

ECONOMIC OPPORTUNITY ACT OF 1964

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON THE WAR ON POVERTY PROGRAM

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH CONGRESS

SECOND SESSION

ON

H.R. 10440

A BILL TO MOBILIZE THE HUMAN AND FINANCIAL
RESOURCES OF THE NATION TO COMBAT POVERTY
IN THE UNITED STATES

PART 2

HEARINGS HELD IN WASHINGTON, D.C., APRIL 15, 16,
17, 20, AND 21, 1964

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ADAM C. POWELL, *Chairman*



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FIFTH DISTRICT, NEW JERSEY

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ECONOMIC OPPORTUNITY ACT OF 1964

WEDNESDAY, APRIL 15, 1964

HOUSE OF REPRESENTATIVES,
AD HOC SUBCOMMITTEE ON THE WAR ON POVERTY PROGRAM
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The ad hoc subcommittee met at 10:10 a.m., pursuant to recess, in room 429, Cannon House Office Building, Hon. Adam C. Powell (chairman of the committee) presiding.

PRESENT: Representatives Powell, Perkins, Landrum, Green, Roosevelt, Thompson, Dent, Frelinghuysen, Ayres, Griffin, Quie, Goodell, and Martin.

Also present: Representatives Pucinski, Carey, Hawkins, Gibbons, Bell, Finnegan, Murphy (Illinois), Price, and Riehlman.

Staff members present: Dr. Deborah Wolfe, education chief; Leon Abramson, chief counsel for labor-management, and Charles Radcliffe, minority counsel for education.

Chairman POWELL. The committee will come to order.

The Chair recognizes the gentlelady from Oregon.

Mrs. GREEN. I request unanimous consent that an article which appeared in this morning's Washington Post by the very outstanding and noted columnist, Roscoe Drummond, be inserted in the hearings of the committee.

Chairman POWELL. Without objection, it is so ordered.

The chairman would like to note that Mr. Drummond is one of the outstanding spokesmen for the Republican Party.

The committee will stand adjourned until Mayor Wagner arrives. He is the leadoff witness.

(Short recess.)

Chairman POWELL. The committee will come to order.

I would like to welcome the mayor of my town, my village, my friend, the Honorable Robert F. Wagner.

You may go right ahead.

STATEMENT OF HON. ROBERT F. WAGNER, MAYOR, NEW YORK, N.Y.

Mayor WAGNER. Thank you, Mr. Chairman and members of the committee, I count it a real privilege to be here before this committee today, whose chairman and one of whose members here I am happy to claim as my constituents and whom, along with many other members of this committee, I am pleased to salute as very old friends.

Because of the company, I couldn't feel more at home. Because of the subject, I couldn't feel more deeply that this is an important

occasion, involving the highest interests of the people of the city of New York. I am here to speak for them. Of course, as a citizen, I am concerned for the rest of the country, too. I think this legislation is necessary for the national interest and for the welfare of every part of this country. There is no large city in this country of which I am aware, which does not know the problem of poverty.

I want especially to emphasize that I consider this legislation to be very much in the national interest, for the Nation as a whole. While this legislation deals directly with those fellow Americans who are handicapped by poverty, the rest of us would also benefit. All of us would share very substantially in the advantages that would flow from even the partial removal of the blight of poverty from among our people or any part of them.

We all pay a part of the cost assessed by poverty. Financially, it is an expense we all pay a part of. We pay it in the various forms of taxes for the several kinds of public welfare programs. This coming year the city's new budget provides over \$464 million for the various activities of our welfare department. This is a \$70 million increase over last year. The large bulk of this money is for children under 18 while the next largest category of persons receiving assistance from the city are disabled adults, followed by adults over 65. We pay for poverty in the cost of the upkeep of the slums; yes, we do pay for the upkeep of slums in lower returns on our real estate taxes. We pay for poverty in the loss of the taxes that poor people would pay if they were receiving average incomes instead of substandard ones, and in the loss of the purchasing power that these people would have; in terms of their decreased contribution to the gross national product; in the cost of hospitalizing them when they are sick, and supporting them when they are very young, and when they are very old, and when they get into trouble with the law. And these are just some of the financial costs of poverty. There are others. I have recited these to indicate what poverty costs you and me, the citizens and taxpayers, and the business firms of New York City, of Portland, Oreg., of Trenton, N.J., of South Bend, Ind., and of the countryside, too.

Just as poverty is nationwide and distributed equally between the city and the country, so is the social cost of poverty, and among all the elements in the population.

Certainly the interests of New York City are, indeed, deeply involved in the legislation before you. It is impossible for me to over-emphasize the importance which we attach to it—not just to the legislation itself but even more to the program for which it stands, and the problem which it undertakes to attack. I refer to it as a problem. Actually, it is many problems. It is a complex of problems. It is a crossroad of problems, a network of problems.

A considered and concerted attack on poverty—on its roots as well as on its manifestations—should be regarded as an unavoidable undertaking. It isn't a question of whether we should. It is a question of how, how much, and how soon.

This legislation proposes nothing radical or radically new.

This Nation has long recognized its obligation to do something about the poor, the underprivileged, the disadvantaged, and the unfortunate.

Many of the titles in the Social Security Act are devoted to this purpose. The Public Housing Law of 1937 was directed entirely to that essential objective. So are many other laws on the statute books of this Nation and many other programs authorized and appropriated for by this Congress. The basic theme of these laws is to help people help themselves and to assist and encourage the localities to help people—to help bring people out of the morass of helplessness and into the main road of the social and economic life of their communities and of the Nation.

In other words, the legislation before you proposes to attack, in a more fundamental way, the same problem that the Congress has been attacking for a generation and on which Congress has spent billions of dollars.

Let me say at this point that the people of New York City have paid more than their proportionate share of the total amount of what the Federal Government has spent for this purpose. I am not saying this as a complaint but I do want to make this point in connection with the appeal that we are making here today for prompt consideration and action on the pending legislation which would contribute, in a significant way, to the attack upon a nationwide problem of which we in New York City have our proportionate share. It is interesting that we in New York City have about the same percentage of poverty in our population as in the rest of the country. It is surprising how precisely this works out. I will refer to these statistics in a moment. But first I want to stress that we do need Federal leadership. We need Federal funds. We need the incentive and the definition of the problem and the kind of cooperation and mobilization of all resources, public and private, that will be facilitated by the passage of this law.

The fact is that the Federal Government, the State governments, and most local governments have been spending a good share of their resources on poverty for quite a few years now. Back in 1927, New York City spent a total of \$12,000 on public welfare and on poverty. Today we are spending almost a third of our entire \$3½ billion budget on poverty and its effects.

Recently, we made a list of New York City's governmental expenditures designed principally to sustain and reduce poverty and indigency. We did this simply by scanning our budget. The total amount was \$781 million for the current fiscal year. And I would guess that another \$200 million is actually being spent for the same general purpose, which cannot be located in the budget by merely scanning it. I am thinking of some of the community activities in which our police department engages, such as its special youth services. And the same would be true of other major departments.

Now let me recall, if I may, that I saw the importance—indeed the urgency—of a war on poverty quite sometime before President Johnson proclaimed this war.

In August of 1962—and that is almost 2 years ago—I addressed the New York City Council and said:

New York City's poor and their poverty is the root of many of New York City's problems. The socioeconomic problems related to both unemployment and poverty present us with inescapable challenges to action. It will require the maximum ingenuity, energy and resources of all branches of our city government to achieve the solutions that must be found. To accomplish this, we need many

specific measures. One thing I must say to you and to all my fellow New Yorkers—

and today I direct these words to the members of this committee and the Congress—

We dare not indulge ourselves in the useless luxury of wishing that we did not have these problems or of hoping that if we just sit still, they will go away. They will not.

Last December while I was in Puerto Rico attending a conference on unemployment and automation, I said in a speech that heroic and unusual measures were required to meet the problem not just of unemployment—but of the special kind of unemployment that we have today, including the unemployment of a substantial number of people who cannot readily be trained or retrained to fill the highly skilled jobs for which there are openings today, nor for those jobs which would be created by a conventional-type public works program.

So I said in Puerto Rico that what we needed was a major public works program of two kinds—a conventional public works program to take up the slack in the skilled work force, and a special works program consisting of useful projects in which a majority of those employed could be relatively unskilled and at the same time be given some training.

I proposed this early last December. Hence, I am very pleased to note that the Equal Opportunity Act now pending before this committee makes provision in two separate titles, or at least authorizes the kind of undertaking I referred to as special public works in both titles 1 and 2.

Many of us saw that the cost of poverty was mounting steadily and dramatically, both as a direct and an indirect charge upon the rest of us. We saw also that despite all the efforts being made to meet the impact of poverty, we weren't really making much headway—certainly not enough. In fact, I came to the conclusion that the problem was making headway against us, as a result of automation, among other factors.

What we needed, I decided, was to take a fresh look at each of our antipoverty efforts and programs and to try to use each one to reinforce the other, focusing all of them on the goal of rescuing as many people as possible from the quicksands of poverty, in order to convert them from social liabilities into social assets.

It occurred to me that this had to be done on a social rather than an individual basis—and by a concerted, coordinated, and stepped-up effort. It had to be an effort that would enlist and enroll the maximum participation by all the elements of the community in which these people live and by the community at large, citywide, statewide, and nationwide.

Finally, I saw that we had to concentrate more effort on the roots of the problem of poverty—on the varied causes of individual and social disorganization and impoverishment.

It was, of course, clear that this effort could best be made on a nationwide basis, with nationwide leadership and mobilization. But again I emphasize my feeling that local initiative and participation, including neighborhood leadership and participation, are essential to success.

Today, many of our city programs, such as the neighborhood conservation program, the area services program, with both of which Chairman Powell and Mr. Carey of this committee are familiar, are based on these principles.

From the point at which we had already arrived in our thinking, it was only a step to declare outright war against poverty at a city level. I made that declaration in a formal address to our city council on January 14.

As soon as President Johnson had outlined the national war against poverty, we asserted our intention of making the New York City front a part of the national front and lining up with the national army, so to speak.

Now let me say a word about the very concept of trying to abolish poverty. I know we are not going to abolish poverty the next year or the year after, or for a very long time to come. I don't know whether we can ever succeed in abolishing it entirely. But we certainly must make major and meaningful progress in that direction.

We really have got to get ahead of the problem and make headway, or we will be in a very sorry condition in many parts of our country. The urgency of this need is all mixed up with the revolution of rising expectations that has been sweeping the world for the last two decades. In this 7th decade of the 20th century, our affluent society simply cannot afford an impoverished 5th. It makes for social dynamite; besides, it costs too much.

Poverty is much more difficult to define than it is to characterize. The famous British pundit, Dr. Samuel Johnson, once characterized poverty as "a great enemy to human happiness. It certainly destroys liberty, and it makes some virtues impracticable and others extremely difficult." That might be called a British understatement for anyone who has seen the kind of poverty that most of us have seen and which the legislation before us is trying to do something about.

In getting underway with our efforts in New York City, we decided first of all to take some rough measurements of the amount and kind of poverty that existed in our city. So we mobilized the appropriate city agencies and directed them to review all official figures, including their own, and to come up with a report on the proportions of poverty in New York. The result was a preliminary study we called the dimensions of poverty in New York City.

The figures in our study of the dimensions of poverty in New York City show that 389,000 families plus 320,000 single individuals in New York live in conditions approximating poverty. This is one of every five New Yorkers. This is exactly the same ratio as that which exists for the country as a whole. You might be interested to know

that these impoverished people consist of 106,000 Negro families, 69,000 families of Puerto Rican origin, and 214,000 white, non-Puerto Rican families. Of the total, 47.9 percent are Negroes and Puerto Ricans, while 52.1 percent are non-Puerto Rican whites. The study also disclosed that the largest single group of the poor whites are the aged.

Of course, the poor in our city, as elsewhere in the Nation, have a different set of characteristics than they did 50 or even 25 years ago, and the problems they are up against are different. For one thing, they have a greater experience of permanent poverty, lasting from generation to generation. For another, there is a much greater percentage of aged and aging people among the poor today; and it is precisely among this group that poverty is the most cruel in its effects.

New York City has initiated many programs for its aged, at a cost approximating \$100 million yearly.

Indeed, speaking generally, the array and extent of social services available in New York City for needy and disadvantaged people are, we think, greater than in any other city in the country. But here again I must candidly concede that even though the cost grows greater, the problem grows greater, too.

Let me tell you something now about the people whom we call the poor or the impoverished. I know them. I see them every day. They are white, black, Puerto Rican, Czechoslovak, Hungarian, Cuban, Anglo-Saxon, Irish, German, Jewish, Polish, and Italian. In short, they are New Yorkers and Americans.

In the impoverished areas in New York City, which have been called pockets of poverty, you can knock on many doors and you will find heartbreak. But you will also find in those same neighborhoods an ample number of families and individuals exemplifying the highest qualities of honesty, integrity, diligence, industry, and sacrifice, and the highest moral principles, living next door to the most disorganized.

Some of the people are so psychologically bruised and frustrated by their attempts to climb the steep walls of the deep well in which they feel themselves to be immersed that they have resigned themselves to life at its bottom—as did their parents and, in some cases, their grandparents. Yet we know that some of these people, certainly many of them, and perhaps all of them, can become useful and productive members of their community at some level of usefulness. It is up to us to provide the help. It is not only up to us morally; it is also up to us, as I have already said, from a straight dollars and cents point of view.

I think I have spent more than enough time making the case for the need for this legislation. Now I want to talk about the legislation itself.

First of all, I want to emphasize that what is involved is not simply a matter of governmental expenditures and governmental effort. Even if the Congress were to increase the amount authorized far beyond that now authorized in this bill, and if all the cities and localities collectively were to increase their allocations for the war against poverty, it still would not have the impact that is necessary. What is needed—and this is emphasized in this legislation—is the involvement of the entire community and the mobilization of all community resources, including and especially the involvement of the people in

the neighborhoods in which the antipoverty efforts are to be concentrated.

In other words, it is to be hoped and expected that the Federal allocations authorized in this bill will prime not only the pumps of the local and State governments, but also the pumps of effort and involvement of all the neighborhoods and communities and areas which are affected.

I emphasize that the local governments, with their limited revenue resources, have no hope of doing the full job by themselves. And I know I speak for all cities—although I can only speak with authority for New York City. In New York City we are already doing almost all we can do, without some radically new revenue resources.

The executive budget for New York City for the coming fiscal year, as it is being announced in New York City today—the budget I am recommending to our legislative bodies for their consideration and decision—amounts to \$3,350 million. That is the second largest governmental budget in the Nation. Only the Federal budget is larger. But our budget is, despite its size, an austerity budget. We have had to cut back and place some of our departments and agencies on short rations.

We are going to be putting out electric lights and watching our use of office supplies, just as the executive branch is said to be doing in Washington. We will be watching each penny as well as each dollar in order to have the money to pay for the most urgent essentials, including our participation in the national poverty program, under the terms of the bill now before you.

Our city budget carries an item of \$15 million new money for our participation in the national poverty program to pay our share under title II and in the pertinent programs under title I, and also to do that which we feel we have to do and for which Federal grants will be insufficient.

Perhaps it would be useful at this point if I were to sketch in broad outline some of the programs which we in New York City might propose for inclusion under the umbrella of the Equal Opportunity Act, if and when it passes—programs that we probably would not be able to mount in practical scale without Federal leadership and assistance.

I am thinking, for instance, of a vastly expanded program of tenant education and training in homemaking and housekeeping, which is one of the really basic and essential programs for the improvement of slum conditions. We are starting such a program on a small scale with funds we have been able to get from the Federal and State Governments, for training mothers who receive benefits under the aid-to-dependent children program, in order to enable them to improve their own homes and to teach others.

Another major program for which we would need the hope that we could get through H.R. 10440 would be a program of preschool training to provide special educational stimulus and learning experience for children of poverty-gripped families.

Still another such program would be a plan for special health aids to enable people who have some physical incapacity or slight handicap which prevents them from working, to be put into shape for work.

Still another program is a large-scale cleanup and rough fixing up of slum buildings which cannot be brought into livable shape by any of the other antislum weapons we have.

Still another would be the fixing up of school rooms, and school buildings, and school facilities which otherwise could not be fixed up.

Still another would be training what we call supers, and are sometimes called janitors, for the smaller apartment buildings in the city. There is a great dearth of them, especially dependable ones. An on-the-job training program in cooperation with the real estate industry is being studied and planned right now.

There are many others, in different categories, such as consumer education, for instance, but the ones I have just listed are at least typical of the programs we have in mind.

Now let me go as quickly as possible through the bill and express my judgments on the various titles in the broad sense.

With regard to title I, part A, the Job Corps; we are strongly in favor of it and see nothing but benefit for the young people who will find a place in the Corps.

There is a problem which apparently the bill does not envision; namely, the problem of recruiting those young people who most need the experience that is to be obtained through the Job Corps. Most of these particular young people will be very hard to reach, and even harder to convince that they should enroll in the Job Corps. I cannot speak for the rest of the country, but this would certainly be true in New York City.

It will take a lot of "hard sell" but, about all, it will require the persuasion and influence of indigenous community groups, and of the kind of community action organizations that is provided for in title II, and of which we have a number now in existence in New York City, to bring forward the young people who most need the help of the Job Corps. Typical of the kind of our existing communication groups which would be very helpful for this and other purposes is the Associated Community Teams in Harlem, for whose development Chairman Powell can claim much credit and to whose support the New York City government has contributed.

We in the city government of New York City would expect to provide all the help that we could, directly or indirectly, to help make this program a success.

Of course, we are very strongly in favor of both part B and part C of title I; namely, the work-training programs and the work-study programs. These would be very highly desirable for us. The work training program represents nothing new in concept, but this program is certainly very welcome in terms of the Federal leadership and financial support that would be available.

The work-study program for college students does have elements of newness. We have recently been thinking of this in New York City, and we would be very glad indeed to have this program, as provided for in part C, serve as a model and pilot.

As for title II, as I think I have already indicated, we are strongly in favor of it. I do have one thing to say about this particular program. I feel very strongly that the sovereign government of each locality in which such a community action program is proposed, should have the power of approval over the makeup of the planning group, the structure of the planning group, and over the plan. It may well be that appropriate language to this effect should be written into the bill.

As for title III, I do not have much to say about that. We do not

have many farms in New York City, although we have some in Staten Island; and the census of 1950, at least, recorded several farms in Brooklyn and Queens. I must confess, however, that the census of 1960 did not find them.

Turning now to title IV, we strongly favor this—both part A and part B. I think it most important that incentives be offered to private enterprise to employ long-term unemployed persons. The suggestion has been made that a tax incentive be provided for the employment of the unemployed, especially the long-term unemployed. Of course, any proposals for tax incentives run into major objections immediately—the major objection being that government treasuries need more money and not less. However, we look forward to an experience under the provisions of the incentive program established in part A of title IV. We are already making some plans for taking advantage of part B, the small business loans. I feel that it is vitally important both to involve the business community in the antipoverty program and to encourage the entry into business of qualified individuals belonging to the minority groups. The special loan guarantees provided under part B of title IV seem to me to be a fine approach to this problem. I hope it works. We are going to do everything we can to make it work.

As for title V, our commissioner of welfare feels very strongly that this program is most desirable.

Finally, as for title VI, the one section in that title which is of special interest to us is the volunteer program which is a scaled-down version of the old National Service Corps. We supported the legislation for a National Service Corps and developed an extensive set of program ideas for it. Now under title VI we would be glad to have the assistance of whatever size volunteer group could be assigned to us. We have had a very good experience with the Peace Corps trainees who have come to New York for their training. We have used them with great benefit by attaching them to our area services offices and neighborhood conservation offices in slum or deteriorating neighborhoods. The taste we have had of these young Peace Corps people makes us very eager to have some of the volunteers who would be, we would hope, of the same caliber.

That is the story as far as the pending bill is concerned.

I hope that it has been helpful to this committee to have my detailed comments on it.

In summary, I strongly support this legislation, and urge that your committee join in pushing it through the House so that it may be ready for Senate consideration at the earliest possible time. H.R. 10440 is not a perfect or total prescription for the cure of poverty on a nationwide basis. I don't think it pretends to be. I recognize it for what I think it really is—and no more than it is—an assortment of programs which can enable the Federal Government to induce large-scale local and community participation in a farflung and, hopefully, concerted effort to attack some of the major aspects of poverty in this country.

The \$900-odd million authorized in this bill is not going to do away with poverty. The amount of Federal money which might possibly be allocated to New York City is not going to do the job or even begin to. As I said a few moments ago, the city of New York is already spending practically a billion dollars a year for this purpose.

We already have such programs as Mobilization for Youth and JOIN which have Federal support and which are pointed in directions similar to those in which the pending bill is pointed. So is the Manpower Development Training Act and the Vocational Education Act, recently approved by Congress.

In other words, we in New York City do not look at the Equal Opportunity Act, in itself, as either a bonanza or a cure-all. But it does sound a trumpet which, added to those which hopefully will be sounded in all the communities and regions of the country, will collectively signal an effort which can make a genuine impact on the problem. That is our hope. It must be our determination.

Chairman POWELL. Thank you, Mr. Mayor, for your most excellent presentation. I am very happy you referred to the Domestic Peace Corps because that was an experiment, a pilot project that grew out of the juvenile delinquency program authored by the gentlelady from Oregon, Mrs. Green, and which in testimony here the other night before this committee was explained in detail by Mr. Wingate, showing how it has worked.

I would like to ask a couple of questions. No. 1, it has been said that local government should take the initiative in dealing with the problem of poverty. In your opinion, why have not local governments taken the initiative before?

Mayor WAGNER. Mr. Chairman, I would say that I can only speak about New York City. I think local governments have had to take the initiative for a good many years.

As I pointed out here, we do spend a great deal of money at the present time, even without any Federal assistance or State assistance, we pay a pretty large bill in this battle, but we do feel that the further assistance that we could receive and the direction and cooperation of the Federal Government would be very, very helpful. It is just enlarging on areas that we have already worked on and also working on the new programs that would possibly ensue from a bill of this type where the Federal Government in many instances would pay 90 percent and the locality 10 percent.

As you know very well, very few localities haven't financial problems, the ability to raise enough money to meet the demands and the necessities of the people in the area.

Chairman POWELL. I was not referring to New York, because I know you have done a wonderful job. In fact, some of the projects that have come out of this committee you have been carrying them almost totally for the past few months, such as the Domestic Peace Corps. You have had a pretty good program for that since December.

Next I would like to ask, do you think there will be any problem in New York City in getting young people to enter the residential centers?

Mayor WAGNER. Well, I think that it is going to be a job to sell them on the benefits of such a program; that is, the ones I suppose that you have to get, the hard core, and they are the ones we do find a problem even in our training programs that we do get underway. Surprisingly enough, when we opened up some of these area offices under the joint program, we were overwhelmed by the number of young people who came in for training. We actually didn't have the physical facilities to handle it.

We now have to enlarge it. But you will find that these are the ones that I am sure you would not have to have in one of these camps, and I think it is going to be a job to go out and sell them and I am sure it will need community support. That is the reason I emphasized as much as I could, not only should various governments participate in the program but it is very essential to get the people in the community, and we do find, I am sure, every community, whether they are of the wealthy, middle class, or poor, we do find a lot of good people who are willing to assume responsibility if they are asked to do so.

Chairman POWELL. The other night, Mr. Wingate brought out in examination before us, that the number of applicants for residential training and Peace Corps men amounted to 15 to 1 for the number of places they had available. I just wanted that for the record.

Mr. QUIE. Along that line, if you will yield, I was wondering if the mayor could tell us, of the two Job Corps programs which one would fit the best and would there be any difference in the two on the young men who would likely take part in it? I mean one is the conservation camp where the person would learn reading, writing, and arithmetic and basic human skills and work habits. The other is the camp that would be like a military base.

Mayor WAGNER. I think both would be very, very useful because you have problems in both fields. Of course, we do try to in some of our programs, in working with the board of education, to be able to give some of these youngsters and sometimes adults, of course, too, some of the basic training in reading, writing, and basic education. You don't necessarily have to send them away somewhere to give them that training.

Chairman POWELL. The gentleman from Kentucky, Mr. Perkins.

Mr. PERKINS. Mr. Chairman, I am delighted to join with you in welcoming Mayor Wagner to testify before this committee. I have always regarded Mayor Wagner as one of the outstanding public officials of the Nation. I am very much impressed with the testimony, especially the amount of money that you are spending in New York City trying to do something about the problem.

At the same time, you state that you have just about done everything that you can possibly do and at the same time the problem keeps getting greater.

Mayor Wagner, I notice you stated that there would have to be a hard selling job done in getting enrollees for the Job Corps. You are familiar with your employment offices in New York City. Do you anticipate having any difficulty when this program is enacted, getting enrollees for the Job Corps? That is, for the conservation part of the Corps and for the training centers?

Mayor WAGNER. No. I say I think we have so much material that you would have to have a great many facilities to get into that question. I think that you will always find some difficulty in getting to some of the hard core young people.

Our figures, for instance, in New York were a little lower than the average figures of most of the other cities in the country on unemployment but we still have a great many. It runs into the hundreds of thousands. A lot of them are young people. So you would have to have a great many facilities before you would run short of material. But first of all you would get the ones with a little more

ambition and desire and you would have to work on the others, too, and we can't neglect on the others because maybe through no fault of their own they are in the frame of mind that they have become almost frustrated and if they have a kind word, somebody taking an interest in them, they show ability.

We have found in working with our youth board that some of the youngsters never had any understanding or care from their families or friends. That, when somebody does show some interest in them, their latent talents come out.

Mr. PERKINS. If I understand you correctly, and what I am driving at, we already have the machinery in existence, for instance, though the State employment offices, where we can carefully screen these youngsters and the ones who should be assigned to conservation work would be assigned to the conservation camps and in all probability the youngsters that had only a third, fourth, fifth grade education and the youngster with a better education, through the employment service and the guidance counselors that we would have in connection with the service and the information that the employment offices would obtain from schools and other agencies, there would not be any problem separating the youngsters who should be assigned to the Job Corps, the conservation part, and the ones who should be assigned to training centers for better advanced training.

Mayor WAGNER. I will say, Congressman, to merely be able to put them in various categories would be very difficult. The problem is to give them the training. This costs money. And the counseling service. I think it is important, too, that people, when they get some training, ought to be able to look forward to a job.

I think the most disappointing thing that could happen is that you would train people, and sometimes we find that has happened in our vocational schools; that is why we are taking a look at our vocational training program in New York, because we find in some instances we are training young people for jobs that are not available to them.

Mr. PERKINS. I agree with you wholeheartedly in that statement, but are not the employment offices in a better position to make that judgment, to decide who is better qualified for vocational training, to decide who is better qualified to go to the training centers that perhaps have just a little less than a high school education, and to decide who should be placed in the Job Corps and conservation work? We already have all that machinery in existence and it will not be any problem if this legislation is enacted.

Am I correct in that statement?

Mayor WAGNER. I would say that we have these setups now and they are not solving the problem. I think we have to try to use some new ideas in this. For many of them, it is a question of not just having them come into an employment center and fill out a slip and get a job. It is a question of having to stay with them for some time and counseling them so that they will come back into society and then make a contribution.

Mr. PERKINS. Now, under the work training program, I noticed in glancing through the mayor of Syracuse' testimony that he has more or less objected to the Job Corps because it takes youngsters away from their home, it tears up home environment. Don't you feel that in many instances that it is the appropriate thing to do, to place youngsters in

conservation camps, especially when they want to go away from home, to give them some special training?

MAYOR WAGNER. Congressman, I only wish that all of them would like to be at home, but I think in so many instances the home environment is so bad that they are not anxious to be there and that is one of the reasons that they do get into trouble. They just don't want to go home and associate with others and form the gangs which we have been rather successful in working with through our youth board. But I think that many of them would find a better environment in some of these camps under some supervision where they don't have some supervision at home.

MR. PERKINS. We are going to be under the 5-minute rule, I understand, this morning.

Do you feel that a work study program for the high school youngster in addition to the work training program, as provided for in the legislation, would be advisable?

MAYOR WAGNER. I know from our experience, Congressman, we have initiated with our board of education and our civil service commission a program—I think we have about 600 or 700 youngsters involved in it at this point who were potential dropouts in high school. The board of education, their teachers, and principals, selected these young people as ones about to drop out. We then initiated this program where they worked part time for the city and also go to school at the same time.

It is interesting when they say the average dropouts in some of the schools in the lower economic level runs as high as over 50 percent, with these youngsters who got an opportunity to work and supplemental income and finding out that work has a certain amount of dignity to it in getting their school training, I think our dropout percentage was about 3 percent.

MR. PERKINS. Thank you very much.

CHAIRMAN POWELL. The gentleman from New Jersey.

MR. FRELINGHUYSEN. Thank you, Mr. Chairman. I would like to join in welcoming Mayor Wagner to this committee and express my sympathy for the problems he faces as mayor of that city. I am sure we all share your concern.

As the gentleman from Kentucky has pointed out, we operate under this inhuman rule of no more than 5 minutes of questions. I have about eight of them, mayor. I will make mine brief.

MAYOR WAGNER. I will try to make my answers short.

MR. FRELINGHUYSEN. You indicated that local initiative in New York City has been characteristic even without Federal and State help. You did not mean to imply you did not receive Federal or State help?

MAYOR WAGNER. I don't know whether I said it was characteristic. I said in some areas we have found that and we can find that in most areas.

MR. FRELINGHUYSEN. Well, in your own city, local initiative surely has a major role?

You are not suggesting that there is not Federal and State help?

MAYOR WAGNER. No, I emphasized that we need that Federal and State help but we need the local initiative and we can't ask the people—maybe I didn't understand you.

Mr. FRELINGHUYSEN. Are you receiving aid?

Mayor WAGNER. We are receiving Federal funds.

Mr. FRELINGHUYSEN. How much are you receiving in terms of Federal assistance in this general area of fighting poverty?

Mayor WAGNER. We have to calculate that because one-third of our welfare program is Federal assistance. We do receive assistance in some of the other programs—housing, and so forth.

Mr. FRELINGHUYSEN. If you can give us a figure, roughly, of what you receive and also what you receive from the State—

Mayor WAGNER. Federal assistance is more.

Mr. FRELINGHUYSEN. I would assume so. How much would you expect to get from this bill? What is the significance of this \$15 million that you say has been set aside for participation in the national poverty program? Of course, there is no reference to New York City in this bill at all. What makes you think you will get any money from it?

Mayor WAGNER. We may not. I realize that I maybe painted that with too broad a brush. This \$15 million will be used for our campaign, part of it would be used, depending on how much is available to us, when and if the legislation is passed. But we will use that money, also, for our own programs. That is not just set aside merely for the amount of money that we might expect from the Federal Government. As a matter of fact, we had hoped to even put a little more in this program, but because of the tightness of our budget, the limit that we could do at this point was \$15 million.

Mr. FRELINGHUYSEN. How much might you expect from this new program?

Mayor WAGNER. As I understand, the ceiling to any State is 12 percent, and we would hope that in all fairness we would receive roughly around half of that amount, because we could have roughly about half the population of the State.

Mr. FRELINGHUYSEN. Do you think it is going to be done on the basis of population?

Mayor WAGNER. I think any person who is mayor would argue to try to get as much as he possibly could. I would assume that depends on what is in the final bill and what the agency would set up under its rules and regulations. We have not attempted to calculate any particular figure.

Mr. FRELINGHUYSEN. As the bill is written, eight States might get all the money, and New York State might get none. Do you think some assurance should be written in the bill that your State at least would get some fraction of the total?

Mayor WAGNER. I would say I prefer to see something written in the bill that New York City gets a share.

Mr. FRELINGHUYSEN. I assure you there is no such protection for your city or State at the present time.

Mayor WAGNER. I would assume that those who even under the present—I would like to see something even stronger along that line go in the bill. I would assume that those who would be responsible for the program would not ignore the large cities, which have a real problem.

Mr. FRELINGHUYSEN. We assume a great deal, but the trouble is that we are faced with the writing of legislation that will not provide

this kind of protection. I would think it might be wiser to put in certain guidelines and safeguards so that a city such as yours would have a fair assurance of receiving a fair amount of money.

Mayor WAGNER. I would have no objection to that.

Mr. FRELINGHUYSEN. I assume your needs for additional Federal assistance will far outstrip any amount available to your State even if your State would get 121½ percent that is available.

Mayor WAGNER. I think that would be true of any large city.

Mr. FRELINGHUYSEN. I see you criticize the language of the bill with respect to bypassing the local governments in approving these community action programs. You are suggesting specifically that local governments should participate.

Mayor WAGNER. That is right.

Mr. FRELINGHUYSEN. In approving or disapproving of the projects. You note this is not included in the bill at the present time.

Mayor WAGNER. That is correct.

Mr. FRELINGHUYSEN. I am also interested in the problem of recruiting for the Job Corps. You suggest that the hard core unemployed among our young men would be the prime material for this Job Corps. If you were given a quota of 40,000, which is proposed for the initial year, and given the authority to select, on what basis would you select? How would you suggest that the Job Corps could keep these young men for the full 2 years of their tour of duty? What kind of discipline would you provide?

I might say that there was a small project in my own State, the so-called Belleplain project, which lost about 6 of the 16 or 18 enrollees in the first week of the program.

So it might well be that if they were not sufficiently motivated that they might drop out of the program before it got underway.

How would you handle that?

Mayor WAGNER. That could very well be. I think in these programs you have to get at the hard core and a good deal would depend on those in charge who would give some incentive to the youngsters. I think there is no doubt you would have in any program a dropout, but as the program proceeded and if, as we would hope, it would be successful, word gets back and gets around, that we are going to be able to get somewhere with this program and not feel that they are being put in a semimilitary organization for no purpose at all.

Mr. FRELINGHUYSEN. I wish I had time to ask you what you mean by "hard core" and what you mean by "incentives." What kind of incentives?

Mayor WAGNER. I will be glad to write to you, Congressman, and I will answer you in detail.

Mr. FRELINGHUYSEN. Thank you, Mr. Mayor.

Chairman POWELL. Mr. Landrum.

Mr. LANDRUM. Mayor Wagner, I am delighted to see you before the committee this morning. I am grateful for your statement in support of the legislation. I regret that other engagements have prevented me from hearing your statement. I have read it carefully and I appreciate the constructive suggestions you have made.

I wonder how you think section 209 will take care of the criticism just voiced by the gentleman from New Jersey about the possibility of no allocations being made to the State of New York or to New York

City or about the distribution of this among needed sections. Now section 209 gives the authority to the Director to establish the criteria for determining the allocation of money based on need. Are you familiar with the section?

MAYOR WAGNER. Yes.

MR. LANDRUM. Do you think that is a satisfactory provision insofar as assuring that the money that we do appropriate will go to the needy sections?

MAYOR WAGNER. As I said, it could be more specific if you would want it that way but I believe it certainly covers in the categories the problems that we have and, again, I am sure, anyone administering this program would not just ignore the larger cities.

MR. LANDRUM. Very specifically, Mayor Wagner, what do you mean? Do you intend to convey the impression that we should allocate a number of dollars to each State?

MAYOR WAGNER. No, I think, as you have the ceiling stated in here, the top that can go to any State, I think you might get into a great deal of difficulty and might delay the passage of the bill in trying to get that specific.

MR. LANDRUM. Is it not true, Mayor, that the problem that is with us here in this legislation is that it is an impossibility to allocate definite sums to definite States? Are we not going to be compelled to allocate it under a formula such as this in 209?

MAYOR WAGNER. I believe so. I said, of course, I would be delighted to have it stated in the bill how much we would get. It would be a good amount, but I realize that it would be impossible to do it throughout the whole United States.

MR. LANDRUM. So that, when we are dealing with the subject of poverty, we are going to have to provide enough discretion, enough leeway on the part of the Director, to deal with it wherever he finds it and not be in a straitjacket insofar as dealing with it within the confines of a State or within the confines of a city?

MAYOR WAGNER. That is correct. I think that is so, Congressman, as you know so much better than I do in many of the other areas of Federal assistance.

MR. LANDRUM. Surely you do not take seriously the suggested anticipation on the part of the gentleman from New Jersey that New York City might not get some of this money?

MAYOR WAGNER. I sincerely believe that those in charge of the program—

MR. LANDRUM. He does not scare you, does he?

MAYOR WAGNER. No.

