processors in Canada, and two temporary permits to firms in Australia and Denmark.

Mixtures of butter and sugar may be imported without import milk permits. Certain shippers tried to bring in mixtures which purported to be mixtures of butter and sugar, but were actually mixtures of heavy cream and sugar, or reconstituted cream and sugar. These were detained.

Court Interpretations

The Supreme Court ruled on June 5, 1967, that the Fourth Amendment allows both a homeowner and a business proprietor to refuse to permit inspection unless the Inspector presents a "search warrant." The ruling was in cases involving municipal health and fire department inspections. The Court set forth a simplified procedure for obtaining a warrant when there is a refusal. It also authorized inspections without first obtaining a warrant if there is an immediate health hazard. FDA issued new guidelines to its field staff, spelling out the procedure to be followed in obtaining warrants, when needed.

On November 30, 1966, a New Jersey District Court judge ruled that the Government must show probable cause or evidence of a violation of the Food, Drug, and Cosmetic Act in order to exercise the authority granted by the 1962 Drug Amendments for access to records of prescription drugs. The charge of refusal to permit inspection was based on the firm's refusal to furnish information on the source of a large number of potent prescription drugs being held for repackaging and sale to pharmacists. The firm was acquitted.

On December 8, 1966, in the same court, another drug repacker was convicted in a jury trial for refusal to permit a full inspection. In this case, the Government introduced testimony to show there was probable cause to believe a violation of the law had been committed. The firm was fined \$6,000, the maximum permitted. The firm is appealing this case.

Ruling in cases brought by the Pharmaceutical Manufacturers Association and the Toilet Goods Association, the Supreme Court held that FDA regulations can be challenged by declaratory judgment and injunction suits in the District Courts as soon as they are issued and before any enforcement action has been taken.

The drug manufacturers had challenged a requirement that the generic names of prescription drugs be used in labeling and advertising each time the trade names are used. The Toilet Goods Association contended in their case that FDA does not have legal authority to insist upon proof that cosmetics for coloring the body will be safe: it has only the right to require proof that the color ingredient in the cosmetic is safe.

The effect of the decisions was to refer the drug case back to the Court of Appeals, while the cosmetic case went back to the District Court for trial. The drug regulation was issued to implement a provision of the Drug Amendments of 1962, and the cosmetic rules carry out requirements of the 1960 Color Additives Amendments.

The conviction of John Andreadis and Drug Research Corporation for wire fraud, mail fraud, misbranding and conspiracy in the promotion of the drug "Regimen" for weight reduction was upheld by the Court of Appeals. The fact that the jury returned a verdict on only one out of 12 misbranding counts did not constitute a trial error, the Court ruled.

FDA's authority to prevent interstate distribution of unapproved investigational new drugs was upheld by the Court of Appeals in a case involving the claimed cancer cure, Krebiozen. "The District Court has neither the facilities nor the expertise to pass on Krebiozen in the first instance," the opinion said.

A District Court held that FDA has discretionary authority to bar imports and that such determinations are not reviewable.

The Court of Appeals upheld an FDA order withdrawing approval of a new drug containing diethylstilbestrol for producing caponette poultry. The Court held that the Poultry Products Inspection Act and the Federal Food, Drug, and Cosmetic Act are complementary, and the former has no bearing on FDA's authority over drugs or their use in treating poultry before it reaches the inspection stage, and "does not regulate in any manner the handling, shipment, or sale of live poultry."

The trial court in a misbranding case (*U.S. v. Diapulse device*) denied a motion to enjoin the issuance of news releases or other publicity regarding the case, as provided by the statute. The Court said the case was a striking example of a situation "where it would be most inappropriate . . . to attempt to muzzle an agency of the executive

branch of the Government in performing a duty expressly entrusted to it by Congress...."

Radio broadcasts by food lecturer Carlton Fredericks concerning therapeutic benefits of vitamins and minerals were sufficient evidence of the intended uses for products of Foods Plus, Inc. to show they were misbranded by lacking adequate directions, according to a decision by the Court of Appeals. The argument that FDA was intruding in the area of free speech and regulation of broadcasting was based on a misconception, the Court said.

The authority to seize an ultrasonic device in the possession of an Arkansas chiropractor on the grounds he was not licensed to use it, was upheld by the Court of Appeals. The opinion upheld FDA's regulations restricting certain diagnostic and therapeutic devices to professional use only, and further restricting them to the professionals within a State authorized by State licensing statutes to use or to prescribe them.

A suit to make FDA start over again in establishing standards of identity for dietary supplements and fortified foods was dismissed by the District Court for the District of Columbia. This was affirmed by the Court of Appeals. The suit by the Pharmaceutical Manufacturers Association charged that contrary to law FDA had not provided opportunity for comment on a "proposed regulation" but had gone ahead to publish a "final order" subject to objections and a public hearing.

The District Court dismissed the action and pointed out that FDA had in fact published a proposal (in 1962) and received comments, and held that whether the order subsequently published was broader than the original was immaterial since all parties would have "full opportunity to present evidence and objections at the forthcoming hearing to the same extent that they had in respect to the original proposal." The Court of Appeals held that FDA had complied with the two-stage rule-making process set up by the Hale Amendment of 1954.

New Laws and Regulations

The Fair Packaging and Labeling Act (P.L. 89-755). This law, signed by President Johnson on November 3, 1966, requires that all consumer products in interstate commerce be honestly and informatively labeled to make it easier for consumers to choose what they consider the best value. Provisions affecting foods, drugs, devices, and cosmetics are administered by FDA; all other commodities are under the jurisdiction of the Federal Trade Commission. The Department of Commerce is responsible for promoting voluntary standardization of

packages where there is undue proliferation of sizes. Numerous changes in food labeling are spelled out in FDA regulations which become effective December 31, 1967, for new printings. Existing label stocks may be used until July 31, 1968.

The law and regulations specify how net contents must be declared and, if the number of servings is indicated, the quantity per serving must be stated. Misleading terms, such as "giant quart" or "jumbo pound" are prohibited. So-called "cents-off" promotions are allowable only if the price can be shown to be lower than the usual retail price. Authority is provided to issue regulations prohibiting misleading packaging.

The Child Protection Act (P.L. 89-756). Signed November 3, 1966, this law amended the Federal Hazardous Substances Labeling Act to eliminate the word "labeling" from its title and make it apply to hazardous substances as well as their labeling. Authority is provided to ban products from interstate commerce which are so dangerous that adequate warnings for safe use cannot be given. Toys which are dangerous are summarily banned by the statute.

REGULATIONS

Drugs. Revised regulations were published to improve the quality of new drug applications (see section on "New Drugs").

Official names for 28 drugs were designated by the Commissioner, in the first such action under the 1962 Drug Amendments. Names so designated are required to be used in official compendia and in the labeling of such drugs.

Patient consent for the use of investigational drugs may be either oral or in writing when the drug is used in the final stages of clinical tests, according to a revision of the investigational new drug regulations. In the earlier stages of investigation consent must be in writing, unless this is not possible or contrary to the best interests of the patient. If use is primarily to obtain scientific knowledge consent must be in writing in all cases. The guidelines also indicate what the physician must tell the patient before accepting his consent.

Clinical studies of DMSO, which had been suspended, were permitted to be started or resumed for serious conditions such as scleroderma, persistent herpes zoster and severe rheumatoid arthritis, with precautions to protect the patient.

Cobalt preparations were ruled to be new drugs and subject to clearance before marketing.

Pre-natal drugs containing fluorides were ruled to be new drugs and subject to clearance because there is no substantial evidence of their effectiveness to promote tooth development in the fetus or prevent dental caries in the mother or the offspring.

Revisions were proposed in prescription drug advertising regulations to furnish more explicit guidance to medical advertisers (see "Prescription Drug Advertising").

Mailings to physicians of important drug information must be distinctive in appearance. FDA announced uniform designs which it will use on envelopes for such communications, and asked that manufacturers use the same distinctive format.

Pediatric aspirin dosage will be limited to $1\frac{1}{4}$ grains, with not over 36 tablets in a retail container, under recommendations of the Conference on Prevention of Accidental Ingestion of Salicylate Products, November 21, 1966. The recommendations, which also call for label warnings, were published as an FDA policy statement.

Preparations containing tyloxapol and benzalkonium chloride, for use with artificial eyes, were exempted from prescription dispensing.

A final order refused to allow a claim for Betaprone (betapropiolactone) to be used for sterilization of plasma because substantial evidence of its efficacy is lacking.

Approximately 5,000 combination depressant and stimulant drugs were evaluated to determine whether they should be brought under the special controls of the Drug Abuse Control Amendment. About 750 were put under control.

Food additives. During the fiscal year, 151 new food additive petitions were received and 152 orders were published involving food additives. Of these, 42 established new food additive regulations.

As of June 30, 1967, approximately 2,520 food additives had been made subject to regulations; in addition, 575 substances have been formally declared to be generally recognized as safe for certain uses, and prior sanctions have been listed in the regulations for 114 items.

Whole fish protein concentrate was cleared for marketing as a food additive by a regulation published February 2, 1967.

An order was published on August 12, 1966, revoking the food additive regulation to allow use of cobaltous salts in beer.

An order to delete 1,2-dihydro-2,2,4-trimethylquinoline from regulations which permitted its use in adhesives, paper and paperboard, and in rubber articles coming in contact with food, was published April 7, 1967.

Also on the initiative of the Commissioner, an order was published requiring that irradiated foods bear a forthright statement on the label that the food has been processed or treated by ionizing radiation.

Pesticides. During the year, 106 pesticide petitions were received and 131 tolerances were established, involving 31 pesticide chemicals. These included tolerances for herbicides, fungicides, insecticides, nematocides, desiccants and defoliants. Fifty-four temporary toler-

ances were issued to permit marketing of crops experimentally treated in accordance with permits granted by the Department of Agriculture. Since enactment of the Pesticide Chemicals Amendment in 1954, 2,861 pesticide tolerances or exemptions have been established involving 156 pesticide chemicals.

Pesticide petition activity almost doubled that of 1966 as a result of an agreement between the Secretaries of Agriculture and HEW to carry out recommendations made regarding no-residue and zero-tolerance pesticides by the National Academy of Sciences-National Research Council's Pesticide Residues Committee. The agreement said registrations of such pesticides should not be continued beyond December 31, 1967, unless evidence is presented to support a finite tolerance, or to show that enough progress has been made in the investigation to warrant continued use without undue hazard to the public health.

Revocation of tolerances for the antibiotics chlortetracycline and oxytetracycline, as antibacterial agents on dressed poultry and certain seafood, was proposed August 23, 1966. The proposal was based on the report of an advisory committee which found that antibiotics used in human or veterinary medicine should not be used in food preservation unless justified in solving serious problems. Objections were received from manufacturers of the antibiotics, and at the close of the fiscal year the matter was still pending.

On March 22, 1967, an order was published to delete all tolerances for the insecticides aldrin and dieldrin at levels above 0.1 ppm. The order was based upon the report of an advisory committee which considered the possible transmission of residues to meat and milk. Interim tolerances were established at 0.1 ppm for certain grain straws, at 0.05 ppm for citrus and rice grain, and at 0.02 ppm for other grains, pending review by a second advisory committee requested by the petitioner.

On March 15, 1967, an order was published establishing tolerances for residues of DDT and its related degradation products in milk and milk products (see "Chemicals in Foods").

Hazardous Substances. Five exempting regulations were issued, spelling out the kind of labeling needed for various articles. Fire extinguishers made according to listed specifications were exempted from bearing a warning that the contents are under pressure. A novelty item was permitted to have its warning on the back. Other exemptions dealt with the labeling of combination packages.

Food Standards. Three new food standards were established: frozen concentrate for artificially sweetened lemonade, canned preserved figs, and milk chocolate and vegetable fat (other than cacao fat) coating.

Four cheese standards promulgated after a public hearing, became

effective on May 9, 1967, after court appeals filed by objectors failed. The products are mozzarella cheese, part-skim mozzarella cheese, low-moisture mozzarella cheese, and low-moisture part-skim mozzarella cheese.

The standards for cheddar cheese, washed curd cheese, colby cheese, granular cheese and swiss cheese were amended to provide for the use of safe and suitable milk-clotting enzymes to partially replace rennet, which is in short supply.

