

Kentucky mountain region, we take no little pride in the fact that our greatest development effort; our most aggressive development leadership and, now, our most unusual and effective development action has had its birth in this region. I refer to our eastern Kentucky portion of the practical and challenging Appalachian regional development program, which has been presented to President Johnson, and was the basis for creation of a special Appalachian effort as a companion measure to the nationwide economic opportunity program.

In Appalachia, we have recognized that most comprehensive and accelerated development action is required to meet the emergency situation of human need which exists here in more concentrated form than elsewhere. The Appalachian program will provide the means to build the underdeveloped structure of a heavily populated region which has been bypassed by the normal progress of the Nation, while the economic opportunity program will operate within this basic regional framework to deal, as it does elsewhere in Kentucky and in the Nation, with the human resource development problems of individuals and communities. These two programs, while separate parts of the total attack on poverty in terms of legislation and subjective nature, will be fused together as one program in action within this region.

For purposes of illustration, I have brought with me today some statistical data compilations which show some of the manifestations of poverty in Kentucky. There is not time to repeat these for you here; rather I will leave them with you for later reference if you so choose. Simply stated, these data reduce to the conclusion that 38 percent of Kentucky's families live on incomes of less than \$3,000 per year.

The immediate cost of this poverty is enormous; a quick look at the State budget over the years will show this in the most illustrative manner. Our State budget this year, a record for Kentucky, is an increase of \$400 million. All of the increase money in this budget is designed principally for the area of education, the jobless parent program, and development programs in this particular area. More importantly, the long-run costs are incalculable for there is no way to measure the cumulative waste of human resources.

With the vocational bill passed by the Congress, we have implemented our education budget sponsored by our chairman, Mr. Perkins. We have implemented our program in Kentucky to have a vocational education program and manpower training program for those who have been replaced by automation. In addition, our jobless parent program, which has been in effect actually now for only 3 months, has proved to be of tremendous benefit in the nine counties in the pilot area. We have in our budget in Kentucky extended this to the 39 counties of Appalachia this next year beginning July 1 and statewide the following year. As we develop this program, we can see great benefit.

I rode up here today with a county attorney from Floyd County, which is located in the heart of this distressed area, in the heart of the coalfields which have suffered chronic unemployment because of automation in the coalfields. He pointed out to me that the 200 Kentuckians who are employable who are now working and rendering valuable public work in this area in return for the pay they are receiving under the jobless parent program under this pilot project have