MR. DENT. Especially this year.

MR. LANDRUM. Thank you.

Chairman POWELL. The gentleman from Ohio, Mr. Ayres.

MR. AYRES. Mr. Mayor, it is a pleasure to have you before the committee.

Following up the statement of the distinguished author of the bill, Mr. Landrum from Georgia, based on the testimony that you have given here this morning, I think New York could use the whole program—New York City. You have pointed out here on page 7 that you have 389,000 families plus 320,000 single individuals in New York living in conditions approximating poverty. With a percentage like

that, Mayor, confining my 5 minutes to the Job Corps, and assuming you got your 6 percent that you said you would not necessarily be happy with but you would settle for it—

Mayor WAGNER. We haven't had any official offers.

Mr. AYRES. Do you think, Mr. Mayor, that in view of the fact that 59.5 percent of all of the young men in the city of New York that are called up to take the draft examination are rejected, that in itself would give you far beyond the 2,400 that the 6 percent would give you. The number of court cases involving juvenile delinquents over a 1-year period would also give you 6 percent. The number of unemployed high school graduates alone would give you 6 percent. The number of illiterates that you have would give you 6 percent. The number of high school dropouts would give you 6 percent.

Which of these five groups we are considering would you give priority to?

Mayor WAGNER. In the first place, Congressman, we spend a good deal of our own money on those problems. I don't believe that we are very far off on the general average of rejects from military service throughout the country. On juvenile delinquents, those figures can be deceiving. I think a lot depends—we had probably far less cases in the past when we didn't have as much law enforcement as now, but we have increased our police force and police our activities through the youth board and others, the youth groups in the police department. This has raised the number of cases. Now, it is very difficult to know whether 10 years ago, before these figures, we had more or less juvenile delinquency. We do know from the records of our youth board that have been charged with this that we have done a little better, in deference to my colleagues here from the other cities, a little better in the past few years in leveling off the incidence of juvenile delinquency.

I would say what we would have to do is perhaps use it in all of those areas, not being able to accomplish everything in every area, but to realize that they are all very important.

Mr. AYRES. If you were going to do that, then you would agree with many of us on the committee who feel that you are going to have to have possibly five different programs within the Job Corps because you could not possibly have the same program for the illiterate as you would for the high school dropout.

Mayor WAGNER. Sometimes there is not much difference between the two.

Mr. AYRES. How about the high school graduate you have in New York who is unemployed? You could not put him in the program. At least he would not be too happy.

Mayor WAGNER. That is correct. I think that is a problem with the high school graduate. I think that is why we emphasize continually through our board of education, in other ways, the necessity of completing the high school education. Most of these people who do complete the education can find a position.

Mr. AYRES. You see, Mr. Mayor, in your city of New York, in fact the whole State for that matter—there are only three States in the United States that have a higher percentage of draft rejectees. The point I am getting at is with the good education system that you have within the city, why do we have this higher percentage when

this percentage in itself would more than fill the quota which might be assigned to you?

Mayor WAGNER. We are a city that has a great deal of movement. We have people coming from other areas into New York and many of these, particularly the youngsters, have not had the same educational opportunities and, therefore, it is an added burden for us and we are willing to share it because we do realize that these migrations to New York have been a great source of labor supply for us. Therefore, we have to assume those other responsibilities in order to have that labor supply.

Mr. AYRES. I do not know whether these figures are available or not, Mr. Mayor, but I think they are most important for the committee to have, not only from New York—Chicago, St. Louis, Cleveland, and so forth. What percentage of your population in New York City are native New Yorkers?

Mayor WAGNER. Well, I am one of those unique ones. I am a native New Yorker. There are not very many. I would say—this is a very rough guess—probably about a quarter.

Chairman POWELL. The time of the gentleman has expired.

The gentlelady from Oregon, Mrs. Green.

Mrs. GREEN. Thank you, Mr. Chairman.

The gentleman from Ohio the other day argued that the Job Corps was too small and only Negroes might be enrolled with no enrollment space for white young people. This morning he apparently also feels—

Mr. AYRES. That was not my statement. I am getting a little tired of being misquoted on it.

Mrs. GREEN. This morning this questioning has, it seemed to me, followed the same line that the Job Corps would be too small for the number of applicants who would benefit by it. So I do hope that he will consider an amendment expanding the Job Corps if it is not sufficient to take care of the number we have who need this training.

Mayor Wagner, you outlined the dimensions of the problem of poverty in New York City and you defined poverty very well in your statement. Our last witness yesterday afternoon urged that this Congress not take any action on the bill this year and that we study the problem, that a task force be appointed, that we delay any action because we could not define poverty.

Would you agree with this analysis?

Mayor WAGNER. Mrs. Green, I think that these problems have been studied and studied and studied and I think it is time for action now. As time goes by, the problems get worse unless we act as rapidly as possible. I certainly would like to see action, certainly in this session, and as fast as possible, so the localities can be in a position to plan and prepare and set into motion these programs as rapidly as possible.

Mrs. GREEN. A question was asked you about the native population. Do you have figures on the in-migration to New York City this past year?

Mayor WAGNER. I would say our figures show about 2 million in the last 10 years.

Mrs. GREEN. 2 million who came into New York?

Mayor WAGNER. 2 million. Roughly, I suppose about the same leaving, because our population is roughly about the same, maybe a slight increase.

Mrs. GREEN. Could you tell us where this great in-migration has come from?

Mayor WAGNER. It comes from—well, I suppose the largest would be from the South and from Puerto Rico, but we do have a lot of in-migration from other parts of the country, even one that most people don't recognize, we have had a tremendous increase, too, in the large office buildings, many of the large corporations are now centering their headquarters in New York and we have a migration of executives, too, to New York City.

Mrs. GREEN. You have very realistically stated that the primary effort must be at a local level, but you have also called for a nationwide basis for a war on poverty and also for nationwide leadership in this which, it seems to me, is in line with the in-migration, the mobile population that we have.

Also, last night, our last witness who represented the national chamber of commerce, made this statement in an exchange on the problems of schools and the fact that many youngsters are behind and need special help:

I would ask you why it is that the richest metropolitan area in the world, New York-New Jersey-Connecticut metropolitan area, with 1 out of 10 people in the United States and the highest average income in the history of the world, cannot deal with its own school system.

Would you comment on that?

Mayor WAGNER. I cannot agree that we can't cope with our school system. We have a great deal of problems. I think that is so in every locality. We have a shortage of school buildings, shortage of teachers, shortage of trained teachers. We, of course, have had a migration, as I pointed out, and oftentimes that brings special problems to us, but I would say that we have initiated more new programs.

I mentioned last night in a speech in New York how over the past 10 years the vast changes that have taken place in the remedial reading teachers and audiovisual teachers, and all of these higher horizons, have raised the standards. Though we have problems and we must raise the educational opportunities in the so-called deprived areas much more than has been done, we still at the same time in some of our high schools, such as the Bronx High School of Science, take a good proportion of the prizes in education throughout the country. We have our problems but I am sure we can cope with them.

Mrs. GREEN. Other colleagues have mentioned their concern about the recruitment of enrollees in the programs outlined in the bill. My concern is more about the recruitment of personnel. The success of title I and the success of title II will depend on the quality of the people whom we have administering the program—teachers and social workers, and so on.

I have been advised that there are many applications at the headquarters for the War on Poverty Program from people wanting to enroll, but I still am concerned.

Just a minute ago you mentioned your problem in recruiting teachers in the city of New York. I know in some areas the best teachers want to leave the center of the city, and go out to the suburbs.

Do you think shortage of personnel is going to be a problem, and should we write some language in the bill that would bring about some programs to train more people?

MAYOR WAGNER. In discussing with some of our people the other day about the possibility of calling in some of our educational leaders in New York to step up their programs, for instance in the training of social workers, they seemed to be operating on an ordinary basis, some of them. Where they get 5,000 applications they will take in 300 to train and they will never catch up with this problem if we are going to have good social workers who can be helpful under the existing method of training social workers throughout the country. There is a tremendous shortage everywhere.

I think we need that. I think we need greater training in the various other categories. And I do feel that the locality should play some role in the selection of those who are to carry on the program.

CHAIRMAN POWELL. The gentleman from Michigan, Mr. Griffin.

MR. GRIFFIN. No questions.

CHAIRMAN POWELL. The gentleman from California, Mr. Roosevelt.

MR. ROOSEVELT. Mr. Chairman.

MR. MAYOR. I welcome the distinguished mayor of New York, an old friend, and I am happy to have him here.

MAY I just follow up a little bit along the lines of Mrs. Green's questions? The chamber of commerce witness yesterday tended pretty much to blame the large communities of the United States for not solving this problem themselves, and simply said we would not have the degree of poverty we have today if the larger communities, such as Chicago and Los Angeles, New York, and so forth, had properly done their job. But would it not be fair to say that the fact is that we live in a country which prides itself upon free mobility, one can move from Los Angeles to New York, and vice versa, and that this in itself is part, therefore, of the Federal responsibility? I know in Los Angeles we, too, are behind in some of the things we would like to do, but the city is limited in its revenue approach and if you get too much of an influx at one time this means you are going to fall behind and you will need outside help in order to catch up.

Is this not, therefore, part of the Federal responsibility and part, therefore, of the proper exercise of Federal responsibility to assist communities of this kind, not to do the job for them but to assist them in catching up where, through no fault of their own, conditions have arisen which make it imperative to do something about the condition and certainly is no excuse for just waiting until the city acquires the facilities, the taxing power, whatever it may be.

I think you have a few problems in the State legislature, if I read the paper correctly, in getting some of the assistance that will enable the city to do it. So, it is not always the blame of the big city.

MAYOR WAGNER. That is true. I have many good friends in the chamber of commerce in New York, but I must say that whenever we seek any further legislation to allow us to raise revenues so that we can meet some of these problems in a better way, they have not thrown their caps in the air and cheered about it.

I would also say, too, that, interestingly enough, on that figure of movement, we had our people on the planning commission take a look at the Federal census of 1960. I believe I am approximately correct that, of the people over 5 years of age in the city of New York, in the period between 1955 and 1960, something like 43 percent were living in a different place in 1960 than in 1955. So, you see, that is real movement.

Oftentimes, when we have this migration, these youngsters even move with their families in the city, and that means transferring from school to school, and this, of course, is a handicap to them in education, and we have to initiate a lot of the programs which are costly for us in trying to give them the training and bring them up to the level of the class in which they are enrolled.

Mr. ROOSEVELT. In Los Angeles, the migration into the city is usually of the lower income groups and then, as they catch on and they do fairly well, they move out of the city, often into the suburbs, and perhaps in other parts of the State, but as they move out they are already on the higher level and the people who are replacing them are on a lower level. So you have a constant problem at the bottom. The problem is not at the top but at the bottom. The matching of the in-and-out does not solve the problem.

Mayor WAGNER. In the overall picture, that would be correct for New York City. I may say they are the large numbers. When you get into the upper economic level or upper middle class, the numbers are not necessarily as great as the people who are in the lower economic level. But we do now find a return on the part of people in the middle and upper middle class to the city when they can find available space, because they find problems in the suburbs, that things were not quite so rosy as anticipated out there particularly in the field of taxation.

Mr. ROOSEVELT. The witness yesterday also pointed out that we are lacking in some statistical figures as to the dimensions of the problem of poverty and urged that we put everything aside until we brought these statistical figures up to a better level.

Would you not agree—and I gather you do agree, from your testimony—would you not agree that the problem is serious enough now so that any delay, rather than making matters easier for us in the future, is only going to compound the problem?

Mayor WAGNER. I agree wholeheartedly, Congressman. I think that we have certainly enough statistics to show that the problem is with us and we must do something about it.

Mr. ROOSEVELT. Thank you, Mr. Mayor, very much. It is good to see you.

Chairman POWELL. The gentleman from Minnesota, Mr. Quie.

Mr. QUIE. Yes. Mayor Wagner, usually a State that has a high rejection ratio in the preinduction examination of Selective Service is also one which has a high percentage of poverty. However, New York is not the case. There are 45 States in the Union that have a higher percentage of its population in poverty than New York, while there are only 3 States that have a higher rejection rate in preinduction examination. How do you account for that?

Mayor WAGNER. I would like to see the figures, Congressman, to see how many of the youngsters rejected are recent arrivals in New York. We don't know how long they have lived in New York or had the opportunity for the education assistance that we provide. Of course, we have had this large migration.

Mr. QUIE. Are the new arrivals largely of a group where there would be young people in the family?

Mayor WAGNER. Yes, there are a good many families. There are some who come and find a job, the wage earner will come and find a job and have enough then to bring his family with him, because that is a natural tendency for people to like to be with their family.

Mr. QUIE. What is the percentage of white to nonwhite population in the city of New York?

Mayor WAGNER. I would say Negro population now runs around 12 percent, maybe a little more. Spanish speaking, which takes in Puerto Ricans, people from the Caribbean, South, Central American, will run around 10 percent. Then, of course, we have all different—it is hard to say which is which because we have 74 different nationality groups living in New York City.

Mr. QUIE. Then the nonwhite would have a much higher percentage of underprivileged than the white when you use the figure of 47.9 percent nonwhites are in poverty, of the poverty-stricken people in New York City?

Mayor WAGNER. On a percentage basis. Yes; for instance those we calculate on the line of poverty, still the majority of them are white. Many of them are older people who have lived here a long while. The basic reason for that is the fact that we have had large migrations from the South, Negroes from the Caribbean area, West Indies, and also Puerto Ricans from Puerto Rico. Actually, the migration from Puerto Rico is now leveling off a bit. They come when they can find jobs, by and large, and they will leave when they can go back.

I will say if we went back 40, 50, 60 years, the vast majority of the poor people would be Irish and Jewish and Italian. Then they had the opportunity of a few generations to improve their educational opportunities and move ahead. It is always the new migrants coming in who are poor.

Mr. QUIE. We saw how those people improved their economic well-being, the ones who came before the Negroes from the South and the Puerto Ricans recently.

Mayor WAGNER. We looked forward to having these recent migrants, at least their children and grandchildren being in the same category.

Mr. QUIE. One of the reasons for this legislation is to help them improve faster. Has the city of New York thought of using camps and sending them away from New York into a wholesome setting out in the mountains or a somewhat rural atmosphere?

Mayor WAGNER. This has been discussed but we don't own the property outside the city of New York. We have worked with the State, for instance in the narcotics problem, along that line, we have had a few pilot projects. We can see the advantages of this. We haven't done it.

I think another problem—I don't want to get in this discussion too long—one of the problems you have is to be able to follow up these youngsters after they have been at a camp of this type. We do find that many of our youngsters who get into difficulty and are then sent to a State institution, a correctional institution, I think because of the demand and the lack of facilities, they are not kept there quite as long as they should but even when they have some good basic training there, if they are allowed to go back into the old environment, without some counseling or supervision, we find there is great turnover of those who get into difficulty. Therefore, it is important and it is expensive, too, to follow up on what happens to these youngsters after they go through a training program of some type.

Chairman POWELL. The time of the gentleman has expired.

The gentleman from Pennsylvania, Mr. Dent.

Mr. DENT. Mr. Chairman and Mayor Wagner—

Chairman POWELL. Will the gentleman yield, Mr. Dent?

Mr. DENT. Yes.

Chairman POWELL. I regret I have to leave for the White House. The gentleman from Chicago will chair the balance of the morning. We hope we will move along because we have the distinguished mayor of Chicago and the mayor of Detroit, the mayor of St. Louis, and the mayor of Syracuse here.

The House will meet today for the sole purpose of eulogizing our beloved colleague, the gentleman from Illinois, Mr. O'Brien.

As soon as that is finished, we will reconvene, which should be roughly around 1:30.

Excuse me, please. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. DENT. In order not to delay the proceedings, I will make a couple observations to some of the observations made on the other side as well as by former witnesses. There seems to be a tendency here to sort of lay some kind of blame on the big cities in that they have not been able, as it were, to take care of this growing and yet a very old problem. Yet, few of us seem to take time to understand the situation, as I know it from my own experiences in Pennsylvania for many years. It is a question of balance of payments.

The large cities and the so-called rich States have been in a position of being the victims of a negative balance of payments. We pay more into the Federal Government than we get back out on a percentage basis as compared to other areas of the country that do not have the large population or the so-called wealth behind the citizen. We get it in education, we get it in all of the various aids that the Government gives out. Finally it has to catch up.

In this particular instance, in this field of battle dealing with poverty, it appears to me as though the natural thing will be that the big cities and the so-called wealthy States will receive more on a percentage basis because of the incident of poverty being heavier in the city of New York and the city of Philadelphia and any other large city. So it is no strange phenomenon that those who have been getting the greater share out of the Federal funds on a percentage basis heretofore would be a little bit complaining now about maybe a rather large cut of the pie, as it were, would be going to the big city. But everyone recognizes the need.

A statement was made by one of the previous members of the committee who said that the poor, as you described them, 40 or 50 years ago being immigrants coming over into this country, the Italians, Jewish, Irish, and so on, the Germans, and that somehow they got along and climbed out of this poverty, but we must understand one thing, they climbed out of the poverty during the days that this Nation had a growing job economy in relationship to population. We are now in a diminishing job economy in relation to population. So, therefore, those who come up, as has been explained, from the poorer States, are finding themselves in a diminishing job opportunity era. It is so necessary, as the mayor so well put it in his statement, through-

out the statement the mayor called attention to the fact that he did not expect this bill to be the cure-all, he did not expect it to do the job. But any time you want to climb to a goal and have to go up a ladder, you have to start at that bottom rung or you will never get to the top. We certainly have to start somewhere.

I agree with the mayor throughout his whole testimony that that is a move in the right direction; it does not have all of the answers, but it certainly has some.

I appreciate your coming here and at this moment I will yield the balance of my time, if there is any left, to my colleague from New York.

Mr. CAREY. Thank you, Mr. Dent.

I want to welcome the mayor of New York and my city, my long-time friend, Mayor Wagner, today.

For those on the committee and in the room who do not understand the association of the Wagner family to poverty, the Wagner family has been fighting poverty for a long, long time. The great Senator from New York, the mayor's father, certainly did a great deal in his day to help the lot of the workingmen through the Wagner Labor Relations Act and other pieces of legislation which addressed themselves to the poverty of his day. I know that many a family in Yorkville has felt the helping hand of the Wagners on the way up the ladder for several generations. It is nothing new for a Wagner to come to Congress and help us out with the problems of poverty.

Mr. Mayor, in defense of our city, I am certain you will join me in indicating that this statistic that is published, that we do not rank very well on the draft rejections, may be somewhat misleading. Let us keep in mind in New York City, we offer the greatest table of educational opportunities of any location in the country. We have more people in education up to a high level than any other area in the country with the possible exception of California and its community colleges, but we are getting there. For this reason we have a great number of students who normally would be eligible in the draft but they are in the F-1 deferment category while the education is going on. That means that those who are called for induction and nondeferred are probably in the lowest opportunity ladder. That would account for the high percentage of rejection. If you take into consideration those in the colleges, in the community colleges, and in the high schools, and who are not eligible at this stage for the draft until their deferment status is over, that will change the statistics completely.

When the country needed good soldiers and sailors and airmen New York has supplied its share without question. The mayor was one of those in the Air Force, as I recall.

Mayor WAGNER. I would like to interrupt to say that we have our city university which has free tuition, the largest university in the world. We will have about 120,000 men and women in that city university getting free college education.

Mr. CAREY. I think I read that the New York City community colleges, including the first New York City community college in my district, just had the extension of the free tuition plan in your new budget to include the community colleges. So we are doing a good job on our own in helping educate the underprivileged in New York City.

You did make your message on poverty on January 14. You formed a task force on poverty. You marshaled all the city departments which are affected into one unified team on poverty. You are working in many areas to build up the table of assistance wherever it is needed for the aged and for the young, and so forth.

What I fear is that if we do not pass this bill, this is going to have sort of a siphoning effect on the rest of the country. People are going to find out very soon what New York is doing on poverty, what it is doing for the disadvantaged. It will bring into this problem area a great many migrants, because we are doing so much, unless the rest of the country does its share also.

That is why I think we in New York cannot stand alone on this. We have to get the help of the rest of the country, otherwise we will get greater in-migration for legitimate programs of assistance that people can get in New York City. I think it would increase that in-migration.

MAYOR WAGNER. I would agree. I think many people have come from the other parts of the country to New York for the opportunities they can get there. I don't mean that they come there just to get on relief. It is a very, very small percentage of those. Very few ever get on relief until they have been in the city for over 6 months and that is a very small percentage. They come there for opportunities.

We do know, as an example, Puerto Rico. When the best jobs are available in New York City and the economy in Puerto Rico has been on the march, there have been many who have left to go back to their own place.

MR. CAREY. In the last 5 years, more people have returned to the Commonwealth than have come into New York City.

MAYOR WAGNER. That is right. It is difficult to calculate because there is so much movement and being part of the United States there is no necessity for passports. It is just like taking a plane to Washington, Chicago, or anywhere else. But that is generally accepted as the figure.

MR. CAREY. By reason of our education and assistance, and so forth, they are returning in better shape than that in which they came. They are going back with some savings and better educational benefits than they had before, and they are making a contribution to the Commonwealth, which they gained in New York.

MAYOR WAGNER. Also, we have a great many men from New York who are pensioned and they return to the island there for the rest of their lives.

MR. CAREY. Yes, they make a great contribution there also. Is it not true that figures are deceiving that in New York we have a great deal of relative poverty even though we show a high average standard of living? In connection with the publication of the annual report of the Catholic Charities a statement was made that the number of people you pointed to here, roughly one in five, are living in about a 1939 standard of living in New York City based upon the comparison with our optimum standard or our good standard of living. For this reason it has generated, it has had a virile effect, it has generated a good many more problems. The frustrated family tends to break up, tends to lose the control and care of its children. It has thrust upon us a great many more expensive problems in the welfare and social work

field because of the relative poverty even though we may show a high average standard of living. Is this not true?

MAYOR WAGNER. That is correct. I may say we have had a lot of emphasis on the fact of creating poverty by migration. We have had a lot of people needing assistance whose families have been there for generations, too. It is not all the newcomers that we should blame for these things.

MR. PERKINS (presiding). Mr. Martin.

MR. MARTIN. Thank you, Mr. Chairman.

MAYOR WAGNER. Do you feel that the Federal Government should guarantee an income of, let us say, \$3,000 a year, or more, to all citizens of the United States?

MAYOR WAGNER. That would be like a labor negotiation, like a bargaining session, that you would set a minimum.

I think if they have set the minimum, certainly as far as New York is concerned, at \$3,000, you would have a lot more problems.

MR. MARTIN. You could not guarantee wages to everyone in this country?

MAYOR WAGNER. To set a figure? I think the objective has always been to try to get a job for everybody. The Full Employment Act, which, back in the late forties, passed by Congress, was an attempt to try to assure everyone a job and, therefore, to make a greater contribution. I don't see how it is possible that you can ever guarantee a certain wage.

What I think we would like to do is to give everyone a full opportunity to be able to make a contribution.

MR. MARTIN. You are not in agreement, then, with the conclusions of this ad hoc committee on the triple revolution that reported to President Johnson about 2 weeks ago that recommended people be paid whether they work or not?

MAYOR WAGNER. I think they are already being paid. Certainly if they are not working, they are on welfare. Being paid is a cost to the Government.

MR. LANDRUM. Will the gentleman from Nebraska yield for half a minute?

MR. MARTIN. Just a moment. Let me read a couple of sentences from their report:

The economy of abundance can sustain all citizens in comfort and economic security whether or not they engage in what is commonly reckoned as work. Wealth produced by machines rather than man is still wealth. We urge, therefore, that society through its appropriate legal and governmental institutions undertake an unqualified commitment to provide every individual in every family with an adequate income as a matter of right.

In other words, you would not agree with that statement?

MAYOR WAGNER. What is this committee?

MR. MARTIN. This is the ad hoc committee on the triple revolution which reported to President Johnson on their conclusions about 2 weeks ago.

MAYOR WAGNER. An official Government committee?

MR. MARTIN. It was not an official committee. It was a committee composed of educators, labor, labor leaders, economists, and so forth. They started their hearings last October. It received wide publicity in the press at the time.

Mayor WAGNER. I remember seeing something on it. I don't know the workings of the committee. I think people are practically guaranteed some money because anyone who is unable to work gets some welfare payments.

I think our job is to try to raise the standard and train these people so that they can qualify for positions.

I think one of the things that we have to be concerned about is that unless we do some of these things and train some of these people, particularly in some of these semiskilled and skilled jobs—of course, the unskilled jobs are drying up, then you have to come to something like that and you have a permanent dole.

I think our job is to train them so that they can make a contribution instead of being welfare cases through their whole lives.

Mr. MARTIN. It is being connected up with this entire poverty program which we are considering in this committee. Let me read to you point 7 of their conclusions which they propose to do. Here is what it says:

We propose a major revision of our tax structure aimed at redistricting income as well as apportioning the cost of the transition period equitably. To this end, an expansion of the use of the excess profits tax would be important—

and so on. In other words, redistribution of the wealth has gone on in countries which are out-and-out completely Socialist. We have this same kind of plan worked out in Communist nations. This is being proposed supposedly by a responsible committee.

Mayor WAGNER. I am not a member—

Mr. MARTIN. I have not had 5 minutes.

Mr. PERKINS. I recognize the gentleman from California.

Mr. MARTIN. I resent this, Mr. Chairman. Yesterday I had about 21½ minutes and today I have not had my full time.

Mr. PERKINS. You have had a full 5 minutes.

Mayor WAGNER. Could I have the opportunity of answering? I must say I am not a member of this committee. I have not read their report. I would be glad to comment on it, but it seems to me that they are suggesting something that certainly is not within the realm of possibility at this point. I think it is more important that we try to get legislation, which is before the committee, through now and get to the problem immediately.

Mr. MARTIN. This whole thing is all interwoven into this problem we are considering in this committee this morning.

Mayor WAGNER. I think the people who are for this in New York are not part of that ad hoc committee.

Mr. PERKINS. The gentleman from California is recognized.

Mr. LANDRUM. Will you yield?

Mr. BELL. I will yield to Mr. Landrum for a few seconds.

Mr. LANDRUM. Do you know any provisions of this bill which this committee has now under study calling for such actions as the gentleman from Nebraska has interrogated you about?

Mayor WAGNER. I know of none.

Mr. LANDRUM. Is there any provision of this bill that you know about which will guarantee anyone any amount of income?

Mayor WAGNER. I know of none. It is merely, as I said before, Congressman, this bill will at least help to give some people the opportunity to get some dignity.

Mr. LANDRUM. As a matter of fact, we make no effort to determine income. We make an effort to determine capacity to earn a living, to be employed. Is that what the bill does?

Mayor WAGNER. As I see it.

Mr. LANDRUM. Thank you, Mr. Bell, for yielding to me.

Mr. BELL. Mr. Mayor, it is a real pleasure to welcome you before this committee. I have often admired your fine work in administering the problems of New York City. I wanted to make a statement, Mr. Mayor, relative to your comment on juvenile delinquency and the problems of followthrough after the completion of their course in State schools. I think that you would be the first to recognize that this bill actually, as far as the Job Corps is concerned, is not at all connected with juvenile delinquency to the extent that one is voluntary and the other is not. I agree the followthrough feature may be an important part if this becomes a part of it.

As your experience as mayor of New York will tell you, I think that you approach problems from a very realistic standpoint, and I think you have to analyze them carefully and then rifle in on the programs that are going to be workable and practical and realistic.

I do not think that you start out programs with a lot of different kinds of ideas that may or may not make sense just to get something done, or moving in the right direction of an experimental nature.

Mayor WAGNER. We try to avoid that.

Mr. BELL. As you know, we have several, ongoing programs to fight poverty. Many of them have been passed or are in committee. Two of them which I certainly favored and I thought were very good steps in the right direction were vocational education and manpower development and retraining.

Now, the concept of recruiting 100,000 youngsters between 22 and 16 in a hundred camps throughout the Nation is a kind of startling approach in an experimental fashion, it appears to me. I think that our basic problem that we are trying to get to is to find jobs, is it not, and get people trained so that they can be employable and thus enhance their economic livelihood? Is that not then basically the problem we are after?

Mayor WAGNER. Yes; I might say that you have to train many of these people so it is possible to fill the jobs that are available or could be created.

Mr. BELL. So I think the approach to these problems is to rifle-in on these problems directly, get these men retrained by perhaps expanding the vocational education program, expanding manpower development and retaining program, doing many things of this kind that have a direct effect rather than trying to rely on something that is remote as a possibility of success.

I note that you indicated some question as to whether or not you could recruit or sell people for the Job Corps, that it takes some selling to do. I gather that that may be not one of the most desirable of the programs that you are thinking of for this package; is that correct?

Mayor WAGNER. I think that all of these programs are helpful. There has been a great deal of discussion on the question of these camps. I think that is just one phase of a large program. We do know that there are many who seek the opportunity to have a better

education and to seek a skill or to be retrained when they are losing out because of automation or movement of plants, and so on and so forth.

We also have those who, the minute you open up an office in some area and say: "We will now recruit here for those who would like to go to a camp," you will not be, at 9 o'clock in the morning, overwhelmed with applicants. These are the youngsters, particularly, who have become absolutely frustrated, and they have lost their will to move. Therefore, that is where you need the community help and the community leaders even in the lower economic areas to bring them out.

Mr. BELL. I certainly agree with you when you speak of your community and local interest. I think this is an important thing. I think this is one of the things that the Job Corps gets away from a bit, the community interest and approach.

If you had some extra money and resources with which to expand your program to help fight poverty in your city, I think maybe you might prefer some kind of urban conservation corps program where you would work in parts of your local area. Would this not be a more appealing factor to you?

Mayor WAGNER. It naturally would, but I think we have to realize that you have various categories that you are dealing with. I assume that what we are getting at in these camps are the real hard core ones who will need much more basic training before they can even be trained in the vocational schools and be a part of even the school community.

We have some in New York, as they have everywhere throughout the United States. They are the ones who need greater supervision, who, because of no fault of their own, have not had at home. No one cares about them. Some don't know who their fathers are. They have no homelife. They need that basic training and I think can be made into decent citizens.

Mr. BELL. Mr. Chairman, Mr. Dent has kindly offered to extend my time for a minute or two, I believe.

Is that right?

Mr. DENT. I just said when the gentleman from Georgia, the sponsor of the act, was talking, he is a little excited, I said "I am sure we will give him the time back." Now, Mr. Chairman, honor my commitment.

Mr. PERKINS. We have given him more than his time. Mr. Hawkins?

Mr. HAWKINS. I will yield my time to Mr. Bell and 1 minute to Mr. Carey, 2 or 3 minutes to Mr. Bell.

Mr. BELL. Thank you very much, Mr. Hawkins.

Mr. Mayor, what I am basically getting at is the idea of the youth conservation camp may be a very fine idea if you had the extra amount of money. This may be a very fine thing in the long run, but I think we have to walk before we can run. I think one of the main things that we should shoot at is getting these men educated and retrained. I do not believe they would do this in this conservation corps program.

Mayor WAGNER. I think all of these programs are important and I think this can fill a real need because those who have had experience in dealing with some of these youngsters find that a method as drastic as this is absolutely necessary to get them in the frame of mind and the attitude that they would actually go along with the counseling

program and training program. Otherwise you find that you will get them down there one day and spend a good deal of money on them for a week or two and then you will never see them again or they will leave their job anyway.

Mr. BELL. I will yield back my time to Mr. Hawkins.

Mr. HAWKINS. I yield to Mr. Carey.

Mr. CAREY. One closing observation, Mr. Chairman. I just want to thank, on behalf of the committee, the mayor of the city of New York for his excellent responses and the help he has given us in the preparation of this bill and to assure him he need not have too much concern about the admonition of our distinguished colleague from New Jersey, who was worried about the share that New York might get under this bill. We will be watching out for the city's interest at all times.

I think you will agree with me that Albany is where you have a tough time of getting your tax benefits. At this level in the libraries, we were able to include you for the first time. In the Interstate Committee, we are considering authorizations on Hill-Burton which will give us money for renovation of the city hospital for the first time. In a great many areas, the interests of the city are very carefully guarded.

I am sure you will have no concern about the majority of the committee taking care of the interests of the State and city of New York.

Mayor WAGNER. Congressman, at the beginning of my remarks, I paid my tribute to you and the chairman and again I want to express my appreciation for your help for our city problems. I know you are always watching out for us.

Mr. CAREY. Thank you very much.

Mayor WAGNER. You have good assistance, too, because your secretary, Miss Akins, was one of my father's secretaries.

Mr. GIBBONS. It is not true, the reason why we cannot approach this problem on a little city basis, even though New York is large and wealthy, is, that no matter how hard you try to eradicate poverty in your city because of the mobility of our population, the poor people will just continue to come to your area seeking additional opportunities and therefore your program almost become self-defeating; is that accurate?

Mayor WAGNER. It makes it very difficult to keep up with the problem working with the tools that we have at this point. I think that if we can get assistance here, as modest as it is, when you stretch it all over the United States, it can give us some tools that will be helpful to begin to win the battle.

Mr. GIBBONS. You cannot wipe out poverty in any one section because of the mobility of our people. We have to wipe it out throughout the entire United States.

Mayor WAGNER. Yes, it is a national problem.

Mrs. GREEN. Mr. Chairman, a few moments ago I was accused of misquoting the gentleman from Ohio. I do not remember the exact words I said. I certainly do not want to be unfair to him.

I have the record of April 7 in which the gentleman from Ohio and the Attorney General were engaging in a colloquy in which the gentleman from Georgia, the gentleman from New Jersey, Mr.

Thompson, and myself also engaged. Reading from the record at one point, Mr. Ayres said:

Do you find nationally that in this group of minority people that the IQ, itself, regardless of the financial situation, is lower?

The ATTORNEY GENERAL. Not necessarily.

Mr. AYRES. But you have come to the conclusion that there is a direct relationship between the dropouts and poverty?

The ATTORNEY GENERAL. It is a factor, Congressman. It is not the sole factor. It is a factor.

Mr. AYRES. But in the vast majority of cases, the dropout is a low IQ student?

The ATTORNEY GENERAL. No, not at all. No.

I will ask later that all these pages be put in the record.

Then, at another point, the Attorney General, in response to a question, said:

"I think people should be selected"—in regard to the Job Corps—"without regard to their race, creed, or color."

Then Mr. Ayres at another point said:

But if you take these people on the basis of the percentage of those eligible, then you will have, perhaps, all Negro camps.

This is what I thought I said a few moments ago but perhaps I did not.

Then at a later point in the colloquy, the gentleman from Ohio said:

I do not mean it in that vein at all, Mr. Attorney General.

The Attorney General had just said:

I think that is a reflection on those of us who are white.

Mr. Ayres said:

I do not mean it in that vein at all, Mr. Attorney General. On the other hand, if we are going to set up any set of standards with the limited number of people to be covered by this program, there won't be any white people in it.

Mr. Thompson at a later point had this to say:

Mr. Ayres, this line that you have taken is nothing less than incredible. In the first place, your basic premise is entirely wrong. I will be glad to provide you with a bibliography establishing beyond any question the equal native intelligence of all peoples.

I would ask unanimous consent that the pages of the transcript from 452 to 459 be included at this point in the record.

Mr. PERKINS. Without objection.

(The pages referred to follow:)

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The ATTORNEY GENERAL. Not necessarily.

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Mr. AYRES. But in the vast majority of cases, the dropout is a low IQ student?

The ATTORNEY GENERAL. No; not at all. No.

Mr. AYRES. Then how would you suggest, Mr. Attorney General, in view of the fact that we have far more dropouts, far more delinquents, than what the Job Corps, under the present proposal could accept, how would these applicants be screened, chosen, or selected, whatever word you want to use, to be eligible to get into the Job Corps?

The ATTORNEY GENERAL. I think you are going to have to set up a system and establish it across the United States and then start with the help of local communities to select people. I would not agree with your premise at the beginning,

Congressman. I am not sure that the people who participated, whether I visited a CCC camp or not, I do not know that those who attended the CCC camps, looking at the statistics of education in the United States, or the years of education in the 1930's as compared with the 1960's, I do not think they had any greater education during that period of time, the young people, than they do at this period of time.

Mrs. GREEN. Will the gentleman yield?

Mr. AYRES. Yes.