During the year, 27 orders, 27 proposals, 2 withdrawals, 22 confirmations of effective date, and 6 temporary permits relating to establishment of food standards were processed.

Scientific Investigations

Scientific activities of the Food and Drug Administration are specialized and oriented to its mission of protecting consumers of foods, drugs, therapeutic devices, cosmetics, and hazardous household products. Actually, the Agency, as well as the laws it administers, are the outgrowth of the long-established professional field of regulatory science. Today the FDA is the world's leading scientific institution in the area of food and drug analysis.

FDA research programs fall largely in three categories: (1) development and testing of analytical methods; (2) basic research on the safety and efficacy of the ingredients of foods, drugs, cosmetics, and other materials; (3) tests and measurements that support and supplement regulatory activities.

ANALYTICAL METHODS

Analytical methods are the basic tools of the FDA scientist. Both Washington and field laboratories participate in the development of methods. For example, in fiscal 1967 new and improved methods were devised by the District laboratories to test the important drugs phenylephrine hydrochloride, used to relieve nasal congestion, allergies, and hypotension; the veterinary worming compound, piperazine; and the tranquilizer, meprobamate.

Several years ago it was discovered that the official chemical test for potency of thyroid compounds did not give the same results as the bioassay. A new chemical procedure measures the iodine-containing components of thyroid that produce its therapeutic effect. Results compare very well with those by bioassay and can be obtained faster at a fraction of the cost.

Antibiotics are frequently combined with each other and with other drugs. Formerly, analytical methods could measure only the total antibiotic content of such combinations. Now methods have been worked out to identify the specific antibiotics present in the combination.

A field test has been devised that can be used "on the spot" by inspectors to identify the psychedelic drug LSD. The chemical structure of the hallucinogen called STP has been worked out, as a preliminary step to developing an analytical method.

Compounds that are very similar in chemical structure are difficult to separate when combined in the same drug. In the past, a time-consuming "trial and error" approach had to be used to devise successful separation techniques. Now a general technique, called "ion pairing," has been adapted to solve this problem. By carefully controlling acidity and by using a sequence of chromatographic conditions, the proper type of separation can be predicted for these drug combinations.

Pesticide Research

Pesticides are now such an important factor in the food economy that a large segment of FDA's research effort is devoted to their study. Any method for determining a pesticide residue on foods must contain three basic steps: extraction of the pesticide from the food; purifying the extract; and finally, identifying and measuring the pesticide. The extraction step for use with foods of low moisture content has been made more effective. A rapid "sweep co-distillation" clean-up for organophosphorus pesticides that proved successful with vegetable crops was adapted for use with edible fats and oils. A gas-liquid chromatography clean-up was shown to be rapid and efficient for pesticide residues that tend to break down under the present type of clean-up.

The "multi-residue" method, in which a large number of pesticides can be detected and measured simultaneously, was modified for use with organophosphorus pesticides in non-fatty foods, studied collaboratively, and adopted as official.

Mycotoxins

Besides man-made residues, foods may be contaminated by natural toxins such as the highly toxic compounds produced by molds that form on growing plants. During studies of these mycotoxins, a new compound was discovered. Further investigations are underway to reveal the nature and actions of this substance, which has been named "aspertoxin".

Methods for more common mycotoxins, such as the aflatoxin group, have been developed and are constantly being improved. Analytical time has been greatly reduced, and the procedure modified, so that aflatoxins, ochratoxins, and the estrogenic factor of *Gibberella zeae* can be determined simultaneously in a single analysis.

A new, simple, bioassay utilizes the common brine shrimp as the test organism for aflatoxin. It is much cheaper and faster than other bioassays.

An inventory has been made of molds, related to mycotoxins, that infest foods and drugs. The inventory is part of a planned comprehensive collection of biological cultures and information.

Carcinogens

Benzo(a)pyrene is one of a group of so-called polynuclear hydrocarbons that are capable of causing cancer. Traces of the compounds are found in certain packaging materials and other complex substances. A multidetection method for these carcinogens was applied to "total diet" samples, i.e., composite food and beverage samples representing the total food intake of a human being within a two-week period.

The method was also applied to the commercial solvents that are used in processing operations for extracting edible oils from plant sources. A survey of the solvents did not show the presence of any of the carcinogenic impurities. The same method was used in a joint FDA-USDA project in which 41 samples of various smoked foods were analyzed. The maximum amount of benzo(a)pyrene found was 7 parts per billion. The banned flavoring agent safrole is also known to be a carcinogen; a method has now been developed to measure it quantitatively.

Pathogens and Their Toxins

FDA carries on the battle against pathogenic microorganisms and their toxins in foods. An official method for detecting *Salmonella* in dried egg products was developed and published. The assay for *Clostridium botulinum* type E was improved by reducing the anti-bacterial activity of non-toxic cultures of type E. Further improvements were made in the test to detect staphylococcal enterotoxin and recover it from foods. The organism *Escherichia coli* is not considered a human pathogen in frozen foods, but its presence indicates poor sanitary conditions during the processing of the food. A rapid high temperature test for *E. coli* has been devised.

Filth and Decomposition

Microscopic methods were developed and improved for identifying and measuring filth and decomposition in foods. Data on the processing of pecans, chocolate products, frozen strawberries, and tomato products were obtained at the factories and will be used to assist in interpreting the results of laboratory analyses.

Nutritional Assays

It is important to know the quantities of certain nutritional elements in the body, but it is also important to know whether they are in a form

that the body can utilize. For this purpose, a bioassay was developed to measure phosphorus availability. Methods for measuring the quality of protein were improved, and several types of methods for determining the vitamin choline in foods and feeds were compared as a preliminary step in further studies of choline.

Cosmetics

Most cosmetics contain ingredients, particularly perfumes, that are made up of many highly complex components, and older methods of analysis were not able to determine these components accurately. Newer techniques, particularly gas-liquid chromatography, are providing much more information about the composition of lipsticks, including fatty alcohols, esters, castor oil, and castor oil derivatives used as ingredients. The same technique is being used successfully to identify the sun-screening components of suntan preparations, and the presence of glycerol and propylene glycol in liquid cosmetics. It is especially useful in isolating and identifying the complex components of perfumes, essential oils, and natural resins and balsams also used in fragrances.

BASIC RESEARCH

In addition to the analysis of foods, drugs, and cosmetics, FDA is also concerned with their effects and their reactions in the animal body.

Medical scientists of the Bureau of Medicine undertook several investigations in collaboration with Georgetown University School of Medicine. The purpose of one study was to provide a better understanding of the mechanism of faulty blood circulation due to constriction or obstruction of blood vessels. A second investigation is attempting to measure the response of natural antibodies to organisms that cause a mysterious, pneumonia-like infection. A third study, concerned with oral contraceptives, has three purposes: to reveal whether the oral contraceptives have a harmful effect on the sugar metabolism and fatty materials in the blood of women who are past the menopause, to determine whether the beneficial effects of estrogenic hormones on these fatty materials will be changed by administering a progestogen type of hormone at the same time, and to learn whether various progestogens differ in their effects.

Tests were made of different dosage forms of the same drug, an adrenal steroid. It was found that the size of the particles in the drug affected the speed with which the drug was absorbed in the body and, consequently, its effectiveness: the smaller the particles, the more effective the drug.

Studies of LSD showed that it does not penetrate human skin, even when it is dissolved in 90 percent dimethylsulfoxide, a solvent which has great penetrating character. Alcohol or exposure to cold was found

to increase the harmful effects of some psychotropic drugs on the gastrointestinal system.

Teratogens

As a follow-up to the thalidomide tragedy of several years ago, various classes of compounds are being investigated to see if there is a way to predict whether they cause physical defects in the developing embryo. The commonly accepted Somers test is based on administration of the compound during the period of rabbits' pregnancy when the organs of the fetus develop. Preliminary findings suggest that a single dose given during limb-bud development is an even more sensitive test. The pesticide carbaryl caused some abnormalities when a single dose was given at this critical period. The study is continuing and is being extended to other compounds.

The Jammu variety of oil of calamus, a flavoring agent, was found to cause malignant tumors in rats, and the manufacturer withdrew it from the market.

Many useful and revealing studies are conducted on cultures of cells, the basic constituents of tissues. This type of investigation has shown that aflatoxin and other compounds interfere with the normal working of certain enzymes. One problem in tissue culture studies has been the difficulty of producing the necessary types of cells in large enough quantities for extensive investigation. A system for producing the cells in large volume was developed in FDA laboratories and has been patented. It is now widely used throughout the country. In addition, a special line of cells was developed, which provides a sensitive genetic marker. The useful area is located in the chromosome that controls sex.

REGULATORY RESEARCH

The former St. Louis District Laboratory was converted to a National Center for Drug Analysis. In addition to analyzing samples of drugs from all over the country, the Center is conducting research on automated methods and application of mass production techniques to drug analysis. Under this arrangement, drug samples can be handled faster and more uniformly. The Center will also serve as a coordinated source of information on drugs.

A constant threat to the safety of antibiotic drugs is the possibility that the drug will be contaminated by the presence of other antibiotics. Approximately 3,000 samples were tested (representing 98 percent of all samples submitted for certification within a 2-month period) and none contained other than the labeled antibiotic. A number of batches of antibiotics had to be rejected in former years because they were cross-contaminated by penicillin; this year only nine batches were rejected for this reason, and the problem is under control.

Eleven veterinary preparations to control mastitis in cattle were checked. Eight of these continued to produce residues of antibiotics in the milk for periods longer than the approved withdrawal times. A number of batches were recalled from the market; some of the manufacturers were able to reformulate their products so that they were considered acceptable.

A survey was made of beer because of the possibility that it might be subject to contamination by aflatoxins. Of the 180 samples of beer tested, none contained aflatoxins.

In the constant effort to control bacterial contaminants of foods, FDA continued its investigation of the sanitary conditions in frozen food plants. Unsanitary conditions were correlated with the presence of bacteria in the food at various points in the processing operation. Data were obtained for frozen breaded raw shrimp, potato products, and fish sticks.

The chemical composition of cherry pies and of fruit preserves was studied in support of proposed and existing food standards. Methods for determining various fats and fatty acids were improved to aid in regulating foods labeled to contain polyunsaturated fatty materials.

A number of analytical methods for pesticide residues, submitted in support of pesticide petitions, were tested and found to give acceptable results.

Education and Communication

Activities to promote voluntary compliance with the law and enable consumers to benefit from its protection reached a new high in fiscal 1967.

Making a personal contribution, Commissioner Goddard gave more than 75 formal and informal talks to industry, professional, scientific and consumer audiences. Of these about 20 were to industry groups.

An extensive, planned program was conducted to assist particular industries in understanding and solving specific compliance problems of major health significance to the consumer. Ninety-four District workshops and 12 national conferences were held, concentrating on five critical problem areas:

1. Drug quality control and compliance with the Good Manufacturing Practice Regulations.
2. The drug abuse problem.
3. Bacterial contamination of foods.
4. Chemical residues in foods.
5. Sanitation in food warehousing.

Within each project area, the workshops focused on specific industry problems, such as Salmonella in dry milk and bacterial con-

tamination of shelled pecans or breaded shrimp. On some problems, such as the safety of large-volume parenteral solutions, where only six manufacturers were involved, a national symposium was held.

Specialists from industry, FDA, and other State and National agencies presented the programs, which emphasized questions and discussion by the participants. More than 3,000 firms, represented by over 10,000 professional and management personnel, took part in the conferences, seminars and workshops.

In addition, approximately 20,000 industry representatives viewed FDA exhibits dealing with problem-oriented enforcement programs. Particularly in the workshops, a high degree of industry participation was reached, varying from 80 to 100 percent of the firms in each area.

The consumer education and information program for fiscal 1967, as carried out by FDA's Consumer Specialists (currently 30 professional women in 17 District offices) was designed to meet the special needs of three target audiences: professional and lay leaders in aging; educators in health, science, and home economics; and community service and consumer leaders in the labor field. In addition to conducting or participating in numerous conferences with these three groups, Consumer Specialists have also provided FDA information for community groups and to the general public through the mass media.

With more than 30 percent of the U.S. population in school, FDA has a special duty to respond when teachers or pupils request information. Health facts and attitudes learned in school can literally be life-saving. Prime consideration is being given to preparation of teaching materials on drugs, a subject area which has been by-passed by curriculum developers but is now demanding attention. Other new teaching guides provide basic facts for consumers concerning their choice and use of foods, cosmetics and other household products regulated by FDA.