Mrs. GREEN. If I understood your question correctly, Mr. Attorney General, do you know of any study that has ever been made that shows that the IQ of any race is lower than that of any other race, any minority group more than any other group?

The ATTORNEY GENERAL. No. Studies have been made that prove the contrary.

Mrs. GREEN. Every study that has ever been made shows that the IQ of all groups is comparable.

The ATTORNEY GENERAL. That is correct.

Mr. PUCINSKI. Would the gentleman yield?

Mr. AYRES. I would love to, but I know that the chairwoman will call me down in a few minutes.

I have one other question, Mr. Attorney General. There is a direct relationship between juvenile delinquency, unskilled workers and the unemployed, and education. In other words, the less education, the larger the percentage that would fall in those categories.

The ATTORNEY GENERAL. I would put it that given no opportunities, no help, and the idea of no future, a young person would more aptly turn to crime than a person in a different category.

Mr. AYRES. We have two States in the United States that do not require children to even enter school. We have eight States where they do not even have a truant officer. They do not bother to follow up whether they go or not. As long as we have conditions like that existing, are we not bound to have in our society a lot of untrained people to fit into society?

The ATTORNEY GENERAL. Yes, and I hope those States do something about it.

Mr. AYRES. One last question: In the operation of the Job Corps and the selection of these people, would you want these camps to be comparable, as far as the organization is concerned in the CCC camps, completely integrated?

The ATTORNEY GENERAL. I think people should be selected without regard to their race, creed, or color.

Mr. AYRES. That is not my question.

The ATTORNEY GENERAL. They can be completely integrated or not completely. I do not want them completely integrated, but I want everyone selected as long as they are U.S. citizens, Americans.

Mr. AYRES. But if you take these people on the basis of the percentage of those eligible, then you will have, perhaps, all Negro camps.

The ATTORNEY GENERAL. That is fine. As I say, I do not care what they are, as long as they are Americans and need the help.

Mr. AYRES. In other words, the people who need the help the most, regardless of race, will be the first group for those to enter?

The ATTORNEY GENERAL. I would think so. Would you not advise that?

Mr. AYRES. No, I would not. I would think that if we are going to follow a policy of trying to help all of the persons, we will have to take a percentage of those who are in need of help and do our best.

The ATTORNEY GENERAL. I do not think you are going to get everybody who needs help, but I think we should start with those who need the help the most.

Mr. PERKINS. The bill contemplates only 40,000 the first year, and the State employment offices throughout the country would be the agency primarily engaged in the selection. Naturally these youngsters are going to be carefully screened; they will consult with the military, maybe with the schools, and the other agencies involved. As I see it, the youngsters will be enrolled who have dropped out of school, who are unemployed. It should be done on a basis of without regard to race, creed, or color. In the Appalachia section or down my way you may not find many Negroes, and in an industrialized area where you have a lot of unemployment you might have a lot of them. Be that as it may, there is nothing in this bill that discriminates against any person who is unemployed and out of school.

I cannot think of any better place to put a youngster than to put him in a camp or in a training center.

Mr. AYRES. My point, Mr. Attorney General, is this: We have had testimony from different people holding high office like you, who have pointed out that we must make certain that the low IQ person who is a dropout is taken care of. We have other testimony that the juvenile delinquent can be taken care of under the program. We had testimony from Mr. McNamara that this would be a great program for the rejectees from the service. Mr. Goodell pointed out the high percentage of rejectees that are Negroes. We are rejecting far more than what the program is going to take care of just in one department, you might say.

The ATTORNEY GENERAL. And I think that is a reflection on those of us who are white.

Mr. AYRES. Well, I do not want to get into that discussion.

Mrs. GREEN. Can I ask the gentleman from Ohio to limit himself to one more question?

Mr. AYRES. I do not mean it in that vein at all, Mr. Attorney General. On the other hand, if we are going to set up any set of standards with the limited number of people to be covered by this program, there won't be any white people in it.

The ATTORNEY GENERAL. I do not agree with you at all, Congressman. I think if you went into the chairman's State, if you go down into West Virginia and some of these other areas, you will find that there are many white people who have as difficult a time as Negroes do, who would be brought into this program.

Mr. LANDRUM. Will the gentleman yield?

Mr. AYRES. Yes.

Mr. LANDRUM. I regret to interrupt the distinguished Attorney General, but I would say for the record that Negroes are not the only poor people in the world. I have been associated with this condition of poverty for more than a half century, and I know many, many white people who have been associated with it.

To the extent that the Negro is involved as a direct subject of this disease of poverty, I want it clearly understood that I am going to do everything I can to help relieve that situation, because I think it is a blight on the American scene. Likewise, where the white person is involved, and there are many of them, I shall do everything I can to relieve them.

I think this bill is drafted so that it will assist in the relief of poverty wherever it occurs and in whatever color or condition it appears. That is the basis of my support.

Mr. AYRES. For the record, so that we are not involved in something that is not understood, I am not arguing that this bill should take care of just one group of people, regardless of race, creed, or color, but what I am saying is that with the problems that we have in our cities and in these ghettos, and we have them in Cleveland, in Chicago, in Los Angeles, all over, in every major city, if we have a limited number of people who are going to be in this program because of this low economic bracket that they fall in, because of the terrible conditions they have been raised in, they will be the ones who will qualify.

I will yield back the balance of my time.

Mrs. GREEN. Mr. Thompson?

Mr. THOMPSON. Mr. Ayres, this line that you have taken is nothing less than incredible. In the first place, your basic premise is entirely wrong. I will be glad to provide you with a bibliography establishing beyond any question the equal native intelligence of all peoples.

Mr. AYRES. I am not arguing that point.

Mr. THOMPSON. That is as old as the protocols as the learned elders of Zion. The purpose is quite evident. In the first place, the statistic that you apparently base this on is Mr. Goodell's, which, as I recall, is that 40 percent of those who fail to pass the military tests are Negroes.

Mr. AYRES. Fifty-four percent.

Mr. THOMPSON. Fifty-four percent. Why don't you talk about the other 46 percent? I know why you do not. It is obvious. Of course you might conceivably in an area have all white or all Negro in one work camp, if there was not a shifting around arrangement. No one has suggested, however, that there be segregated camps under any circumstance. The fact is that the basic premise from which you proceed is utterly and completely fallacious.

Mr. AYRES. What is the premise that you are proceeding from? What is the premise that you think I am proceeding upon?

Mr. THOMPSON. On the basis that an overwhelming number of the disadvantaged with low intelligence quotients are going to be Negro.

Mr. AYRES. Not at all.

Mr. THOMPSON. Then you did not make it very clear.

Mr. AYRES. I am saying in the lower economic bracket, and my question is: Is there any question between being poor and being in the poverty class and having a low IQ?

Mr. THOMPSON. Then you made the suggestion that color determines somehow or another IQ.

Mr. AYRES. No. The only thing I am primarily interested in is who is going to be in the camp.

Mr. AYRES. Will you yield?

Mrs. GREEN. Yes.

Mr. AYRES. The lady from Oregon is always so sweet and gentle I almost hesitate to discuss this with her. I am glad that you have inserted this in the record because I think most of the testimony, we have shown, is that it is due to no fault of the people that they find themselves in poverty unless we set up a quota system based on not race, creed, or color, but percentage that fall in these various categories that the mayor was so kind to discuss, if we are going to take those who through no fault of their own find themselves at the bottom of the economic barrel, then percentagewise we would have more of the minority groups in the Job Corps.

What I am going to ask Mr. Shriver when he comes back is to try to spell this out.

Mrs. GREEN. Yesterday afternoon we engaged in, with the chamber of commerce witness, in an exchange about the support that the chamber of commerce gives to various programs at the Federal and also at the State and local level. They opposed the war on poverty and they have opposed every education bill which has been before the Congress.

A moment ago, in response to a question from the gentleman from California, I believe you said you did not see the chamber of commerce waving their hats and cheering about raising revenue in the city of New York. Would it be possible for anyone on your staff to provide me with any history or record of the programs that the chamber of commerce has supported in New York City and the ones that they have opposed in the field of education and in the field of public welfare?

Mayor WAGNER. Yes, we will do that.

Mrs. GREEN. I would be most appreciative.

Mr. PERKINS. Thank you very much, Mayor Wagner, for appearing. We appreciate your appearance.

The next witness is Mayor Richard J. Daley, mayor of Chicago. Come around, Mayor.

Mr. AYRES. The chairman of the whole committee, Mr. Chairman, I believe, was in error when he said that we were going to eulogize the late Congressman O'Brien. The regular order of business is going to go on this afternoon. Our late colleague will be eulogized on April 23. So the House will be in session today to consider legislation previously scheduled.

Mr. LANDRUM. Is there going to be objection to the committee sitting this afternoon in general debate?

Mr. AYRES. Not from me.

Mr. LANDRUM. Do you have any knowledge there might be objection from your side?

Mr. AYRES. We have a number of people who usually object.

Mr. LANDRUM. Yes, you do, I agree.

Mr. PERKINS. Mayor, what is your preference? Would you prefer to commence reading your statement at this time?

Mayor DALEY. If possible, I would like to return to our city as fast as I can.

Mr. PERKINS. All right, you may proceed.

First, Mayor Daley, I wish to welcome you here. I regret that Congressman Pucinski had to go to the White House and is not able to introduce you, but we are delighted to have you with us.

STATEMENT OF HON. RICHARD J. DALEY, MAYOR, CHICAGO, ILL.

Mayor DALEY. Thank you very much.

I wish to express my appreciation to the chairman and members of this committee for this opportunity to testify with regard to the Economic Opportunity Act of 1964, the legislation recommended by President Johnson to carry out the proposed war on poverty. As mayor of Chicago I am here to give full support to House of Representatives bill 10440—a bill to mobilize the human and financial resources of the Nation to combat poverty in the United States.

This committee has already heard considerable testimony citing national statistical and technical data demonstrating the need for the enactment of the Economic Opportunity Act of 1964. But many times the use of technical material and national statistics of sociological definitions and statements of economic trends and projections seek to cloud what we are all primarily concerned with; what the program means to people.

In support of this legislation, my remarks will be directed to describing programs which are being carried on in Chicago; which, I believe, demonstrate convincingly the contributions that the President's program can make to improve the economic and social well-being of one-fifth of our American families who live in poverty.

Further, in some instances these programs are being conducted only in Chicago, and in others Chicago is a pioneer in seeking to expand and improve public and private programs to provide greater economic opportunity for all Americans.

One of the pilot programs in the Nation, launched last October, is called Job Opportunity Through Better Skills—known as JOBS. It is a cooperative program being conducted almost entirely by three private agencies: the YMCA of Metropolitan Chicago, the Chicago Boys Clubs, and Chicago's Youth Centers cooperating with such public and private agencies as the Illinois State Employment Service, the Cook County Department of Public Aid, Chicago Commission on Youth Welfare, and the Welfare Council of Metropolitan Chicago.

This year-long project, first and largest of its kind, is financed by the Federal Manpower Development and Training Act. The pilot project is designed to help the 1,000 youth, many of whom lacked the equivalent of a sixth grade education, reach the necessary education level of employment—to acquire some job skill experience, and, finally, be placed in employment.

JOBS represents a special attack on the unemployment problems of the disadvantaged youth. Most of the trainees are between the ages of 17 and 21, most dropped out of high school their second year, and most were classified as "functional illiterates" when they entered

the program. Unable to read or do arithmetic past the fifth grade level, some had never worked, all were unemployed, none had a consistent employment record.

During the first 24 weeks of the program, attendance averaged 80 percent. It must be understood that no one was screened, but the program was offered on a first-come-first-served basis.

About 80 percent of the trainees, those between the ages of 19 and 22, received a \$19 a week training allowance—a major motivation to keep them in class. Project officials point out, however, that the prospect of a job, of a pay-your-own-way ticket in life, appears to be as effective an incentive as a training allowance.

JOBS conducts two principal programs. Approximately 600 of the trainees are enrolled in basic education units, learning reading, writing, arithmetic, and employment disciplines. Of these, 147 have been placed in on-the-job training stations in industry.

The remaining 400 are in vocational workshops, training as automobile service station attendants, duplicating machine operator training, mail handling, and clerk-typist training. They will all be placed in jobs this summer. Training costs average \$1,500 a person. This may appear to be high for a program that teaches the three R's and simple vocational skills, but the support cost for a youth on general assistance amounts to \$1,500 in two and a half years. Further, it is estimated that an employed trainee will repay that amount in income taxes in from 3 to 4 years. Another important aspect of the program is that young people who join it are frequently induced to go back to school to finish their education.

The Chicago Board of Education has a number of specialized programs to assist disadvantaged youth. Its urban youth program develops educational and job training programs for school dropouts between the ages of 16 and 21. This program was begun in late 1961 and has been continuously accelerated as funds, facilities and personnel have become available.

The urban youth program is divided into three phases:

1. Census and counseling.
2. Education and employment.
3. Training and transition.

This three-pronged attack reaches the roots of the dropout problem, and equips these young people with the skills and knowledge to make them productive members of society.

In the first phase of the program—census and counseling—known as double C—all school dropouts are contacted and requested to visit the office of the urban youth program for counseling. A followup service is built into the double C phase. The counselor attempts to persuade the individual to return to school or enroll in the urban youth program or is referred to another agency or trade school for job training. To date over 2,000 students have been contacted for counseling.

The second phase of the program, education and employment, known as double E—is a cooperative work-study program in which the student spends 12 hours a week in school classes and 24 to 32 hours a week on the job in a merchandising or clerical occupation. The school curriculum is job oriented and instruction is given in the areas of English, social studies, mathematics, and business organization. At-

tendance is arranged to suit the student's work schedule and high school credit is given in the subject areas. Some 450 students have enrolled in this program and 270 of them have been placed in jobs in 32 corporations that are cooperating with the board of education and special counseling and educational service are part of the double E phase.

The third phase, training and transition, called double T—is designed to help those youths who are in need of immediate jobs because of the impracticality of their returning to day school. The training and transition classes are short-term, job-oriented and low-order skills, designed to develop wholesome attitudes toward work with the hope that the results will be the acceptance of the retraining process and the stimulation to continue training at a higher level. Training is offered in the fields of tailoring, gasoline station workers, automobile mechanics, civil service examination preparation, electrical appliance repair, beautician, and hospital service training. Over 1,300 students have enrolled in this training.

No high school credit is given for double T training but many students in this program have enrolled in school and are working toward diplomas. Many have been placed in jobs.

The first class of the double E phase was financed by a grant of \$50,000 from the Ford Foundation and early classes of the double T phase were partially financed by Ford Foundation grants. Beginning in 1962, however, the Chicago Board of Education assumed the total cost of the program, and for 1964 \$200,000 was budgeted to carry out the work of this program.

The three phases of the urban youth program have served a minimum of 2,171 different individuals during its 32 months of operation.

The Chicago Board of Education also employs a cooperative work-study program and a work-internship program to assist young people to find jobs and to develop their aptitudes and skills. These programs are operated on a cooperative basis between employers, the schools, the students, and the parents. These students attend school mornings and work at a regular job in the afternoon. These projects are aimed at young people 16 years of age or older who are potential dropouts or nonachievers; those whose ability is other than academic; and those who must support themselves or contribute to family support and are capable of graduation.

Since these programs were begun a little over 6 years ago, some 2,750 students have been employed by 185 firms, and they have been trained in 18 different occupations and trades.

Another highly effective program of the board of education is the distributive education program. This program is cooperative with schools and employers providing supervision. Students are hired in nonmanufacturing, retail, and wholesale industries and are paid a going wage for the work done. School credit is given for satisfactory performance. The latest figures show that there are now 1,030 boys and girls enrolled in the distributive education program with 41 high schools participating. This program is of tremendous importance because projections indicate that there will be a marked growth in distributive industries.

Mr. LANDRUM. Mayor Daley, will you permit us to interrupt you at this point? This seems to be a place where we can break off.

Would it inconvenience you greatly to return at 1:30? We have had three bells, which is a quorum call. We will be in trouble if we sit.

I am sure many members of the committee not only would like to hear the remainder of your statement, but would like to interrogate you on various points of it.

Could you return at 1:30?

MAYOR DALEY. Being a baseball man, I know what three strikes are, so I will be glad to come back.

MR. LANDRUM. This committee is recessed until 1:30, when we will resume with Mayor Daley in the chair.

(Whereupon, at 12:15 p.m., the committee recessed until 1:30 p.m., this same day.)

AFTERNOON SESSION

Chairman POWELL. Please come to order.

I would like to welcome again the mayor of Chicago, Richard J. Daley. We are most happy to have with us our colleague, Congressman Ed Finnegan from Illinois. He is not a member of the committee but he is one of the mayor's good friends.

MR. FINNEGAN. Thank you, Mr. Chairman.

Chairman POWELL. Now, you got as far as the end of the first paragraph on page 6.

STATEMENT OF HON. RICHARD J. DALEY, MAYOR, CHICAGO, ILL.— Resumed

MAYOR DALEY. Mr. Chairman, in the interest of conserving the time of the committee, I would like to skip my statement and put it into the record, with your pleasure. We are all familiar with what the problem is in New York, Detroit, Chicago, St. Louis. You have other witnesses. So I would like to just pose a question on page 10 which I know will be anticipated.

Chairman POWELL. Without objection, the testimony will be included in the record in its entirety.

(The statement referred to follows:)

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Widespread programs have been developed and are in use by the Cook County Department of Public Aid to attack poverty and unemployment. In March of 1962, the department of public aid in collaboration with the board of education, commenced their now well-known attack on illiteracy. It is undebatable that the basic requirement for employment in this day and age is the ability to read and write. The ability to read and write is necessary to get even an unskilled job.

The people who are planning the Nation's retraining programs have learned through bitter experience that the unemployed in large numbers were not ready to take training because they could not read, write, or do simple figuring. Further, they were the natural victims of predatory salesmen of cheap and inferior merchandise, and unsound financing.

We learned in Chicago, as they are learning throughout the Nation, that basic education must precede training, retraining, or vocational education. In March of 1962, the department of public aid and the Chicago Board of Education inaugurated an adult education program for public assistance recipients that is unprecedented in the entire history of public welfare and education.

This program was designed to send public assistance recipients back to school if they could not function at a reading level of fifth grade work. The program also recognized the need for increasing the educational skills of those who could function at better than fifth grade level if they demonstrated difficulty in securing employment.

Since the inauguration of this educational training program in 1962, the enrollment has grown to better than 10,000 public assistance recipients. Even though any substantial educational growth can be expected to take place at a very

slow rate, some 1,200 public assistance recipients have been upgraded to the eighth grade within the first year and a half of the program's operation—and in March of this year there were 63—recipients enrolled in the elementary program and 2,000 enrolled in high schools working toward a high school diploma.

This program is one of the least expensive ways in which we can help people function in a socially and economically independent manner. This basic educational training is being given to public assistance recipients by the department at a cost of less than \$6 per month per person. This is astonishing when it is remembered that the program stresses quality, that it uses only certified teachers, and that our public assistance recipients are promoted on the basis of tested, grade-level achievements. These students are not passed along from one grade to the next if they cannot do the work.

It is estimated that in Cook County it would cost \$1,300,000 to place 20,000 adult students in class for a year. This is a small sum of money to spend on rehabilitation when compared with the \$184 million spent in Cook County in 1963 for public assistance.

The department also conducts educational programs to reduce dropouts and has recently conducted an electronic teaching experiment among the illiterates which shows genuine promise.

The training programs developed by the Cook County department of public aid with the cooperation of private companies and public agencies are having dramatic results. More than 800 men have been training to become cabdrivers. They and their large families have left the relief rolls. Many of these trainees learned their reading and writing in the literacy courses, and now they can make out their trip sheets, read their street guides, read street signs, and make change. Other programs include training for gas station attendants, domestic service, practical nursing, nurses' aids, licensed foster home operators, maintenance men and janitors, food service, and maid service.

Through this wide variety of training programs and through intensive job finding and job placement efforts, more than 14,000 relief recipients were placed in or secured jobs in 1963. Almost all of them required extensive counseling and preparation. It is through efforts of this kind that from a peak reached in May 1962, relief costs have been reduced by more than \$2½ million a month, and relief volume has declined by 23,000 people.

The department is also conducting an extensive program of homemaking classes that covers basic information concerning money management, meal planning and preparation, housekeeping techniques, sewing, and first aid. In other classes they teach recipients of public assistance how to teach other recipients in these areas of homemaking.

Both labor and industry are also participating in the war on unemployment and poverty in our city. Labor is supporting fully the activities of other agencies and is addressing itself to an improved and expanded apprenticeship program.

The committee for full employment, sponsored by the Chicago Association of Commerce and Industry, has a twofold purpose—to minimize unemployment in Chicago and to promote equal employment opportunities throughout the business community. This committee has begun a study to determine the dimensions of the problems in unemployment and employment, and is conducting a manpower survey to locate job openings.

Some of the objectives of this committee are—

To increase job opportunities for youth, with special emphasis on the problems and needs of disadvantaged youth;

To increase the economic growth rate of the Chicago area through aggressive economic development as the basis for long-range strong employment; and

The promotion of new industries by both Negroes and whites to increase growth in personal service industries and provide additional employment for those lacking skills.

These are some of the major programs which are underway, and there are many others which are being undertaken in education, in strengthening the family unit, in youth welfare, and other vital programs. For example, more than 4,000 adults and children are being taught by volunteer tutors in 71 classes being held currently throughout the city.

The mayor's committee on new residents—which is a division of the Chicago Commission on Human Relations—reported that 750 adults are being taught by 65 tutors, and 3,400 children by 1,500 tutors from 31 colleges, churches, synagogues, high schools, sororities, and alumni groups.

The Committee expects to double the number of tutors involved in such programs during 1964.

The City of Chicago Commission on Youth Welfare, which has over 50 field-workers carrying on activities in 51 communities, serves to promote and coordinate neighborhood youth employment opportunities. It serves as a neighborhood information center about employment counseling and training resources for youth. It helps to mobilize neighborhood business and industry to provide work opportunities. It encourages the extension of local remedial programs such as college tutoring and follows up with personal contacts in individual cases where family problems are causing unemployment among youth.

It has organized a series of youth employment and opportunity conferences. The neighborhood worker is the on-the-spot representative of all Chicagoans who want to help our young people.

Throughout Chicago there are many other organizations which are carrying on neighborhood based programs covering a variety of activities in this field.

It would be quite proper for this Committee to ask why we are supporting the measures proposed by the President in light of the programs that are being carried out in Chicago. The fact is that many of these programs are only reaching a relatively small number of those who need help.

Other witnesses have given testimony concerning the increasing number of young people in our population. A survey of almost 144,000 of the unemployed men and women showed that fully 68 percent of the unemployed in Illinois had not finished high school and 17 percent had not even finished the eighth grade.

The census reports that in 1960 nearly 9 percent of the population in the city of Chicago, or a total of 190,000 persons, were functionally illiterate, and for Cook County 7½ percent were illiterate. The Nation as a whole reflects these figures showing a total of nearly 8 million or approximately 8 percent functionally illiterate.

In Chicago, we will continue to expand our programs as far as possible within our resources, but we will not be able to meet the urgent needs of many, many thousands of young persons and adults.

The passage of this Federal legislation will permit us to carry on vastly expanded programs and to initiate new programs so desperately needed by so many.

You have already heard experts' testimony concerning the contributions that the Civilian Conservation Corps made in the early thirties. Youth programs I have cited have proven themselves to be successful, but they may not be effective for many of our unemployed, uneducated, and impoverished youth.

In this area, the creation of a Job Corps holds a tremendous promise. There are many young people in our large cities who would benefit tremendously by being able to get away from their present urban surroundings. Under the leadership of trained personnel they would learn not only new skills, but habits of reliability and study. A Job Corps camp certainly is not a panacea for all the problems of our youth, but it can make a direct contribution to thousands of young people who would not ordinarily respond to training in their present environment.

In this testimony I have emphasized titles I and II of the proposed legislation. There has been a common assumption that our ability to find answers to economic and social issues would advance with the growth of specialized knowledge and functions, but it is becoming evident that our national tendency to deal with environmental problems piecemeal has prevented us from formulating a public policy and public responsibility for the broad human and social environment.

Of the greatest importance in the war against poverty is the recognition by President Johnson of the need for a comprehensive program. Certainly poverty is not only an urban problem, and title III, which outlines an attack upon poverty in rural areas, is of the greatest importance.

Programs to increase employment and investment incentives contained in title IV give much needed attention to small industry and small business. If we are to successfully attack all aspects of the problem of poverty, it is essential to have a broad program of research and demonstration projects in the area of family unity, which is provided in title V of the act.

The final title of the act concerning administration emphasizes coordination, which is the cornerstone of the war on poverty. In Chicago, we have appointed a committee on poverty which stresses a comprehensive, coordinated approach. The membership of this committee is composed of the heads of city departments and commissions, welfare and civic agencies, representatives of business

and labor, and elected city and county officials. For the most part all of the members are directly involved in some aspects of the war against poverty.

I would like to emphasize the necessity of active participation and leadership on the part of local government, for it is local officials who are most directly involved and concerned in this endeavor. In Chicago, for example, the board of health, the police department, the human relations commission, board of education, commission on youth welfare, Chicago Park District, Cook County Department of Public Aid, Illinois Youth Commission, Chicago Housing Authority, and the Cook County Board, are all carrying on direct programs in education, recreation, public assistance, health, housing human relations, community improvement, and employment.

They have the resources, the staff, and the know-how which, combined with the contributions of citizen agencies, can formulate a program that the entire community will support. In our first organization meeting last Friday we asked every representative to submit the program his agency was now carrying on and in our next meeting we will blend these programs into a common effort.

We will work together to improve and expand existing programs and initiate new ones. Certainly this is one program that should be beyond any partisan or political consideration. Regardless of what party we represent, all of us must agree that no person in our society should be deprived of the benefits that our American society can give.

There is one more vital element in this total picture which I believe should be given grave consideration. The basic goal in our entire attack on poverty is to provide jobs. It is not necessary, especially before this group, to give any detailed account of the penalties that our society pays for unemployment. We do know that within this affluent society we have 5 percent unemployed, we do know that automation at the present time is eliminating more jobs than it creates. We do know that there is a diminishing need for unskilled labor, in an area where the people are most helpless. We do know that it hits the older worker and the younger one. We do know that the problem is greatly aggravated among the minority groups.

To meet our immediate problems, confident that our private enterprise system will meet the challenge in the long run, we need meaningful work now for our adult population and for our youth to accompany their education or retraining, or to follow it as they await economic growth to create jobs for them.

It appears to me that there is no better way to rescue ablebodied, employable, but unemployed, men from their present eroding idleness which slowly kills moral and initiative, destroys the spirit, and infects the offspring, than to give them meaningful work at decent wages.

I hope that if such a bill were adopted it would not be called a Works Progress Administration and that it would pay a more decent wage than the bare subsistence concept of that legislation.

In cities throughout the Nation there are public works projects that could provide long-term benefits for all of their citizens. This work could involve the construction of recreational facilities, cleaning up slum areas, stream and air pollution control, beautifying our cities, and in many other ways.

I know that the Chicago Committee on Poverty will be in the position to present meaningful recommendations for this program and other programs to aid in this war on poverty.

Men and women need work. They need the chance to find themselves in the world. Next to the church and the family the opportunity for a meaningful job is the most important fact in maintaining a basic level of dignity in our way of life.

One characteristic of the American people when a war is declared is that all sides come together, and this is a war.

I urge the committee to approve House bill 10440 and the House of Representatives to pass it.

MAYOR DALEY. It would be quite proper for this committee to ask why we are supporting the measures proposed by the President in light of the programs that are being carried out in Chicago. The fact is that many of these programs are only reaching a relatively small number of those who need help.

Also, Mr. Chairman and members of the committee, we have in Chicago appointed a committee on poverty which stresses what I

think is the reason behind this bill: a comprehensive coordinated approach. With this in mind, Mr. Chairman, we in Chicago have appointed a committee composed of both public and private agencies in operation with an executive director in order to coordinate all the things that are being done separately, because we find to do a job more efficiently and more effectively and surely with greater emphasis, there has to be coordination in many of the fields of government activities. We are confronted with it every day in the operation of the city of Chicago as you are in the Federal Government, the necessity of coordinating and bringing together the various elements and factors rather than dealing with them separately which has been sometimes the practice in the past.

Now we are struck with the realization that in order to approach a question of this magnitude, there must be various methods of approach, but surely in the interest of a better job we believe coordination, cooperation, and surely bringing together all the elements will do the job.

Chairman POWELL. The gentleman from Georgia, the distinguished author of the bill.

Mr. LANDRUM. Thank you.

Chairman POWELL. Will you yield to me?

Mr. LANDRUM. Yes.

Chairman POWELL. I have to leave so will the gentleman from Georgia kindly preside?

Mr. LANDRUM. Thank you, Mayor, for your clear statement and a concise, clear analysis of what we are proposing in this bill. In addition to that, I wish to thank you for your very fine demonstration of patience. I think perhaps that is a quality that we all ought to recognize in you and perhaps we ought to acquire a little bit of it ourselves. I want to thank you for it.

Now, I do not want to take up the time of the committee. I yield to the gentleman from New Jersey, Mr. Frelinghuysen.

Do you desire to interrogate this witness?

Mr. FRELINGHUYSEN. Surely. I was just discussing with the chairman about the possibility of the minority being able to get some witnesses to testify on the bill and he stuns me, to tell you the truth.

Chairman POWELL. Beware of Greeks bearing gifts.

Mr. FRELINGHUYSEN. Mayor Daley, do you have any idea how much Federal assistance the city of Chicago is getting now?

Mayor DALEY. No; I don't specifically, and I don't think any other mayor would, because there are so many programs and such diversified actions that for one to carry this around with him would be virtually an impossibility. I would say to you if you want to break it down specifically and definitely, in the field of urban renewal, we have a program in which we probably receive somewhere near \$12 to \$15 million in the period of 2 years. We have grants from the health service in which we have participated to the extent of a million dollars. We have had assistance in programs of aviation which would average \$5 million. We have had participation in the youth program of \$250,000. But we have relief and assistance and the schools which will probably be about two and a half million dollars.

Mr. FRELINGHUYSEN. Is it because these programs are so diverse that you think that a comprehensive coordinated program is going to be of value?

Mayor DALEY. No; but it is in their infancy. Like any other legislation, it grows up because you have an interest of someone else and you pass legislation to take care of one specific element of this program. We are now faced with the challenge that we must take it in a comprehensive way. We can no longer treat it piecemeal. The question of whether or not we have a coordinated or a cooperative program would appear to me to be a very intelligent one because, if you are dealing in all these fragmentary ways, surely to do a more efficient a more economical operation, you would be better off if you put it all together and tried to direct it—

Mr. FRELINGHUYSEN. What Federal programs now are uncoordinated that you would anticipate would be coordinated with this new Office of Economic Opportunity?

Mayor DALEY. We know the question of employment and the question of education are the two fundamental questions in this bill. We know that there is not disturbance in the language of the bill as it affects the respective departments. Surely you or anyone else will concede there is a direct relationship between education and training and employment in industry and jobs.

We think if you are talking about youth programs in Chicago, both private and public, if you read this statement you will find out there are hundreds of variations of this program going on.

If we did nothing else under this Federal legislation but to coordinate what is going on now, it would be a great step forward. It would be one of the most successful steps the Congress could take.

Mr. FRELINGHUYSEN. I will have to reread your statement to understand it.

Mayor DALEY. I wish you would.

Mr. FRELINGHUYSEN. Are you suggesting that the Manpower Development and Training Act needs to be coordinated with something else in order to be effective?

Mayor DALEY. I am telling you the Manpower Development and Training Act certainly relates to other things; it relates to education, it relates to industry and jobs, it relates to the conditions under which people are living. You can't talk about manpower isolated from its training. It is the whole problem we are talking about. This is why I think this is great legislation.

Mr. FRELINGHUYSEN. I am not sure what you mean. What would this program add to the effectiveness of the manpower development and training assistance that Chicago receives?

Mayor DALEY. I pointed out to you that this would coordinate at a local level, for it must be coordinated if it is to be done. The only way it can be done is on a local level.

Mr. FRELINGHUYSEN. Is there a lack of coordination in the use of this money provided under the manpower development and training assistance?

Mayor DALEY. No; I did not answer that question. You did not ask me that because there has been no misuse of money in the city of Chicago on any Federal programs. There are, however, programs

going on in all the different departments, in all the different phases, which I think should be brought together and that is all we are proposing, that is all I am supporting. We are trying to do them on the local level.

Mr. FRELINGHUYSEN. No existing Federal program is going to be transferred out of that agency, HEW or Labor, to the new one.

Mayor DALEY. I understand that.

Mr. FRELINGHUYSEN. How is it going to achieve a different result?

Mayor DALEY. I think it is evident to anyone who knows the operation in the field.

Mr. FRELINGHUYSEN. It certainly is not evident from your testimony, Mayor.

Mayor DALEY. I am sorry I have not made myself clear.

Mr. FRELINGHUYSEN. How much money would you anticipate receiving? You say on page 11 of your statement that passage of this Federal legislation will permit Chicago to carry on a vastly expanded program. How vast an expansion would you anticipate?

Mayor DALEY. I wouldn't care if the city of Chicago would not receive a cent under this program. I would be for it if other places would get it.

Mr. FRELINGHUYSEN. You express the hope that Chicago will get some money.

Mayor DALEY. I do; but we are not asking for any money.

Mr. FRELINGHUYSEN. You say you anticipate that passage of this bill will permit Chicago to carry on vastly expanded programs.

Mayor DALEY. That is right.

Mr. FRELINGHUYSEN. How vast an expansion? How much do you think Chicago could use?

Mayor DALEY. I think under our governmental system we have faith in you and the Congress.

Mr. FRELINGHUYSEN. We are not going to be running the program, Mayor.

Mayor DALEY. You have to have faith in the Federal Government. I have faith in them. I know the men and women who put this together will be fair in their administration as they have been in the past. I don't see any unfairness in the distribution of these programs by the Federal Government and I think, as we do even in local government, Congressman, someone has to have faith in the local official that he will do the right thing. When we pass an appropriation for the entire city, we can't say that there must be spelled out specifically what is going to be spent in what section of the city. We think that the public officials have a responsibility, that they will set their priorities and their priorities will be set on the need as they do in many Federal programs.

Mr. FRELINGHUYSEN. Surely, there are needs in Chicago for which, I assume, you feel there will be some Federal money available. It sounds to me as if you had been planning to spend all you can get, if you anticipate vast expansion of certain programs.

Mayor DALEY. I hope there is.

Mr. FRELINGHUYSEN. Mayor, do you have any thought about the advisability of including the local government in participation in these community action programs? Or do you feel that they should be bypassed?

Mayor DALEY. No; we are now.

Mr. FRELINGHUYSEN. There is no legislation enacted yet, Mayor, so you could not be included in legislation that has not been enacted.

Mayor DALEY. Maybe I misunderstood your question. I thought you said the local government carrying on these programs now in a coordinated way. We are.

Mr. FRELINGHUYSEN. I am not talking about existing programs at all, Mayor. I am talking about the new programs envisaged under this bill.

Mayor DALEY. Congressman, if we were to only continue the existing programs in Chicago on a larger scale, this is what we ask.

Mr. FRELINGHUYSEN. This is not what the bill would do, Mayor—

Mayor DALEY. As far as we are concerned, Congressman, that is what it does.

Mr. FRELINGHUYSEN. Title II will provide new money for so-called community action programs and the local governments have no say in whether they approve or disapprove of those programs. The only role for any government other than the Federal is that a Governor may make comments.

Mayor Wagner and the mayor of Detroit just said they thought the local government should have a say in these programs. Do I make myself clear? I do not know why it is so hard to communicate today.

Mayor DALEY. Maybe it is, Congressman, but in my statement I did not read to save your time, we cover that point and say it quite definitely and explicitly. We think the local officials should have control of this program.

Mr. LANDRUM (presiding). The gentleman from Georgia has consumed 9½ minutes.

The gentleman from Oregon.

Mrs. GREEN. I have just one comment and then I would like to yield to the gentleman from Illinois.

If I have heard once during the last 7 days, I have heard at least 10 times the question asked: You realize that nothing is going to be reserved for your city and your State and that all the money in the entire program could go to eight States? This is based on the 12½-percent limitation for any one State. The question is used, I judge, to try to detract from the bill or to help try to defeat it. Yet, in the college construction bill, which was passed last year, not only in the loan provision is there no allocation by States but in title II, which provides for grants for graduate centers, which the gentleman from New Jersey supported—and I am grateful for his support on this particular bill—there is no allocation to States, there is still just the 12½-percent limitation to any one State. Conceivably all of the money under title II of the Higher Education Facilities Act and all of the loan funds could go to eight States, but this was not raised as a strawman or a threat to the legislation.

May I also say, Mayor Daley, that especially after yesterday's testimony, I am delighted to find a person who recognizes he lives in the 20th century and has a plan not only for the 20th but also for these younger people who will live most of their lives in the 21st century.

May I yield to the gentleman from Illinois, Mr. Finnegan.

Mr. FINNEGAN. Well, to the gracious lady, not being a member of this committee, and Mr. Chairman, I thank you for the opportunity

to say a word and to ask a question or two of the mayor of Chicago of whom not only are we proud but we wave the flag for him any time we have a chance because I believe that all of us know not only of his administrative ability but we know of his courage in appearing so many times before the committees of Congress, not only this committee but others. His answers to the questions, I believe, and his statements are very, very clear, but I think it should be emphasized in one particular fashion and the gentleman from New Jersey seems to have been toying with the idea, and I hope the mayor can answer and I am sure he can, as to who he believes should administer the money, if there is going to be any money from the Federal Government, and the second point being that if there is going to be no money, can we get along without it?

MAYOR DALEY. The question of money is one that surely concerns the very basis of the programs we have talked about. We are looking for the direction. We think there has to be confidence in local officials as well as there has to be confidence in other officials. We think the local officials, whether they are dealing in health or welfare or whether they are dealing in police work or whether they are dealing in all phases of education, there must be some confidence placed in them.

We think very strongly that any program of this kind, in order to succeed, must be administered by the duly constituted elected officials of the areas with the cooperation of the private agencies.

MR. FINNEGAN. Would I be wrong in thinking that your great thesis is the fact that everything that this bill attempts to accomplish has to do with the coordination of present and existing Federal programs?

MAYOR DALEY. I would think that was one of the basic reasons for the bill, yes.

MR. FINNEGAN. You are entirely in favor of that?

MAYOR DALEY. Yes, sir.

MR. FINNEGAN. Thank you very much, Mr. Chairman.

MR. LANDRUM. The time of the gentlewoman from Oregon has expired.

The gentleman from Michigan, Mr. Griffin.

MR. GRIFFIN. I have no questions.

MR. LANDRUM. Mr. Griffin yields his time?

MR. GRIFFIN. I yield my time to one of the gentlemen from Chicago over there.

MR. LANDRUM. You yield to the gentleman from Chicago?

MR. GRIFFIN. Yes.

MR. LANDRUM. Would the gentleman from Illinois, Mr. Price, like to interrogate?

MR. PRICE. I appreciate the generosity of the gentleman from Michigan, Mr. Griffin. I do not desire to participate in the proceedings. I am here to lend moral support to the mayor of Chicago and also the mayor of St. Louis. You see, I claim both of these mayors.

MR. LANDRUM. Thank you, Mr. Price, we are glad to have you on this committee as a distinguished Member of Congress.

I also want to thank Mr. Griffin, as you did, for yielding to you. He is a most generous person.

Now we also have Congressman Murphy from Illinois. Would Mr. Murphy care to ask some questions?

Mr. MURPHY. Thank you, Mr. Chairman. I believe the mayor of Chicago makes a first-class witness because of the great experience he has had with life in a great city or community like the city of Chicago. I had the pleasure of serving with him for 4 years. I know of his great interest in these many problems.

I just want to be here today in support of the position that he has taken.

Mr. LANDRUM. Thank you for your comment to the committee.

Now the gentleman from Nebraska, Mr. Martin.

Mr. MARTIN. Thank you, Mr. Chairman.

I have not had an opportunity to read your entire statement, Mr. Mayor, but I note so far that you have at least seven programs in this field in Chicago, in the field of vocational education, the retraining of workers, and so on, which I think is mighty fine and I want to commend you for it; in fact, I feel that the local level is where these programs should be conducted and not by the Federal Government or by funds from Washington. I am particularly interested in the program I have marked "6." It happens to be at the bottom of page 6, conducted by the department of public aid and adult education program for public assistance recipients. In this program, you say that since 1962, the beginning of the program, the enrollment has grown to better than 10,000 public assistance recipients. You do not state, however, as to how many of these recipients of public aid after taking this training course have gone off the relief rolls or the welfare rolls of Chicago.

What have been your positive results from this program?

Mayor DALEY. 800 have gone to work for the Yellow Cab Co., as chauffeurs, as mechanics, and as washers. That is one phase of it. The figures are rather difficult but we think this is one of the finer programs in training people and then getting them jobs.

In the period of time, judging from hotels and janitorial and service occupations and trying to give them training and maintenance, it is estimated that there have been thousands of men taken off relief rolls and put into employment.

Mr. MARTIN. Do you have any actual figures or statistics on these 10,000 who have taken this program who have been dropped from the relief rolls?

Mayor DALEY. No. It is related to the number of people who have been changed from the relief rolls every 2 or 3 months. I found out that the majority of men and women who can get a good paying job don't want to be on relief or welfare. They will accept a job.

Mr. MARTIN. I was interested in the results of the program. Is there any way you can determine that?

Mayor DALEY. I think Mr. Hilliard, when he testifies before your committee, will have the statistics. I think you realize the difficulties in the statistics. When a man is taken off and has a job with Yellow Cab, he might not necessarily stay there. He might promote himself again and take another job because of the basic training.

We point out here that when we put the men in the Yellow Cab, these were men who were functional illiterates but they were taught to read and write, and they could balance their sheets. I think this is one of the finest programs in the country.

I would hope that we have many more of them. As to the actual figures on how many thousands, I could get them and send them to you or Mr. Hilliard can give them to you when he testifies.

Mr. MARTIN. Can you give me an explanation as to why 800 have gone into this one field of driving cabs?

Mayor DALEY. I suppose because of the turnover and the easy way in which to train a person for the job of taxicab driver and the idea that out of the taxicab there are many private operations.

Mr. MARTIN. If you have any figures or statistics as to other lines of work that these people have gone into and perhaps of their being able to earn a living for themselves and their family and their being off relief rolls, I am sure it would be of interest to the committee. As you well understand, we would be cutting down the cost of these welfare programs by putting them on a paying basis.

Mayor DALEY. That is what we put in the statement, the cost to train a young man for a job and what it cost to keep him on relief. If we are training him for a job, we are not only helping him but we are helping the government to reduce its public welfare costs as well as helping the government gain in the field of income tax which he is paying. That is why we think this is a great program.

Mr. MARTIN. Do you think the Federal Government should guarantee every citizen a job in this country and an adequate income?

Mayor DALEY. Senator, I think in this affluent society, we have a responsibility not to perpetuate a segment of our society on dole. Certainly we have the responsibility someplace of giving these people an opportunity. Whether they accept it and whether they go tremendously far or whether they go a middle way or short way, I would like to see everyone be given an opportunity, an equal opportunity. Then I would like to see everyone in our country, I hope this will come, receiving an annual income by which they can keep their family and children in decent living conditions.

Mr. MARTIN. Are you saying that the Federal Government should guarantee a definite income?

Mayor DALEY. No; I did not say that.

Mr. MARTIN. That was the question I asked you, if you felt that the Federal Government should guarantee a minimum income for all citizens of the country.

Mayor DALEY. No; I don't think so, but I think the Federal Government and the Congress can provide the atmosphere under which private industry can provide and should provide employment for people in order that their compensation be such that they can raise their families in dignity and give them educational opportunities and give them all the things that we in America stand for. I am for that.

Mr. MARTIN. In other words, you do not think that the Federal Government should guarantee a minimum wage for all citizens. You do not say "Yes." You must say "No," then, to that question.

Mayor DALEY. Not necessarily. It is not a question that you can answer "Yes" or "No." There are too many elements to the question to answer "Yes" or "No." In other words, what we are saying here is that, under this legislation, we are hoping to provide conditions under which people in private industry, and we hope this will always be America, and in private employment will receive the opportunity,

first, which they don't have now of having a skill in which they can earn a living in order to keep their family in the circumstances of what we call at least a fair and livable economic state. We are saying the Federal Government, the State government, and the local government have a responsibility to bring that atmosphere and to bring about that condition and then the Federal Government would be relieved of the obligation they have now, whether it be in welfare or another phase of Federal Government.

If the families in America receive a decent income and this one-fifth of the population receive a job with a decent income, the situation would correct itself.

Mr. LANDRUM. Will you yield, please?

Mr. MARTIN. I will be glad to yield.

Mr. LANDRUM. I will ask the mayor of Chicago, are you aware, sir, of any provision in this legislation now under consideration to guarantee any person, rich or poor, an income of any dimension?

Mayor DALEY. No, I don't think it is in the bill. I haven't seen it.

Mr. LANDRUM. Do you desire further recognition?

Mr. MARTIN. Just one other remark, Mr. Chairman. The committee report to which I alluded this morning and which has been tied in at least by the press, and I think with some logic, as the next step after this poverty program which we are considering here today, the proposition as presented by that committee in its report to the President was that men should be paid whether they work or not.

That is all, Mr. Chairman.

Mr. LANDRUM. The gentleman from California, Mr. Roosevelt.

Mr. ROOSEVELT. Thank you, Mr. Chairman.

Mr. Mayor, I want to say that I have read your statement and heard your remarks in answer to these questions. As usual, I think you have hit the bell exactly. It seems to me that the gentleman from Nebraska does not grasp the point that the committee that he is talking about is not an official committee. It is a group of private people who got together to express a point of view. Thank God, that is their right in America. And by imputation to say that we should have that viewpoint attached to this bill does not make any sense at all.

I would say to the mayor that it seems to me that I would like to have his comment and I asked Mayor Wagner the same thing this morning, is it not a fact that because we have measures that are now working in this area, such as vocational education bill and the manpower and retraining bill, that for us to simply say that because these are on the statute books and working that we should delay any other effort to get at the poverty that exists is a mighty poor excuse and that we use the measures in this bill as a supplementary weapon to accomplish the aim of trying to get a better America in which to live for this percentage of the population?

Mayor DALEY. I think you are right, Congressman, and I think the bill will accelerate and expedite and enlarge what we are doing. This is our problem. We are doing the many things you mentioned but we are doing them in such magnitude in order to have the proper impact. We think the sooner we do it, the better society we will have all over America.

Mr. ROOSEVELT. Will not this bill coordinate many of these things?

Mayor DALEY. Yes, it will.

Mr. ROOSEVELT. So that—I forget who it was this morning who said a general did not go into battle without making sure that all the various elements he had supporting the attack were working together. Does not this bill bring into battle against poverty that element of coordination?

Mayor DALEY. Yes, it does.

Mr. MARTIN. Will the gentleman yield?

Mr. ROOSEVELT. Yes.

Mr. MARTIN. I am well aware that this committee is not an official committee of the Government, but I am also aware that sometimes things of this magnitude are purposely planned as trial balloons to see what the public reaction is before perhaps official stands or positions are taken, of which I am rather suspicious in this case.

Mr. ROOSEVELT. The gentleman may be suspicious but he has no evidence that this was set up as a trial balloon, does he?

Mr. MARTIN. I have a hunch; let us put it that way.

Mr. ROOSEVELT. I cannot stop the gentleman from having hunches.

Mr. LANDRUM. The gentleman from New Jersey.

Mr. THOMPSON. You may have hunches, but I would not bet on those kinds of hunches.

Mayor, I got here late during your presentation, but I have had an opportunity during the last 20 minutes or so to read your statement. I would like to commend you, first, for the efforts you have made in Chicago and to commend you particularly for your statement in response to Mr. Frelinghuysen to the effect you want this program whether or not your city, which has a desperate need, gets any of it. You are not the first to have said this, but you demonstrate an understanding of the need. I think that probably the genesis of your attitude is that you realize that there is a great migration to Chicago from deprived areas elsewhere and if they get assistance you will get it.

Mayor DALEY. That is right.

Mr. THOMPSON. I think it is very fortunate, from a personal point of view, that our friends on the other side have not been exposed to this grinding, miserable poverty, which exists in so many places. I think it is unfortunate, however, that they do not understand it. They seem not to be able to have any vicarious understanding of the poverty and the suffering of other people.

Mr. FRELINGHUYSEN. A point of order, Mr. Chairman. I am not sure just what that remarks means.

Mr. THOMPSON. I will explain it.

Mr. FRELINGHUYSEN. The Republicans on this committee have just as much understanding of the nature of poverty and the problem it presents. I would like to hear an explanation of that understanding from the gentleman.

Mr. LANDRUM. Will the gentlemen from New Jersey wash your dirty linen in private?

The gentleman from New Jersey, Mr. Thompson, is recognized.

Mr. THOMPSON. I was not aware there was any personal reference at all. I was making a general statement.

Mr. FRELINGHUYSEN. Mr. Chairman, if we may, I would like to have the statement reread.

Mr. THOMPSON. I would be delighted to.

Mr. LANDRUM. The Chair rules the point out of order.

The gentleman from New Jersey will pursue the questions. The distinguished mayor from Chicago is here, now delayed in his hour of departure. We will straighten these things out in the record later.

Proceed with the mayor.

Mr. THOMPSON. Do I have consent to revise and extend?

Mr. LANDRUM. Without objection; yes.

Mr. THOMPSON. Mayor, I will not take any more time because our colleague from Illinois, Mr. Pucinski, is awaiting his opportunity. I simply would like to commend you for the generosity of your statement, for the thoroughness of it, and for your understanding. Thank you.

Mayor DALEY. Thank you.

Mr. LANDRUM. Mr. Pucinski.

Mr. PUCINSKI. Mr. Mayor, as a resident of Chicago, I certainly am very happy to see you as my mayor join a most distinguished list of witnesses who have testified in support of this legislation. As far as I know, this is the first time in the history of this country that all of the Cabinet members, except the Secretary of State, have testified in support of an important measure. The President certainly has assigned this as one of the most important measures of his administration.

I am even more gratified because you have brought to this committee specific examples of how this program can work on a national scale and what it means in terms of human values.

My colleague from Nebraska inquired how much money was saved with the 800 taxicab drivers who were trained in Chicago and put to work. At the rate of minimum figures, using four members of a family receiving in general assistance a minimum of \$200 a month, this one project has saved the people of Chicago and Cook County some \$7½ to \$8 million in 1 month.

Now, I think this testimony is particularly imposing and impressive because it shows us specifically what this bill means to America.

I wonder if you would care to comment on the fact that when we speak of 800 men who were put back in the gainful employment, we are really not only talking about 800 men, we are talking about 3,200 people, on the average, who were removed from the welfare rolls or other public assistance programs.

Would you, on the basis of your experience, care to expand on that, Mr. Mayor?

Mayor DALEY. I think you are absolutely right, that when you talk about one person on relief, we in Chicago know it involves three more, generally the wife and two children is the average. So, actually, we are not talking about 800, we are talking about 4 times 800, which is approximately 3,200.

Mr. PUCINSKI. This is what makes your testimony today so tremendously impressive. You have, Mr. Mayor, for instance, pointed out, on page 7 of your statement, that it is estimated in Cook County it would cost \$1,300,000 to place 20 adult students in a class for a year, dealing with special training programs. Then you point out, this is a small sum of money to spend on rehabilitation when compared with the \$184 million spent in Cook County in 1963 for public assistance.

We have had testimony here and witness after witness has been asked what will this program cost. You have given this committee

an insight into the alternatives if we do not have a program like this. It appears to me from your testimony we can draw this conclusion: That perhaps the most expensive single item in any government's budget today is an unemployed American worker.

Would that be a safe conclusion, Mr. Mayor?

MAYOR DALEY. I think it is because we are suffering the severe penalty of not only the loss of his productivity but we are also imposing upon the Government the cost of his keep while he is unemployed. So the greatest thing for the Government to do and all people in the Government is to try to get as many people to work as quickly as possible and to give them educational opportunities and training in order that they be fit for work.

MR. PUCINSKI. Mr. Mayor, you have earned a reputation throughout this country and I daresay in many sectors of the world as an outstanding municipal administrator and executive. I wonder if you would care for the guidance of this committee to define more precisely the relationship that you see in implementing this program between local governments and then flowing through the local governments the rights and authority to distribute this program to other agencies either public or private that may be working in harmony with the local government?

MAYOR DALEY. Congressman, as I have said in my statement and as you know, we have tried in all phases of government to coordinate activities. It is one of the questions I think that any mayor has in any city. We try to coordinate public works, which many times are divided in various segments. We try to put them together and have a coordinated public works program.

In this field we know that there have been many activities from our board of education, from our health department, from the Chicago Association of Commerce and Industry, from the YMCA, and the Boys' Clubs, all of them working on individual projects. We know that the Illinois State is involved, county welfare, county departments, and in bringing all their activities together we think this, in itself, is a highly desirable thing to do because it focuses the attention of what is going on as well as coordinating it and giving it widespread publicity in order that more and more people will participate. For instance, our literacy program, this, in itself, adult literacy, the only way you get the people who are adult to come into the classes is to get more and more publicity and more and more people interested, the churches, various organizations, to urge people to come into the classes in order to remove illiteracy from our midst.

I will say frankly to you, this is one of the things we have been trying to do in Chicago. We have been doing it ourselves.

We admit very frankly and honestly we haven't got the resources to do it the way it should be done, therefore we ask the Federal Government for help.

MR. PUCINSKI. The gentleman from New Jersey, Mr. Frelinghuysen, raised the question, What do you need a Federal program for? What will it do that is not now being done?

I would like very strongly to call his attention to Mayor Daley's statement on page 11, the last sentence, where he points out:

*** it is becoming evident that our national tendency to deal with environmental problems piecemeal has prevented us from formulating a public policy and public responsibility for the broad human and social environment.

I think that this certainly states more succinctly than any statement I have heard in the testimony today the need for this program, what it is going to do, and what is its basic philosophy.

Mr. FRELINGHUYSEN. I might say to the gentleman that the members of the President's Cabinet have not come in with any such testimony. They do not say that their programs result in a piecemeal dealing with environmental problems as Mayor Daley argues.

Mr. PUCINSKI. On the contrary, the testimony of Mr. Shriver—

Mr. FRELINGHUYSEN. I might say he is not in the Cabinet. I have not included Mr. Shriver. We may have high hopes of where he is going but, as a matter of fact, he is not in the Cabinet.

Mr. PUCINSKI. He has been named by the President as administrator of the program and I know the mayor of Chicago has had vast experience in dealing with agencies of government at all levels. Both these gentlemen have given you firsthand, personal impressions. Both have stated that, while there are many programs today in existence, this program is designed to tie them together, to coordinate them, to make them more economical and in the long run save the taxpayers money.

That is the essence of the testimony I get from the mayor of Chicago as one of the Nation's outstanding administrators.

Mr. LANDRUM. Do you have any more questions?

Mr. PUCINSKI. No. I would like to thank the mayor of Chicago for his contribution today.

Mayor DALEY. Thank you.

Mr. LANDRUM. Mayor, we are pleased to have had you. We are grateful for your patience. We are better equipped with the knowledge you have left with us. Thank you very much.

Mayor DALEY. Thank you, Mr. Chairman.

Mr. LANDRUM. We are glad to welcome the distinguished mayor of the city of Detroit, realizing that his plane leaves here at 3:30 and he has been delayed by the business on the floor of the House.

STATEMENT OF HON. JEROME CAVANAGH, MAYOR, DETROIT, MICH.

Mayor CAVANAGH. Thank you very much, Mr. Chairman and Congressman Griffin.

Let me first say I appreciate the opportunity to appear out of turn because I know that Mayor Daley had been testifying. But for the purpose of the record, my name is Jerome Cavanagh. I am mayor of the city of Detroit. I am pleased with the opportunity to be able to testify here today with other mayors in support of the President's legislative program for war on poverty. I believe that it is a good program. I believe it is a realistic program. I think most importantly, though, it is a needed program for our country and certainly for the children of America.

As far as our city is concerned, Detroit needs this program as do our sister cities in the North. The South, the rural areas need the program for the problems of the poor are shared by country dwellers and urban residents, and I think it is a program that really could be used to unite Americans because it is an appeal to conscience which, in my judgment, makes very good economic sense.

In Detroit, I think it has been seen really as a moral challenge free from political connotations.

One of the reasons I say that is that the present planning committee, and I am deviating here from my testimony, but the present planning committee which has been created by our office is representative of every interest in the community including the local chamber of commerce which is represented on this committee and very actively represented in the planning process. So we have geared up in Detroit for all participation in this program or in the programs which await the passage of this Economic Opportunity Act.

We have been acutely aware, really, of the need for a concerted and very determined community action against the roots of poverty. We have not merely been standing by awaiting the declaration of the so-called war on poverty because we have been engaged in some preliminary activity and achieved some degree of success. Really, our efforts are modestly scaled because the needs are so great. Certainly, as you know as well as I, the limitations on local funds derive really from the realities of what I term the central cities fiscal of financial stringencies. It is true of our city as well as every other major city in the country. These limitations really prevent the allocation of personnel and funds which are needed to come to grips with the problems which we know exist.

We have sought to create some new job opportunities in our community by working closely, for example, with the Area Redevelopment Administration. It has been my privilege to serve as a member of the National Public Advisory Committee of ARA and to participate in some degree in the shaping of policy which I think have meant so much even in a limited way to the jobless of America.

We have been able, for example, to study the potential of our port, our riverfront in our community. Through the ARA, it has given us the blueprint for future development which is being implemented by private developers. Through ARA we have been able to study Detroit, its potential as a research center.

There are many other things that ARA has done that I could spell out in greater detail but because of the limitations of time I won't.

As I appear here today, the final touches are being given to an action program to combat juvenile delinquency and the highest areas of delinquency inside our city. It is called CADY, Community Action for Detroit Youth. It has brought together what I term really town and gown in a cooperative effort and cooperative drive using the resources of public and private agencies in a coordinated program to attack not only the causes but the effects also of juvenile delinquency.

We are hopeful certainly that the President's Committee on Juvenile Delinquency will agree with us that it is a good program so that we can implement this comprehensive plan.

Under a grant from the Department of Labor and HEW, we have been training in our city some out-of-school youth, using a split program of work experience in city job stations and supplementary training in a youth employment center. Only 600 youngsters will be trained in the course of this program during the year out of an estimated 35,000 jobless youngsters in our community between the ages of 16 and 21, all of whom are sons and daughters of Detroiters who are out of school and out of work and I think most importantly, though, frequently out of hope.

Speaking as a father I am deeply disturbed but, as a mayor of a community, I think I have a responsibility of trying to do something more than that which we have done.

I assure you, gentlemen, that the President's legislative program in relation to poverty does offer a hope to myself as the mayor and hope to the parents and the children of our community that more will be done.

Our community is united, I believe, behind the need for the President's program.

On just this Monday, a meeting was held in my office attended by the leaders of industry, labor, education, and government and at that time this committee about which I am speaking, the Metropolitan Committee on Employment Opportunity, unanimously agreed to act as the policy body for the community action program on poverty, which is an intrinsic part, obviously, of the total package and a full-time staff has been assigned to spell out the details of our local program in this total action against poverty.

I have added to my formal statement an organizational chart and it details the membership on this committee and its relationship to other ongoing community efforts. I think that has some degree of importance here because it does represent, as I said earlier, Mr. Chairman, not only the representatives of labor but the members of the board of commerce, the officers of the board of commerce, our educational institutions, our religious leaders, the entire spectrum of community interest is represented on this employment committee, the committee on employment opportunity.

I think that our city, at least to some degree, is unique in recognizing the need to supplement our community renewal program studies of the physical problems, for example, of urban renewal by some studies, some preparations of what I term "action programs," to deal with other social problems, because certainly there is a direct correlation between inadequate income and inadequate housing, between inadequate education and unemployment or underemployment, between slums and delinquency and other forms of social and personal disorganization.

The CRP, or the community renewal program, in Detroit, is devoting much of its time and energies to attempting to find solutions to some of the social ills that I mentioned.

In the flow chart, which I attached to the testimony, it shows some of the things that they have been doing right now.

This CRP staff in our city is coordinating our governmental and private agency planning and educational planning for our community action program in this area of poverty.

To supplement these efforts and to assure our full participation as a city, some time ago I had the opportunity to form, and I did form, a departmental council on poverty programs prior to even the President's message coming to the Congress. Health and welfare, recreation, housing, youth, industrial development, these local agency heads are directly involved in working up the city's portion and the city's participation in the poverty program. Obviously, we have given most of our attention to the young people but certainly there are many others who need our help, the physically and emotionally handicapped, the mother who has to support her family by herself, the older worker who has no place to turn when automation displaces him, as so fre-

quently happens in a city like Detroit, the educational needs of our youth and adults are really only a part of the total educational needs of our community.

I have read the presentation made by Mr. Shriver on the 17th of March before this committee, and I think it is a complete exposition of what I term "the needs and the proposed solutions."

I would like merely to add my endorsement to his statement, also to take the opportunity to publicly ask for the continuation of programs such as the accelerated public works program and area redevelopment, which I think form an important part of this total war on poverty in America.

I think in conclusion, if I might say, there is a time for talk really and a time for action, as has been said, and certainly I think we need action now to demonstrate to the Nation and to the world that America does care about those poor unfortunate people who live behind what might be termed the "tattered curtain" in America, who really are the poor who dwell among us.

Certainly I can think in conclusion of really no finer concept of governmental action than that which is signified by this poverty program because what we are saying is that the Federal Government in concert with State and local governments and private agencies and interested private groups does care about a very significant portion of our American citizenry who, unfortunately, find themselves in the very agonizing depths of poverty. It is an invitation, really, to rouse the conscience of American citizens and I think for that reason, above even the money involved, it is important. It stimulates and it is a catalyst to action.

Chairman POWELL. Thank you ever so much.

Without objection, the charts and your prepared testimony will be included in the record.

(The charts referring to Detroit's Total Action Against Poverty (TAP) appear in the committee files.)

(The statement referred to follows:)

REMARKS BY HON. JEROME P. CAVANAGH, MAYOR, DETROIT, MICH.

Mr. Chairman, members of the committee, my name is Jerome P. Cavanagh. I am mayor of the city of Detroit, Mich. It is a privilege and an honor for me to appear here this morning with other mayors to testify in support of President Johnson's legislative program for a war on poverty.

It is a good program.

It is a realistic program.

It is a needed program for America and America's children.

Detroit needs this program and so do our sister cities in the North and in the South. The rural areas need this program for the problems of the poor are shared by country dwellers and urban residents. This is a program to unite America and unite Americans. It is an appeal to conscience which makes good economic sense. In Detroit it has been seen as a moral challenge free from political connotations.

I am pleased to report to you that we in Detroit—in the Metropolitan Detroit area—have geared up for full participation in the programs which await passage of the Economic Opportunity Act of 1964. Since I first assumed office in 1962 we have been acutely aware of the need for a concerted and determined community action program against the roots of poverty. We have not been standing by awaiting the declaration of war on poverty. We have been engaged in preliminary skirmishes and have some achievements.

But our efforts have been modestly scaled though the needs are great. Limitations on local funds derive from the realities of central city financial strin-

cies. These limitations prevent the allocation of the personnel and funds needed to come to grips with the problems we know exist.

We have sought to create new job opportunities by working closely with the Area Redevelopment Administration. It has been my privilege to serve as a member of the National Public Advisory Committee of the ARA and to participate in the shaping of those policies which, in my judgment, have meant so much to America's jobless. Technical studies of Detroit's port potential have given us a blueprint for future development now being implemented to some degree by private investors. Shortly, another study will be undertaken of Detroit's potential as a research center. We are concerned not only in filling existing jobs which go begging because the skills are not found in the community, but also to "grow" jobs—to create new jobs through research and development centers. Demidco—Detroit Metropolitan Industrial Development Corp.—is doing just that in processing loan applications to ARA.

As I appear here the final touches are being given to an action program to combat juvenile delinquency in the highest delinquency area of Detroit. Community Action for Detroit Youth (CADY) has brought together town and gown in a cooperative drive using the resources of public and private agencies in a coordinated program to attack the causes as well as the effects of juvenile delinquency. We are hopeful that the President's Committee on Juvenile Delinquency will agree with us that this is a good program and provide some of the funds it will require.

Under a grant from the Department of Labor and the Department of Health, Education, and Welfare, we have been training out-of-school youth using a split program of work experience in city jobs and supplementary training in the Youth Employment Center. Only 600 youngsters will be trained during the year out of an estimated 35,000 jobless youngsters who are the sons and daughters of Detroiters and who are out of school, out of work, and too frequently out of hope.

As a father I am deeply disturbed. As mayor I have the responsibility to try to do something more than we have done. And I assure you that President Johnson's war on poverty offers hope to me as mayor and to the parents and the children of Detroit that more will be done.

Detroit is united behind the need for the President's program. On Monday a meeting was held in my conference room attended by leaders of industry, labor, education, and government. At that time the Metropolitan Committee on Employment Opportunity unanimously agreed to act as the policy body for the community action program on poverty which is an intrinsic part of the poverty package. A full-time staff has been assigned to spell out the details of our local participation program which we refer to as TAP—total action against poverty. An organizational chart has been provided with my statement and details the membership of this committee and its relationship to other ongoing community efforts.

I think Detroit is unique in recognizing the need to supplement our community renewal program studies of the physical problems of urban renewal, by studies and preparation of action programs to deal with social problems. There is a direct correlation between inadequate income and inadequate housing; between inadequate education and unemployment or underemployment; between slums and delinquency and other forms of social and personal disorganization. The community renewal program is devoting much of its energies to the solutions of our social ills. The flow chart you have in front of you shows some of the things they are doing now. The CRP staff is coordinating our governmental, private agency, and educational planning for TAP, our community action program.

To supplement these efforts and to assure our full participation—as a city—in poverty action programs, I have formed a departmental council on poverty programs.

Health, welfare, recreation, housing, youth, industrial development—these local agency heads are directly involved in working up the city's portion and the city's participation in the poverty program.

Obviously, we have given most of our attention to the young. But there are others who need help; the physically and emotionally handicapped, the mother who has to support the family herself, the older worker who has no place to turn when automation displaces him. The educational needs of youths and adults are only a part of the total educational needs of our community.

I have read the presentation made by Sargent Shriver on March 17. It is a complete exposition of the needs and the proposed solutions. I would merely

add my endorsement to his statements and ask for the continuation of the accelerated public works program and the Area Redevelopment Administration.

There is a time for talk and a time for action. I think we need action to demonstrate to the Nation and the world that America cares about those behind the tattered curtain—the poor who dwell among us.

Chairman POWELL. There are many questions I would like to ask but due to time imposed upon us by your having to catch a plane and the fact that the House was in session, I will withhold my questions.

The gentleman from Georgia, the distinguished author of this bill, Mr. Landrum.

Mr. LANDRUM. Mayor Cavanagh, for the same reasons expressed by my chairman, I will confine my questions to one brief question.

It appears from your statement and from the attachments to your printed remarks that the city of Detroit, under your direction, has marshaled a considerable program against this business of poverty on its own. Do you feel, Mayor, that the resources of your city of Detroit are sufficient to cope with the problem in its present magnitude without the services of the Federal Government.

Mayor CAVANAGH. To say very categorically the answer is "No." I think the most frustrating thing that I personally find on this job which I have had for 2 years is the fact that, as hard as we work and as many resources as we locally can marshal, that we just can't make the consequential dent in the areas under consideration, the ill-fed, delinquencies, school dropouts, that obviously are needed. Unless we have assistance, and thank goodness we have in so many other areas, the assistance of the Federal Government, it is impossible to move.

This touches an area which I am very much interested in which we could speak about if there were more time, but I know, as far as Detroit is concerned, and I think other cities, that too frequently State legislatures have not been discharged their responsibilities to some of the urban areas across the country, not only in my State but others.

As nice as it would be, for example, to have the State participate more fully, I am not a person that decries Federal assistance, because I say on the record thank goodness that our Congress in their wisdom has recognized some of the problems that do exist in the metropolitan urban centers and has taken some action to combat them.

Mr. LANDRUM. Thank you, Mr. Mayor.

Chairman POWELL. The gentleman from Ohio.

Mr. AYRES. No questions.

Chairman POWELL. The gentlelady from Oregon.

Mrs. GREEN. I have no questions.

Chairman POWELL. The gentleman from Michigan.

Mr. GRIFFIN. As a representative from Michigan, I want to indicate how pleased we are to have the mayor of Detroit before the subcommittee. I find his statement very interesting and very helpful.

I wonder, Mr. Mayor, you base a great deal of your support for legislation on the problems in Detroit and the needs there, I wonder if you have figured out under the formula in this bill how much of the close to a billion dollars that is authorized is going to go to Michigan?

Mayor CAVANAGH. I have not figured out how much would go to Michigan. I would assume, of course, if there were a particularly aggravated situation in Michigan or the southeastern part of Michigan in relation to poverty that that area would be entitled and obviously would receive from the Federal Government fair and favorable con-

sideration to at least start to combat this problem. Such has been the case in some of the other programs that I mentioned in my testimony as well as other Federal programs, the accelerated public works, for example; our State and our city has done well because I think there was a serious problem there and these programs were tailored to meet the problems as they existed there.

Mr. GRIFFIN. Of course, under the bill and, as you probably know there is not any allocation at all as far as the States are concerned no assurance that any State or any community will get anything. The allocation of funds is completely within the discretion of the bureaucracy in Washington. The only limitation I know to that statement is that no one State can receive more than 12 percent of the funds.

I think it is a fact that many people do not seem to be too much aware of that. You indicated a certain amount of unhappiness with the understanding and action of the State legislature with respect to the problems of urban areas. But I think we also ought to keep in mind as we consider this legislation that if you are deeply concerned about the problems of Detroit and Michigan that it costs Michigan taxpayers at least a dollar and a quarter for every dollar that they can get back from the Federal Government. That is the most conservative figure that the tax foundation or any other group puts forth.

I also suggest, where do you think the Federal Government is going to get this billion dollars? You have in mind, of course, that we are going to borrow it and that is what you want us to do, but the city of Detroit does not want to borrow money that they need, is that right?

Mayor CAVANAGH. Of course, the city of Detroit has borrowed money. I think every city in the country is probably as near their maximum potential as far as being able to fund some of their own program.

In Michigan, as you know, Congressman, so well, the area which I represent pays in about \$108 per year, yet receives back from our State legislature \$66 a year. So I think this is some slight evidence of sometimes the attitude of our State legislature about urban areas, including even your own city, Traverse City.

My point is that there is a need here and I do not think there is any question about it. When you have 35,000 youngsters walking the streets in just my city alone, and I can't calculate the number in Battle Creek, Muskegon, and Kalamazoo, I am sure there are that many elsewhere in proportion, too, the local government is unable to meet and cope with this problem itself, I think there is a moral responsibility on the part of the Government to involve itself in it. I don't think anyone claims that Government alone can solve the problem. They can't. But the design of this bill is to encourage sort of a community comprehensive approach by private agencies as well. That is what is so interesting and I think salutary about this legislation.

Mr. GRIFFIN. I have no further questions, Mr. Chairman.

Chairman POWELL. The gentleman from California, Mr. Roosevelt.

Mr. ROOSEVELT. Mr. Mayor, I am delighted to have had the opportunity of hearing your excellent statement.

The main thrust of the opposition witnesses so far and somewhat the questioning of my friends on the other side of the table has been that the Vocational Education Act and the Manpower Development and Retraining Act, if we would just give them more time to work

that that will take care of the situation and what is in this bill should wait until we see the results of that.

I would like your view on that. Of course, I have my own feeling that it can do its job but it cannot get at much of what this bill is aimed at and that we should certainly add this to the other programs. You are in an area where you see all these programs in operation and I would like to have your view.

MAYOR CAVANAGH. Yes. As good as those programs are and they are excellent programs and the amendments to the Vocational Education Act and the other legislation which the Congress has passed, I think I speak with a degree of unanimity from the leadership in our community, leaders in education, labor, industry, and so on, that these devices alone are not sufficient.

One of the interesting things about this particular bill is the fact that we propose to coordinate most of the existing programs in this area as well as extend into some new areas to develop a more comprehensive approach to attack the total problem.