Publication of *FDA Papers*, the agency's official voice, started in February, 1967. The magazine replaced three periodicals, the *Monthly Report of Enforcement and Compliance*, the *Food and Drug Review*, and *Notices of Judgment*, distributed on free lists at non-staff costs of \$42,000.00. It also replaced several occasional publications mailed free on lists maintained by FDA. By June 30, paid subscriptions for *FDA Papers*, at \$5.50, reached 15,000. Non-staff costs for the ten issues published in 1967 were estimated at \$64,000 and the receipts by GPO for subscriptions and single copy sales at \$125,000. In addition to providing information for management of businesses regulated by the laws administered by the agency, *FDA Papers* is a source of consumer information in the form of inexpensive reprints.

More than 5,000,000 viewers saw the FDA educational film, "A Reason For Confidence." A Spanish-language version was completed and put in circulation. A film on drug abuse, "Bennies and Goofballs," was seen by over 1,500 audiences, including medical groups, sociologists, high school and college assemblies, and government agencies. A film on quackery, "The Health Fraud Racket," is also in great demand, with over 1,200 showings to live audiences and 60 telecasts.

A single TV spot informing the public about the new Child Protection Act of 1966 has continued to receive saturation distribution in prime time from coast to coast.

Enforcement Statistics

Major workloads are summarized in the tabulations below:

	1966		1967	
	Inspections made	Samples collected	Inspections made	Samples collected
Total.....	46,287	81,810	48,075	80,317
Foods.....	30,075	40,163	28,592	38,644
Drugs.....	13,487	40,117	16,160	39,968
Cosmetics.....	809	451	927	413
Hazardous substances.....	1,751	1,007	2,185	1,154
All other.....	165	72	202	138

Allocation of FDA funds

[In percent]

	Fiscal year 1966	Fiscal year 1967	Fiscal year 1968
Foods.....	38.0	34.9	33.4
Drugs.....	48.0	48.1	51.9
Cosmetics.....	1.7	1.6	1.3
Devices.....	1.3	1.2	1.2
Hazardous substances.....	2.0	2.0	1.8
Unallocable.....	9.0	12.2	10.4
Appropriation (approximate).....	\$53,000,000	\$60,000,000	\$66,000,000

Table 1.—Seizures, prosecutions, and injunctions instituted by the Food and Drug Administration and filed in the Federal courts during fiscal year 1967

	Seizures	Prosecutions	Injunctions	Total
Foods.....	657	77	10	744
Drugs and devices.....	389	18	14	421
Illegal drug sales.....	45	312		357
Cosmetics and colors.....	14			14
Hazardous substances.....	60		3	63
Total cases filed.....	1,165	407	27	1,699

Table 2.—Court actions under the Federal Food, Drug, and Cosmetic Act during fiscal year 1967, as reported to the Department of Justice

Cases	Total	Seizures	Prosecutions	Injunctions
Pending July 1, 1966.....	658	346	284	28
Reported to Department of Justice during the fiscal year.....	1,580	1,208	351	21
Total pending during year.....	2,238	1,554	635	49
Terminated during year.....	1,437	1,177	250	10
Pending June 30, 1967.....	801	377	385	39

Note: In 250 criminal cases terminated (or terminated as to some defendants) during the fiscal year, the fines imposed totaled \$184,679.00; 39 defendants received jail sentences ranging from 2 weeks to 5 years.

Table 3.—Import samples collected, examinations made, and lots detained during the fiscal year 1967

Item	Samples collected	Examinations made	Lots detained
Total.....	20,642	32,728	6,913
Foods.....	14,688	28,213	2,551
Drugs and devices.....	5,572	3,707	4,134
Cosmetics, colors, miscellaneous.....	382	808	228

Fiscal Arrangements

The 1966 amendments raised the levels of authorization for Federal appropriations for supporting the State-Local programs of public health inspection.

Through a new major initiative to aid the States, the Federal Government has agreed to provide additional

Table 1. Summary of the data for the 1950-1951 season. The data are presented in the form of a 2x2 table, with the rows representing the two groups of subjects and the columns representing the two conditions. The values are given in the form of percentages.

Group	Condition 1	Condition 2
Group 1	45.2	54.8
Group 2	52.1	47.9

Table 2. Summary of the data for the 1952-1953 season. The data are presented in the form of a 2x2 table, with the rows representing the two groups of subjects and the columns representing the two conditions. The values are given in the form of percentages.

Group	Condition 1	Condition 2
Group 1	48.3	51.7
Group 2	50.4	49.6

Appendix A

Table 1

Year	Group 1	Group 2
1950-1951	45.2	54.8
1952-1953	48.3	51.7

Table 3. Summary of the data for the 1954-1955 season. The data are presented in the form of a 2x2 table, with the rows representing the two groups of subjects and the columns representing the two conditions. The values are given in the form of percentages.

Group	Condition 1	Condition 2
Group 1	46.5	53.5
Group 2	51.2	48.8

Vocational Rehabilitation Administration

THE IMPACT OF THE 1965 amendments to the Vocational Rehabilitation Act began to be felt strongly in 1967.¹ There was an increase of 13 percent over the previous year in the number of disabled people rehabilitated into employment. The total of 173,594 was a long step toward the goal of 200,000 that has been set for the public program, and a substantial portion were the severely handicapped, because of stronger efforts made to reach them with new services.

The steady rise in the rehabilitation of persons with mental troubles continued in 1967. Mental illness or retardation were the primary disabilities in 25 percent of the total, the highest proportion ever reached. About 27 percent were handicapped by loss of limbs, paralysis, or skeletal-muscular troubles. Nearly eight percent were blind or had visual impairments, seven percent were deaf or had speech or hearing difficulties, and four percent had cardiac troubles. The remainder had a variety of handicaps to employment.

They were rehabilitated into many kinds of jobs. In broad categories, nine percent went into professional or management jobs, and another nine percent found skilled work. About 24 percent went into service occupations, and 14 percent resumed family duties. About 15 percent went into clerical or sales work, five percent entered agriculture, one percent were placed in sheltered workshops, and 22 percent in semi-skilled and unskilled work.

Fiscal Arrangements

The 1965 amendments raised the limits of authorization for Federal appropriations for supporting the States' basic programs of service

¹ Throughout this report reference to any year indicates fiscal year unless otherwise indicated.

to \$300 million for 1966, \$350 million for 1967, and \$400 million for 1968. Further authorizations are proposed in the 1967 amendments of \$500 million for 1969 and \$600 million for 1970. Allotments to States from these funds continue to be made on the basis of population and per capita income, but the rate for Federal matching of State funds was increased in 1965 amendments to 75 percent of each State's expenditures for their basic service programs.

Statewide Planning

The provision in the 1965 amendments to the Vocational Rehabilitation Act that makes Federal grants available to State rehabilitation agencies for the orderly planning and development of their public and private resources, is proving highly useful. Grants have been made to 51 States and territories, and 13 are in their second year.

The prevalence of disability and an estimate of the needs of handicapped people, measured against available and projected resources for their rehabilitation, are highly pertinent to each State's future plans, as a foundation for endeavors to make rehabilitation services available for all who need them by 1975.

Creation and Development of Workshops and Facilities

The grant authority provided in the 1965 amendments to aid in the creation, development and improvement of workshops and facilities gave the public program added impetus in 1967.

Rehabilitation agencies in 49 States, and 47 non-public groups received grants in 1967 to assist in the costs of determining Statewide and specific needs for rehabilitation facilities and workshops. One hundred and fifty-six workshops received a total of \$4 million in grants to improve and raise their capacities for providing employment and services for handicapped persons.

The amendments also provided for grants to pay part of the costs incurred by public and private non-profit organizations in constructing facilities and workshops. Almost \$3 million in 22 such grants were awarded in 19 States during 1967.

Another new program allows workshops to avail themselves of grants for obtaining specialists in contract procurement, industrial and business management, and other necessary practices that make them more efficient. Fifty-seven consultants are now under contract to workshops to provide this technical assistance.

The National Policy and Performance Council, which makes recommendations to the Secretary on the eligibility of workshops for grants to enlarge their capacity for training disabled persons, accelerated its activities during 1967.

Thirteen such grants, totaling about \$2 million, were awarded to facilities and workshops in several States, to enable them to provide training in occupational skills, for job tryouts and related services, with added provisions of cash support for trainees and their dependents while in training.

Innovation Projects

State vocational rehabilitation agencies, under grant authority provided in the 1965 amendments, can undertake innovation projects for the introduction and development of new rehabilitation methods or techniques, or for the provision of improved services to groups having disabilities which are catastrophic or particularly severe. The Federal government bears 90 percent of the cost of these projects. As of the end of 1967, 30 States have 52 innovation projects underway.

More than half of these projects are designed to serve persons with multiple or particularly severe disabilities. Many of those kinds of people had long been considered unfeasible for vocational rehabilitation because specialized counseling and appropriate service methods were not available.

Expansion Grants

Expansion grants made possible in the 1965 amendments to the Vocational Rehabilitation Act encourage extensions and additions to programs that will result in the rehabilitation of greater numbers of handicapped persons. In 1967, the \$6.3 million obligated for this program went to projects in 43 States, the District of Columbia, and Puerto Rico. Expansion grants were made to 75 private non-profit organizations and 41 State vocational rehabilitation agencies.

A majority of the projects are directed toward serving persons with multiple disabilities. Included are projects which deal with the problems of the disabled living in urban poverty areas. Among the remaining projects, 21 provide improved and expanded services for the mentally ill, 17 deal with the blind and visually handicapped, 12 with the mentally retarded, five with the public offender, five with victims of pulmonary disorders, five with alcoholics, and four with the deaf. Three projects are directed at improving speech and hearing facilities

and one project each serves epileptics, stroke cases, laryngectomees, and spinal cord injuries.

Architectural Barriers

The National Commission on Architectural Barriers to Rehabilitation of the Handicapped completed a series of hearings in 1967 in different sections of the country. More than 40 individuals and organizations—architects, building and code officials, rehabilitation specialists, school and university administrators, physicians, city planners, Governors, and mayors, State and local officials and organizations of disabled and older people—gave their views on barriers to the disabled, and how they can be prevented or eradicated. Federal agencies responsible for planning and building hospitals, post offices, schools, and libraries also presented testimony on ways to permit access and use of buildings by older people, those in wheelchairs, or with cardiac troubles.

The Commission is working toward preparation of a report and recommendations to the Secretary, which will be transmitted to the President and the Congress with suggestions for Executive and Congressional consideration.

Research

A significant development in VRA's research and demonstration activities in 1967 was initiation of a Research Utilization unit. In various ways the unit is disseminating the results of research findings to State rehabilitation agencies and organizations likely to benefit from the information.

Several demonstration projects have developed new ways to increase the number of handicapped persons who might be placed in industry. By agreement with certain companies, ex-mental patients, individually and in groups, have been given employment on an experimental basis. A similar program has been initiated for mentally retarded people.

One of the most interesting aspects of rehabilitation among disabled people in poverty areas is the need for a cross-cultural study of these groups, to enhance communication with educationally-deprived persons and minority groups unfamiliar with the possibilities of rehabilitation. A Regional Research Institute devoted to such problems has recently been established at the University of Missouri. There now is an Institute in each Region, each with its own area of research emphasis.

Training Rehabilitation Workers

An increase in the appropriation for VRA's support of training in disciplines allied with the public rehabilitation program, from \$24.8 millions in 1966 to \$29.7 millions in 1967, allowed a substantial growth of activity.

Thus it was possible to provide strong support for 480 teaching projects in subjects allied with the public program, in about 175 colleges, universities, and other institutions.

Grants also were made for traineeships for 5,262 selected students in the following subjects:

Medicine (plastic surgery, orthopedic surgery and neurology as well as physical medicine and rehabilitation), nursing, dentistry, occupational therapy, physical therapy, prosthetic-orthotic education, rehabilitation counseling, psychology, sociology, social work, speech pathology and audiology, recreation, and rehabilitation facilities administration. Grants also were made for support of specialized training programs in rehabilitation of the blind, deaf, mentally retarded, emotionally disturbed, and public offenders.

Of major significance was the upward swing in training programs in rehabilitation counseling. About 1,800 students were enrolled and about 800 completed the two-year program in 1967. Since 1954, 3,818 students have completed rehabilitation counselor training with VRA assistance.