I think one of the problems, at least in the cities, is the fragmentation of approach as evidenced by individuals and separate programs enacted either locally or on a Federal level.

MR. ROOSEVELT. I certainly thank you very much. I think you have brought out the point very well.

CHAIRMAN POWELL. The gentleman from Nebraska, Mr. Martin.

MR. MARTIN. No questions.

CHAIRMAN POWELL. The gentleman from Illinois.

MR. PUCINSKI. I want to make one observation. Perhaps you might care to comment. The gentleman from Michigan made a point of the fact that you send more money to the Federal Government than you receive back. Is it not a fact, though, that if the wealthier States of the country do not help the poorer States in this program of preparing people for work and training them for work, then because of the high rate of migration in our country—one out of five families in America moving every year—then do you not have a much more serious problem as people move into your city if they are not trained? Even though in the short range it might appear that you are spending more, sooner or later the investment made in this program is going to pay off in people who for various reasons might move in your city. Is that not a fact?

MAYOR CAVANAGH. Yes, Congressman. I think it was brought out this morning the tremendous mobility that is going on in this country and has been for some time and is reflected certainly by the shifts in population in a city such as the one that I live in, Detroit. This truly is a national problem, it is national in scope, and should be attacked that way.

I would agree also with what you say about the national obligation involved on the part of the Federal Establishment.

MR. PUCINSKI. Thank you very much.

MR. GRIFFIN. Would the gentleman yield to me for comment?

MR. PUCINSKI. Yes.

MR. GRIFFIN. I think the point that the gentleman makes is a good one if you come here and testify for this bill on the basis that you are here to help some other less fortunate area or poorer State or something of that kind. But when you come here supporting the bill on

the basis you have problems in Detroit, you are trying to solve your problems there and how do you best finance it, if you are interested in the best way to finance it, I am just pointing out it costs us a dollar and a quarter in Michigan to get a dollar back from the Federal Government. I just question whether on that basis it makes sense.

Mr. PUCINSKI. Wouldn't the gentleman agree that when you hope to remove human poverty and misery and when you invest in human beings, whether in Illinois or New York, sooner or later the whole country benefits from it?

Mr. FRELINGHUYSEN. Mr. Chairman, would the gentleman yield?

Mr. PUCINSKI. I do not think I have any more time.

Chairman POWELL. He has 1 more minute.

Mr. FRELINGHUYSEN. I recognize the mayor has to catch a plane. I regret we did not schedule you at a time when we could have adequate time for a questioning period. I would like to ask you questions, too, but bon voyage.

Chairman POWELL. The gentleman has 5 more minutes.

Mr. FREYLINGHUYSEN. I thought he had to catch a 3:30 plane.

Mayor CAVANAGH. No, I have to leave at 3:30 to catch a 4 o'clock plane.

Mr. FRELINGHUYSEN. Oh, this is a relief.

Mayor, I regret I was not here to hear your testimony. I would like to ask whether you consider that Michigan is surely going to get some of this money should we adopt this program?

Mayor CAVANAGH. I would assume on the basis of past experience of comparable programs as well as the need that would exist in our State, not only our city but the Upper Peninsula, that, yes, Michigan would qualify and get some benefits as a result of this program.

Mr. FRELINGHUYSEN. You recognize under the formula or distribution of aid that eight States could receive the entire amount. Might this not conceivably, perhaps not in an election year, eliminate Michigan from consideration?

Mayor CAVANAGH. Well, it is conceivable but I don't think that has been the pattern in some other Federal programs in which they have been administered on the basis of need, as I see it.

Mr. FRELINGHUYSEN. We have never had a program that would allocate all the funds from 50 States to 8. I assume the gentleman knows this.

Mrs. GREEN. Would the gentleman yield?

Mr. FRELINGHUYSEN. Yes; I will be glad to yield.

Mrs. GREEN. The loan provision in the Higher Education Facilities Act is similar to that, so that not more than 12½ percent of the funds could go to any one State. So all of the money conceivably could go to eight States. The Juvenile Delinquency Act does not provide that any money has to go to a particular State, and Detroit receives a large amount.

Mr. FRELINGHUYSEN. I do not want to argue with the gentlewoman when we have the mayor here. Surely there is an allocation formula in the loan program and, so far as I know, in any other Federal aid program except this.

What puzzles me is why you think \$1 billion in this form is going to be more effective than the tens of billions of dollars that we have in existing Federal programs.

What makes you think you are going to be able to solve problems in Detroit because a new agency is set up with almost complete freedom to spend the money as desired? If you happen to be on the inside with Mr. Shriver, or if you happen to be able to make a very appealing case, you may get some of this money. However, there is no safeguard to see that some money goes to the neediest areas in every State, which is one of the things that is at least reason for us to hesitate before we give this program a blank endorsement.

MAYOR CAVANAGH. Well, if I might respond in this fashion, Mr. Congressman, it is true that the Juvenile Delinquency Control Act under which Detroit has received a substantial Federal grant of \$250,000, I believe, if I am not mistaken that had no schedule of allocations within it and it has been placed, as I understand it, this money, in those cities of need throughout the country notwithstanding the political composition of the cities and the fact—I don't think at any time have I claimed nor certainly do today, and if I did I would like to correct the record, that this program represented the total solution to the very problem that exists in Detroit.

MR. FRELINGHUYSEN. Nobody has said, I would hope, that an additional billion dollars in spending would represent a panacea. This is a strawman argument. No one is suggesting that.

MAYOR CAVANAGH. I think it is a highly consequential and significant step, because it does say to the people of our community and to the people of the country, yes, Government utilizing both public and private resources does propose to wage comprehensive attack for the first time in the history of our country on the causes and result of poverty.

MR. FRELINGHUYSEN. Why do you say for the first time in history? You have already indicated that the Federal Government at least has been taking an active interest in the manpower and development training program and vocational training program and otherwise. Now, where does this bill show that the Government has a heart now where before it did not?

MAYOR CAVANAGH. I said, and I continue to say, that it is the first time that a comprehensive approach has been used in relation to this program instead of isolating a particular area of concern such as urban renewal or juvenile delinquency or one of these others.

MR. FRELINGHUYSEN. I think you show a misunderstanding of what is contemplated. There is no coordination planned of existing programs. The existing agencies will continue to have their own little empires, but a new one is being built, superimposed to a degree upon it. This, in itself, does not make it comprehensive whereas before it was patchwork. To my mind, this bill is a patchwork of the worst kind. It not only involves educational problems of the country but land reform programs, Small Business Administration. None of these fall under the jurisdiction of this committee. Nor do I think the Director is given sufficient power to knock heads together so that we will suddenly have a comprehensive program whereas before we did not, unless all the secretaries of the various Federal departments have come in here under a misapprehension as to what is going to happen to their responsibilities. They are assuming that their responsibilities remain the same.

Maybe you read the bill differently, but that is what they think.

Mayor CAVANAGH. No, but it does require this, as I am sure you will agree, on the part of local units of government, on the part of my city, it requires a more comprehensive and coordinated approach to participate in the development of this community action program and to participate in the benefits of the legislation than ever before in the history of our country.

Mr. FRELINGHUYSEN. The local governments are bypassed completely. You do not have any say whether a Federal program should come in your area or not.

Mayor Wagner said he thought language should be put in the bill that would allow you to pass judgment on the programs, but there is no such authority now.

Mayor CAVANAGH. I know there is no such authority, and I would agree with Mayor Wagner that there are certain things that I would like to see placed in the bill clarifying, for example, the role of local units of government. Obviously, the intent, as I read the bill, is to require the coordination of existing agencies both public and private on a local basis to participate in the benefits of this legislation. Whether it is required or not, I think it will be and as I read it that is the intent, we have done just that within our city when I pointed out that the president of the chamber of commerce, the heads of our major universities, the heads of our labor unions, the highest ranking clergymen of all the faiths are participating as the policy committee in developing our community action program for the purpose of participating. Now, these are men that are of a different political faith than I am and they still see the benefits of this legislation.

Mr. FRELINGHUYSEN. Mayor, how much Federal assistance does Detroit presently receive? Do you have any figures available? Could you supply this for the record if you do not have it with you?

Mayor CAVANAGH. I could supply it for the record.

Mr. FRELINGHUYSEN. I should think every mayor would carry that in his head.

Mayor CAVANAGH. No.

Chairman POWELL. Thank you so much, and we again apologize. I hope you do not miss your plane.

Mayor CAVANAGH. Thank you, Mr. Chairman.

Mr. LANDRUM. The mayor of St. Louis who is, I believe, next, Mayor Tucker.

Mayor Tucker we are delighted to have you before the committee.

STATEMENT OF RAYMOND R. TUCKER, MAYOR OF ST. LOUIS, AND PRESIDENT, U.S. CONFERENCE OF MAYORS

Mayor TUCKER. Happy to be here.

Mr. LANDRUM. You have a written statement. You may proceed by reading it or by submitting the statement for the record and summarizing it just as you wish.

Mayor TUCKER. I think it is brief. If I may have the privilege I will read it.

Mr. LANDRUM. Very well, sir.

Mayor TUCKER. I am Raymond R. Tucker, mayor of St. Louis and president of the U.S. Conference of Mayors. In both capacities—

speaking not only for my own city hall and community but for the chief executives of other major cities where the sores of poverty fester most distressingly—I appreciate this opportunity to join other witnesses before this subcommittee in applauding purposes of the Economic Opportunity Act of 1964 and underscoring pressing needs for its program.

The conference of mayors was one of the first recruits in President Johnson's "unconditional war on poverty in America" for which the proposed bill is the plan of battle.

In a policy memorandum addressed to the President in January, the conference's executive committee pledged frontline services of mayors in this national crusade against the enemy which has made such damaging inroads into our society and economy.

"The major battlefields in the war against poverty lie in the cities and towns all across America," the memorandum to the President pointed out. We noted that 18 million persons in the forgotten fifth of our population live in urban slums and blighted areas. Often trapped by conditions from which they can find no escape, they are virtual foreigners in an affluent society which now holds little promise for many of them beyond the poorhouse-like confines of relief rolls.

In our time we are not going to eliminate the scourge of poverty. No doubt it always will be with us and with generations to come.

But it is irresponsible defeatism to accept this as a fact of life and cynically let it go at that—or to brush it aside as something that can be faced locally on a neighborhood charity basis. The poor are a national problem and a national shame. They need and deserve national attention.

All of us in government—at all levels—are obligated by the public trusts we hold to do more than bemoan the situations in which so many of our citizens find themselves. The subcommittee is well supplied with official statistics on how many poor there are. I cite one item in one working paper—"The War on Poverty," submitted as a congressional presentation at the outset of these hearings: There are "nearly 10 million families who try to find shelter, feed and clothe their children, stave off disease and malnutrition, and somehow build a better life on less than \$60 a week."

If we are to accept and not evade the challenge of poverty, we must devise and perfect more effective weapons to try to check the enemy's advances, stop the infiltrations which have penetrated so deeply, and rescue victims of poverty whose lives can be salvaged and restored for the good of the whole community as well as of themselves.

The Economic Opportunity Act of 1964 provides an arsenal needed for a mass mobilization of our forces—Federal, State, and local—to get the counterattacks underway.

A general national offensive against poverty is long overdue.

The weapons blueprinted for it in the administration's bill—the Job Corps, work-training and work-study programs, urban and rural community action programs, employment and investment incentives, Volunteers for America—aren't revolutionary or even visionary. There are imaginative concepts, but they aren't all new. Some of the devices—such as the Job Corps—are adaptations of methods which already have been tested, in however limited ways, and found effective.

In fact, the Economic Opportunity Act can be regarded fairly as

a necessary supplement to and extension of existing Federal-local programs whose accepted objectives essentially are the same—to make a better, healthier, and more productive America. There is no need to do more than tick them off here: Programs for housing, urban renewal, accelerated public works, hospitals, schools, job training, juvenile delinquency control, and libraries.

What the pending proposal does is to wheel up weapons and ammunition together for the first time for a coordinated, concerted, multifront offensive against the patterns of poverty in our economic and social wastelands—patterns in which families existing on less than subsistence levels are enmeshed, along with illiterate rejects, jobless school dropouts, displaced and discarded unskilled workers, disadvantaged minorities, all of the legions who find their lives luckless and hopeless.

In short, the act proposes to do something purposeful about human deterioration, to make human renewal at least as important as the renewal of the Nation's physical plant.

And I submit that the administration's price tag for the act—\$962.5 million for fiscal 1965—represents a bargain for the Nation even if the bill brings not much more than a start to the undertaking in the year ahead.

As a mayor, I am particularly struck by the potentials for the common good opened up by title II of the act, through community action programs initiated locally on a share-the-cost basis, to improve the lot of the Nation's cities and the underdeveloped people who live in them.

For this sector of the antipoverty offensive in rural as well as urban communities \$315 million would be earmarked to be used for Federal participation in local projects. Under the bill's provisions, the Federal share in financing the plans would be no more than 75 percent of costs normally, although exceptions up to 90 percent could be made in cases where municipal budgets already are fully committed and added local revenue sources can't be found immediately. In addition, local governments must demonstrate that they have in no way diminished the efforts they have already undertaken.

The Nation's cities have borne by far the greater load in the fight against poverty up to this time. We have done well to hold our own in this struggle. We welcome the Federal Government to the battle and pledge our continued effort so that the war can be won.

Mayors of cities in the U.S. Conference of Mayors stand ready, I am sure, to see to it that they fulfill their financing responsibilities and to answer "Yea" to questions about any local plan they advance to further the war against poverty:

1. Does it demonstrate a basic knowledge of the facts of poverty in the area?
2. Does it propose to attack the real causes of poverty?
3. Does it promise effective solution to the problems which it identifies?
4. Are there community organizations which will work together to carry out the plan responsibly, speedily, and efficiently?
5. Is the community itself dedicated to the achievement of the goals, contributing its own human and financing resources toward that objective?

I also am sure that the mayors would have many additions to make to a list of likely local projects outlined in the war on poverty working paper as qualified under the bill. They range now from development of new employment opportunities to reducing adult illiteracy and from rehabilitation of the handicapped to improving home management skills.

Mayors will not have to be inventive to keep the project pipeline full. The unfilled community needs are visible from any city hall window.

In my own city of St. Louis, we know from close experience of the impact of poverty upon our citizens.

Generally speaking, the overall St. Louis area shares in the general "affluence" of our present society. However, within the central city, serious pockets of poverty exist.

Our St. Louis community is presently participating in every Federal and State program aimed at combating the effects of poverty. Our local government spends tens of millions on hospital care for the indigent, health care, and other ameliorative programs. Continual efforts are made to provide safe and sanitary housing. Our board of education has pioneered in the effort to lower dropout rates and to upgrade the motivation of young people and their parents.

Fundamentally, hard-core unemployment under present conditions is not seriously affected by good economic conditions. Hard-core unemployment lies largely among the unskilled and untrained, among the semiskilled who are being displaced by technological changes—and most heavily among those deprived of advantages because of racial prejudices.

In St. Louis we are most concerned about the snowballing effects of this hard-core unemployment and poverty. We feel it to be essential to break the grip of poverty upon the youth of today and future generations.

This job can only be done with massive Federal programs dovetailing with State, local, and private efforts.

We have created the St. Louis Human Development Corp. to coordinate an attack on the basic causes of poverty and youth crime in a target area of 110,000 people in the heart of our city.

In this area, family incomes are below the level needed for decent living. Unemployment, disease, broken homes, unsafe and unsanitary housing, school dropouts, and high death rates run together.

Forty-five percent of the people in the target area are under 20 years of age. Fifty-five percent of the residents are Negroes and 45 percent are whites.

The Human Development Corp. heads a program for better coordination and focusing of the existing public and private social and welfare services rendered in this area. However, we have recognized the need for more than coordination. We seek to bring services directly to the people through neighborhood stations located throughout the target area.

These neighborhood stations will provide initial contact points for programs in the fields of employment education, group therapy, family counseling, legal assistance, youth groups, housing improvements, and health services.

Central to this concept is securing through the neighborhood stations the active participation of the residents of the area, and our overall objective is to bring particularly the young people of the area to the point where they can share in an expanding economy.

Obviously, only an expanding economy with constantly greater job opportunity can supply the final answer to poverty. But the crucial question with hard-core poverty is to prepare the individuals affected to be able to participate in such an economic expansion.

I can only touch upon the basic nature of the St. Louis human development program. We do think it represents a kind of local format, aimed at local conditions, which can provide a basis capable of expansion through the Federal poverty program.

Cities all over the country, with State and Federal assistance, are developing approaches to the problem of poverty. These approaches, however, cannot be significantly implemented from the overstrained fiscal resources of local government.

The magnitude of the task is beyond local capacity, and the root causes of the problem are national in character.

The essential strength of the proposed Economic Opportunity Act of 1964 lies in its provision of Federal support for basic programs which can be flexibly related to local efforts. It would provide the vital impetus to assure success for local programs which seek through enhanced coordination and refocusing better to utilize private and public funds devoted to social and welfare services.

Mr. Chairman, both as mayor of St. Louis, and as president of the U.S. Conference of Mayors, I support most strongly the Economic Opportunity Act of 1964. The U.S. Conference of Mayors is prepared to march with President Johnson and Congress in the war against poverty.

Thank you.

Mr. LANDRUM. Thank you, Mayor Tucker. May I ask of you if this part of your statement relating to the position of the U.S. Conference of Mayors represents an official action that you have taken in any meeting?

Mayor TUCKER. The executive committee, yes.

Mr. LANDRUM. It is the executive committee?

Mayor TUCKER. That is right.

Mr. LANDRUM. The conference does endorse this program?

Mayor TUCKER. That is right.

Mr. LANDRUM. Thank you, Mayor Tucker. Mrs. Green, do you desire recognition?

Mrs. GREEN. May I congratulate the mayor on a very forceful statement in support of what I think is a very desirable program. I have listened now for several days to some of the people who oppose it and who bring up all the arguments that we should delay and study and analyze. We can plan a war on poverty and illiteracy and disease in other countries of the world and we can plan on a trip to the moon but somehow there are those who believe we offend the gods if we plan a war on poverty in our own country that would help the people who are at the bottom of the economic ladder. So I am delighted with the statement you have made to the committee.

Mayor TUCKER. Thank you.

Mr. LANDRUM. The gentleman from New Jersey, Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman. I have enjoyed hearing Mayor Tucker's testimony.

It is not clear to me yet, Mayor, whether you said the conference of mayors has endorsed this bill or endorsed the idea of fighting poverty.

Mayor TUCKER. It has endorsed the program which was initiated under job training.

Mr. FRELINGHUYSEN. I did not hear what you—

Mayor TUCKER. I would say "Yes." My understanding is the action of the subcommittee has meant endorsing this particular program and all features of the bill except one.

Mr. FRELINGHUYSEN. What is the one they don't like?

Mayor TUCKER. We believe that local communities, something similar to our corporation on human development, should program and control and have the program under their jurisdiction.

Mr. FRELINGHUYSEN. If you are presenting the position of a conference I should think this would be an essential part of your testimony. How does it happen not to appear in your testimony?

Mayor TUCKER. It did appear in my testimony in the end when I showed you what St. Louis was doing.

Mr. FRELINGHUYSEN. Where did you say anything there that there should be a local responsibility?

Mayor TUCKER. I said we have developed a corporation, the Human Development Corp., through which local and private funds shall be coordinated.

Mr. FRELINGHUYSEN. I understood you to say that the federally financed programs under title II of this bill should not bypass local governments. Isn't that what you just said?

Mayor TUCKER. That is what I said.

Mr. FRELINGHUYSEN. But you don't say that in your statement.

Mayor TUCKER. It may be a question of semantics.

Mr. FRELINGHUYSEN. I don't call this a question of semantics. It may be an inadvertent omission but I should think this would be a significant change you were proposing in the bill. Is that not the case?

Mayor TUCKER. No; I would say it was not either advertently or inadvertently omitted. The thought was that with the statement on the St. Louis program it was indicative of the fact that we felt that the local community should not be bypassed. In fact, I would say, if I may, Mr. Frelinghuysen, that the very purpose of the concept of this Human Development Corp. was the fact that we have many agencies in the community that were the recipients of Federal funds, private funds, foundation funds, working in the areas and doing an excellent job.

Mr. FRELINGHUYSEN. How much Federal money does St. Louis get? Do you know?

Mayor TUCKER. As the previous mayor had made the statement, it comes from so many different sources I do not have that figure in my mind. We have 114 private agencies that receive grants, some from the Federal Government, some from private sources, and from local collections like united funds, things of that character. We have the school board, which is not under the jurisdiction of the city, receiving grants. We have two universities receiving grants. They all do not flow through any local area.

Mr. FRELINGHUYSEN. I am not talking about the assistance to private efforts. Do you know how much comes to governmental entities?

Mayor TUCKER. That could be found out.

Mr. FRELINGHUYSEN. You suggested it would be irresponsible defeatism if we should brush aside the questions of poverty. You are not suggesting that those of us who are skeptical of this particular program are irresponsible defeatists?

Mayor TUCKER. Skepticism does not necessarily mean you are defeatists.

Mr. FRELINGHUYSEN. In what way, specifically, do you think this bill will alleviate the real causes of poverty?

Mayor TUCKER. I will speak from my own experience. These gateway stations which we intend to locate in the neighborhood will deal directly with the families in the neighborhood. Not only will they deal in questions of health and education, things of that character, but they will go into the homes of these individuals. They will teach better housekeeping. They will try to find the reasons and the causes which permitted the environment to develop in which these people live.

Mr. FRELINGHUYSEN. You are suggesting that there are going to be research projects?

Mayor TUCKER. No, these are not research, they are working operational projects. We will enlist people in the areas themselves, people who have stature, as volunteers, to train them, train the other people, have advisory committees from the neighborhoods. In other words, we are going down to the grassroots to work with these people.

Mr. FRELINGHUYSEN. Do you think this will mitigate the dropout problem, the motivation of young people?

Mayor TUCKER. Yes.

Mr. FRELINGHUYSEN. How?

Mayor TUCKER. Because if you set up a training program, you bring it to them, you can show them that by being trained and educated there is an opportunity to get a job and then endeavor to provide jobs for these people, then I think you will stop your dropouts.

Mr. FRELINGHUYSEN. How about this Job Corps? If you had a quota to supply to a National Job Corps, how would you select them? Presumably it would come out of these hard core unemployed you referred to?

Mayor TUCKER. Yes. I will say this: The Job Corps could be selected, for instance, in this gateway station which we have set up. There will be counseling on jobs. There will be an attempt to find the lack of abilities that are present. These could be fed into the program.

Mr. FRELINGHUYSEN. How can one be motivated to want to join the Job Corps?

Mayor TUCKER. I think that that motivation can be had if you get down and work with these people. You will never know what the results are until you try it. To try to say you will not do something because you believe the people will not respond, I don't think is a good reason.

Mr. FRELINGHUYSEN. The cost of \$4,700 per enrollee is a fairly expensive program. You could put an individual in a fairly good private school for that amount of money. It is quite possible you could spend

that amount of money more effectively some other way. I am not suggesting it would not be worth a try. In fact, we have residential schools under the vocational education program, as I assume you know, but we are not yet ready to give those a trial to see whether they work before we launch into this program. I am curious about how you would choose them? How would you keep them from dropping out of the Job Corps if they did not like it?

MAYOR TUCKER. Of course, I would say this, Mr. Congressman, that the area of choice should be left in the hands of those who are trained to make those choices.

MR. FRELINGHUYSEN. You are not suggesting they should decide whether a young man should go in or whether he should not? Is it not the free choice of the young man?

MAYOR TUCKER. It is, but they could make the recommendations to him.

MR. FRELINGHUYSEN. Supposing he does not want to go? Or suppose he goes in for 1 week and decides to move out? I would assume we would want to avoid excessive turnover?

MAYOR TUCKER. We would assume that. I think too, anyone that drops out, the reasons why they drop out should be ascertained. There should be a followup on all these cases.

MR. FRELINGHUYSEN. Thank you, Mayor.

MR. LANDRUM. I thank the gentleman from New Jersey for completing his time before the gavel.

The gentleman from California.

MR. ROOSEVELT. Thank you, Mr. Chairman.

MAYOR TUCKER. I want to tell you how delighted I am that you finally made it this evening because I think you have made a fine contribution to the committee hearings. I think the record should show that the mayor's community of St. Louis has reelected him enough times to make him an expert on the subject about which he has so eloquently spoken today.

MR. MAYOR. I want to emphasize, and I am sorry my Republican colleagues have not been able to remain but I want to emphasize, if I may, that any constructive suggestion such as the improvement of the bill is something which I think they will find great assistance on this side of the aisle to obtain. Any obstruction or any attempt to sidetrack it or to weaken it naturally is going to get our resistance. So I would like to ask you in that spirit whether you feel we would be strengthening the bill if in section 2 we were able to find the right words—I mean title 2—the right words to direct the Director that where there existed such an instrument as the St. Louis Human Development Corp., and incidentally we have a very similar agency in Los Angeles, whether we would direct the Director to be responsible for coordinating all of the nongovernmental requests—private, nonprofit are the words that agent uses—to channel it through such an agency rather than having the danger that the Director, not knowing the local situation as well as the people there, might approve a project which, without his knowing it, might impinge on some of the work being done or having been approved by the corporation to which you have referred in St. Louis.

MAYOR TUCKER. I think it would strengthen the bill and it is the concept that we have for this Human Development Corp. that all of these

grants would be channeled through this corporation and they in turn would enter into contractual relationships agencies who are skilled in the area where work has to be done.

Mr. ROOSEVELT. Mayor, let me tell you I have already had at least a dozen proposals for private, nonprofit effort that have come directly to me as a Member of Congress that I intend to, at the moment, transfer to the Director. It would seem to me that unless we write this into the bill that the Director may well find himself listening to all kinds of people coming direct to him. Whereas if we coordinate it we probably would make fewer mistakes. Would you not agree?

Mayor TUCKER. I think that is true. I think in any setup the local government must be an integral part of the development. I think too—

Mr. ROOSEVELT. I think the author of the bill might possibly be willing to consider such an amendment.

Mr. LANDRUM. I will say that not only will I be delighted to consider it but I assure the gentleman from California as well as the distinguished mayor from St. Louis that steps are already being taken to draft language to accomplish that. We thank the mayor of St. Louis for this very constructive suggestion.

Mayor TUCKER. Thank you, sir.

Mr. ROOSEVELT. Again, Mayor Tucker, it has been good to see you. I certainly appreciate your testimony.

Mayor TUCKER. Thank you. May I say I am very happy that my very good friend from across the river came to bolster me and help me and encourage me.

Mr. PRICE. Mr. Chairman, may I express my thanks to the committee for permitting me to sit on the dais this afternoon during the hearings to hear the mayors of the two great cities. While I am an Illinoisan and I am a Cardinal fan and a great admirer of the mayor of St. Louis.

Mr. ROOSEVELT. May I add to that that I am always delighted to see the Cardinals' win except when they are playing the Dodgers.

Mr. LANDRUM. We all say that we are delighted to have Congressman Melvin Price with us. He is not only a distinguished Member but an effective Member of Congress.

Thank you, Mayor Tucker.

Mayor TUCKER. Thank you, Mr. Chairman.

Mr. LANDRUM. Now, another distinguished mayor has been awaiting his turn the whole day long. Mayor Walsh, of Syracuse, who has a very fine presentation to make, will come around.

Mayor Walsh, as you well know, your distinguished Congressman Riehlman has been here awaiting a turn along with you, and anxiously wanted the opportunity to present you to this committee. He has, because of another engagement, been required to leave and is now tied up with a group meeting in his office and could not get here for the next several minutes. Due to the lateness of the hour, I have inquired of him if it would be all right for us to proceed with you and let his statement precede your statement. He has so agreed.

With that, we are glad to welcome you to the committee, Mayor Walsh.

STATEMENT OF HON. WILLIAM F. WALSH, MAYOR OF THE CITY OF SYRACUSE, N.Y.

Mayor WALSH. Thank you, Mr. Chairman. I have two statements, one that I submitted in advance to the committee. It runs some 20 or so pages. I have prepared a synopsis of that statement in the interest of time. Perhaps I should read the synopsis. It contains the same material. If you are interested in following along as I read the synopsis, there are additional copies of it here if the staff would like to pass them out.

Mr. LANDRUM. Very well.

Mayor WALSH. It is about a third shorter than the original. I think we can save time. It covers the pertinent points.

Mr. LANDRUM. Without objection the entire statement will be inserted in addition to the synopsis.

(Mayor Walsh's statement follows:)

STATEMENT BY HON. WILLIAM F. WALSH, MAYOR, CITY OF SYRACUSE, N.Y.

I am Mayor William Walsh of the city of Syracuse in New York State. I have accepted an invitation from Congressman Adam Clayton Powell to discuss with you my views on H.R. 10440—the Economic Opportunity Act of 1964.

INTRODUCTION

Initially, may I emphasize that my education, experience, and background gives me some authority to speak from knowledge and conviction about the problems of poverty. I have a degree in sociology from St. Bonaventure College, I studied at the School of Social Work at Catholic University here in Washington, and I have a master's degree in social work from the University of Buffalo. I have also completed the course requirements for a Ph. D. in sociology at the Maxwell School of Citizenship at Syracuse University. Additionally, I have had many years of working experience with social problems as an executive of the State commission against discrimination, now the Commission on Human Rights. I was elected commissioner of welfare of Syracuse and Onondaga County, and later elected mayor of the city of Syracuse.

LOCAL ECONOMIC CONDITIONS

Syracuse is not a pocket of poverty.

Syracuse is not a depressed area.

As mayor, I am proud to say that our present economic performance, and our indicators of future economic potential, present a pattern of economic growth which seems to assure Syracuse of continuing prosperity.

Our area employment is at an alltime high; our unemployment percentage rates are lower than either the New York State or National averages; more than 3,000 new jobs have been created each year for the past 5 years, and indications are that this growth rate will continue and expand during the next 5 years; Syracuse leads every other metropolitan area in New York State, on a per capita basis, in both the number of students graduating from high school and the number of students entering institutions of higher learning.

This record did not just happen—it is the result of hard work and fiscal responsibility by the people of Syracuse, with financial assistance in some cases, from both the State and Federal Governments.

During the last 5 years, local funds have built more than \$20 million in new public schools, and \$14 million more in school construction is planned during the next 5 years.

More than \$12 million in Federal funds has been spent in the same time period to provide over 700 units of new low-income public housing, including over 400 units for the elderly; and, an additional 350 units of public housing for the elderly, costing over \$6 million, is now in the design stage.

In the field of urban renewal, we have a 101-acre slum clearance project in the execution state; a 62-acre downtown renewal project in the survey and plan-

ning stage; a 265-acre downtown general neighborhood renewal program, in the planning stage; and, a citywide community renewal program, almost completed. The total investment in these programs when they are completed, including Federal, State, local, and private funds will be in excess of \$200 million.

We have a 2-year community college with 1,200 students, and a new technical high school built at a cost of \$2 million. We have a publicly financed city-county office of economic development, created to promote the economic welfare of the Syracuse area; and we have recently engaged consultants to prepare a 5-year action program for industrial development.

We have a local mayor's commission on human rights and a mayor's commission for youth; I will discuss the latter in a few minutes; we have local job training and school dropout programs. In essence, we are well equipped for any attack of poverty, or as we prefer to call it—a crusade for opportunity.

Yet, in the midst of this prosperity, surrounded and buttressed by the facilities and programs I have just mentioned, we have some poverty. More than 7.6 percent of the families in Syracuse have incomes under \$2,000 per year; 16.3 of the nonwhite families, and 7.1 percent of the white families fall into this category. If the income level is raised to \$3,000 per year, the figures for nonwhite families jumps to 30 percent, and for white families to 13 percent.

EXISTING PROBLEMS

Three distinct social problems face our country today. In Syracuse we like to refer to them as our three dilemmas—delinquency, dependency, and discrimination.

In our low-income areas we find a clustering of the social problems producing delinquency and chronic dependency. Discrimination plays a major role in trapping many of our citizens, who could otherwise escape this dilemma.

Official records of local law enforcement agencies bear out our contention that Syracuse has a delinquency rate about three times that of the rest of Onondaga County with the highest rates occurring in the low-income sections of the city. In the area with the highest rate, half of the 14- and 15-year-old boys have had at least one recorded encounter with the police. In our higher income areas, the proportion is 1 out of 10. Additional studies show that two and half times as many unemployed youths—ages 16 to 21—are arrested as compared to employed youths. Again, it is in the low-income sections of the community that unemployment and chronic dependency are concentrated. The cost to the community and to all levels of government of this series of associated problems is enormous.

In Syracuse during 1962 there were 1,065 juvenile police contacts resulting in 1,350 cases. Of the 677 cases not handled by the police department and referred to court, 72 juveniles or more than 10 percent were committed to institutions. In New York State institutions the average cost per day for each child is \$15.25, or \$5,566.25 per year, far more than it costs to send your son or daughter to college. Thus, these 72 juveniles alone are costing the taxpayers \$400,700 per year.

This is only one measure of what delinquency costs us. In addition there is the cost of vandalism, police enforcement, and correctional measures.

Chronic dependency is the second part of the dilemma and was one of the most serious problems toward which my attention as welfare commissioner was directed.

It was the problem of the "welfare child" who, upon reaching the age of physical maturity, took steps to reenact the events that initially produced the welfare family of which he was a part. I was, and still am, greatly troubled by the children of our welfare families who get married on Friday and appear at the welfare office on Monday to make application for themselves as a separate family unit. In simple and direct terms, this is the best example of a most serious breakdown in our social system. Obviously, we cannot deny these physically mature individuals the means for survival. And while we do give them relief the steps we take to help them toward a more self-sufficient and satisfying way of life have not been sufficiently effective. Thus, we are taking some long and deliberate strides toward the creation of a permanent welfare culture that is totally unacceptable to the majority of the people in my community and, I am sure, my State, and, indeed, the country as a whole.

Discrimination is the third part of our dilemma. The immigrant Negroes moving to northern communities from the South find their way to our cities and begin their life in our communities in crowded conditions. It is no coincidence

that the question of integration of the Negro into the life of northern communities and our concern and attack upon areas of high incidence of social breakdown are intimately related. In our community the growth in Negro population on a percentage basis has been phenomenal. Since the end of World War II the Negro population in Syracuse has increased approximately 400 percent. Here is a group of people who, by reasons of their move, have indicated their interest in taking drastic steps to improve their lot in this world. They are motivated toward a better way of life. It is our responsibility to take steps that will help insure a way for these immigrant citizens to develop their potential to the fullest.

The city of Syracuse has recognized this problem and has taken steps to correct it. By virtue of a planning grant from the President's Committee on Juvenile Delinquency and Youth Crime to the Mayor's Commission for Youth, Inc., we have developed an action program focusing particularly on the problems of youth in the inner city. We are in the process of establishing an urban league, and, through my commission on human rights, we are taking vigorous steps to provide more equal opportunity for all of our citizens.

EXISTING SERVICES

In Syracuse and Onondaga County we have health, welfare, and character-building services that compare favorably with those found in any American community. They are addressing themselves, in great measure, to the problem about which we are concerned today. As a matter of fact, in Onondaga County, through city, county, and private philanthropy, we will spend almost \$40 million a year on programs of health, welfare, and character building, or almost \$100 per person. But of this amount, how much is being spent on our low-income group and our regular welfare clients? If we were to assume only 50 percent, or \$20 million, it would amount to approximately \$500 per person per year. This does not include at least another \$40 million that is being spent on the education of our youth. In Syracuse it amounts to \$528.15 per student per year.

People in Onondaga County do not do without the basic necessities of life. There are schools and other service programs to which they can turn for assistance and support, but our institutional services are not adequately reaching the people who need the most help.

For too long we have concentrated our efforts on material assistance and have neglected to provide the spiritual guidance and help that would assist in preserving and strengthening the moral fiber of our people.

This suggests that we need programs that visibly and dramatically open the door to opportunity so that these people can see for themselves that properly focused effort can produce desirable changes in their patterns of living.

MAYOR'S COMMISSION FOR YOUTH

For the past 16 months Syracuse, through the mayor's commission for youth, has directed its attention, in great part, to the issue of poverty. The final proposal, drafted by the commission, has just been delivered to the President's Committee on Juvenile Delinquency and Youth Crime for their review.