Short-term courses dealing with various aspects of vocational rehabilitation services reached more than 9,000 individuals in 1967.

Mental Illness

Mentally ill people who were rehabilitated into employment in 1967 made up 16 percent of the total of all people rehabilitated through the public program. State rehabilitation agencies continue to provide necessary services to in-hospital and post-hospital patients in order that they may resume or enter employment and assume their rightful place in their communities. Services are also provided to emotionally disturbed people who are not or have not been hospitalized, but who need help in order to work in the community and stay out of a hospital.

A great deal of activity has been generated in the State agencies in relation to the Comprehensive Community Mental Health program, supported by the National Institute of Mental Health on an out-patient basis, for emotionally disturbed people, to keep them able to function in the community. As more of these facilities are created,

States are assigning rehabilitation counselors and other personnel to these programs to give them added rehabilitation content.

Mental Retardation

The State-Federal program of vocational rehabilitation continues to make dramatic gains in preparing mentally retarded people for gainful employment and placing them in jobs commensurate with their capacities and limitations. In 1965 there were 10,200 retarded people rehabilitated under this program, a figure which climbed to 14,293 in 1966, and the estimated number of rehabilitants in this category for 1967 was about 19,000. About 10 percent of rehabilitants from all disability areas in 1967 were retarded.

Three primary approaches have contributed greatly to rehabilitation of the mentally retarded: (1) stimulation of cooperative special education-vocational rehabilitation arrangements to facilitate the retardate's transition from school to work; (2) the establishments of rehabilitation facilities emphasizing services to the retarded, including evaluation centers, occupational training centers, and sheltered workshops; and (3) the assignment by State rehabilitation agencies of specialized staff to work with mentally retarded clients.

A noteworthy example of expanding job opportunities for the retarded has been demonstrated by the program for Federal employment of the mentally retarded. By the close of 1967, a total of about 3,300 retardates had been placed in Federal installations across the country.

Services for the Blind

A major activity in the program for the rehabilitation of blind persons is keeping abreast of labor market trends, so that training programs may be developed that make it feasible for blind persons to be placed in employment that has promise of long term durability.

Blind persons rehabilitated into employment in 1967 were 3½ percent of the national total.

Significant progress was achieved in these areas during 1967:

- Work opportunities in hotel-motel and hospital operations.
- Training and placement of blind teachers for public school systems, with two objectives—to provide substantial employment and alleviate shortages in an important field.

- An experimental workshop program to shape simple productive jobs so that blind persons with additional handicapping conditions can earn wages.
- Expansion of training for blind persons in electronic computing operations.
- Employment opportunities in the Federal and State governments were expanded in 1967. The Vocational Rehabilitation Administration and the Internal Revenue Service are in a joint endeavor to train blind persons in IRS work, not only in Washington, but in IRS field offices.

The nationwide vending stand program, operated for the benefit of blind persons under the Randolph-Sheppard Act of 1936, continued to grow in 1967. The blind operators are licensed by the State rehabilitation agencies and are under their supervision.

In 1967, the number of stands on Federal and private property was over 2,800, an increase of 5.5 percent over 1966. Their gross sales were \$71.5 million, up 9.5 percent over 1966, returning net proceeds of \$14.7 million (up 10 percent over 1966) to 3,100 operators, seven percent more than the previous year. The operators had average earnings of \$5,200, an increase of 6.3 percent.

Research and Training Centers

The number of Research and Training Centers, established with major universities across the nation for complex rehabilitation research and training, reached 18 during 1967. They undertook 487 research projects, and training services of long and short duration reached more than 18,000 workers in rehabilitation.

The sum of \$8,575,000 in Federal funds was available for these centers in 1967. The bulk of it was allotted to 11 centers where there is research and training in the medical aspects of the rehabilitation program. Three centers that are performing research and training in all aspects of mental retardation, and three others that are concerned with research in the work adjustment of handicapped people and development of special training techniques, received substantial grants. Another center is performing research and training in communication and employment problems of deaf and hard of hearing people.

Citizens Advisory Committee

The National Citizens Advisory Committee on Vocational Rehabilitation became fully operational during 1967, and launched an intensive study of the Nation's rehabilitation effort. The Committee conducted hearings across the country and sent letters of inquiry to hundreds of individuals and organizations in the rehabilitation field. Preliminary considerations and recommendations developed by the Committee suggest that there is a great rehabilitation potential for millions of the nation's handicapped and disadvantaged citizens. The Committee expects to make its final report early in 1968.

Matching Private Contributions

State vocational rehabilitation agencies, under recent legislation, can accept contributions from private, non-profit agencies, and have them matched with Federal funds and returned to the donor agencies for establishing rehabilitation facilities. In 35 States, about 130 projects were thus made possible during 1967, involving expenditures of almost \$5 million.

Social Security Disability Applicants

The number of disabled people rehabilitated into employment from the applicants for disability benefits under Social Security provisions continues to grow. An estimated 20,000 of these applicants were rehabilitated during 1967, a substantial increase over the previous year.

State rehabilitation agencies continue to screen the applicants, both for determination of injuries as a basis for social security benefits, and for possibilities of rehabilitation.

Alcoholism

Many State agencies made more intensive efforts in 1967 to focus attention on the complicated problems of alcoholism. They were putting into action the guidelines expressed by President Johnson in 1966,

in which the Federal government joined in a full partnership with State and local organizations, public and private, to develop a unified and coordinated program of control and prevention based on a new national policy, in which the gravity of the problem is fully recognized.

Enactment of the Vocational Rehabilitation Amendments of 1961 enabled increased attention to rehabilitation of alcoholics.

Several State agencies are developing programs under Innovation or Expansion provisions. Among notable efforts:

- The Texas Division of Vocational Rehabilitation is supporting the Houston Alcoholism Rehabilitation Project, a new and comprehensive effort for rehabilitating alcoholics.
- Iowa's rehabilitation agency, with an expansion grant, has embarked on a Statewide program to combat alcoholism, with the cooperation of the Governor's office, the Office of Economic Opportunity, and a network of community resources.
- California's rehabilitation agency and its State Health Department operate a Center for Alcoholism, offering in a one-stop center every needed service to get alcoholics back to their jobs and a satisfactory way of life. Seventeen projects related to the rehabilitation of alcoholics have been initiated in the VRA-supported rehabilitation research program, to broaden the area of investigation in alcoholism, now rated in fourth place among the Nation's health problems.

Serving the Disabled in Rural Areas

Services to disabled people in rural areas were intensified in 1967. Several State rehabilitation agencies have further decentralized their operations. Rehabilitation planning among State and Vocational Rehabilitation Administration groups had significant effects. There was development of a plan to serve migrant agricultural workers. Spanish Americans who are rural residents received particular attention, especially where there are concentrations of public assistance recipients, such as in California, Texas and New Mexico.

Western States also amplified their services to serve disabled Indians. So as to gain more understanding of their problems, Arizona State University has undertaken a study of occupational goals of ethnic groups in the area.

Relationships With Labor

The Vocational Rehabilitation Administration continued to strengthen its relationships with organized labor in 1967 by a continuation of institutes and demonstration projects that keep labor leadership and their constituencies informed of the benefits of rehabilitation services to union workers and their families.

Selective Service Rejectees

The Vocational Rehabilitation Administration and the Public Health Service, working jointly in a continuous health referral program for men rejected by the Selective Service System for medical reasons, continued their operation in 1967, during which 34,000 rejectees were referred to appropriate agencies for medical services. Some were referred to other public agencies, and an estimated 95 percent of them received rehabilitation services in some form.

International Research

Tunisia and Ceylon joined the cooperative international rehabilitation research program in 1967, and, with the assistance of VRA representatives started to develop research projects pertinent to disability in their countries.

The new countries raised the total of foreign nations in this program to 10—Burma, India, Israel, Pakistan, Poland, Syria, United Arab Republic, Yugoslavia, Tunisia, and Ceylon.

Support grants for VRA-approved projects in these countries derive from local currencies accumulated to the credit of the United States from their purchases of U.S. commodities.

New projects are being developed rapidly. More than 140 have been put into operation since the international program was established.

One of the salient effects of the program is the interchange of experts between the United States and the participating countries.

About 130 scientists and rehabilitation experts have visited the United States since 1960, to work in or observe U.S. methods and practices, and more than 150 U.S. experts have been sent abroad to work in VRA-supported projects.

Since 1957, VRA has planned and supervised itineraries and programs for about 2,000 foreign visitors to observe or be trained in rehabilitation practices.

Table 1.—Number of referrals and active cases, by agency, fiscal year 1967

Agency ¹	Referrals ²				Active cases				
	During fiscal year			Remain- ing at end of year ⁴	During fiscal year			Remain- ing at end of year ⁷	
	Total	Accepted for services	Not ac- cepted for services ³		Total active load (re- ceiving services)	Closed from active load			
						Rehabil- itated	After rehabil- itation plan in- itiated ⁵	Before rehabil- itation plan in- itiated ⁶	
United States, total.....	801,512	276,315	235,331	289,866	569,907	173,594	22,622	22,199	351,492
Alabama.....	17,910	6,394	4,471	7,045	14,527	4,818	437	713	8,559
Alaska ⁸	606	180	167	259	486	127	20	35	304
Arizona:									
General.....	4,987	1,521	1,807	1,659	2,979	887	145	65	1,882
Blind.....	255	33	38	184	135	20	7	2	106
Arkansas:									
General.....	15,028	6,844	4,368	3,816	12,224	4,303	416	220 ⁹	7,285
Blind.....	636	278	122	236	442	151	6	3	282
California.....	76,318	22,161	32,486	21,671	38,919	6,375	3,378	3,948	25,218
Colorado.....	8,581	3,296	2,773	2,512	6,633	2,143	501	292	2,697
Connecticut:									
General.....	6,373	2,714	1,089	2,570	5,923	1,552	260	252	3,859
Blind.....	287	126	66	95	269	85	12	6	166
Delaware:									
General.....	1,597	956	311	330	1,980	730	73	62	1,115
Blind.....	61	40	11	10	99	32	4	1	62
District of Columbia.....	6,863	3,348	1,863	1,652	6,040	2,261	380	407	2,992
Florida:									
General.....	47,466	15,305	18,162	13,999	27,042	7,766	1,782	1,196	16,298
Blind.....	3,372	482	1,126	1,764	1,387	320	41	35	991
Georgia.....	36,384	12,745	10,837	12,802	23,618	8,751	937	586	13,344
Guam.....	326	94	89	143	149	37	5	0	107
Hawaii:									
General.....	2,278	740	727	811	1,897	457	109	57	1,274
Blind.....	141	73	34	34	181	25	9	6	141
Idaho:									
General.....	1,613	835	304	474	1,728	536	27	7	1,158
Blind.....	35	24	6	5	57	24	1	2	30
Illinois.....	30,492	10,990	9,834	9,668	21,913	9,712	504	913	10,784
Indiana:									
General.....	7,865	3,192	2,277	2,396	7,836	1,955	110	158	5,613
Blind.....	279	53	79	147	193	55	4	4	130
Iowa:									
General.....	12,363	5,155	3,109	4,099	8,752	2,215	164	218	6,155
Blind.....	374	149	51	174	369	83	7	8	271
Kansas:									
General.....	3,314	1,779	798	737	3,321	1,116	198	162	1,845
Blind.....	372	100	133	139	310	96	8	14	192
Kentucky.....	18,380	6,586	8,432	3,362	11,616	4,810	589	397	5,820
Louisiana:									
General.....	9,776	4,724	2,169	2,883	11,799	2,828	337	411	8,223
Blind.....	655	170	123	362	802	116	18	14	654
Maine:									
General.....	2,544	540	772	1,232	1,246	349	53	56	788
Blind.....	360	120	108	132	340	85	9	8	238
Maryland.....	16,910	7,154	3,723	6,033	12,343	4,788	483	464	6,608
Massachusetts:									
General.....	11,526	4,225	3,005	4,296	9,117	2,169	250	417	6,281
Blind.....	382	216	35	131	592	112	36	14	430
Michigan:									
General.....	22,700	7,749	6,101	8,850	17,624	5,159	758	298	11,409
Blind.....	843	223	148	472	677	176	15	28	458
Minnesota:									
General.....	12,102	3,822	2,690	5,590	8,328	2,213	188	162	5,765
Blind.....	1,352	283	386	683	861	200	22	35	604
Mississippi:									
General.....	11,127	3,482	2,804	4,841	6,005	2,111	130	201	3,563
Blind.....	2,222	522	1,100	600	1,168	360	43	28	737
Missouri:									
General.....	17,670	5,628	5,666	6,376	10,557	4,271	450	103	5,733
Blind.....	910	265	291	354	555	168	12	8	367
Montana:									
General.....	2,535	994	816	725	2,558	616	66	94	1,782
Blind.....	144	67	28	49	131	28	8	0	95
Nebraska:									
General.....	3,984	1,861	737	1,386	4,121	1,037	79	119	2,886
Blind.....	724	246	289	189	468	123	27	11	307

See footnotes at end of table.

Table 1.—Number of referrals and active cases, by agency, fiscal year 1967—Con.

Agency ¹	Referrals ²				Active cases				
	During fiscal year			Remain- ing at end of year ⁴	During fiscal year			Remain- ing at end of year ⁷	
	Total	Accepted for services	Not ac- cepted for services ³		Total active load (re- ceiving services)	Closed from active load			
						Rehabil- itated	After rehabil- itation plan in- itiated ⁵	Before rehabil- itation plan in- itiated ⁶	
Nevada:									
General	1,440	469	590	381	822	231	103	50	438
Blind	239	34	91	114	84	21	5	4	54
New Hampshire:									
General	1,727	453	493	781	845	238	43	34	530
Blind	236	115	33	88	223	44	2	3	174
New Jersey:									
General	20,799	5,982	5,434	9,383	12,359	3,887	363	652	7,457
Blind	1,128	268	229	631	656	172	13	26	445
New Mexico:									
General	2,903	791	1,273	839	1,514	522	132	49	811
Blind	201	51	57	93	145	39	10	5	91
New York:									
General ⁸	34,392	12,000	6,700	15,692	29,362	7,609	650	1,125	19,978
Blind	2,963	663	494	1,806	2,043	578	51	59	1,355
North Carolina:									
General	22,958	9,579	6,013	7,366	19,285	9,000	393	295	9,597
Blind	2,030	709	747	514	1,580	531	9	34	1,006
North Dakota:									
General	2,998	570	834	1,594	1,867	393	45	86	1,343
Ohio:									
General	22,682	6,686	6,501	9,495	12,466	3,698	523	451	7,794
Blind	1,715	352	594	769	1,099	278	32	35	754
Oklahoma:									
General	13,239	6,272	3,128	3,839	14,496	3,300	386	410	10,400
Oregon:									
General	7,707	2,105	2,622	2,980	4,820	1,076	333	258	3,153
Blind	316	64	81	171	197	37	5	1	154
Pennsylvania:									
General	56,798	18,129	16,281	22,388	43,038	12,403	2,256	1,691	26,688
Blind	4,562	882	1,188	2,492	2,110	709	33	53	1,315
Puerto Rico:									
General	13,002	3,508	1,512	7,982	9,928	2,215	102	328	7,283
Rhode Island:									
General	6,277	2,633	1,429	2,215	6,033	1,597	250	118	4,068
Blind	188	37	1	150	151	76	0	2	73
South Carolina:									
General	22,401	7,470	5,668	9,263	16,187	5,139	392	530	10,126
Blind	249	95	78	76	352	154	7	16	175
South Dakota:									
General	2,211	704	438	1,069	1,619	428	57	4	1,130
Blind	628	81	224	323	217	57	3	4	153
Tennessee:									
General	14,949	5,671	2,588	6,690	11,576	3,629	346	322	7,279
Blind	1,124	403	311	410	850	338	20	20	472
Texas:									
General	32,620	12,196	9,163	11,261	22,549	6,752	1,014	419	14,364
Blind	3,241	1,371	724	1,146	2,311	864	30	32	1,385
Utah:									
General	3,814	1,689	941	1,184	3,915	968	150	66	2,731
Vermont:									
General	1,714	319	455	940	974	217	66	45	646
Blind	93	23	26	44	57	15	2	1	39
Virginia:									
General	19,599	7,131	6,026	6,442	12,973	5,175	540	494	6,764
Blind	1,343	443	346	554	758	283	15	16	444
Virgin Islands:									
General	425	127	46	252	265	76	4	1	184
Washington:									
General	9,726	2,126	3,060	4,540	5,099	1,551	297	182	3,069
Blind	611	243	201	167	502	138	32	28	304
West Virginia:									
General	20,387	6,202	5,644	8,541	15,924	4,319	391	1,837	9,377
Wisconsin:									
General	20,415	8,545	5,385	6,485	16,915	6,115	280	151	10,369
Blind	852	108	493	251	282	62	8	6	206
Wyoming:									
General	1,588	472	628	488	1,142	309	111	16	706

¹ In States with 2 agencies, the State division of vocational rehabilitation is designated as "general," and the agency under the State commission or other agency for the blind is designated as "blind."

² Includes a small number of extended evaluation cases.

³ Services declined, services not needed, individual not eligible, individual needing services other than vocational rehabilitation, referred to other agencies, migratory shifting of the individual, etc.

⁴ Eligibility for rehabilitation not yet determined.

⁵ Closed after rehabilitation plan was initiated; received rehabilitation service but never reached the point of employment because of personal factors, illness, aggravated disability, etc.

⁶ Closed prior to initiation of rehabilitation plan because of indifference of individual, increase in degree of disability, loss of contact, etc.

⁷ In process of rehabilitation on June 30, 1967.

⁸ Partially estimated.

Table 2.—Vocational rehabilitation grants, fiscal year 1967, to State divisions of vocational rehabilitation

State or territory	Support grants (sec. 2)	E. & I. and innovation grants (sec. 3)	Total (secs. 2 and 3)
Total.....	\$218,827,914	\$1,700,539	\$220,528,453
Alabama.....	8,983,529	30,709	9,014,238
Alaska.....	300,184	0	300,184
Arizona.....	2,101,277	23,656	2,124,933
Arkansas.....	5,541,883	26,834	5,568,717
California.....	18,519,256	254,754	18,774,010
Colorado.....	3,124,104	19,345	3,143,449
Connecticut.....	2,095,763	32,987	2,128,750
Delaware.....	304,142	25,000	329,142
District of Columbia.....	1,703,014	25,000	728,014
Florida.....	8,405,827	65,033	8,470,860
Georgia.....	11,688,101	55,911	11,744,012
Guam.....	137,877	0	137,877
Hawaii.....	865,178	0	865,178
Idaho.....	545,961	0	545,961
Illinois.....	9,188,198	0	9,188,198
Indiana.....	1,862,217	0	1,862,217
Iowa.....	2,821,994	37,786	2,859,780
Kansas.....	1,220,616	27,000	1,247,616
Kentucky.....	3,332,152	43,523	3,375,675
Louisiana.....	4,941,680	0	4,941,680
Maine.....	702,200	6,249	708,449
Maryland.....	4,173,003	41,752	4,214,755
Massachusetts.....	3,262,692	0	3,262,692
Michigan.....	8,547,343	0	8,547,343
Minnesota.....	3,420,273	34,493	3,454,766
Mississippi.....	6,070,704	21,600	6,092,304
Missouri.....	4,179,156	49,264	4,228,420
Montana.....	643,480	25,000	668,480
Nebraska.....	1,152,173	15,000	1,167,173
Nevada.....	268,811	10,000	278,811
New Hampshire.....	303,513	0	303,513
New Jersey.....	4,762,496	55,971	4,818,467
New Mexico.....	976,156	0	976,156
New York.....	13,771,107	179,684	13,950,791
North Carolina.....	6,274,013	11,366	6,285,379
North Dakota.....	744,742	0	744,742
Ohio.....	4,711,341	0	4,711,341
Oklahoma.....	4,024,449	5,400	4,029,849
Oregon.....	2,058,295	16,118	2,074,413
Pennsylvania.....	17,725,380	146,517	17,871,897
Puerto Rico.....	3,022,100	26,633	3,048,733
Rhode Island.....	1,342,116	15,000	1,357,116
South Carolina.....	5,629,218	34,813	5,664,031
South Dakota.....	800,085	5,400	805,485
Tennessee.....	4,018,883	52,654	4,071,537
Texas.....	8,030,491	144,463	8,174,954
Utah.....	1,322,612	0	1,322,612
Vermont.....	783,639	0	783,639
Virginia.....	4,591,516	47,034	4,638,550
Virgin Islands.....	122,532	0	122,532
Washington.....	2,651,596	38,452	2,690,048
West Virginia.....	4,696,459	0	4,696,459
Wisconsin.....	6,850,000	35,138	6,885,138
Wyoming.....	512,387	15,000	527,387

¹ Includes \$100,000 appropriated for D.C. under special legislation Public Law 90-21, for services under sec. 2 of the Veterans Rehabilitation Act.

Table 3.—Vocational rehabilitation grants, fiscal year 1967, to State commissions or agencies for the blind

State or territory	Support grants (sec. 2)	E. & I. and innovation grants (sec. 3)	Total (secs. 2 and 3)
Total.....	\$17,098,346	\$127,786	\$17,226,132
Alabama.....	0	0	0
Alaska.....	0	0	0
Arizona.....	173,817	0	173,817
Arkansas.....	450,000	0	450,000
California.....	0	0	0
Colorado.....	0	0	0
Connecticut.....	210,000	3,500	213,500
Delaware.....	76,035	0	76,035
District of Columbia.....	0	0	0
Florida.....	1,129,740	0	1,129,740
Georgia.....	0	0	0
Guam.....	0	0	0
Hawaii.....	119,148	0	119,148
Idaho.....	37,650	0	37,650
Illinois.....	0	0	0
Indiana.....	127,635	0	127,635
Iowa.....	558,837	0	558,837
Kansas.....	205,196	0	205,196
Kentucky.....	0	0	0
Louisiana.....	413,639	0	413,639
Maine.....	253,317	0	253,317
Maryland.....	0	0	0
Massachusetts.....	625,047	0	625,047
Michigan.....	434,433	0	434,433
Minnesota.....	533,911	9,093	543,004
Mississippi.....	1,171,502	0	1,171,502
Missouri.....	443,500	0	443,500
Montana.....	111,825	0	111,825
Nebraska.....	279,989	9,353	289,342
Nevada.....	67,203	0	67,203
New Hampshire.....	68,167	0	68,167
New Jersey.....	773,643	19,921	793,564
New Mexico.....	143,794	15,188	158,982
New York.....	1,559,911	13,358	1,573,269
North Carolina.....	871,854	44,908	916,762
North Dakota.....	0	0	0
Ohio.....	925,250	0	925,250
Oklahoma.....	0	0	0
Oregon.....	220,610	0	220,610
Pennsylvania.....	1,302,281	6,660	1,308,941
Puerto Rico.....	0	0	0
Rhode Island.....	176,321	0	176,321
South Carolina.....	136,702	0	136,702
South Dakota.....	174,762	5,805	180,567
Tennessee.....	995,263	0	995,263
Texas.....	1,010,339	0	1,010,339
Utah.....	0	0	0
Vermont.....	75,096	0	75,096
Virginia.....	542,845	9	542,845
Virgin Islands.....	0	0	0
Washington.....	474,725	0	474,725
West Virginia.....	0	0	0
Wisconsin.....	224,359	0	224,359
Wyoming.....	0	0	0

Administration on Aging

Introduction

CREATED BY THE OLDER AMERICANS ACT OF 1965, the Administration on Aging serves as the focal point of the Federal Government's concern for older citizens.

Passage of the Act and creation of the new Administration crystallized the Nation's awareness that older people needed to be brought more fully into the mainstream of America's social and economic progress. As President Johnson stated when he signed the Older Americans Act on July 14, 1965, "The Older Americans Act clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens . . . Under this program, every State and every community can move toward a coordinated program of both services and opportunities for older citizens."

The Administration on Aging works closely with national and State voluntary organizations, State and local government agencies, private agencies, colleges and universities and other organizations involved in services for the aging. The Administration on Aging also works closely with other Federal agencies concerned with the problems of aging to develop new programs and to achieve more effective utilization of existing resources.