Our concentration in this program has literally been on the next generation. While we have developed supportive programs to help upgrade parental care and improve the exercise of parental responsibility, we have built our major thrusts on the strengthening of the holding power of our educational system, the creation of more realistic curriculums, and the involvement of unemployed youth who are not in school in constructive work training programs.

In our attack on youth problems, the mayor's commission for youth has focused on these problems as they are concentrated in our inner city where families with incomes under \$3,000 ranges as high as 33½ percent. This obviously hits the geographic area of greatest intensity.

I am convinced that in the mayor's commission for youth program a good start has been made in developing techniques that will permit an all-out attack on material poverty.

Here are some of the highlights of the program.

EDUCATION

In today's complex society, education is our only hope for the future.

Most of the school dropouts in Syracuse come from the lower socioeconomic areas. For example, in 1960 there were 541 school dropouts. Of this number, 370, or 69 percent were from the most depressed section of the community. This section contains 44 percent of the city's population.

In our lower income areas, a much higher proportion of dropouts leave school before reaching the ninth grade. Nearly 20 percent of low-income dropouts leave in the seventh or eighth grade; whereas, less than 7 percent drop out at these grade levels in the rest of the city.

Over half of the boys in our low-income areas are 2 or more years behind the grade normally attained by their age group on a citywide basis.

Approximately one-third of our low-income dropouts come from broken homes or one-parent families while in the higher income areas the proportion of dropouts with broken homes is only one-half as great.

To counteract these problems, the mayor's commission for youth has developed the following programs:

1. A new and creative reading and language skills program to educate youths who find it hard to read and speak effectively.

2. A curriculum materials development program to create entirely new curricular materials for education programs designed for low-income groups.

3. Guidance programs specifically designed to help youth and their families through counseling, to meet their immediate problems and to develop insight into ways of handling difficulties in the future.

4. Work and education programs emphasizing vocational education, and providing an alternative curriculum that would lead to a high school diploma.

5. A program to overcome the wide gulf that exists between low-income populations and the school by developing community schools and neighborhood study centers where school personnel can work informally with low-income families. A variety of recreational, vocational, and educational programs will be offered to serve the needs and interests of neighborhood residents.

YOUTH EMPLOYMENT

We have estimated, on the basis of available data, that over half of the 16- and 17-year-old boys in our low-income areas, who are out of school are idle. More than 25 percent of youths who are actively seeking positions are unable to find them. The problem among Negro youths is far greater than it is among white youths.

In the field of employment the focus of the commission's programs is on training of people in work skills and habits so they can enter profitable employment in those trades and occupations that are developing in our community. Obviously, this is the most direct way to reduce poverty, reduce our welfare caseloads, and increase the competence of our citizens so that they become taxpayers rather than tax users.

Among these programs will be skill centers to train people for the labor-hungry trades and services; work stations where people will be trained in actual commercial or industrial settings in cooperation with the owner; and workcrews to develop skills while doing necessary and important work in the community.

A strong educational component is included as part of the training plans. Through participation of the city school system we are making arrangements for remedial education, as well as trade instructions. We are also planning to develop a high school equivalency program for people who can't go back to school.

The mayor's commission has already enlisted the cooperation of the business and industrial community as well as labor to make this employment program a success.

COMMUNITY SERVICES

The community services programs of the mayor's commission are designed to develop the competence of our low-income population through self-help and self-improvement programs. In addition, we are concerned with getting the right service, to the right people, at the right time and to coordinate all the efforts of the agencies now serving these areas. The mayor's commission is committed to the philosophy that the people who are served by programs must

be involved in their planning and development. It is because of their lack of involvement that many programs have floundered and failed.

We are under no illusions that we know all the answers to such a complex problem as poverty. But, as a result of our investigations we have considerable insight into the problem. We know that poverty has many roots: Inadequate education, lack of appropriate skills for a fast-changing economy, erratic employment patterns, inadequate work habits, and ill health.

We know that much more research is needed before we can successfully determine the causes of poverty and how to combat it; the causes are many, diverse, and complex. Such research would be of inestimable value to Syracuse and other communities with similar characteristics. It is only through research and creative experimentation and demonstration that we may finally develop a workable solution.

SPECIFIC COMMENT ON THE ECONOMIC OPPORTUNITY ACT OF 1964

I approach my specific comment on the proposed legislation from the single viewpoint of being mayor of the city of Syracuse—A middle-size urban area functioning as the heart of a middle-size metropolitan area. Our problems are not the problems of the relatively few great metropolises of the Nation, nor are they the problems of the rural areas—but, they are problems, I believe, common to many of the 81 cities across the Nation, with populations ranging from 100,000 to 250,000, and many of the 48 metropolitan areas with populations ranging from 250,000 to 500,000.

My lack of comment on certain titles and sections of the proposed legislation does not mean that I categorically support or oppose these sections; it means, only, that these sections are not, in our community's mind, necessarily critical to the Syracuse situation.

I would recommend revision of the Job Corps proposal under title I, "Youth Programs," section 102. The concept of recruiting 100,000 young men between the ages of 16 and 22 and placing them in more than 100 camps across the country for 2 years of work and training may not be the best expenditure of public funds; it removes the young man from direct family and community associations; it may be injurious to his sense of self-reliance and responsibility, substituting the authority and direction of the Job Corps for his own will and resourcefulness; it is one further breach in family solidarity; and, most important, it violates the principle of local control.

We strongly believe that Federal grants for poverty programs should be made direct to the community. There are two outstanding reasons:

(1) The programs do not become fragmented. They are part of an integrated program directed at the problems of the community and directed by that community.

(2) The programs can be so designed as to meet the specific demands of local labor markets.

I suggest a modification of the Job Corps proposal that, for middle-size cities, funds earmarked for the Job Corps be utilized to establish an urban conservation corps. This proposal would encompass the purposes of the Job Corps to prepare for the responsibilities of citizenship and to increase the employability of male youths aged 16 through 21 by providing them with education, vocational training, and useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities—but it would do so at the local urban level.

The urban conservation corps would keep young men living at home and working in their own communities while they received their education and training; it would encourage, rather than discourage, an understanding and belief in the concept of family life; and, it would provide manpower for the many public projects, such as park development and expanded recreational services, that our urban communities so desperately need.

I believe that the city of Syracuse would welcome the opportunity of establishing and administering a unit of an urban conservation corp. Our local education agencies would provide the education and vocational training, and the city government would create the public projects needed to provide the work experience.

I also recommend that the young men enrolled in the Urban Conservation Corps receive a monthly wage for their work so that we have an organized learn-and-earn program while we integrate the program into the family life and working life of the community.

I support the proposals under title I for community work-training programs and work-study programs, sections 111 and 122.

I believe the Urban Conservation Corps can be correlated, at the local level, with both the work-training and work-study programs. And, all three of these programs can be locally controlled, providing a better atmosphere for the training and education of young people and a more careful control over the expenditure of the public funds involved.

I generally support title II, "Urban and Rural Community Action Programs." However, I ask that section 204, financial assistance for conduct and administration of community action programs, paragraph (d), "Eligibility for Assistance," be broadened. The present criteria or incidence of poverty appear to possibly limit assistance only to communities which have severe existing poverty problems.

Communities such as Syracuse, which do not have severe poverty problems, nevertheless should be eligible to develop programs which would not only eliminate existing poverty problems but, equally important, eliminate the seeds of poverty, thus preventing poverty from taking root and growing anew in the community.

The purpose of the legislation should be to prevent the poverty of the future as well as to end the poverty of the present.

Under this same section, I ask that paragraph (a), "Special Consideration to Eventual Self-Supporting Community Action Programs," be strengthened. The sooner these programs become a complete local responsibility—both administratively and financially—the sooner Federal funds can be used to assist other needy communities, and local control can be completely guaranteed.

Also, under Title II, I recommend that section 203, "Financial Assistance for Development of Community Action Programs," be strengthened to guarantee 100 percent Federal assistance for local research projects leading to the development of community action programs.

To eliminate poverty we must understand the causes of poverty. These causes are varied across the Nation and in each community. The present and/or potential cause of poverty in Syracuse certainly must differ in kind, size, scope, and intensity from the causes of poverty in a multimillion-person metropolis or a rural farm area—indeed, these causes probably differ in degree from one middle-size city to another.

If we are to succeed in our crusade for opportunity in Syracuse, if we are to root out the seeds of poverty, we must know the exact causes, we must deal in detailed specifics not in indefinite generalities. Only through sound research can we obtain the answers we need for success. I believe the general purposes of the legislation will be better served if the Federal Government can completely guarantee the funds needed to conduct sound research programs on the local level.

I also ask that section 206, under this title, "Research, Training, and Demonstrations," be broadened to specifically allow institutions of higher learning to work with public agencies in performing the research needed to develop community action programs.

I generally support title IV—employment and investment incentives—part A, incentives for employment of long-term unemployed persons, section 411. The concept of long-term, low-interest loans to firms that employ long-term unemployed persons is a good one. However, the section should be expanded to explain, in detail, the firm's responsibilities under the legislation, for example: The length of employment of a long-term unemployed person hired as a result of a loan under this section. It should also include a section on training unemployed people so they can adequately perform their jobs. This includes not only skill training, but remedial education as well.

Also, section 412, paragraph (b), should be strengthened to more tightly integrate loans granted under title IV with the community action program activities outlined in title II. This would help to assure more local control in the administration of this proposal.

We believe that the bill as proposed is also lacking in other respects. For example, there are many aged people in our population who are living on grossly inadequate incomes and whole problem as long as they live will become increasingly desperate. Every time the cost of living goes up, or real estate and other taxes increase, their real income decreases proportionately—and there is no way whatsoever that they can supplement these incomes. I would strongly recommend additional and broader social security coverage at the earliest pos-

sible dates. I would also further recommend a study of the possibility of direct grants to municipalities and communities that would allow us to upgrade our retirement programs.

I also believe that great efforts must be made to stem the growing tide of divorce, separation, and desertion. I am convinced that one of the basic causes of poverty and social breakdown is the direct result of these factors. Great efforts should be made to keep families intact. I would recommend the provision of funds to establish marriage counseling bureaus to help prevent the breakup of families, and to reestablish normal family relationships in already broken homes.

I would further recommend stronger legislation to cope with the deserting husband and father, who transfer their parental responsibility to the community. I would suggest considering legislation that would make desertion a Federal offense. This would make it easier to arrest and prosecute deserting husbands and fathers.

I would also recommend legislation to provide for social service work with families displaced by urban renewal.

Urban renewal has pioneered among public displacement programs in its concern for the human beings displaced. In almost every respect, it is geared to checking and preventing the spread of blight which breeds new slums. However, one grave problem has not been faced—the problem of the small handful of “troubled families”—whose living standards are such that they jeopardize any area to which they are transplanted. They number only 7 or 8 percent of the total, but they give substance to the fallacy that all families moving out of slums are “carriers” of blight. This fallacy is unjust to the hundreds of people who have been forced to live in slums by economic or racial barriers.

Nothing but patient casework can hope to change the living patterns of these families.

CRUSADE FOR OPPORTUNITY

In this presentation I have suggested what my community might do to correct conditions of poverty as we find them in our community if we had the resources.

Our local program must be not only an attack on poverty, it must be an attack on the seeds of poverty—the conditions, either existing or potential, that make poverty possible; lack of housing, education, family life solidarity and job opportunity. This shift of emphasis, from not only eliminating existing poverty but also eliminating the present and potential conditions that create poverty, is an important one.

I am frank to admit that we are more certain of some techniques than of others, and that we need more research into the present and potential causes of poverty. This is why I recommended the strengthening of research activities under title II of the proposed legislation.

My community wants area redevelopment in its broadest, most human sense, combining physical and social planning and attacking such questions as housing, recreational facilities and programs, welfare policies and payments, improvement of neighborhood appearance and parent participation in education.

My community wants to deal with the interrelated causes of poverty such as alcoholism, chronic dependency, disease, emotional immaturity, mental breakdown, unmarried mothers, and children born out of wedlock. My community wants to preserve family life.

My community wants to do away with second and third generation welfare families—economic misery is not a birthright—we want a heritage of hope, not a heritage of poverty in Syracuse.

The Syracuse program must not be just a war on poverty, it must be a crusade for opportunity. It is to these ends that I have addressed my remarks on this legislation.

I would like to indicate, briefly, the type of activities which we could sponsor in our crusade for opportunity. These activities would be coordinated with our existing programs.

A position of opportunity coordinator could be created as part of the office of the mayor, and necessary staff provided to coordinate existing and new programs under the crusade for opportunity.

A bipartisan opportunity council could be created, composed of informed citizens in the areas of housing, education, and jobs. This council would advise the mayor and the community on the crusade.

A public works education training program could be established to provide education and vocational training for young men. In turn, these youths would work

and be paid for working on local public works or services in the public interest. Hopefully, this program could be carried out through the Urban Conservation Corps.

Social and educational programs developed by our school system and by the mayor's commission for youth could be established in low-income areas.

An expanded vocational training program could be established through the public school system, using Federal funds in direct grants to our city. Persons in the age bracket over 21 would be included, as well as our youth, in this program.

All existing public and private job-training programs could be coordinated to insure maximum effectiveness for both the trainees and the local firms seeking personnel.

Our learn and earn program could be expanded, and more potential dropout students could be urged to continue their education on a part-time basis, and part-time paying jobs found for them with local business and industry.

Social work activities in public housing and urban renewal could be increased, with particular emphasis on large families and the elderly.

A concentrated effort could be made to encourage local business and industry to employ long-term unemployed persons, seeking Federal loans, if necessary, to do so.

Neighborhood citizen councils could be formed where needed, and professional staff provided to explain what each neighborhood could do to be part of the crusade for opportunity.

I wish to emphasize that the twin principles of local initiative and local control have been paramount in my mind, while appearing before this committee.

I hope that my specific comments on the legislation indicate my community's concern for local control. And, I hope that my comments on the Syracuse situation and the programs we have, or would initiate, under our crusade for opportunity, indicate the readiness and ability of Syracuse to provide local initiative.

CONCLUSION

This committee will receive many definitions of poverty and I shall not try to impose mine.

It shall hear of the causes of poverty rather than a single cause. I think it will recognize that poverty is a complex of conditions and the causes are usually interlocking. I hope that it will come to the conclusion that poverty in the midst of plenty, and as we know it in our modern society, is seldom entirely due to the fault of the individual himself, or to his race, or creed or color.

It shall also receive many formulas to remedy the condition. I have none.

Depressing as the picture may seem, when we consider the amount and the ramifications of poverty, we must realize that a marked change has taken place in our society's attitude toward poverty—not only are we trying through a preventative program to break the vicious circle of poverty leading to poverty—but we really believe that poverty and dependency, in any considerable degree, are not a necessary evil.

Perhaps the first step in the cure of poverty today is to spread the idea, once regarded as Marxian, that society is responsible for much of our poverty. Out of the realization of this fact we have designed numerous attacks on the problem. Some of our great social legislation including social security—medical care, old-age assistance, have made poverty less acute.

Unfortunately, the emphasis on relief problems during the preceding decades has resulted in the appearance of many false prophets who offer futile panaceas to the problem of poverty. The success of some, whom I need not mention, was due to the universal human desire to solve major problems by some simple feat such as wand waving. I need not remind you of some of these spellbinders who raised hopes, but ultimately crushed spirits. While some were sincere, they played on the emotions of the poor and led them down the road to complete disillusionment. Some preached with the sophistry of demagogues and aroused false hopes and fanatical zeal.

I would hope that this committee would approach the subject of poverty with a knowledge that present information is almost totally inadequate, and that what facts we do have point to no universal solution to poverty as a social problem.

No immediate cure-all is available. Centuries of concern with this problem have not resulted in a solution. Whatever the ultimate answer, it is certain

that such an answer must depend upon clear and logical analysis of the problem.

This legislation, in my opinion, can help us determine the nature of poverty. It can plan remedies and it can correct many conditions conducive to poverty. To hold this legislation out as a panacea for poverty would be a disservice to our own less fortunate citizens and we know that, in the long run, the poverty stricken will be the major sufferers.

I sincerely hope that the authors of this legislation offer this bill in this spirit.

Thank you.

MAYOR WALSH. I have also been asked to give some of my background, because I am not so well known as some of the other mayors who have appeared here.

I have a degree in sociology from St. Bonaventure College, I studied at the School of Social Work at Catholic University here in Washington, and I have a master's degree in social work from the University of Buffalo. I have also completed the course requirements for a Ph. D. in sociology at the Maxwell School of Citizenship at Syracuse University. Additionally, I have had many years of working experience with social problems as an executive of the State commission against discrimination, now the commission on human rights. I was elected Commissioner of Welfare of Syracuse and Onondaga County, and later elected mayor of the city of Syracuse.

You might be interested to know I also taught sociology on a part-time basis at Syracuse University.

MR. ROOSEVELT. Mr. Chairman, may I say this? It is delightful to know that there are brains also in politics.

MR. LANDRUM. He has such a nice background from which to speak. I know he will have some valuable advice to offer the committee.

MAYOR WALSH. As the father of seven children, I sometimes feel I have more than a working knowledge of poverty at times.

Syracuse is not a pocket of poverty.

Syracuse is not a depressed area.

As mayor, I am proud to say that our present economic performance, and our indicators of future economic potential, present a pattern of economic growth which seems to assure Syracuse of continuing prosperity.

Our area employment is at an all-time high: Our unemployment percentage rates are lower than either the New York State or national averages: More than 3,000 new jobs have been created each year for the past 5 years, and indications are that this growth rate will continue and expand during the next 5 years. Syracuse leads every other metropolitan area in New York State, on a per capita basis, in both the number of students graduating from high school and the number of students entering institutions of higher learning.

This record did not just happen—it is the result of hard work and fiscal responsibility by the people of Syracuse, with financial assistance, in some cases, from both the State and Federal Governments.

Yet, in the midst of this prosperity, surrounded and buttressed by the facilities and programs I have just mentioned, we have some poverty.

Three distinct social problems face our country today. In Syracuse we like to refer to them as our three dilemmas—delinquency, dependency, and discrimination.

In our low-income areas we find a clustering of the social problems producing delinquency and chronic dependency. Discrimination plays a major role in trapping many of our citizens, who could otherwise escape this dilemma.

Official records of local law enforcement agencies bear out our contention that Syracuse has a delinquency rate about three times that of the rest of Onondaga County with the highest rates occurring in the low-income sections of the city.

The 72 Syracuse juveniles finally committed to institutions last year alone cost the taxpayers \$400,700.

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It was the problem of the "welfare child" who, upon reaching the age of physical maturity, took steps to reenact the events that initially produced the welfare family of which he was a part. I was, and still am, greatly troubled by the children of our welfare families who get married on Friday and appear at the welfare office on Monday to make application for themselves as a separate family unit. In simple and direct terms, this is the best example of a most serious breakdown in our social system.

Obviously, we cannot deny these physically mature individuals the means for survival. And while we do give them relief, the steps we take to help them toward a more self-sufficient and satisfying way of life have not been sufficiently effective. Thus, we are taking some long and deliberate strides toward the creation of a permanent welfare culture that is totally unacceptable to the majority of the people in my community and, I am sure, my State, and indeed, the country as a whole.

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MAYOR'S COMMISSION FOR YOUTH

For the past 16 months Syracuse, through the mayor's commission for youth—and I would like to thank the subcommittee for their careful attention to Syracuse as one of the key cities in the juvenile delinquency program—through the mayor's commission for youth, Syracuse has directed its attention in great part to the issue of poverty. The final proposal, drafted by the commission, has just been delivered to the President's Committee on Juvenile Delinquency and Youth Crime for their review.

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SPECIFIC COMMENT ON THE ECONOMIC OPPORTUNITY ACT OF 1964

I approach my specific comment on the proposed legislation from the single viewpoint of being mayor of the city of Syracuse, a middle-size urban area functioning as the heart of a middle-size metropolitan area. Our problems are not the problems of the relatively few great metropolises of the Nation, nor are they the problems of the rural areas, but, they are problems, I believe, common to many of the 81 cities across the Nation, with populations ranging from 100,000 to 250,000, and many of the 48 metropolitan areas with populations ranging from 250,000 to 500,000.

My lack of comment on certain titles and sections of the proposed legislation does not mean that I categorically support or oppose these sections; it means, only, that these sections are not, in our community's mind, necessarily critical to the Syracuse situation.

I would recommend revision of the Job Corps proposal under Title I—Youth Programs, section 102. The concept of recruiting 100,000 young men between the ages of 16 and 22 and placing them in more than 100 camps across the country for 2 years of work and training may not be the best expenditure of public funds: It removes the young man from direct family and community associations. It may be injurious to his sense of self-reliance and responsibility, substituting the authority and direction of the Job Corps for his own will and resourcefulness. It is one further breach in family solidarity. And most important, it violates the principle of local control.

We strongly believe that Federal grants for poverty programs should be made direct to the community. There are two outstanding reasons:

1. The programs do not become fragmented. They are part of an integrated program directed at the problems of the community and directed by that community.

2. The programs can be so designed as to meet the specific demands of local labor markets.

I suggest a modification of the Job Corps proposal that, for middle-size cities, funds earmarked for the Job Corps be utilized to establish an urban conservation corps. This proposal would encompass the purposes of the Job Corps—to prepare for the responsibilities of citizenship and to increase the employability of male youths aged 16 through 21 by providing them with education, vocational training, and useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities—but it would do so at the local urban level.

The urban conservation corps would keep young men living at home and working in their own communities while they received their education and training. It would encourage, rather than discourage, an understanding and belief in the concept of family life. And it would provide manpower for the many public projects, such as park development and expanded recreational services, that our urban communities so desperately need.

I believe that the city of Syracuse would welcome the opportunity of establishing and administering a unit of an urban conservation corps. Our local education agencies would provide the education and vocational training and the city government would create the public projects needed to provide the work experience.

I also recommend that the young men enrolled in the urban conservation corps receive a monthly wage for their work so that we have an organized learn-and-earn program while we integrate the program into the family life and working life of the community.

I support the proposals under title I for community work-training programs and work-study programs, sections 111 and 122.

I believe the urban conservation corps can be correlated at the local level with both the work-training and work-study programs. And all three of these programs can be locally controlled, providing a better atmosphere for the training and education of young people and a more careful control over the expenditure of the public funds involved.

I generally support Title II—Urban and Rural Community Action Programs. However, I ask that Section 204, Financial Assistance for Conduct and Administration of Community Action Programs, paragraph (d)—Eligibility for Assistance—be broadened. The present criteria or incidence of poverty appear to possibly limit assistance only to communities which have severe existing poverty problems.

Communities such as Syracuse, which do not have severe poverty problems, nevertheless should be eligible to develop programs which would not only eliminate existing poverty problems but, equally important, eliminate the seeds of poverty, thus preventing poverty from taking root and growing anew in the community.

The purpose of the legislation should be to prevent the poverty of the future as well as to end the poverty of the present.

Under this same section, I ask that paragraph (e)—Special Consideration to Eventual Self-Supporting Community Action Programs—be strengthened. The sooner these programs become a complete local responsibility—both administratively and financially—the sooner Federal funds can be used to assist other needy communities, and local control can be completely guaranteed.

Also, under title II, I recommend that Section 203—Financial Assistance for Development of Community Action Programs—be strengthened to guarantee 100 percent Federal assistance for local research projects leading to the development of community action programs.

If we are to succeed in our crusade for opportunity in Syracuse, as we prefer to call it rather than a war on poverty, if we are to root out the seeds of poverty, we must know the exact causes, we must deal in detailed specifics not in indefinite generalities. Only through sound research can we obtain the answers we need for success. I believe the general purposes of the legislation will be better served if the Federal Government can completely guarantee the funds needed to conduct sound research programs on the local level.

I also ask that section 206, under this title—Research, Training, and Demonstrations—be broadened to specifically allow institutions of higher learning to work with public agencies in performing the research needed to develop community action programs.

I generally support title IV—Employment and investment incentives—part A, incentives for employment of long-term unemployed persons, section 411. The concept of long-term, low-interest loans to firms that employ long-term unemployed persons is a good one. However, the section should be expanded to explain, in detail, the firm's responsibilities under the legislation, for example, the length of employment of a long-term unemployed person hired as a result of a loan under this section. It should also include a section on training unemployed people so that they can adequately perform their jobs. This includes not only skill training but remedial education as well.

Also, section 412, paragraph (b), should be strengthened to more tightly integrate loans granted under title IV with the community action program activities outlined in title II. This would help to assure more local control in the administration of this proposal.

We believe that the bill as proposed is also lacking in other respects. For example, there are many aged people in our population who are living on grossly inadequate incomes and whose problem as long as they live will become increasingly desperate. Every time the cost of living goes up, or real estate and other taxes increase, their real income decreases proportionately, and there is no way whatsoever that they can supplement these incomes. I would strongly recommend additional and broader social security coverage at the earliest possible dates. I would also further recommend a study of the possibility of direct grants to municipalities and communities that would allow us to upgrade our retirement programs.

I also believe that great efforts must be made to stem the growing tide of divorce, separation, and desertion. I am convinced that one of the basic causes of poverty and social breakdown is the direct result of these factors. Great efforts should be made to keep families intact.

I would recommend the provision of funds to establish marriage counseling bureaus to help prevent the breakup of families, and to reestablish normal family relationships in already broken homes.

I would further recommend stronger legislation to cope with the deserting husband and father, who transfer their parental responsibility to the community. I would suggest considering legislation that would make desertion a Federal offense. This would make it easier to arrest and prosecute deserting husbands and fathers.

I would also recommend legislation to provide for social service work with families displaced by urban renewal.

Urban renewal has pioneered among public displacement programs in its concern for the human beings displaced. In almost every respect, it is geared to checking and preventing the spread of blight which breeds new slums. However, one grave problem has not been faced—the problem of the small handful of “troubled families”—whose living standards are such that they jeopardize any area to which they are transplanted. They number only 7 or 8 percent of the total, but they give substance to the fallacy that all families moving out of slums are “carriers” of blight. This fallacy is unjust to the hundreds of people who have been forced to live in slums by economic or racial barriers.

Our local program must be not only an attack on poverty, it must be an attack on the seeds of poverty—the conditions, either existing or potential, that make poverty possible. This shift of emphasis, from not only eliminating existing poverty but also eliminating the present and potential conditions that create poverty, is an important one.

My community wants area redevelopment in its broadest, most human sense, combining physical and social planning and attacking such questions as housing, recreational facilities and programs, welfare policies and payments, improvement of neighborhood appearance and parent participation in education.

My community wants to deal with the interrelated causes of poverty such as alcoholism, chronic dependency, disease, emotional immaturity, mental breakdown, unmarried mothers and children born out of wedlock. My community wants to preserve family life.

My community wants to do away with second- and third-generation welfare families—economic misery is not a birthright—we want a heritage of hope, not a heritage of poverty in Syracuse.

The Syracuse program must not be just a war on poverty, it must be a crusade for opportunity. It is to these ends that I have addressed my remarks on this legislation.

I would like to indicate, briefly, the type of activities which we could sponsor in our crusade for opportunity. These activities would be coordinated with our existing programs.

A position of opportunity coordinator could be created as part of the office of the mayor, and necessary staff provided to coordinate existing and new programs under the crusade for opportunity.

A bipartisan opportunity council could be created, composed of informed citizens in the areas of housing, education and jobs. This council would advise the mayor and the community on the crusade.

A public works-education training program could be established to provide education and vocational training for young men. In turn, these youths would work and be paid for working on local public works or services in the public interest. Hopefully, this program could be carried out through the urban conservation corps.

Social and educational programs developed by our school system and by the mayor's commission for youth could be established in low-income areas.

An expanded vocational training program could be established through the public school system, using Federal funds in direct grants

to our city. Persons in the age bracket over 21 would be included, as well as our youth, in this program.

All existing public and private job-training programs could be coordinated to insure maximum effectiveness for both the trainees and the local firms seeking personnel.

Our learn-and-earn program could be expanded, and more potential dropout students could be urged to continue their education on a part-time basis, and part-time paying jobs found for them with local business and industry.

Social work activities in public housing and urban renewal could be increased, with particular emphasis on large families and the elderly.

A concentrated effort could be made to encourage local business and industry to employ long-term unemployed persons, seeking Federal loans, if necessary, to do so.

Neighborhood citizen councils could be formed where needed, and professional staff provided to explain what each neighborhood could do to be part of the crusade for opportunity.

I wish to emphasize that the twin principles of local initiative and local control have been paramount in my mind, while appearing before this committee.

I hope that my specific comments on the legislation indicate my community's concern for local control. And, I hope that my comments on the Syracuse situation and the programs we have, or would initiate, under our crusade for opportunity, indicate the readiness and ability of Syracuse to provide local initiative.

In conclusion: This committee will receive many definitions of poverty, and I shall not try to impose mine.

It shall hear of the causes of poverty rather than a single cause. I think it will recognize that poverty is a complex of conditions and the causes are usually interlocking. I hope that it will come to the conclusion that poverty in the midst of plenty, and as we know it in our modern society, is seldom entirely due to the fault of the individual himself or to his race, or creed or color.

I would hope that this committee would approach the subject of poverty with a knowledge that present information is almost totally inadequate, and that what facts we do have point to no universal solution to poverty as a social problem.

No immediate cure-all is available. Centuries of concern with this problem have not resulted in a solution. Whatever the ultimate answer, it is certain that such an answer must depend upon clear and logical analysis of the problem.

This legislation in my opinion can help us determine the nature of poverty. It can plan remedies and it can correct many conditions conducive to poverty. To hold this legislation out as a panacea for poverty would be a disservice to our own less fortunate citizens and we know that, in the long run, the poverty stricken will be the major sufferers.

I sincerely hope that the authors of this legislation offer this bill in this spirit. Thank you.

Mr. LANDRUM. Let me assure you, Mayor Walsh, that as one of those associated with the development of this legislation that association has been throughout designed to accomplish just what you state in your last sentence. We do offer this bill in the spirit which you suggest in the last paragraph. I want to thank you, Mr. Roosevelt.

Mr. ROOSEVELT. Mayor Walsh, I want to say I am delighted I was able to stay to hear you. I think you have presented one of the most interesting and one of the most provocative statements given to us in the spirit you have given it to us. I would like to cover a couple of specific points. On page 7 where you generally suggest that we consider a revision of the title I and that we substitute the establishment of an Urban Conservation Corps, this has been great appeal to me. My question, I think, would be whether, in your experience, you feel that most urban areas would have the facilities available to make such a program possible. Now, they might be available, I recognize, in the situation you have in Syracuse. But is it a practical thing for instance to believe that in the city of Chicago that an Urban Conservation Corps would be able to find a home and be practical? I am somewhat concerned about my own city of Los Angeles where we would go outside the city, yes, but where the cost of land and the other facilities might make it impossible for the city to carry such a program out. Is it your belief that most of the urban areas would be able to carry out your suggestion effectively?

Mayor WALSH. I would put it this way, Mr. Congressman, that most cities have untold jobs, that if they had untold millions of dollars they would love to carry on. Park projects, recreational programs, different programs within the community that we never seem to have the money to do and we can't raise through taxes. I would guess that the mayor of any large city, mine included, could find excellent jobs. I think there is a difference here and what is being proposed. I think perhaps the committee had in mind the Civilian Conservation Corps of the depression days. As I look back and many of my friends were in that Civilian Conservation Corps, these were kids that had graduated from high school and could not get a job. They were not misfits in our economy. We are talking about people who are misfits in our economy, the dropout in our school. I don't think you can get a city kid and put him in the country and rehabilitate him. You can't get the city out of him. He is going to come back to the city and live. To me it is more appealing to keep that same kid in the city and give him something to do in the city where he is going to come back to live, where he is going to have to make his adjustment anyway. I think we can find—I know I can—I can find task after task after task for an Urban Conservation Corps.

Mr. LANDRUM. Will the gentleman from California yield?

Mr. ROOSEVELT. I will be glad to.

Mr. LANDRUM. One of the things that we tried to do in drafting what is now part A of title I was to make it possible under this law to do something similar at least to what the mayor is suggesting. A careful study of the proposals to implement this legislation will show that we do hope to have a great many residential training centers where these youngsters, who are misfits, will spend at least half the time in one of these residential centers acquiring basic educational skills as well as basic vocational skills and then perhaps a half or maybe less than half in some of the conservation practices. Nevertheless, I am interested in the approach that the mayor is bringing to the problem and I hope that we may be able to work that out.

Now, while the gentleman has been good enough to yield to me, the bill itself specifies male participants. So does the mayor's state-

ment specify male. I regret that Mrs. Green had to leave. I am sure she would have taken issue with the mayor, as she has with us, and suggested the possibility of amending it to include female enrollees, also. Now, would the mayor have some specific view with regard to an amendment of this type to include females?

MAYOR WALSH. To include females in the Urban Conservation Corps?

MR. LANDRUM. Yes.

MAYOR WALSH. Yes, I would certainly allow girls to get into this. Just thinking again of some of our needs, we are trying to develop some lots in some of the depressed areas of the city where we take out houses and we pay for the lot and invite the kids to come in. We could take some of these girls and put them under our recreation leaders and have them assist in the recreation program. We could use them as homemakers, learning homemaking. I was in a welfare home the other day, the whole problem sort of fascinated me. Here were six kids, the father had disappeared and the mother had died and they were now in the care of an aunt. The home was in an atrocious mess. I said to the 12-year-old girl, I said, "Why in the world don't you take the dishes and wash them and clean the dishes off the stove and get them out of the sink?" She said, "I never washed a dish in my life." Now, I think we could give them some kind of training right within the city that would be very helpful.

MR. ROOSEVELT. Mr. Mayor, I think your concept is a most interesting one. I would certainly like to find a way, as the gentleman from Georgia has said, to see if we cannot at least indicate that we would like to see a good portion of these funds used in this area. Now, the problem is a little different when you get outside the urban area. I don't know whether you then have the same capability of taking people and giving them the opportunity within their local area. There just may not be that situation. You may have to have a combination of both. I think we will just have to explore it and possibly give the director the discretion, perhaps to give him an indication of our preference and say where this is not feasible give him the discretion to set up the other kind of example.

On page 8 of your summary statement, Mr. Mayor, you ask us to broaden the financial assistance requirements and generally indicate that otherwise the areas of existing severe poverty problems will get priority. You brought up a very interesting point because in essence you say to us that we had better also look out and see that other areas that do not now have serious poverty may be acquiring it, that may be we should be taking preventative steps as well as curative steps.

MAYOR WALSH. That is right.

MR. ROOSEVELT. Yet, I must say to you in all honesty that the problem in this area is that we ourselves admit, as you admit, that this is not the overall solution to the whole problem of poverty and if we don't have the funds to do the overall picture all the way, even though we may recognize that there are other areas we would like to get into, which would be better in your opinion: to first attack the areas of worse poverty if we only have a few dollars to spend relatively speaking, or divide that up so that we did not really affect either of the two areas too seriously?

MAYOR WALSH. I think you can solve this problem, Mr. Congressman, through two possibilities. One through research and one through demonstration projects. I would suggest that funds be allocated in this way, to areas where there is not a high incidence of poverty, they can be used for demonstration areas, they can be used for research purposes. I would certainly hope that tremendous money be poured into the research part of this. One of the other things I neglected to mention is that I served as a research director for Onondaga County for 3 years. This is why I emphasize research. I think in order for you to best spend your money, you have to do something similar to what was done with the mayor's commission or rather the President's Committee on Juvenile Delinquency. You have to put some funds into research, you have to put some money in demonstration.

MR. ROOSEVELT. I agree with you. I was saddened yesterday when the chamber of commerce representatives suggested to us we should spend most of our research effort by getting private people to come into a Federal agency for research and beefing up our statistics. Would you not agree it would be better to divide this out in the local communities, there being probably no one rule of thumb that will apply to every area.

MAYOR WALSH. That is right. I think you ought to take cities of different sizes and study the problems of poverty there. Again I see Mr. Gibbons there—I met with his Committee on Juvenile Delinquency, and Mrs. Green, and I would like to see an approach similar to that used by that committee. What we are now recommending as a result of what we have now done in Syracuse has good sound planning behind it and every dollar we will be spending on the basis of good, sound, solid planning.

MR. ROOSEVELT. I agree with you. I am delighted to hear you emphasize it. I have one more question.

On page 9 I think you are quite right in drawing attention to title IV and your suggestion that you stress the firm's responsibilities under the legislation, for example, the legislation of employment of a long-term unemployed person hired as a result of a loan under this section. You pointed up here the need of coordination in the various parts of the program. Otherwise we could get somebody who might well be hired and have absolutely no ability to do the job.