To carry out these functions, the Administration on Aging is organized into six major offices: the Office of the Commissioner; the Office of State and Community Services; the Office of Program Policy; the Office of Public Information; the Office of Research, Demonstration, and Training; and the Office of Administration. In each of the Department's nine regional offices there is a representative on aging, who works with State and local agencies.

In fiscal year 1967, Congress approved a budget of \$10,275,000 and provided for a permanent staff of 87.

The first two titles of the Older Americans Act provided for the establishment and organization of the Administration on Aging. The

next three titles provided for broader services to older people by authorizing three grant programs.

Grants for Community Planning, Services, and Training

Under Title III of the Act, \$6 million was appropriated for fiscal year 1967 for carrying out State and community programs for older people. This section of the Act provides for grants for community planning, services and training. Ten percent of each State allotment or \$15,000, whichever is greater, can be used by the State for administration on a 50-50 matching basis. The bulk of the State allotment is used by the State for the support of local community projects being administered by either nonprofit or public agencies.

In order to participate in the Title III program, each Governor was asked to designate a single State agency to administer the program. In addition, each State was required to submit a State plan outlining a broad program for its older population. The response by the States has been excellent. By the end of the fiscal year, 44 States, the District of Columbia, and Puerto Rico were actively implementing the program with approved State plans.

Also by the end of the year, 637 community programs had been started, with others actively being developed or planned. A total of 144 projects involved community planning and coordination, giving local communities the means to plan, stimulate, and develop practical programs at the local level. Another 222 projects provided for the establishment or expansion of senior centers where a variety of activities and services both by and for older people can be provided. The remaining 271 projects included information and referral services, services in senior housing projects, part-time employment and employment referral services, short-term training of personnel, friendly visiting programs, senior volunteer programs, preretirement courses and information about retirement, aid with transportation, social and recreational activities in homes for the aged, and a variety of other community-based services.

Typical examples of projects being carried out under Title III are these:

- In Texas, a grant to a multipurpose senior center in Galveston includes information and referral services, a senior housing information service, health education programs, a volunteer training program, a general social activity program, and a

"meals-on-wheels" service to older people unable to come to the center.

- In Maryland, an employment counseling service, which found jobs for 438 older persons in the first 9 months of its operation.
- In New Mexico, senior volunteers made over 300 home visits to other elderly people confined at home, arranging for shopping services, homemakers and nursing care, and library services for these shut-ins.
- As a result of a survey conducted by a local council on aging in Louisiana, 123 older persons with serious physical handicaps or ailments now are being visited by public health nurses or cared for by physicians.
- In Cambridge, Massachusetts, a pioneer program to meet the special needs of older people with mental health problems has been established through a Title III grant from the Commonwealth's Commission on Aging. Its ultimate purpose is to generate services by other agencies that will ultimately lead to a comprehensive community mental health program.
- In Norwalk, Connecticut, a group of retirees established the Senior Personnel Placement Bureau, Inc., and found either full- or part-time jobs for 60 older people in that community.

Grants for Research and Demonstration

Authorized by Title IV of the Act, the research and demonstration program concentrates on innovative and experimental pilot projects and investigation into techniques and methods required for meeting present and future needs of older people. These projects are funded through grants or contracts with public or nonprofit private agencies, organizations, institutions, or individuals.

During fiscal year 1967, 52 projects were funded under Title IV, totaling \$1,670,319.

Among those funded were the following:

- In Denver, Colorado, a grant to the University of Denver involves the study of the licensing and insurability of the older driver. Preliminary reports indicate that older drivers are being unfairly discriminated against and that they are no more likely to cause automobile accidents than any other age group.
- In Temple, Texas, a food and friendship program has been initiated at two locations, Harvest House and Friendship House, where nutritious hot meals are served to an average of 90 older persons each day. Participants have enthusiastically praised not only the food but the sociability of the meals.

- In Chicago, Illinois, under a grant to Roosevelt University, a study is being made of the problems of widowhood to learn more about the decisions and adjustments older people in this situation have faced in such matters as employment, living arrangements and social and family relationships.
- In Hershey, Pennsylvania, under a demonstration grant to educational television station WITF-TV, a weekly half-hour program for senior citizens called "The Time of Our Lives" is being shown to a potential audience of about 125,000 older people in south central Pennsylvania. Its main appeal is based on programming of features of special interest to older people and involvement of the local community.

Grants for Training

The field of aging urgently needs men and women who are attracted to it because they find it vital and challenging work. There is a particular need for competent, informed and well-trained people to administer retirement housing projects, homes for the aged, multipurpose senior centers, and program planning at the local, State, or national level.

Under the training grant program authorized by Title V, the Administration on Aging is supporting such activities. During fiscal year 1967, Administration on Aging funded 23 training grants and contracts for a total of \$1,329,681. For example, North Texas State University is developing a curriculum for training administrators of homes for the aged; the College of Medicine at the University of Illinois is developing a program under which occupational therapists who provide home care services to older people receive training in the many aspects of aging; and the University of California at Davis is training community lay and professional personnel in 29 northern California counties in the development of community services in aging. A grant to the joint Institute of Gerontology of the University of Michigan and Wayne State University provides for development of both long-term and short-term training for senior housing administrators, senior center staffs, and administrators of State and community programs, and milieu therapists.

The Administration on Aging has involved 18 separate universities and 3 nonprofit, voluntary and public organizations in training programs. Over 2,000 professionals are in training or have been trained in specialized fields of aging such as housing, community planning, and leisure time programs.

The Advisory Committee on Older Americans

Title VI of the Older Americans Act provided for 15 prominent citizens and leaders in the field of aging to be appointed to the Advisory Committee on Older Americans, which would be chaired by the Commissioner on Aging. The Committee is charged with the responsibility of advising the Secretary of Health, Education, and Welfare on his responsibilities under the Act and developing recommendations for future programs for the aged.

The Committee met twice during fiscal year 1967, and several subcommittee meetings also were held. Primary concern was the development of goals and objectives for older Americans to increase the meaningfulness of their retirement lives. Among the areas which the Committee considered were: preparation for retirement; community planning and services; income after retirement; health and health care; housing and living arrangements; and employment opportunities. During fiscal year 1968 the Committee expects to formalize detailed recommendations under each of these categories.

The Foster Grandparent Program

This program employs low-income persons over 60 to work 20 hours a week with deprived or handicapped children in hospitals or institutions. In several communities, the program has been so successful that local sponsors have expanded projects with their own or State or local funds. The program provides the foster grandparents with a viable role in which they can make an important social contribution, increase their sense of personal worth and earn additional income. The children benefit because they are able to identify with a person who cares deeply about them and who is able to devote time to establishing a personal relationship.

By the end of the fiscal year, there were 63 foster grandparent projects in 38 States and Puerto Rico employing 3,927 foster grandparents in 148 institutions. While the oldest foster grandparent was 90, age distribution figures showed that 36 percent were 70 or over, 37 percent were 65 through 69 and 27 percent were 60 through 64.

Total committed resources for fiscal year 1967 were \$8,091,457, of which the Federal Government supplied \$7,169,648 or 89 percent and local sources provided \$921,809. The program is managed by the Administration on Aging but the Office of Economic Opportunity provides funding.

Activities With Voluntary and Religious Organizations

The Administration continued its relationships with these organizations throughout the year, providing them with assistance and counseling regarding Federal programs and with informational materials developed by the Administration on Aging staff. Meetings with groups such as the National Association of Housing and Redevelopment Officials, the American Red Cross, the National Recreation and Park Association, the National Farmers Union, the American Psychiatric Association, the National Council on the Aging, and the National Council on Senior Citizens, resulted in greater understanding of opportunities for older people and, in some cases, grants for studies in research or training.

Senior Citizens Month

For the fifth consecutive year, the President proclaimed May as Senior Citizens Month. The theme for May 1967 was "Meeting the Challenge of the Later Years." It was significant that President Johnson, in his first message to the 90th Congress, submitted proposals to provide further assistance for the Nation's senior citizens on a wide front—adequate income, nursing and health care, decent housing, job opportunities, tax reform—and the opportunity to participate in the mainstream of American life. The campaign for 1967 challenged local communities to initiate action in the areas singled out by the President.

In connection with the observance of Senior Citizens Month 1967, the 3.5 million Girl Scouts and Girl Scout leaders launched a national effort to work more closely with older Americans. The objective of the partnership was to have Girl Scouts assist with personal and community services benefiting senior citizens, who in turn would provide assistance and instruction to the Scouts.

Communities in every State responded to the 1967 Senior Citizens Month appeal with groundbreaking ceremonies, dedications, and ribbon-cutting, making new housing projects, new centers, and new recruiting programs.

Relationships With Other Federal Agencies and Clearinghouse for Information

The Administration on Aging is actively working with other Federal agencies to encourage closer coordination of the programs which affect the lives of older Americans. The President's Council on Aging provides a forum for the exchange of information and ideas about aging and aging programs. The Executive Committee of the President's Council is chaired by the Commissioner on Aging. The Council has been exploring in depth new mechanisms for the exchange of information and statistical data about older people.

During the fiscal year, the following interagency and interdepartmental activities took place:

- The Commissioner on Aging and the Commissioner of Vocational Rehabilitation urged closer cooperation between State agencies on aging and vocational rehabilitation to increase rehabilitative services for older persons.
- The Administration on Aging joined forces with the Bureau of Outdoor Recreation, Department of the Interior, to develop programs which recognize the recreational needs of the elderly in urban areas.
- The Administration on Aging has been working with the Office of Economic Opportunity and the Public Health Service in the development of a home health aide program in which the older people would be trained as home health aides.
- The Administration also has been working with the Federal Trade Commission on problems affecting the older consumer such as land sale frauds, burial plans, credit abuses, direct mail sales programs, and charity rackets.
- Administration on Aging has begun a joint consumer information program with the Food and Drug Administration to advise older persons of sound food and drug purchasing techniques, what to avoid, and how to protect themselves from fraud and quackery in buying.

Also during the year, Administration on Aging began three new series of publications: *Designs for Action in Aging*, of which three were published; *Federal Financial Assistance for Projects in Aging*,

Treatment Program

Improvement of the Hospital's service to patients and the community has been characterized by an increasing amount of direct

of which six were published, covering research, demonstration and training grants of AoA, VRA and the National Institute of Child Health and Human Development; and a monthly publication, *Highlights of Legislation*. Other important publications were: *Selected Papers from the 1966 National Conference of State Executives on Aging*; *Civil Rights Responsibilities of All Recipients of Older Americans Act Funds*; *Employment and Volunteer Opportunities for Older People*; and *Is Your Community Ready?* Aging magazine revised its format and received permission to increase its number of pages.

The Challenge Ahead

The population 65 and over in the United States has increased six times since the beginning of the century to about 19 million people. Older persons now constitute about 9.4 percent of the population, compared to only about 4.1 percent in 1900. During the next 20 years, the older population will grow to about 25 million.

Older people have special needs. While the Federal Government can help through increases in benefits, determination of long range goals and initiation of special research, demonstration and training projects, most of the action must necessarily need to be where older people are—in thousands of communities across the country. The next year should be one of continuing progress for older people through greater awareness of these special needs and how they may be met in the communities, and through even more vigorous partnerships between the governmental sector at all levels and private and voluntary organizations dedicated to a better day for older Americans.

Saint Elizabeths Hospital

SAINT ELIZABETHS HOSPITAL, the largest federally operated hospital for the mentally ill, has a program comprised of three major activities:

1. *Treatment*—therapeutic, rehabilitative, and protective services for patients.

2. *Training*—multidisciplinary training programs for professional and other personnel concerned with mental illness and mental health.

3. *Research*—coordinated research programs and projects designed to obtain a better understanding of the causes of mental disorders and of the factors bearing upon their development, treatment, and possible prevention.

A large and diverse body of patients, presenting a full range of psychiatric disorders, affords an excellent opportunity for treatment, training, and research programs.

Patient Population Trends

	June 30, 1967	June 30, 1968	Changes
Patients on rolls.....	7,256	7,516	—260
In-hospital.....	5,581	5,924	—343
On convalescent leave.....	1,499	1,432	+67
On limited leave.....	77	82	—5
On unauthorized leave.....	99	78	+21

The Hospital continues to be seriously overcrowded (now about 40 percent) despite the reduction in the in-patient population. Admissions (2,518) were the highest in the history of the Hospital except for 1944. However, the downward trend in patient population continued because discharges (2,295) also reached a new annual high. Emergency admissions increased from 438 to 791 in 1967, and voluntary admissions from 534 to 731.

Treatment Program

Improvement of the Hospital's service to patients and the community has been characterized by an increasing amount of direct

community services for the mentally ill needing hospitalization, and intensified follow-up care for patients moving out. Hospital involvement in community activities and collaboration with community agencies has expanded.

Emphasis on placement of patients through a concentrated foster care program has been maintained. Total placement of patients in the community by the Social Service Branch for FY 1967 was 237, of which 194 were first placements.

The Youth Program provides special educational and other activities designed for children and adolescents for several hours each day despite the continuing necessity for these young patients to live with adults the balance of the day.

The Volunteer Services program continued to bring the Hospital and the community closer together. Three hundred eight community groups participated during the year.

Staffing

The permanent staff increased from 3,640 to 3,831, a gain of 191. The physician staff rose from 103 to 109. A serious shortage of personnel in practically all categories continues. Male nursing assistants are particularly difficult to recruit, consequently that category is badly under-manned.

Training

Saint Elizabeths Hospital provided full time training during the year for a substantial number of urgently needed persons in various mental health disciplines: Chaplaincy (45); dentistry (5); hospital administration (1); nursing (334); occupational therapy (21); psychiatry (24); psychodrama (5); clinical psychology (14); recreational therapy (4); and social service (36); and other medical and related disciplines (52).

Trainees came from 32 states, the District of Columbia, Puerto Rico, the Philippine Islands, Canada, England, Jamaica, Trinidad, and Korea. They represented other hospitals, mental health centers, social service agencies, other community organizations, and 41 colleges and universities.

For the first time, medical students from outside the Metropolitan Washington area were accepted for a three-month elective experience in psychiatry at the Hospital. The entire class of sophomore medical students from the George Washington University received a 44-hour basic course in clinical psychiatry at the Hospital. A new training program in ophthalmology was established.

Special institutes continued throughout the year for Metropolitan Washington Police cadets, Secret Service trainees, and U.S. Park Police; in addition, similar institutes were initiated for new employees of the Food and Drug Administration Enforcement Divisions.

Research

Progressive unification of the work and programs of the Behavioral and Clinical Studies Center with those of the National Institute of Mental Health has continued. Joint program development and planning has gone forward with new impetus and a sense of administrative cohesion. Activities in experimental psychiatry, investigation of criminal behavior, studies in communication behavior, psychophysiology and operant conditioning programs have remained at a plateau level or retrenched slightly because of various fiscal or personnel constraints.

Facilities

Funds were appropriated for a program statement which will lead to the construction of a much needed Residential Treatment Center for adolescents and children. Additional funds in the amount of

Table 1.—Number of patients, admissions, discharges, and deaths, Saint Elizabeths Hospital, fiscal years 1948-67

Fiscal year	Patients on the rolls, June 30, each year ¹	Admissions	Discharges ¹	Deaths	Average number of patients	
					On rolls	In hospital
1948.....	6,662	1,420	856	431	6,621	-----
1949.....	6,825	1,470	861	446	6,701	-----
1950.....	7,018	1,648	960	495	6,897	6,587
1951.....	7,078	1,412	928	424	7,053	6,783
1952.....	7,271	1,438	814	431	7,172	6,915
1953.....	7,382	1,524	977	436	7,361	7,079
1954.....	7,430	1,385	921	416	7,392	7,117
1955.....	7,529	1,349	748	502	7,461	7,216
1956.....	7,372	1,327	884	600	7,438	7,120
1957.....	7,466	1,615	1,014	507	7,413	6,994
1958.....	7,463	1,905	1,076	532	7,466	6,965
1959.....	7,557	1,807	1,034	479	7,512	6,900
1960.....	7,846	1,894	1,101	504	7,691	6,983
1961.....	7,992	1,981	1,395	440	7,993	6,976
1962.....	7,891	2,024	1,641	484	7,942	6,838
1963.....	7,762	1,930	1,546	513	7,799	6,668
1964.....	7,564	1,692	1,446	444	7,672	6,412
1965.....	7,549	1,965	1,557	423	7,585	6,148
1966.....	7,516	2,162	1,685	510	7,569	5,929
1967.....	7,256	2,518	2,295	483	7,426	5,660

¹ The figures for the number of patients on the rolls and discharges for the period from 1962 to 1964 differ from those published in previous annual reports. The figures in the two columns now are comparable with those for other years.

Note: Admissions and discharges for 1961 and earlier years differ slightly from those for later years in that the earlier figures include "paper" discharges and readmissions made in order to change legal categories.

\$1,688,000 were appropriated covering a number of other projects, principally a planning study of the Hospital's general medical and surgical facility, and the continuation of major electrical, plumbing and heating improvements. Work continued on projects for which funds had previously been appropriated. The program statement for additional facilities for patients admitted as a result of criminal proceedings was submitted and accepted. Following completion of architectural plans and specifications, construction of these facilities will be undertaken in 1969.

Table 2.—Number of patients on the rolls in residence, and on leave, Saint Elizabeths Hospital, June 30, 1967

Legal category	Patients on rolls, total	Resident patients ¹			On limited leave	On convalescent leave	On unauthorized leave
		Total	In hospital	On temporary visit			
Total.....	7,256	5,581	5,451	130	77	1,499	99
Reimbursable.....	6,466	4,926	4,805	121	67	1,385	88
Residents of D.C.....	5,385	4,041	3,935	106	61	1,244	39
D.C. resident (civil judicial order).....	4,583	3,621	3,553	68	39	890	33
Voluntary resident.....	652	297	262	35	19	332	4
Nonprotesting resident.....	97	71	70	1	3	22	1
Emergency resident.....	53	52	50	2	0	0	1
D.C. jury trial.....	86	77	77	0	0	9	0
D.C. Training School.....	5	3	3	0	0	2	0
D.C. criminal proceedings.....	700	548	535	13	4	100	48
For examination.....	118	117	117	0	0	0	1
Mentally incompetent.....	109	103	103	0	1	0	5
Not guilty, insanity.....	379	250	237	13	3	90	36
Under sentence.....	58	57	57	0	0	0	1
Sex psychopath.....	36	21	21	0	0	10	5
U.S. criminal proceedings.....	20	19	19	0	0	1	0
Veterans Administration.....	199	174	172	2	2	22	1
U.S. nationals from abroad.....	51	47	47	0	0	4	0
U.S. Soldiers' Home.....	16	13	13	0	0	3	0
Indians (PHS).....	4	4	4	0	0	0	0
Nonreimbursable.....	790	655	646	9	10	114	11
Nonresidents of D.C.....	431	325	317	8	10	86	10
D.C. nonresident (civil judicial order).....	282	230	227	3	3	41	8
Voluntary nonresident.....	110	59	54	5	6	43	2
Nonprotesting nonresident.....	15	12	12	0	1	2	0
Emergency nonresident.....	24	24	24	0	0	0	0
Military and Coast Guard.....	203	189	189	0	0	14	0
Virgin Islands.....	107	104	104	0	0	2	1
Federal reservation.....	20	10	9	1	0	10	0
Public Health Service.....	8	8	8	0	0	0	0
Canal Zone.....	13	13	13	0	0	0	0
Other.....	8	6	6	0	0	2	0

¹ Resident patient status should not be confused with D.C. resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

Table 3.—Number of admissions, discharges, deaths, and changes in legal category, by legal categories, Saint Elizabeths Hospital, fiscal year 1967

Legal category	Pa- tients on rolls, June 30, 1966	Additions		Removals			Pa- tients on rolls, June 30, 1967	Change during year
		Ad- mis- sions	From other legal cate- gory	Dis- charg- es	Deaths	To other legal cate- gory		
Total.....	7,516	2,518	891	2,295	483	891	7,256	-260
Reimbursable.....	6,696	2,105	57	1,681	438	273	6,466	-230
Residents of D.C.....	5,576	1,478	123	1,124	403	265	5,385	-191
D.C. resident (civil judicial order).....	4,817	259	275	322	348	98	4,583	-234
Voluntary resident.....	637	637	145	613	33	121	652	+15
Nonprotesting resident.....	76	65	2	26	9	11	97	+21
Emergency resident.....	46	517	6	163	13	340	53	+7
D.C. jury trial.....	91	0	0	3	2	0	86	-5
D.C. Training School.....	5	0	0	0	0	0	5	0
D.C. criminal proceedings.....	648	560	21	436	10	83	700	+52
For examination.....	44	398	17	273	1	67	118	+74
Mentally incompetent.....	121	78	42	62	1	69	109	-12
Not guilty, insanity.....	379	36	24	49	8	3	379	0
Under sentence.....	58	47	1	39	0	9	58	0
Sex psychopath.....	46	1	2	13	0	0	36	-10
U.S. criminal proceedings.....	20	40	0	38	0	2	20	0
Veterans Administration.....	278	11	4	61	18	15	199	-79
U.S. nationals from abroad.....	53	8	1	8	3	0	51	-2
U.S. Soldiers' Home.....	21	8	0	11	2	0	16	-5
Indians (PHS).....	4	0	0	0	0	0	4	0
Nonreimbursable.....	820	413	273	614	45	57	790	-30
Nonresidents of D.C.....	435	372	278	568	30	56	431	-4
D.C. nonresident (civil judicial order).....	305	0	201	194	17	13	282	-23
Voluntary nonresident.....	99	94	142	197	6	22	110	+11
Nonprotesting nonresident.....	12	4	8	7	2	0	15	+3
Emergency nonresident.....	19	274	21	170	5	115	24	+5
Military and Coast Guard.....	209	0	0	3	3	0	203	-6
Virgin Islands.....	117	2	0	9	3	0	107	-10
Federal reservation.....	24	39	0	33	4	6	20	-4
Public Health Service.....	12	0	0	1	3	0	8	-4
Canal Zone.....	13	0	0	0	0	0	13	0
Other.....	10	0	0	0	2	0	8	-2

Surplus Property Utilization

The demand for property for Viet Nam and the President's urging Federal agencies to use excess property of other Federal agencies rather than purchase new items, was keenly felt in Fiscal Year 1967 by the Surplus Personal Property Donation Program. Acquisition cost of surplus personal property allocated for distribution to health, educational, and civil defense donees dropped from \$464 million in 1966 to \$305 million in 1967. However, because of the continued closure of unneeded military installations, the acquisition cost of surplus real property conveyed for health and educational, including research, purposes during Fiscal Year 1967 reached an all-time high of \$94.2 million as compared to \$71 million for 1966.

The decrease in availability of property would have been a severe blow to the surplus personal property program were it not for the intensified programs started several years ago to develop ways and means to use the more abundant electronic and sophisticated types of properties for health and educational purposes. This coupled with a nationwide system for dispersal of the data developed and a nationwide training program for screeners of personal property relieved the impact considerably. In addition, during Fiscal Year 1967, many Titan missiles and support systems became available. Many components of these are adaptable for use in teaching and training in the sciences, physics, electricity and electronic fields.

Several significant items were donated in 1967. One was a 70 million volt synchrotron which cost over one half million dollars. It was formerly used at the University of California Medical Center and the Manned Space Flight Center in Houston, Texas, for Federal research and radiation physics studies. The University of Oklahoma, Department of Radiology, acquired it for use in research and treatment of internal cancers. The Schilling Technical Institute in Salina, Kansas,

acquired a Lockheed Constellation aircraft which initially cost over \$2 million, for use in its aeronautical programs. Nine major computer units were donated to institutions of higher learning for educational and research purposes. Two east coast colleges were each donated a large vessel to be used for oceanographic research purposes.

During 1967 fiscal year, surplus real and related personal properties were conveyed for numerous significant programs. At Fort Bayard, New Mexico, a former VA hospital was acquired by the State for use as a treatment and rehabilitation center for mentally ill and retarded patients. Old Post Office buildings were conveyed in a number of cities for use as public libraries. One in Hugo, Oklahoma, was converted into a special school for the mentally retarded and physically handicapped. A large portion of a former SAC base at Moses Lake, Washington, was conveyed to a community college for the establishment of a new vocational technical school campus. At the request of OEO a portion of the facilities was leased by the college at no cost to an OEO contractor to enable the establishment of a 500-unit women's job corps program which will run for an estimated 5 years. The college will be conducting some of the training programs under arrangements with the OEO contractor. Based on growth estimates, the college's need for the leased facilities will coincide with the ending of the job corps program. The base 50-bed hospital was transferred to a local nonprofit organization. A part of this facility will be used for long-term care patients. However, on an interim basis, a portion of the facilities will be used to furnish clinical and infirmary services as well as nurses training facilities for the women's job corps program and the community college.