MAYOR WALSH. That is right.

MR. ROOSEVELT. Not only would you hurt the employer to whom this loan has been made in order to put him to work but you have done a disservice to the individual in the process because he well might be losing the opportunity to put whatever talents he might have in appropriate direction. So I think you have done us a favor there, also.

MR. CHAIRMAN, I just want to say to the witness I am just sorry that all the members of the committee could not hear his statement. Thank you.

MR. LANDRUM. Thank you, Mr. Roosevelt.

The other witness members will indulge us just a moment.

We will go back to the point in the beginning and recognize Mr. Riehlman, who will make the statement that we alluded to earlier.

MR. RIEHLMAN. Mr. Chairman, I deeply appreciate the opportunity to be recognized at this time. I regret that I was not able to be here at the opening and say some things about the mayor of the city of

Syracuse, whom I respect and admire. I would like to say just this, I am delighted he was here. I was pleased to hear the statement from Mr. Roosevelt in respect to the presentation Mayor Walsh has made before the committee. I felt sure he would be constructive and he has been. When he comes to Washington to express his views with respect to Federal legislation affecting our part of the country and our city of Syracuse particularly, he always speaks with knowledge and from extensive preparation.

With your permission, I would like to tell you how proud we are of Mayor Walsh and the tremendous job he has done in Syracuse.

Mr. LANDRUM. Mr. Riehlman, that permission was asked and granted you before you came in.

Mr. RIEHLMAN. Thank you very much.

Mr. LANDRUM. We will be glad to have you do that.

Mr. GIBBONS. Mr. Riehlman, I want to say that having dealt with your mayor before and having listened to him today I am very impressed with him. He makes a fine presentation. He has evidently devoted a great deal of time and energy in the preparation of his statement today. In my opinion he has been one of the outstanding presentations we have had here.

Mr. RIEHLMAN. I deeply appreciate that statement. I know that it comes from a person who is very sincere in everything that he has to say and particularly when he comments about witnesses before the committee. I want to say that this has been my experience with Mayor Walsh through the years, that he does not make a presentation in respect to activities in the city of Syracuse and those that he is interested in without thorough preparation. I am delighted that I can be here to say some kind words about our mayor.

It has been my privilege to work with Mayor Walsh for many years and I must say that he is the type of public official in whom the citizens can place and do place their complete trust.

He is openminded on all topics and will give all opposing sides an opportunity to air their views. He does not jump to hasty conclusions.

It is not easy to administer the affairs of a metropolitan city like Syracuse. There are always diverse factions on all issues and even the smallest decision tends to become controversial.

Mayor Walsh has weathered all the storms, knowing that he acts for the good of all the citizens of our community.

It is a distinct pleasure for me to comment on his outstanding character before the members of this important committee.

His presentation was most constructive and I feel sure will be useful to this committee.

Mr. LANDRUM. Thank you, Mr. Riehlman.

Mr. GOODELL. I think it is time some Representatives said something about you, too, from the committee, Mr. Mayor. We are very happy to welcome you here. I think it is a very prospective and thoughtful presentation. It will be very helpful to our committee. I wonder if you have any suggestions with reference to your comment on page 15 about the difficulty of guaranteeing the length of employment of long-term unemployed persons. This is the \$10,000 loan section, title IV. We have dealt with this problem previously in some of our discussions before the committee. If a Government agency is going to make a decision to loan \$10,000 to a company, the basis of the guar-

antee of that company that it will hire a majority of long-term unemployed, the immediate question is: Can they hire them one day and fire them the next, or are we going to freeze these employees in their jobs for a given period regardless of their performance, and is this going to be an economical, sensible way of doing it? Will any employer want to be frozen in for a rigid period of time? Aren't we going to need some basis here for an employer being able to dispose of those who show no inclination to perform on the job?

Mayor WALSH. I tried to spell out—and incidentally the Congressman is quoting from the lengthy statement, the one that I submitted, and I read a synopsis of that statement. So that there is no page 15 in the synopsis that I read. In the interest of time I read a synopsis of that statement. So there are two statements.

With respect to what I have said on this particular point, I have indicated that I think more attention needs to be given to the responsibilities of the employer here, just what he has to do and how he does it. I do not think that we can set these down in the few minutes that I have available here. But I do think that something like this is fraught with grave danger unless you can spell out the responsibilities of the employer and the employee very, very clearly. I think you could get into real deep trouble on it.

I am sure you are going to have, if this provision of the bill goes through, some difficulties with it because you are going to try to employ long-term unemployed, and my experience with some of them has been that they have poor work habits, that you are going to have to try to—and this is what this section tries to do—to try to give them decent work habits. It is going to take some skills and it is going to take some pretty capable people to do it.

Mr. GOODELL. I agree; I think there are some problems with reference to that section.

I like your comments with reference to the Youth Conservation Corps and your suggestion that an urban conservation corps might be more appropriate for a city such as Syracuse. I think your statements on page 11 and 12 of the prepared text are very, very meaningful here with reference to either need wherever possible to keep these youngsters integrated into the community and using the word "integrated" in the least controversial sense. They are close to the community, function as a part of that community to the extent possible rather than isolating them into camps far from their normal milling, if we may say that. It is your thought that if given an opportunity to set up the urban conservation camps there would be no difficulty in getting cities to participate in utilizing the educational facilities, personnel, and so forth to the maximum of local control over the operations?

Mayor WALSH. I am sure we can do it. I don't know whether you were here, Mr. Goodell, when I made the point that in my judgment it makes more sense to keep city children in the city.

I don't think it makes good sense to take them out and put them in a rural setting because they are going to have to come back and make their adjustment in the city. If we give them programs within the city, work and earn programs, using our educational facilities, I think that this is where a city child belongs—in the city. I know we can do it, we have the projects. We could spend millions

more on city projects if we had the money. We just don't have it. I am talking about city money now, not Federal money. If we had money we could do a much better job of some of the things we would like to be doing in the community. But your taxing structure won't stand it.

Mr. GOODELL. I also was intrigued by your reference to making it a Federal offense for husbands and fathers to leave their family. These are perennial bills that are introduced regularly. We call them runaway bills which make it a Federal offense. The Justice Department and the FBI always oppose these bills rather strenuously. They indicate that if you are going to push the Justice Department and the FBI into domestic relations they are going to have to use most of their personnel on these cases alone. As in the past these bills have been considered and rejected by the Congress on that ground. There is not any question that the difficulty in various State jurisdictions is a very serious one, trying to force upon the fathers the responsibility of supporting their children.

Mayor WALSH. I was interested in this when I was welfare commissioner. I made a suggestion that was later adopted, to a legislative committee holding hearings in New York State, that they set up a sort of central index on deserting fathers at the State level and this has been done where all the resources of the State, the unemployment insurance, the chauffeur's license, all of these records be made available to the central index so that you could go there and find out where a deserting father might be. This is working well. We find that a person might leave the family in Syracuse and go to Rochester and we would have difficulty catching him. But strangely enough they might keep that name on the driving license. Now we might pick him up this way. The question of desertion, I think, if you measured it in terms of the impact that it has on the economy of the country, has a far greater impact on the economy of this country than does bank robbery, which is a Federal offense—kidnaping. When you consider the millions and millions of dollars of Federal funds that are spent on the ADC program alone I think you could make a pretty good case for the Federal Government or FBI taking over the responsibility of at least helping people, helping men get back to their families. I think it is a travesty to allow a man to go out and raise a family and then walk out completely and not come back again and dump that responsibility. This is a situation that has always disturbed me. I know of no remedy for it but I do think that the problem is too big for the Federal Bureau of Investigation to overlook.

Mr. GOODELL. What progress are we making with uniform State procedures, State laws?

Mayor WALSH. These are excellent. The reciprocal agreements between the States are good. It is the problem of finding them. It is the problem of finding them, getting them to court in another State, and getting either an agreement for support or return to the place.

Now, some people say let them go, but I think with the type of program that we are talking about, with wise marriage counseling, if you could return some of these fathers—and remember, they walked out, some of them, just because they were so completely overcome with the responsibilities in trying to raise a family, that if they got some wise marriage counseling you might be able to rehabilitate them.

In terms of the impact on our economy and in terms of the impact on poverty, I think it would make a tremendous inroad into this problem.

Mr. GOODELL. Mayor Walsh, you would like to believe that your confidence was well placed, that there would be a high degree of local initiative and local control recognized in this program. I hope this is true. There is very little in the bill, itself, to guarantee this. This is one of my very deep concerns. We have always and inevitably the authority in some Federal Agency to set Federal standards. It is true that the locality then may make proposals on its own but the proposals must conform to the Federal standards and we as a committee and we as a congress seldom get into the details as to what those standards are going to be. We grant the general authority and then we find out subsequently what standards have been applied.

On both sides of the aisle we frequently find standards set up are too uniform nationally, too rigid, and in many cases are excluding types of programs that we did not have in mind. I hope that we will be able to adopt some either legislative history or specific amendments that will clarify our intent here. We want a maximum of local initiative and local control.

Now let me ask you a difficult question from the viewpoint of a city that is short on funds. To what degree do you feel that the cities can contribute to the program, over a long term, the cost of some of these programs? To what degree should we require them to continue in order that they have some control and initiative in the situation?

Mayor WALSH. Let me tell you what the picture is of the cities in New York State and I think I can speak with some knowledge on this because I am a member of a committee that the Government put me on which has been for the last 2 years studying the problem of State aid to municipalities.

My own city, for instance, this year we are within \$200,000 of our taxing limit. In other words, we can't raise any more money by taxes. We are within \$200,000 of our taxing limit. That answers the question on operation. We can't raise any more money. I might add that welfare in Syracuse is not a function of the city; it is on a county basis. The \$16 million that is raised for public welfare in Onondaga County is raised in the county and in the city but it is administered by the county. We are within \$43 million of our bonding limit. You can't borrow money for this type of program. We are working, however, on programs that will build up the tax structure of the community and through urban renewal we hope to be able to do this. Your question, to be specific—"What can we put in now?"—the answer is "None."

Mr. GOODELL. Let me follow up. Don't you think it is a bit naive to expect very much local control and local initiative control if you are not putting the money in?

Mayor WALSH. I would hope that it would not be naive. I would hope that at least in my locality it would want to go into the program unless I had something to say about it.

Mr. GOODELL. You are asking the Federal Government to pay the bill for a program that you control completely. I would like to believe this could be done, it might be done at the outset. As a matter of fact, I think maybe this is the only way we can get these programs

started. But on a continuing basis do you expect to have very much initiative and control of your own?

I think the history of other programs would indicate that some kind of contribution, some kind of teamwork effort here is going to be necessary. Perhaps not at the city level. Perhaps at the State level.

Mayor WALSH. I would certainly agree with that, that this is what we would want too. We would like to get eventually city money into it.

As I say, we are spending \$15 million on poverty in Syracuse because we pay half the taxes. There is some State and Federal money in that program. I should not say half of the \$15 million. About \$2.5 million comes from the Federal Government. Three or \$4 million from the State and the balance from local money. But over the long haul we would certainly be putting money into the program. Here is the city budget this year. There is no way of raising any more money there. We are within \$200,000 of our tax limit. This is true of all cities in the State.

Mr. GOODELL. I might say, Mr. Mayor, and I think you are aware of this, that the budget problems and shortage of money is not limited to the cities. If you want to look at the Federal budget it is a rather massive document and when you get to Congress budgets it is really a question of priorities. This is part of our function to decide what the Federal priorities are, to see to it that the State and local priorities are preserved and where their primary responsibility is.

Mayor WALSH. I might point out to you that you are in the poverty program now making a contribution of about \$2.5 million in Onondaga County. This is treading the surface. It does not allow for research programs: it does not allow for demonstration grants. These are the programs now, old-age assistance, assistance to the blind, and ADC that are keeping the stomach full which is about all they are doing. They are merely treating the patient, they are not going beyond that and finding out why they are there, why the patient is ill.

Mr. GOODELL. I certainly appreciate your testimony, Mr. Mayor. I would like very much your crusade for opportunity. I think this is a more positive approach psychologically to the problem. I hope we will be able to beef up this legislation not only in title II but in perhaps a separate title in terms of the research and study and correlation of data that is presently available to some of the agencies that are starved for personnel and funds to really utilize that data. This is a very acute problem. It is frustrating to most of us because this is not available to us in a meaningful way in terms of trying to map out an attack on poverty or a way to create new opportunities.

In conclusion, I think you are well aware, Mr. Mayor, of the very high esteem all of us have for the Congressman from Syracuse. We are very privileged to have him come here and be with us today. I am privileged to acknowledge him as one of the leaders in New York State not only as a Republican but on all issues.

Mrs. GREEN. Mayor Walsh, your statement has also attracted my attention in regard to Federal legislation, for fathers who desert their families. In Syracuse can a family receive ADC payments if there is an able-bodied but unemployed male in the house?

Mayor WALSH. Yes. The program was changed about 2 years ago and they can receive aid.

Mrs. GREEN. Is this true in most places in New York?

Mayor WALSH. As far as I know, it is.

Mrs. GREEN. We have what I think is a most disgraceful and most shocking situation in the District of Columbia, and I understand in some other places in the United States, where we actually have the kind of program which encourages fathers to desert in order that hungry children can be fed. Can the mayors do anything to bring some action to eliminate that?

Mayor WALSH. I think you should have asked the question of the previous mayor who is president of the U.S. Conference of Mayors.

Mrs. GREEN. I am sure that you have a strong voice in the conference of mayors.

Mayor WALSH. Unfortunately I don't. I am not a member of any committee.

Mrs. GREEN. Has that question ever been discussed?

Mayor WALSH. Not to my knowledge.

Mrs. GREEN. Isn't this something that would be worthwhile looking into?

Mayor WALSH. Yes. I might say that I never got any place with the commissioners, my fellow commissioners when I tried to get them to take action on this desertion bill, either. So maybe I am barking up the wrong tree, I don't know but I still feel strongly about it.

Mrs. GREEN. I am very sympathetic to the father and husband being held financially responsible, but I must say that as I read the studies that are now being made of child abuse, of the youngsters, the babies and small children who are brought to the hospitals, some of them beaten, or chained to beds or tables, I am coming to the conclusion that the father or mother who does not want his or her child ought to be able to leave it in some institution where it would be properly cared for.

Mayor WALSH. I think wise counseling would determine which families are worth working with and which are not worth working with.

Mrs. GREEN. I think wise marriage counseling would help. But since some fathers and mothers don't want their children, I think the children ought to have a home where they will be treated decently.

Let me also pursue the point that Congressman Goodell raised in regard to the Urban Service Corps. I am sure that Congressman Goodell will recall the visit we made to New York City when we went into the slum areas. Then we had a group of youngsters on a panel program. These were gang leaders. To each one of these youngsters on the program we said: If you were given the chance to join a Youth Conservation Corps out in one of our beautiful parks or forest lands and go there for 6 months or maybe 2 years, would you want to do it?

In every single case the answer was "No."

Now here are youngsters who grew up in New York City in the slum areas, this was all they knew, and they had no desire to join such a Conservation Corps.

So I am particularly pleased with your emphasis on the Urban Service Corps.

I am in favor of a Job Corps and a conservation camp. I think this is good for some youngsters. But I think far more important would

be an Urban Service Corps where they would be trained in the skills and in the city to which they undoubtedly will return, or where they will spend most of their lives.

Mr. GOODELL. Will the lady yield?

Mrs. GREEN. Yes.

Mr. GOODELL. I do recall. I agree with what the gentlelady is saying. Perhaps the most vivid example of that was a young boy that we asked if he or any of his friends—how many of his friends—would be interested in going in a Youth Conservation Corps and he said, "You mean to work in the country?" We said, "Yes." He said a minus number.

I think we would have a very difficult time, in terms of a Conservation Corps, attracting the average urban youth whose whole background and environment is so different. As a matter of fact, another thing I think we were so impressed with was the smallness of their world. Some of them had never been more than 12 blocks from where they were living and where they had been born. The concept of going to the other side of the city was alien to them, to say nothing of going out into the country.

Mrs. GREEN. I think that of all the alphabetical agencies the CCC probably contributed as much or more than any other. So I do not minimize the importance of this. But certainly it is not the whole answer. I have not read your statement carefully. Do you limit the Job Corps to young men?

Mayor WALSH. Not if it is the Urban Conservation Corps; no, I would like to see it opened up to young women.

Mrs. GREEN. I think that maybe we are over the hurdle and we have persuaded the powers that be that young women need Job Corps training, too.

One other question, Mayor Walsh: On page 11 of your statement, one of your criticisms of the Job Corps proposal is this: You say, "It may be injurious to a sense of self-reliance and responsibility substituting the authority and direction of the Job Corps for his own will and resourcefulness. It is one further breach in the family's solidarity and, most importantly, it violates the principle of local control."

For many years we have had a very extensive military program where young boys have been taken away from their homes. Do you think that this has been injurious to the self-reliance and responsibility, substituting the authority for his own will and resourcefulness?

Mayor WALSH. I spent 5 years in the military, Mrs. Green. I don't see any correlation between the type of military training that you would get under a military setup and the type of training you would get under a civilian job training corps as it is outlined here. I think the situation is entirely different. I cannot see where they are related.

Mrs. GREEN. If this is true, in a residential training program, why would it be injurious to their self-reliance and responsibility—more so than in the military service?

Mayor WALSH. I think if you take a boy out of a family setup and put him into a setup like this where somebody else is doing his thinking for him—telling him what to do and how to do it—I think it can be injurious.

Granted all of the children that come out of this program are not going to come from a family setup, you can develop some responsibility in some of them. But I can see where, if you take a child out who is insecure to begin with and put him in a situation like this, there could be some harm.

Mrs. GREEN. You do not think that holds true if you take the same child from the same environment and put him in the military service?

Mayor WALSH. No; I don't. I think the military is an entirely different setup. You can't walk out of the military if you don't like it.

Mrs. GREEN. I am talking in terms of injuring self-reliance and responsibility and substituting the authority.

Mayor WALSH. This is a difficult question; this is difficult for me to answer, and I thought this over very carefully before I inserted it in there but it seems to me it is one more breach in this family solidarity where you are substituting another authority for the parent, for the mother, or for the father. Many of these children may have difficulties with their relationships—with their father and mother. I am not just certain you are going to do them any good by substituting this type of authority. This is what I am trying to get at in this statement. Maybe I am not making myself clear. Probably, I am not. But there seemed to be one other possibility here. How serious it is is a guess, of course.

Mr. GIBBONS. Will you yield?

Mrs. GREEN. Yes; I yield.

Mr. GIBBONS. I am interested in this line you are pursuing. I would like to throw some of my thoughts in about the difference between the military and the Job Corps. In the military it is something that you do because of responsibility, either because of the draft or because of your having volunteered, and you are there because of a national mission that imbues the trainee.

You are also trained in that type of training to develop responsibilities of leadership and of carrying out missions where, in this program, it may be a little different. I see a difference. I don't place as much difference in it as you do, but I do see some difference. I do agree that in all of these programs we ought to try to preserve and reinforce and build up the family, not only as a unit immediately but as a unit that any normal young man or young woman should try to preserve and protect and build up and strengthen. Perhaps taking a young man away and putting him into projects that sometimes might border on the "make work" would tend to destroy the family unit. That is all I have.

Mrs. GREEN. One of the conferences I have had this afternoon was with the executive secretary of the American Personnel and Guidance Association. He is much concerned over the President's statement in his message to Congress that we would need at least a thousand guidance and counseling personnel to be in the employment centers, and so on. He said we just don't have them; we don't have enough guidance and counseling people in our schools.

From your experience as mayor, do you think there is going to be any trouble in recruiting the necessary number of qualified adults to carry out the programs that are outlined?

Mayor WALSH. I think there is a danger in some of these situations where you might set the qualifications too high. I think if you are

talking about neighborhood counseling and work in youth programs, work and study programs, I think you can find the resources within the community. I think that you could use people in our school setup who could do the type of counseling.

You may have to pay them to work extra hours, after school or in the evening, but I think you can find them. If you get into psychological testing and some of this you may be in trouble; you may not have the qualified people.

Mrs. GREEN. Thank you very much.

Have all the Members had an opportunity to ask questions?

Mr. FRELINGHUYSEN. I have not had a chance.

Mrs. GREEN. The gentleman from New Jersey.

Mr. FRELINGHUYSEN. Madam Chairman, I would like to compliment Mayor Walsh on a very stimulating statement. I suppose it is too much to claim that it is because he is a Republican that he made such an interesting presentation. It may have something to do with the hour of the day. I notice it is 5 minutes of 6. I am glad to see that at least the late hour means the waiving of the 5-minute rule. Perhaps that lends itself to a more reasonable discussion of some of the issues presented by the bill and in the testimony from the witnesses. I only wish we were not operating on a schedule that obliges us to meet as late as this.

I have been reading your statement with interest, Mayor. I notice you point out that over twice as many nonwhite families in Syracuse than white families have incomes under \$2,000 a year. I got in trouble because of some slight misrepresentation in the press when I asked a question earlier about this.

President Johnson was asked for comments on Republicans' suggestions that perhaps Negroes would benefit more than whites.

He assumed, quite erroneously in my mind, that Republican criticism of his program was based on the fact that we didn't think that Negroes should be benefited. I surely do not think that is the case. I know of no Republican who feels that the program should be criticized because it may benefit Negroes.

I would hope that if they are in the poverty category that they would receive most of the benefits. I would assume this would be the case in Syracuse as in any other place that might received Federal funds.

I was interested also in your statement on the discussion of an urban conservation corps. I would like to ask you about your suggestion that Federal grants under the programs should be made direct to the community.

I am sure you realize that the Job Corps is not to be run by, and the funds are not to be provided to, communities. These are to be federally financed and operated programs.

Is it your suggestion that if there are city programs, urban programs, that they should not be so operated? Should they be run by the cities to which they are connected or in which they are located?

Mayor WALSH. Yes; I would like to see the grant come directly to the city so that we could set up the program and administer the funds.

Mr. FRELINGHUYSEN. Of course, this is a very direct challenge to the basic purpose of the legislation as it is written. All the community action programs bypass the community entirely. They are sought for

advice as to what kinds of programs might be suitable but once the Federal Government decides which projects they think should be financed there is no comment even from the mayor of the city or the governing body as to the advisability of proceeding. You do understand that, I assume.

Mayor WALSH. Yes.

Mr. FRELINGHUYSEN. You disapprove of that form of bypassing as did other mayors who preceded you today?

Mayor WALSH. I think I may have indicated earlier, Mr. Frelinghuysen, that if we could not have direct control of the program we did not want it.

Mr. FRELINGHUYSEN. I am interested to hear you say it. You are the first one who has said such a thing in so many words. It would make quite a different kind of program than what is contemplated, both because it would not mean a transfer from an environment but because it would be quite a different type of control. Whether a fully Federal financed program would ever be fully locally controlled, as Mr. Goodell pointed out, is open to question. I would doubt very much whether we would be willing to transfer responsibility for the operation of the program that we are financing entirely from the Federal level. Your suggestion is an interesting one and I hope it will receive consideration.

I have no further questions except to again compliment you on your testimony.

Mrs. GREEN. The gentleman from California, Mr. Bell.

Mr. BELL. Mr. Mayor, I am particularly glad to see your statement. I have read it over hurriedly. Part of the reason is because there are so many things that I agree with in the statement. I think you have made an excellent statement. I don't know whether you were here this morning but my questioning of the mayor of New York City, Mr. Wagner, was geared somewhat to this youth conservation program and the style of questioning that I have been carrying on during most of the hearings which is in effect the questioning of the validity, the practicality of this Youth Conservation Corps or Job Corps or whatever you choose to call it, and substituting something such as you have suggested in your statement.

Mayor WALSH. I didn't hear his remarks, Mr. Congressman.

Mr. BELL. I asked him whether it would not be better to have something like the Urban Conservation Corps locally controlled. He, as I recall, indicated that there was some merit to it but he still thought there was merit to having a Conservation Corps throughout the Nation. I didn't get a chance to question him further from there. I note, further, that you left out title III in your mentioning of it.

I assume that is because you are a mayor of Syracuse and not involved in the farm programs and projects and that is the reason.

Mayor WALSH. I didn't really feel competent to discuss rural programs. Ours is a metropolitan area. Although as welfare commissioner my duties took me in all of the 19 towns outside of Onondaga County, I didn't feel that I knew enough about the rural problems to really comment on them.

Mr. BELL. You have no opinion other than that, is that it?

Mayor WALSH. That is right, sir.

Mr. BELL. On the Conservation Corps, as you referred to it, specifically what kind of program would you set up? Would you have primarily park work, these people living at home, and you would give them a job in parks, at least part of the time, and the other part of the time you would be training them in either vocational education type of effort or manpower development and retraining type of effort.

Mayor WALSH. This is what we would do. We have, for instance, North High School. We have just completed a new high school. North High School will be vacated this June. We would move in and set up a work-and-earn program and school program utilizing North High School as the base probably because it would be the one that is readily available. We would train the boys and girls in different programs. I am concerned about our parks. Our total capital program of \$9 million this year, we have only allocated about \$30,000 to parks and we need much more than this. This is not operating, this is for capital improvements. We could do a lot. We could do much more in our parks. We want to plant a thousand trees a year in Syracuse. We have a Dutch elm problem up there. We could step up this thousand trees a year to three or four thousand trees a year. The tree trimming program, again to control the Dutch elm disease.

In the recreation field we have hired young men, some of them college basketball players, who worked for the city during the summer. We could have these young men who are coming, who are highly respected in the community, work with them in the recreation program. We want to bring tot lots around the community where smaller children can play. Land is expensive in the city and you can't buy a big area and make a new park, but in the depressed areas, in the crowded areas, we would like to set up these little lots and we are doing that. Where we take down some slum housing we try to create a tot lot, for instance.

Then we create other lots, we make basketball courts. Basketball is a very popular game up our way. We put in a basketball court. We could use them in our public works department. We could teach them how to wash trucks, we would not be replacing the city workers. In our area if you wait 5 minutes the weather changes, and washing a truck is a problem. We wash them now maybe two or three times a week.

We could use them to wash trucks every day. This is still teaching them and it is still giving them work habits even though it is washing a truck. My own son is washing trucks on Saturdays. These are some of the things that we can do.

Mr. BELL. Mayor, getting back to the program of the Youth Corps, don't you visualize, also, a problem in the Youth Corps as pictured in the bill? Although it is voluntary to join this Job Corps, if they are close to delinquency or anything of the kind, you would have to be taking people who would want to go, and in doing so might you not be robbing some people who might be able to handle vocational education or other type of training, manpower development and retraining, or you might in truth be taking kids that possibly could be encouraged to continue school? Isn't this a likely possibility?

Mayor WALSH. I am not in favor of this camp idea at all if it is taking him out of the city. I want him kept in the city.

Mr. BELL. For the reasons that you mentioned?

Mayor WALSH. Yes.

Mr. BELL. I just mentioned this as an added reason.

Mayor WALSH. This could be possible, I suppose. I had not given much thought to it. Again, if we used them in the Urban Conservation Corps, if we teach them good work habits, if we teach them good study habits I think we would stimulate them to go on to a good school.

Mr. BELL. Either to a vocational school or learning a trade?

Mayor WALSH. Yes.

Mr. BELL. You would possibly be arranging for them to take that training while they were in this program?

Mayor WALSH. Yes.

Mr. BELL. Again, I want to thank you for your statement and to say that I regret I wasn't here earlier, but I had to be on the floor until the House adjourned today. I had a duty there.

Mrs. GREEN. Would the gentleman yield for one question?

Mr. BELL. Yes.

Mrs. GREEN. The gentleman from New Jersey did not raise this when he was here, but to other mayors he has raised the question: What do you think of bypassing the community, the city, in granting funds under title II?

Title II was patterned after the juvenile delinquency control programs and my memory was that we didn't bypass the city or town. Can you show me any part of this bill where we are bypassing the city? It seems to me that the funds are to be given directly to the city.

The gentleman from New Jersey, as I understood him, wants every mayor to say he is opposed to the bill because we are going to bypass the city.

If I can read the bill, this is not what the bill says at all.

Mayor WALSH. My point is that we want the money to come to the city and if we didn't have local control we didn't want the money.

Mrs. GREEN. Under the bill it does go to the city and you do have control.

Mayor WALSH. Yes. This is my understanding, that the money would come directly to the city. It would bypass the State, however.

Mrs. GREEN. Yes.

The only thing is that the Governor would be asked to make some comments on it. Under the juvenile delinquency program the money does go to the city directly, directly to the local community.

Mayor WALSH. I don't think we were in disagreement over this. I think he understood that it would go directly to the city.

I think that is what he wanted.

I again made the statement that I would not want the funds unless we had some local control over it.

Mrs. GREEN. Has the gentleman from Minnesota had a chance to question the witness?

Mr. QUIE. No; I have not. I would like to ask a few questions.

I am sorry I came in late, too, Mayor Walsh. I have had a chance to read your statement, however, since I have been here and I think it is excellent. I would just like to make a couple of inquiries because the hour is late.

In line with the questioning of the gentlelady from Oregon, do you think there ought to be any State relation in title II that is not provided in the bill right now?

Mayor WALSH. My own inclination is that the money should come directly to the locality and not go through the State.

Mr. QUIE. Do you think that the Federal agency ought to make the decision which locality receives the money rather than anybody making that decision on the part of the State?

Mayor WALSH. I am not sure that I understand that question, sir.

Mr. QUIE. In some Federal programs a State agency sets the priorities as to which communities shall receive money.

Do you think there is any necessity of that in the State or do you think that each community ought to go to the Federal Government?

Mayor WALSH. I think each community should go to the Federal Government, just the way we did on this Juvenile Delinquency Act, and establish a program. Then the Federal Government decides which are more worth while.

Mr. QUIE. The juvenile delinquency program was done on sort of a pilot basis, to do some studies in different parts of the country and to distribute it around the country in order that the other communities who had the juvenile delinquency problem as well could study the program in the cities and could benefit thereby. I don't look on this as a pilot program but rather one for the Federal Government to participate in the community's problems of poverty and correcting those problems.

So that is why I was wondering if the State should be not involved in some way.

Take Hill-Burton, your public health department makes decisions on which communities need the money the most. It sets up a priority schedule. That is the way the higher education bill is going to be administered. The vocational education program is going to be administered through the State board of education. I may be wrong on this, but I always had the feeling that programs that were inaugurated to be on-going, to continue for some time on a pilot basis, the State did share a portion of the responsibility.

Mayor WALSH. The problem when get the State in, Mr. Congressman, is that you again get too much control. If you get State control or if you get Federal control there isn't much left for the locality to decide. Most of the decisions have been made for them. I think that we at the local level are mature, responsible adults and we are capable of making decisions for ourselves.

Mr. QUIE. Would you expect—and I gather from your statement that this would be true and you may contradict it if it is not—that with the help of the Federal Government to get these programs into operation that eventually you would want to finance them 100 percent yourself if they proved to be successful?

Mayor WALSH. This is what we would hope. Through your urban renewal we are attempting to build up our tax structure to the point that we will be able to take over these programs and finance them. I would hope that the sooner the locality gets into it the better off we would all be.

Mr. QUIE. On a different subject, you criticized section 102 because it removes the young man from direct family community association.

Now we have always had the philosophy in this country that the family is a very important unit and the strength of the community which sets social morals, which keep people in line and build them up, and we see this breaking down. I agree with you in your statement that this needs to be done and any help that we could give to the community and to the family I think would be worth while. However, I have been engaged in conversation with a number of people who have been studying this who feel very strongly that we no longer can depend on the family especially the family of children in the center of the city, the ghettos that I am talking about, who cease to have an influence on the child after 6 years of age and some of 3 years of age. I would gather that some of the proponents of this legislation think that it is important that we get the child out of the family and out of the city for a period of time. The mayor of New York, Mayor Wagner, indicated the problem they have where they do this with certain individuals, that it is quite a task to adjust them back to their community again afterward. I just gather from this conversation that it can be a difficult thing to take them out in the first place.

Do you think there are some individuals where there is no possibility of assisting the family and community and we must be thinking of taking them out?

MAYOR WALSH. Let me put it this way: If you do have to substitute for a family situation for a mother and a father, you have to substitute a mother and a father. This is the only way that I know of unless you want to institutionalize every child. I think any type of family situation, any good family situation, even if it is a foster home, it is much preferable to institutional care. I don't think this will be any substitute for family life. I certainly hope not. We have to find ways of building up family life in this country. The problems that we are faced with today are the problems of the breakdown of family life and when you take a look at your delinquency records and your dependency records you will find that these people are there simply because one of the contributing causes is a breakdown of family life. And unless this program can find ways of strengthening family life I don't think the program is worth while. I think this should be one of the greatest points of this total program on poverty and that is that it should be directed to find ways of strengthening family life in this country so that we can develop a more cohesive family unit than we now have.

If you substitute anything for a family you have to substitute a family. I don't think you can substitute institutional care at all. You certainly can't substitute a Job Corps for it.

MR. QUIE. Some individuals are so emotionally disturbed, or perhaps we might say morally deprived, that they may have to be institutionalized.

MAYOR WALSH. That is right.

MR. QUIE. We are not talking about that individual?

MAYOR WALSH. No. And there are families—the family that I mentioned a little earlier, there is no family unit there, it is gone. So that the only thing you can do with this family is to institutionalize the children. This is expensive.

MR. QUIE. Now we are talking about young men from 16 to 21 years of age. The younger the person the more important the family is.

For a 16-year-old it certainly would be true. Perhaps from 16 to 21 it would not be as true. Then is it not more important that the community build an acceptance of this individual, a place for the individual and his job and civic affairs and such?

MAYOR WALSH. This is one part of the bill that worries me a little bit, this concern with the group up to 21. We find that there are any number of families where the father is over 21 who is in this poverty class. I don't think we should—the thinking of the committee should—be limited to just taking care of this group up to 21. You have to in your other programs consider persons over the age of 21 and try to retrain them. Hopefully some of the retraining programs that are available under other legislation would take care of these but we are finding a lot of the younger men, say, in the 30-year-age group, from 25 to 35, who are in this poverty-stricken class who are on welfare.

MR. QUIE. Do you find in your urban renewal program and your construction of low-income housing that it takes a while to develop a sense of community in the area?

MAYOR WALSH. By sense of community you mean a cohesiveness?

MR. QUIE. Cohesiveness and the people developing a sense of responsibility toward the area, their environment around them.

MAYOR WALSH. Yes; I think this is true. Again it depends on what you term community. I think many times we are overly concerned about the looks of an area rather than the cohesiveness of an area. As people are being displaced and move into new areas I think that what we are trying to do now through our urban renewal program, we have what we call a community organization specialist who is working with groups in the community trying to get them to take an interest in their particular community and it seems to be working. We are getting some good results with this, where people are trying to build up a community feeling for the neighborhood.

MR. QUIE. I think that is all the time I will take, Madam Chairman. I thank Mayor Walsh for his excellent statement again.

MR. GREEN. One of my concerns about this program is that we really don't do anything until the youngster is about 16 years old. May I ask you, as a person trained in sociology, isn't this pretty late for a child who comes from a multiple problem family?

MAYOR WALSH. I think you are right.

MRS. GREEN. What about residential schools for children under that age who would benefit by a change in the environment?

MAYOR WALSH. I don't know the answer. I think I recall these statistics, don't hold them to me accurately, but a study done in 1957 in New York State showed that about 86 percent of the heads of public assistance families had never finished high school and about 72 percent of the heads of public assistance families never finished grammar school.

Now we are finding in our studies with the mayors' commission for youth that the dropout problem is beginning in the sixth, seventh, and eighth grades. These are down where the 11-, the 10-, and the 9-year-olds are. This is where your problem is starting, if ways could be found to make this group more concerned with school. What we are trying to do now, with certain projects in Syracuse, is trying to concentrate on keeping them in school at that age and, by trying to treat

the dropout at that level, we feel we can make a real impact on this problem so that again it is like discrimination. The earlier you can get them the better off they are going to be.

Mrs. GREEN. You say at 9 and 10, in the fifth or sixth grade. Doesn't a child make up his mind even earlier that he is not going to try and motivation is dulled?

Mayor WALSH. That is possible.