Buildings and other improvements are frequently conveyed for removal and relocation on a site furnished by the transferee. The tabulation below shows the diversified purposes for which surplus real and related personal properties were conveyed during 1967 fiscal year.

College campus sites and facilities.....	29
College and high school agricultural, teaching, experimental, and vocational training.....	15
Elementary and secondary educational programs.....	80
Central administrative and service facilities for schools and school systems.....	13
Housing for school or hospital staffs.....	27
Hospital or clinic programs.....	5
Treatment, rehabilitation, and training centers for the mentally retarded and physically handicapped.....	8
Public libraries.....	7
Water and sewer production treatment and service facilities.....	19
Land fill refuse disposal programs.....	1
Research	7
Juvenile rehabilitation and training centers.....	3
Total	214

American Printing House for the Blind

AS THE OFFICIAL schoolbook printery for the blind in the United States, one of the principal functions of the American Printing House for the Blind, in Louisville, Ky., is the provision of special educational books and supplies for the blind schoolchildren throughout the country. The Federal act "To Promote the Education of the Blind," originally passed in 1879, authorizes an annual appropriation to the Printing House for this purpose. Allocations of books and materials are made on a per capita basis. Only those pupils may be registered whose vision comes within the accepted definition of blindness: "Central visual acuity of 20/200 or less in the better eye with correcting glasses, or a peripheral field so contracted that the widest diameter of such field subtends an angular distance no greater than 20 degrees."

The Printing House maintains large catalogs of Braille books, talking books, recorded tapes, Braille music publications, large-type texts and tangible apparatus. A rich collection of educational material is thereby provided for pupils from kindergarten through the high school grades. A total of 8,368 blind pupils was enrolled through public educational institutions for the blind and 10,923 through State departments of education—a total of 19,291 blind pupils being served by the Printing House—for the fiscal year ending June 30, 1967.

During the year, Braille books, educational periodicals, and music made up approximately 42.1 percent of the materials required by the schools; Braille slates, Braillewriters, maps, and other mechanical devices, 16.6 percent; talking books, 1.9 percent; recorded educational tapes, 0.2 percent; large-type books, 33.4 percent; and miscellaneous items, 5.8 percent.

Gallaudet College

Program Emphasis

AS ITS PRINCIPAL ACTIVITY, Gallaudet College offers an accredited 4-year undergraduate course of studies for the deaf leading to either the B.A. or the B.S. degree. In addition, it offers a 1-year college preparatory course for deaf students and, for both the deaf and the hearing, accredited 2-year Master's degree programs in education of the deaf and in audiology. Partly as a public service and partly to provide laboratory schools for graduate students, it also operates on-campus facilities for education of deaf children from the District of Columbia and adjacent States at preschool, elementary, and secondary levels. Planning for establishment of a model high school for the deaf on campus is in an advanced stage.

During fiscal year 1967, the accreditation of the College was reaffirmed by the Middle States Association of Colleges and Secondary Schools.

Research

The research activities of the College had a variety of accomplishments during the year. The Acoustic Communication Research Laboratory developed a new method of measuring residual hearing capability, designed experimental hearing aids and visual speech trainers, and held a major international conference on research for speech communication aids. Joint research over the past several years by the Linguistics Research Laboratory, the Office of Institutional Research, and the department of English culminated in a textbook on generating English sentences that is expected to be of great usefulness in teaching English to the deaf; it will be put into classroom use during the coming year. The Office of Institutional Research developed, tested, and recorded some 700 new signs to be used in the courses taught in the 17 departments of the College.

Enrollment

Regular session enrollment in the 1966-67 academic year rose to 888, an increase of 65 over the previous year. Enrollment in the nursery school increased from 30 to 50 and in the elementary and secondary school from 157 to 185. Eighty-five Bachelor's and 25 Master's degrees were awarded.

Students enrolled in full sessions in the summer of 1967 totaled 226. Of these, some were graduate students; others (primarily teachers of the deaf) were attending graduate institutes in mathematics or science; and the balance were newly admitted deaf students taking courses to remove deficiencies in English and mathematics. In addition, 100 teachers of the deaf attended a 1-week workshop on cued speech.

Howard University

HOWARD UNIVERSITY, located in the District of Columbia, chartered by an Act of Congress, celebrated 100 years of service to higher education on March 2, 1967. The University consists of 10 schools and colleges and offers programs of higher education on the undergraduate, graduate and professional levels. Undergraduate students are registered in the college of liberal arts; graduate students seeking the master's and doctor's degrees are registered in the graduate school; professional students are registered in the colleges of medicine, dentistry, pharmacy, fine arts, schools of engineering and architecture, social work, law, and religion. (The school of religion receives no support from Federal funds.)

Enrollment of Students

During the school year 1966-67, the University served a total of 13,207 students as follows: 9,429 during the regular academic year and 3,778 in the summer session of 1966. The total net enrollment including students in special programs and excluding all duplicates, was 11,164, distributed as follows: liberal arts, 6,249; graduate school, 1,522; engineering and architecture, 792; fine arts, 570; social work, 334; medicine, 400; dentistry, 584; pharmacy, 252; law, 377; and religion, 84. There were 557 students enrolled in Army ROTC and 723 students in Air Force ROTC.

There were 9,477 degree seeking students from the United States distributed as follows: New England States, 209; Mid-Eastern States, 5,213; Great Lakes States, 591; Plain States, 177; Southeastern States, 2,971; Southwestern States, 184; Rocky Mountain States, 27; Far Western States, 100; Alaska, 1; and Hawaii, 4.

There were 1,687 foreign students enrolled during the second semester, 1966-67 constituting 15 percent of the total enrollment. These foreign students came from 93 countries and 18 island possessions of the British, French and Dutch West Indies.

The Faculty

There were 1,030 teachers serving the University during the school year. There were 577 full-time teachers and 453 part-time teachers. The full-time equivalent of the teaching staff was 685.01. Of this full-time equivalent, 574.65 were teaching at the rank of Instructor or above.

Graduates

During the 1966-67 school year, there were 1,143 graduates from the 10 schools and colleges distributed as follows: liberal arts, 515; engineering and architecture, 95; fine arts, 61; graduate school, 123; social work, 92; medicine, 99; dentistry, 49; dental hygiene, 19; pharmacy, 26; law, 59; and religion, 5. From the date of its establishment in 1867, Howard has graduated 26,422 persons.

The professional programs have produced graduates in the following fields: Medicine, 3,740; dentistry and dental hygiene, 2,209; law, 1,905; religion, 462; engineering and architecture, 1,458; and social work, 934.

Significant Program Developments

Among the more than 100 significant events which took place during the Centennial Year, 1966-67, were the following: Conference on the University in a Changing Society; Conference on The Higher Education of Negro Americans; Visit of Emperor Haille Selassie to the University; Conferring of honorary degrees of Doctor of Humane Letters and Doctor of Laws upon Leopold Sedar Senghor, President of the Republic of Senegal, and The Honorable Arthur J. Goldberg, United States Representative to the United Nations; Annual meeting of the Mid-Atlantic Section of the American Society for Engineering Education; the Formal Opening of the University at which time the Vice-President of the United States spoke; Seminars on the Role of the School of Law in the Formulation of American Jurisprudence of Civil Rights; Symposium on the Impact of Science in Modern Society; Conference on Student Leadership—Challenges in a Changing World; Conference on the University and its Influence on the Dynamics for Change in a Culture; and an Address by the President of the United States at the Charter Day Exercises.

Varied Activities of the Faculty and Staff

The President resumed his duties at the University on January 15, 1967 after serving 15 months as United States Deputy Represent-

ative to the United Nations with the rank of Ambassador. Several members of the staff represented the United States both at home and abroad. A member of the faculty of the school of law is currently serving as Ambassador to Luxembourg and a faculty member of the college of dentistry served as visiting professor at Cairo University Dental College, Cairo, Egypt.

The Building Program

The master building program, which was developed and approved in 1951, has 10 building projects in various stages of completion—a women's dormitory is under construction; the school of social work building project ready for construction; 8 projects in the planning stage. Thirteen minor projects of alteration, development, and renovation have also been authorized and completed. Plans for the new University Teaching Hospital, after more than a year of delay, are now moving forward.

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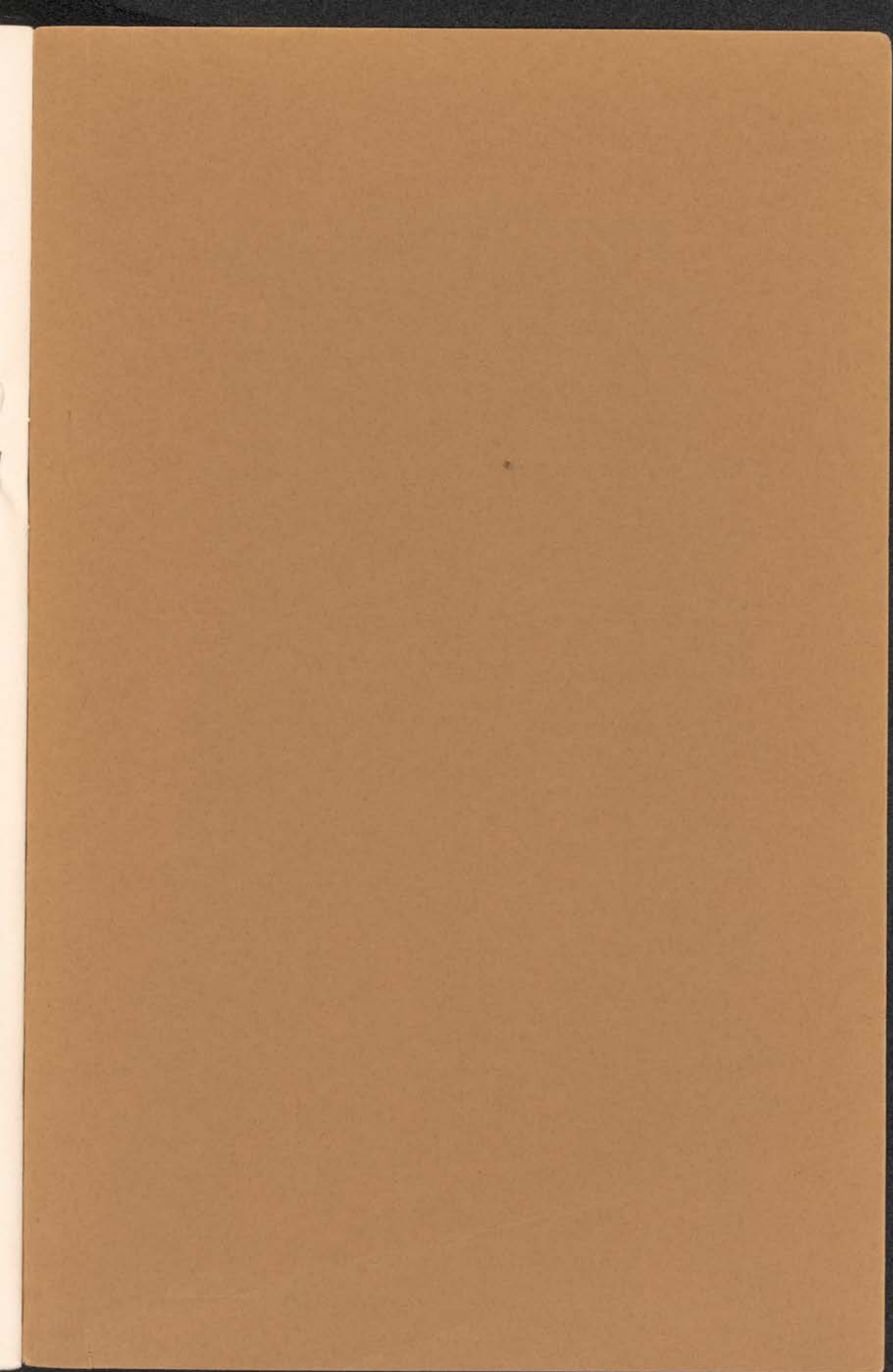
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