Mrs. GREEN. Why don't you lend your talents to some suggestions that will help us in this legislation to reach some youngsters before they are 16 when it may be too late to do anything with them?

Mayor WALSH. I would be happy to discuss it with you. I have alluded to discrimination before but I think that the best statement I can make along this line on poverty and discrimination is "at your mother's knee and other joints." I think you get this thing in the same way on dependency and discrimination.

They all tie in; you get it pretty early. I would be glad to talk with you about it but unfortunately I have a city to run and drawing up legislation is not in my field of competence.

Mrs. GREEN. I could argue that point.

We will adjourn until tomorrow morning, at 9 o'clock, when we will reconvene and hear a panel of businessmen: Virgil Martin, Thomas Nichols, and Ralph Besse, and also the Governor of Indiana; and Ed Bishop, head of the department of agricultural economics at the North Carolina State College.

Mr. QUIE. Madam Chairman, may I ask one further question?

Do you assist people in the city of Syracuse with birth-control information?

Mayor WALSH. No, sir.

Mr. QUIE. Does the planned parenthood operation operate in Syracuse?

Mayor WALSH. Yes, it does.

Mr. QUIE. Is this the one organization that provides that information, or are there other organizations that do?

Mayor WALSH. As far as I know, that is the only one. There are doctors, of course; surely.

Mr. QUIE. I mean providing the information free.

Mayor WALSH. Free, as far as I know. It is just planned parenthood.

Mr. QUIE. Is that financed out of community chest funds?

Mayor WALSH. No, sir; it is financed out of private subscription.

Mrs. GREEN. If there are no further questions we will adjourn now.

Mayor WALSH. May I present, while you are adjourning, my niece, who is a student at Catholic University here and who has sat patiently all through the testimony.

Mrs. GREEN. We are glad to welcome her.

Mayor WALSH. She is the oldest of eight children from Corpus Christi, Tex.

(Whereupon, at 6:30 p.m., the committee was recessed, to be reconvened 9 a.m. Thursday, April 16, 1964.)

ECONOMIC OPPORTUNITY ACT OF 1964

THURSDAY, APRIL 16, 1964

HOUSE OF REPRESENTATIVES,
AD HOC SUBCOMMITTEE ON THE WAR ON POVERTY PROGRAM
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The ad hoc subcommittee met at 9:20 a.m., pursuant to recess, in room 429, Cannon House Office Building, Hon. Phil M. Landrum presiding.

Present: Representatives Landrum, Green, Roosevelt, Thompson, Holland, Frelinghuysen, Griffin, Quie, Goodell, Bruce, and Martin.

Also present: Representatives Pucinski, Brademas, Hawkins, Gibbons, Gill, Brown, Bell, and Taft.

Staff members present: Dr. Deborah Wolfe, education chief; Leon Abramson, chief counsel for labor-management; Charles Radcliffe, minority counsel for education.

Mr. LANDRUM. I believe we will proceed. The committee will come to order.

We have as our first witnesses this morning a panel of distinguished leaders in the field of business, Mr. Virgil Martin, of Carson-Pirie-Scott Co.; Mr. Tom Nichols, of Olin Mathieson Co.; and Mr. Ralph Besse, of Cleveland Electric Illuminating Co.

Mr. Besse, you have a prepared statement. Since we are awaiting the arrival of other members, and I understand that your two associates will speak extemporaneously, I wonder if you could proceed with your written statement first in the hope that, when we get down to the oral extemporaneous statements, the others will be here. Is that agreeable to you?

Mr. BESSE. I will be glad to do that.

Mr. LANDRUM. You may proceed.

STATEMENT OF RALPH M. BESSE, PRESIDENT, THE CLEVELAND ELECTRIC ILLUMINATING CO.

Mr. BESSE. Thank you.

My name is Ralph M. Besse. I am president of the Cleveland Electric Illuminating Co. in Cleveland, Ohio. I am also president of the Cleveland Commission on Higher Education and vice president of the Educational Research Council of the Public Schools of Greater Cleveland.

The poverty problems of Greater Cleveland are essentially the same as those in most north-central industrial cities. I will not repeat them unless requested. The important consideration is to find a solution. After many years of involvement in many facets of this

problem in Cleveland, I have developed some personal convictions about the subject that I believe will be helpful in analyzing title II of the poverty bill, which is the only section, incidentally, of this bill that I have studied.

The elimination of urban poverty involves an unbelievably complex cluster of factors. The complexity magnifies the difficulty of solution. Any program designed to improve all factors at once is very apt to be too complex and comprehensive to manage. I believe, therefore, that basic programs should first be launched to make people afflicted with poverty economically self-supporting. This involves two groups of people—those in school and those who have finished or dropped out of school. The opportunity to do an effective job of poverty elimination is much greater for those still in school than for those out of school. Because I believe that the most effective programs in the entire poverty problem area are those that can be developed among the young, I will direct my remarks to this subject.

I am convinced that any solution to the problem of poverty, even for those now very young, must meet the following tests in order to be effective over the long term.

First, the program adopted must apply to the entire geographic area affected. Demonstration solutions in small areas are helpful as research but not lasting as cures.

Second, the program must be designed to continue indefinitely. The problem of poverty has been with us from the beginning of history. It is not apt to be fully solved in the next generation even in America. The machinery for its solution, therefore, should be structured to continue indefinitely.

Third, the program should be managed by a single authority with prime responsibility to get the job done over a long period of time. In other words, a mere coordinating agency would not be strong enough to do the job in spite of the fact that any plan will call for substantial coordination among many agencies.

Fourth, the program must be financed on a basis that permits more activity than has so far resulted from the combination of public and independent institutions working on the problem. There are many reasons why the present system of public and private activity has failed. Lack of money is not only one of such reasons, it is a controlling reason.

Fifth, the program must involve the families in the poverty area served. In Negro areas this will be, predominantly, mothers, without such involvement motivation for learning or change is too difficult and the institution in charge of the program cannot influence factors having a dominant impact on the people involved in the program.

Sixth, a program has the greatest chance for lasting effectiveness if it starts with children at the earliest age they can be made available for extra family institutional attention. The problem of retrieving dropouts or retraining adults to a level of economic self-sufficiency is infinitely greater than the problem of preventing new generations of children from joining the lost generations. The younger the child, the greater the chances of lasting program benefit.

Seventh, the program must cover more hours of the day, more days of the week, and more weeks of the year than are now covered by the combination of public and independent agencies. Without better time

coverage a fully adequate program cannot be provided and positive training is substantially offset by the negative influences of a poverty culture.

I believe that the only existing institution capable of meeting these tests is the public school system. It already has the major training responsibility in the poverty communities. It is organized to cover all the geographic areas involved, however defined. It is a permanent continuing institution in being with established staff and facilities. It is well accepted in the public mind. Its program can be authoritatively organized so that it does not have to depend on voluntary cooperation of other institutions for its effectiveness.

Without the help of something comparable to title II, however, a public school system is unlikely to do much more than it is now doing.

The basic reason for this conclusion is that the dollars will not be available from local tax sources to finance the kind of program needed. The poverty classes of cities are predominantly Negroes. White voters, however, predominate in the total population of most northern industrial cities. They think that their own schools and other public service agencies should be improved. As a matter of practical politics it is too much to expect that white voters will vote for the diversion of general tax funds to the special and expensive solutions of poverty area problems. When this is coupled with the well-known difficulty of getting levies approved for any purpose, even though the opposition voter shares in the benefits, it seems clear that only a massive national effort can solve the poverty problems dealt with in title II. Such effort should, of course, be directed at the special solutions needed and limited to the poverty areas. Local districts should not be permitted to pass on to the Federal Government their normal routine school costs.

In addition to finances, the school systems need an almost revolutionary approach to a program if it is to have any reasonable chance of success in reducing poverty. New objectives, new curriculum, new facilities, new teacher training, new family relationships, new coordination with other public and private agencies, new time coverage, new cultural involvement—in short, a whole new set of concepts must be adopted to make headway in eliminating poverty. Few school systems are apt to take these steps except as an incident to a major overall program supported by substantial outside financing. Yet, the situation clearly indicates that present methods are inadequate. In a comparable situation, a business institution would shake up its methods, research solutions, apply newly tested techniques—or it would die. A city and a nation should do no less to solve their biggest domestic problem.

Mr. LANDRUM. I believe the desired plan is to proceed with a statement from all three of you gentlemen before any discussion takes place.

We will ask Mr. Nichols, of the Olin Mathieson Co., to proceed.

STATEMENT OF THOMAS NICHOLS, CHAIRMAN, EXECUTIVE COMMITTEE, OLIN MATHIESON CO.

Mr. NICHOLS. Thank you.

I will identify myself as Thomas Nichols, chairman of the executive committee of the Olin Mathieson Co., also director of Fruehauf Corp. and other companies, and a life trustee of Johns Hopkins Uni-

versity. If further identification is required, I will be glad to go into that, but I would not want to bore you with details, so I will get on, if you please, sir.

The purpose of my appearance before you is to talk not about poverty but economic opportunity and the immediate need for an organization to provide it.

For opportunity, as I am sure you all appreciate, is the very breath of a free society. When opportunity threatens to be displaced by dark pockets of despair, a society is forewarned that it is past the summit of achievement and is headed down the steep slopes of decline. The United States passed through one nightmarish period when opportunity seemed beyond recapture for many million worthy Americans. It must never drift into another for failure to act decisively and in time.

Over 30 years ago, the entire Nation shivered under the impact of a major economic disaster. We have learned much since those oppressive days, but not enough. Happily, we have learned to stop arguing about who caused the great depression and to agree that the business community and government together must develop and maintain a cohesive unity of purpose that will put even the threat of a major economic collapse forever behind us. This state of mind I sincerely believe is bipartisan or unpartisan and is shared generally by the vast majority of our thinking citizens. This, I am sure you will agree, is as it should be. I hope and pray for some new maturity in our thinking. But I think the Nation has reached a new stage in her existence when we need to push this nonpartisan approach another firm step forward.

The concept of government and the business community as disaster crews is hopelessly obsolete. Neither government nor the business community ought to be viewed as a Red Cross task force speeding to the scene of each successive disaster area; rather, they should be partners joined in the prevention of disaster.

Our national economy, as we well know, suffers from several nagging conditions of unsettlement that disturbs us all. It is a familiar cataloging: depressed areas, people thrown out of work because of automation who require new training; dropouts from our schools who lack skills for proper placement; older people who have been outflanked by technological change and need the opportunity to retool; small business that can soon become source of employment if given the chance to move ahead; and many others.

Now, the mastery of all these problems is, as I have said, a bipartisan, not a partisan, concern. I believe and repeat that the business community is ready and willing to view it as such.

The bill before you for consideration, which I know I should not have to go into details on—you are as familiar with it or more familiar with it than I am—but the bill before you outlines a reasonable beginning, a project that brings into appropriate posture, in my humble opinion, these problems that beset us. It is a beginning step, an orderly attempt and, in my judgment, one that certainly warrants trial, but let me be frank: it can only succeed if the full resources of labor, business, and the agencies of Federal, State, and local government march side by side in support of it.

The advancement of economic opportunity is not going to be brought about by a massive transfusion of Federal funds. Nor can it be superimposed from the top through directors with some supreme authority designed to work miracles all over the trouble spots of this Republic. Opportunity, if it is not to become a snare and a delusion, must be generated by the time-tested traditional forces that have sustained this Nation from its inception: a strong belief in the individual and his mobility within our society. On this matter, there can be no doubt. We have an abundance of managerial talents and resources to make America a fortress of freedom. We have within our grasp the opportunity to banish blight and the brooding patches of despair that darken the lives of perhaps one-fifth of our fellow Americans. But we must act and act with resolute will. Why? Because it is morally right. It is our national destiny and there can be no compromise.

Ours is a robust, muscular economy. It is a society that is incorrigibly optimistic. We must keep it that way. Yet, we know that today America rides the eye of the hurricane in world affairs. The people of the world watch our every action, how we comport ourselves, how we handle our many diverse problems here at home. Today the world knows and applauds the fact that 35 percent of those over 18 in America go to college, twice that of any other nation. Yet, it must wonder, it must ponder, why a nation that performs such spectacular feats in bringing that opportunity to one segment of its population cannot organize and coordinate its efforts to open a new door of hope to millions of its citizens whose only hope, I am afraid, is a shore dimly seen. It has often been remarked by European service that in America everyone has a second chance and many times a third chance. This was once true. But increasingly, I am afraid this is no longer true for vast numbers of our people. We dare not tarry, pause, or postpone a concerted effort to restore opportunity for all.

In summation, I underscore a few points: Economic opportunity has receded badly for large groups of our citizens for reasons quite beyond their control. These conditions are becoming increasingly aggravated. No systematic attack with continuity has yet been devised to get on top of the situation.

Social unrest and unsettlement is steadily becoming more explosive in our great urban centers. The crime rate is rising and I am afraid will continue to do so unless we address ourselves consistently to the underlying causes.

Moreover, it is not only our cities where contracting economic opportunity has reached disquieting proportions, in many parts of the Nation small farmers cannot make ends meet. They should be given assistance, and assistance, in my humble opinion, again, as outlined in this bill.

Another unsettling problem of the rural area is the death of the small town. All over America small towns are deteriorating into ghost towns and their dwindling inhabitants are becoming almost faceless characters whose future is behind them. Happily we still work in the light. We can do something. But the world is watching and wondering if this bountifully blessed Nation has no longer the resources, the will, and the spirit to meet the supreme test to help all its people have an equal place at the starting line.

Opportunity has been the watchword of American progress for 175 years. It was the spirit that animated the system that the Founding Fathers bequeathed to us. Economic opportunity for all, if we are to reach dry, firm ground, will come only if we combine the powerful resources we have, private and public, National, State, and local, for one mighty coordinated effort.

So I say to you, our trustees, that the Office of Economic Opportunity, as proposed by President Johnson, should be established without delay.

Two points occurred to me as I was talking with some of my other trustees. Some reference has been made about Federal agencies getting into business, and so forth. Two points occurred to me which I think might be analogous. I am sure, and particularly sure that some of the other Congressmen with whom I discussed this will recall the Reconstruction Finance Corporation. Perhaps many present here were either the direct or indirect beneficiaries of its assistance—this temporary Federal agency in the national emergency to which I referred.

I am sure you also recall, as I do, as an Administrator of the National Production Authority, that during the Korean emergency it was essential to enact the Defense Production Act of 1950, pursuant to which the President could and did create an Office of Defense Mobilization to direct and coordinate the many facets of Government presumably responsible for the defense of our Nation in order to bring the full forces of our resources into solid unit under the direction of the most competent personnel it could enlist to attack the problem.

Thank you very much.

MR. PUCINSKI. Mr. Martin is from Chicago. We are pleased to have him here.

Mr. Martin is one of our most outstanding civic leaders. I think the committee is indeed privileged to have his views this morning on this very important subject. I just want to tell Mr. Martin that Mr. Bell and I have another committee meeting. If I have to leave anywhere during the testimony, it is because of a conflict.

MR. V. MARTIN. I understand.

MR. BELL. I understand that none of the gentlemen has submitted statements. Is that right?

MR. LANDRUM. Mr. Besse had a formal statement from which he read. Mr. Nichols spoke extemporaneously. Mr. Martin will likewise speak extemporaneously.

You may proceed, Mr. Martin.

STATEMENT OF VIRGIL MARTIN, PRESIDENT, CARSON-PIRIE-SCOTT CO., CHICAGO, ILL.

MR. V. MARTIN. Thank you very much.

My name is Virgil Martin, president of Carson-Pirie-Scott Co., in Chicago. We are essentially a retail and wholesale distribution company with approximately 8,500 employees situated in 4 Midwestern States, but headquartered in Chicago. About 3 years ago, I was the chairman of the Illinois Public Aid Commission, which was then a commission rather than a code department to which it has been changed now and, as such, was the nonpaid chairman of a citizens group which was in charge of the welfare activities within our State.

Our company, which was founded in Chicago in 1854, has always had the very real feeling that its officers, as well as its shareholders, must be concerned with the total welfare of the community because we cannot be prosperous unless the community or the State in which we are located is prosperous. Therefore, as has been indicated, it has been the tradition of our company for its officers to take a concern in those socioeconomic areas where we think, over the long pull, the interest of the total community, including the business community, are affected.

Mr. Besse has spoken generally about the responsibilities of education and I can simply say that I agree wholeheartedly with him, especially the area in which he indicates that it will be necessary for education to flex and to change to meet certain circumstances which exist in our contemporary society.

I am in hearty accord with what Mr. Nichols stated as to the desirability of the Office of Economic Development and the strength that can come from the coordination of all the factors involved, but I want to address myself particularly this morning to the fact that there are specific areas of immediate concern that should have the attention of such an office and I know have the attention of this committee.

In the city of Chicago, we have on the average 1,000 youngsters dropping out of school in their sophomore and junior years each month. This means that over the course of a year, there are roughly 10,000 of our high school students who do not finish their work. It has been conservatively estimated that, for the balance of this decade, in the United States there will be roughly 7½ million of these youngsters who will not complete their high school work. This can be a very substantial part of a work force, not only of a community, but of a country.

Now, probably one of my virtues in appearing here today is that I come from one of the last businesses that defies automation. It is simply impossible for any machine to replace a sales person behind a counter with a customer. It is impossible for a machine to handle the roughly 150,000 different items that we handle in most of our stores in any organized way. It takes the human hand, it takes the human mind. Yet, in an industry that has defied automation, except in certain of its accounting areas, we find ourselves, like all other industries, greatly handicapped in getting people who have fundamental skills in basic mathematics.

As the president of our company, I would dislike being placed on the floor to run what we call a classification cash register which rings up a simple sale for a spool of thread. This is a very complicated proposition and I am always amazed that we have anything less than college graduates who are able to do this because it still defies me. But the most important thing is that even in that simple job behind the notion counter today there is required a certain fundamental skill of reading, of writing, of understanding. In keeping simple stock records, it is important that we have the ability to read symbols and to understand where this particular merchandise moves. This all depends upon human knowledge.

We have been concerned for some time with the fact that approximately 10 times as many of the youngsters who come out of our census tracts in the city of Chicago, what we would call the poverty areas of

Chicago, that our rejections in those areas are 10 times the rate that they are in the normal middle-class and upper-class community. It very obviously stems from the very high incidence that we have in either lack of incentive to continue education or in the fact that they have ceased their education.

In 1961, when I talked to Dr. Willis, who was our superintendent of schools, about our annual trip to the high schools to enlist 50 or 60 of the best high school graduates to come in, in what we call a junior executive training program—we have both a college trainee program but we also have a high school training program—Dr. Willis said to me, sometimes it would be very helpful if business would take unto itself the same concern about employing his dropouts or the city's dropouts as we did in employing quality graduates.

Because of my work with the Public Aid Commission, I was very sensitive to this thing, and so we both went to the Ford Foundation and proposed to them that they set up an experiment which we dubbed, between the board of education, the Ford Foundation and ourselves, the "Double E" program, employment and education. This program was specifically designated to employ gainfully for 3 days a week youngsters who had dropped out of school. It was the basic requirement also that for 2 days a week they would be going to school. In other words, they had to go to school and they had to be employed. Therefore, it enabled us to put two youngsters on one job. In other words, one youngster would handle it for 3 days, the other youngster would handle it for 3 days. We did not create jobs but we used them on jobs that already existed and on which we had vacancies. As a matter of fact, our average daily vacancy in our employment office runs 150 to 160 people. These are jobs that we can fill. Most of them are simple jobs requiring basic skills.

The upshot of this was, the reason we approached the Ford Foundation was because the Chicago Board of Education did not have the extra money to segregate its teaching staff and to build a teaching staff which would necessarily have to develop a special curriculum for these youngsters, and the Ford Foundation money supplied to the board of education the money for teachers and for certain special supplies.

Our contribution to it was in proportion to this.

In addition to this, these youngsters were started at the regular minimum wage. They were reviewed every 3 months as is customary in our organization, and I will discuss the results of this in just a minute.

Some 3 years later, we had 25 companies cooperating in this program. I thought it might be interesting to this committee that in the last 2 or 3 years this particular kind of program, working with the dropout, through employment but insisting that education be an essential part of this total program, that Kansas City has such a program, was sponsored by the Hallmark people and the telephone people, that Cincinnati has just launched a program where a number of industrial and commercial firms have agreed to set aside 150 regular jobs for this kind of program, which really means that you will have 300 youngsters involved in it because one job in this kind of program really equals two jobs.

Just Monday of this week, we had one of the top personnel officers of Standard Oil of New Jersey from Newark spend 2 days in our store with our personnel department and they have geared 6 companies in the Newark area that will provide 100 jobs provided it is done on this education and employment basis.

This, of course, is pinpointing one very small facet of this total program which this committee is considering, but it seems to me it does demonstrate two or three things. It demonstrates that business and industry are quite as conscious of their responsibility with public agencies for this whole poverty program as any other segment of society; that business and industry do recognize the important part that education, continued education, will have to play in preventing these 7½ million people becoming regular payrollers in welfare departments.

Now, what are the results of this? Here is a bulletin that was just issued on March of 1964 by the special staff from the public schools in Chicago that have been working with us.

We start in Chicago now a class of 60 dropouts every 60 days. Companies absorb them. Normally, the course of employment and education runs roughly 40 weeks. Out of the 62 students who started in May of 1963, 7 months after they had completed their 40-month stint on the employment and education, 17 of the 62 were working full time with the employer who hired them through the program; 11 were working at full time at jobs that they found themselves in light of the work experience they had; 12 are attending regular high school; 4 are in specialized training, such as body and fender work, cosmetology, and so forth; 12 of the 62 have gone back to high school and have graduated from high school; 5 have entered the armed services; 6 were married. Out of the 62, 7 months after the class, there are only 9 who are still unemployed and only 1 of the 9 has been unemployed continuously since he left the program.

Now, my reason for wishing to testify this morning is that the financial cost of such a program as this is quite beyond the normal resources available to a local school board. The number of teachers that we have per student here is roughly half the number of teachers that are in the public schools, but these are socially and culturally deprived.

Incidentally, for the record, only 60 percent of all the people who have gone through this Double E are Negro; 40 percent are white. Interestingly enough, a large percentage of them do not come from poverty areas, not a large amount, about 10 percent, but they come from what we would call middle-class areas.

Now, to supplement—I think Mayor Daley was here yesterday—but to supplement what he said about the very orderly cooperation between the county welfare department and private industry and the schools in Chicago, I would simply like to say that this is another evidence that there is latent in the communities the willingness and some financial muscle to help do the job, but it is beyond the capacity of any school board or any community to do the total job. For example, in our supervisory help in our store, we have to, when we put in Double E students in a department, we have to roughly adjust that supervisor's load down by 10 percent because it takes that supervisor more time to give this person the assistance. But interestingly enough, out of all the people that we have had, we have only had involuntary separations of about five. But the desire for success has been a very real one.

The second point I would like to make, and I know that most of you who are familiar with Chicago are familiar with our O'Hare International Airport—this is a very extensive operation. It handles about 12 percent of all the inbound-outbound air passenger traffic in America. Our company, through a subsidiary, runs the food and beverage service at O'Hare National Airport. This was an entirely new business. We had to build a workforce of 700. We needed a skilled cadre of about 70 people, meatcutters, saladmakers, bakers, waiters; we needed a real professional cadre of 70 people.

For 1 year—for 1 year—in the Chicago area and throughout the Middle West, we attempted to enlist this cadre. Without robbing anyone or taking these people away from already gainfully employed jobs, we came up with one. We finally had, with the permission of the State labor department, to go to West Germany, Italy, and Switzerland, to pick up 35 of the 70. These 35 were brought into the United States a year ago to take jobs with beginning salaries of \$5,000 plus meals up to \$18,000 plus meals.

Since that time, the school board has put in at some considerable expense to themselves a training program for people in service industries. But in order to do this, they had to sacrifice other areas of education. Today, because the school board has done this, we have not had to replace any of these people from the outside but we now have Puerto Ricans, whites, and Negroes, all coming up in a training program with the result that in conjunction with the board of education, we right now have on this group enough trainees, many of them who are still in high school, some of whom dropped out of high school but have returned to do this, we now have enough trainees so that our basic skill requirements can be fulfilled, but it was only through the co-operation of the board of education and ourselves.

Again I wish to emphasize, the board of education had to sacrifice something else in order to do this.

I know the committee is very conscious of the fact that business and governmental statistics would indicate that the service industries are the growing industries. These are industries fortunately that can use the less skilled people. But I also want to submit, as has been pointed out by Mr. Besse, that unless they have the basic skill which good, early training will give them and the proper family and neighborhood incentive, it will be very difficult for them to fill even the minimal jobs in these service industries. As a country, certainly we have to begin to dignify and distinguish those people who do the personal service for all of us just as has been done in Europe for many years, because it is difficult for them to believe that socially this is an honorable position. This is quite apart from the consideration of this committee, but it certainly goes through the kind of training and the kind of incentives that are given the youngsters who are sent into this area.

That is all I have to say, Mr. Chairman, thank you.

Mr. LANDRUM. Thank you, gentlemen, for three of the most eloquent statements, in support of a movement to rid ourselves of a very shocking problem, it has been my privilege to hear among all the eloquent statements we have had in support of this legislation.

I wish to state for the committee and for myself as an individual member of the committee and of the Congress, our genuine gratitude

for your taking the time to come and present these very practical views and observations.

I wish that it were possible, under the Rules of the House of Representatives, to present you three gentlemen to the entire House of Representatives at a time when we may have this legislation under debate. I am sure that the performance there, such as you have given here this morning, would demonstrate to the entire House, as it has demonstrated to us, that the leaders in the business community are not only thoroughly aware of the problems which exist but are giving serious thought to the means and methods by which we must rid ourselves of this disease.

I think it would be unfair to these three gentlemen to say that we want to subject you to interrogation in the nature of cross-examination. The thoroughness with which each of you has presented your views on the problem simply eliminates any necessity for cross-examination, and, insofar as I am concerned, disarms me with respect to any questions which I might want to bring up.

I believe the three statements, or at least the ultimate goal of the three statements, could be summed up in what Mr. Besse brought out in the last paragraph when he said:

Few school systems are apt to take these steps except as an incident to a major overall program supported by substantial outside financing. Yet, the situation clearly indicates that present methods are inadequate.

There is a sobering suggestion, statement, that unless we as trustees, as Mr. Nichols labels us, and I am proud to be labeled as one, unless we as trustees give the same study and thought to these, similar study and thought to these problems that you gentlemen have and shake up our methods, try to provide new techniques toward a solution, that we may allow not only a business to die but we could very well allow a society to die in later years. For me, personally, I want to thank you.

I recognize Mrs. Green.

Mrs. GREEN. Thank you, Mr. Chairman.

I join the chairman in expressing an attitude of great encouragement that three such outstanding business leaders have come before the committee and presented arguments for replacing poverty, or at least making an earnest attempt to replace poverty, with economic opportunity and to hear business leaders give all of the reasons why the war on poverty is a good investment from a business standpoint as well as from a social standpoint. I do not mean to be partisan or critical, but I am curious as to whether any one, or all three, of you gentlemen are members of the chamber of commerce or the National Association of Manufacturers?

Mr. NICHOLS. Not as an individual now. I have been associated with it. My associates are.

Mr. V. MARTIN. I am a director of the Chicago Association of Commerce and Industry, and it is a member of the U.S. Chamber of Commerce.

Mr. BESSE. I am a member of the Cleveland Chamber of Commerce.

Mrs. GREEN. We have heard the opposition of this organization. Why is it that such progressive leadership as reflected in your statement, is not reflected in the attitude or testimony of these organizations which represent the businessmen of the community or throughout the Nation?

Mr. V. MARTIN. This is as much of a mystery as the whole source of poverty.

Mr. NICHOLS. I think that is a good question, and it is something I am sure a number of people with whom I am associated in industry would like to have a private talk with the heads of the NAM and others at an appropriate time.

Mrs. GREEN. Does that appropriate time ever present itself?

Mr. NICHOLS. I think we had better make it so.

Mrs. GREEN. Have you gentlemen read the statement of the Chamber of Commerce which was presented to the committee?

Mr. V. MARTIN. I have not seen it.

Mr. BESSE. No.

Mrs. GREEN. I wonder if it would not be constructive for you and other business leaders to read it and perhaps get others to state that it does not necessarily represent your viewpoint?

Mr. V. MARTIN. I don't know whether Mayor Daley referred to this yesterday when he was here, but I think he probably did: The Chicago Association of Commerce and Industry, which is the chamber of commerce in Chicago, and it covers not just Chicago but what we call the SMA, the Standard Metropolitan Area, that the Chicago Association of Commerce and Industry as a body, with its individual members, has been very active in this whole job retraining program and has taken a very positive step, many positive steps to participate.

I think it must be understood that the U.S. Chamber of Commerce, we belong to that as an individual company. We belong to the Chicago Association of Commerce as an individual company. I think our local chamber also belongs to the national chamber, but I think it would be almost impossible to get a poll or a sense of business leadership. I know, as a member of the U.S. Chamber of Commerce, I was not asked what statement they should make. This I know; but I have not seen the statement.

Mr. BESSE. May I speak to your question, Mrs. Green?

Mrs. GREEN. Yes.

Mr. BESSE. I think that businessmen, as a whole, become successful because they have a well-developed talent in the particular business to which they apply it. This does not necessarily make them generalists in the affairs of the community or the affairs of the Nation. Most of them have not been trained as generalists. Therefore, to get the interest of a businessman, there has to be a communication to him in depth of the problem involved. By and large, where this has been done with businessmen they step aside from their speciality and acquire the general information that is needed to work on such problems.

It is a difficult thing to communicate to anyone as busy as a businessman because everybody everywhere is trying to do this and he already has a full-time job. Yet, in my community, and based on the comments that have been made by the gentlemen on either side of me and their communities, where a businessman does become involved in these things, he makes a great community contribution. For example, the United Appeal Funds that are solicited in many cities. Long ago the basic welfare needs of community institutions were presented to businessmen. Businessmen give great leadership to this movement. Without them, I am confident it would have failed everywhere.

The same is true with special projects, two or three of which Mr. Martin outlined.

I cannot speak for any chamber of commerce, but for businessmen generally I think the big problem is really to communicate to them what the situation is. I do not believe, for example, that the businessmen of the city of Cleveland really understand the problems of the school system of the city of Cleveland. Nobody has been able to catch their ear. When they do understand it, I think they will do something about it.

Mrs. GREEN. The chamber's statement was that we must delay, we must not take any action now. We must study and analyze. All three of you have pointed out the urgency of the problem rather than the advisability of delay.

Mr. LANDRUM. The gentleman from Michigan.

Mr. GRIFFIN. I regret that I did not have the opportunity to hear the statements of all three of you gentlemen. I wonder if you have all read the bill. I assume you have. Do you believe in a government of laws or a government of men? Does anybody want to take that one and relate it to this bill?

This bill sets up practically no standards or criteria. You refer to title II, for example, as being one which you favor. Title II says the Director is authorized to make grants to, or contract with, community action organizations, or, if he deems it necessary to effectuate the purposes of the act, other appropriate public agencies or private nonprofit organizations, to pay part or all of the cost of development of community action programs.

Do you have any real idea what is going to happen under title II by reading the bill?

Mr. BESSE. Yes; I have.

Mr. GRIFFIN. You read the bill and you know what is going to happen? I would like to know myself because I cannot tell from reading the bill.

Mr. BESSE. I don't know what specifically will happen. I do know that there are many ongoing local agencies—In my testimony I stressed the school boards—that are concerned with these same problems. As I read the bill, I thought it was reasonably clear that the basic objective of the bill was to coordinate these to attempt to solve some of the things that we now know how to do but are not being done.

Mr. GRIFFIN. Would you like to have business regulated with legislation as clear as this legislation?

Mr. BESSE. I don't like to have business regulated by regulation at all, sir.

Mr. GRIFFIN. I am sure that is probably true. But if you are going to be regulated, you would like to know what is going to happen, wouldn't you?

Mr. BESSE. Business is an authoritative organization with a boss at the top and an authority structure. But public affairs in general in a democracy cannot be regulated that way. So, we have to have more coordination.

Mr. V. MARTIN. I would like to take that on for just a minute from the standpoint of principle. I am the president of a company with a great number of shareholders. We have elected by those shareholders a board of directors and that board of directors hires me to

run the business. I am the man; within our legal charter, there are certain restrictions as to what as president I can do and what the board of directors can do. Sometimes our shareholders seem to think that the board of directors and the president might deviate somewhat from what the charter or what they have said we can do. At that time they have a right to express their opinion and, believe me, they unequivocally do.

It seems to me you have to have a government both of laws and of men but that the primary consideration of responsibility has to be upon the man who operates within the framework of the laws.

Let me be specific. We presently are building a very large central city redevelopment downstate. This involves many millions of dollars. This was discussed in general with our shareholders and it was approved by them. It has been discussed specifically with our board of directors and it has been approved by them. But the basic administration within the framework which has been set up by our board has to be operated by Martin, and I have to be responsible.

Now, there are rules and there are laws. But regardless of the laws or rules that are laid down by government or by business, it still depends on the quality of the administration that you have to run those.

So I say, in answer to you, on a principle you have to have both government within business and within public affairs, by laws and also by men. I believe in both.

Mr. GRIFFIN. You are satisfied that this bill lays down sufficient guidelines and criteria so that we will have government by law, as well as of men, under this bill, I take it?

Mr. V. MARTIN. I would assume you would be the same as our own board of directors, that if there is not specific detail in here that later has to be developed and spelled out, that this would be done. This is done with me as a business executive every month of the year. Where we have broad rules—

Mr. GRIFFIN. We have had a lot of witnesses who come in and say they are against poverty, that they are for the principles of the bill but then say, in effect, "I do not want to be concerned about the language and the detail of the bill; that is up to you." I do not think that is quite meeting the responsibility of testifying on a piece of legislation because—

Mr. V. MARTIN. I would simply like to comment on that. When you come into our store to buy something, I don't expect you know how to write the order or ring up the cash register. I am going to sell it to you. I am not a specialist in government; you are. This is good because there has to be specialist in government, there have to be specialists in business. All I will say to you is that the country needs to buy an antipoverty program.

Mr. GRIFFIN. If we pass this bill just the way it is, that is fine with you?

Mr. V. MARTIN. You are asking me a question on specifics just as if I would ask you now, do you want me to write this order and place it with Hart, Schaffner & Marx, or Kuppenheimer's. I can't ask you that. Nor can you ask me if I am satisfied with this bill. I am not a lawmaker. I am satisfied with the general purpose of the bill. I have read this through rather thoroughly. I am bewildered by cer-

tain of your legalese in your government as I am sure you would be bewildered by the legalese in the merchandising business. I would expect that you gentlemen, who, again as Mr. Nichols said, are trustees for this, have competent staff that you will write in here the same sort of guarantees to protect the citizens as I hope as a businessman our buyers and our merchandise people write in their orders when they specify.

Mr. GRIFFIN. But if we do not, we ought to pass it anyway?

Mr. LANDRUM. The time of the gentleman has expired.

Mr. MARTIN. I ask unanimous consent.

Mr. LANDRUM. The time of the gentleman has expired. Mr. Martin, I do not desire to be rude.

The gentleman from California.

Mr. ROOSEVELT. Mr. Martin, what you have said is the clearest exposition of one of the problems which I assume my good friend does not quite understand. I feel that we have asked you to come up here to tell us from your experience whether you think there is a problem and, if there is a problem, whether the general aim of the bill is going to accomplish something in this area. I thoroughly agree with you. In previous testimony we have discussed with experts from the Government the details of administration. If we are not capable of working that out, then we are not doing our job. I do not say we are perfect. We may miss the point. As you have said, if we miss it, undoubtedly, we will have to come back and rectify it. We do that almost every year with different kinds of legislation.

I have read the statement of the president of the Cleveland Electric Illuminating Co. with interest. I think it goes in the right direction. I want to congratulate you and tell you that I have thoroughly enjoyed your testimony.

Mr. LANDRUM. Mr. Goodell.

Mr. GOODELL. I yield to Mr. Griffin.

Mr. LANDRUM. Mr. Goodell is recognized for 5 minutes. He yields to Mr. Griffin.

Mr. GRIFFIN. Gentlemen, I wonder if we can consider, for a moment, the question of State responsibility and the Federal-State concept of government. If you have read this bill—and I assume you have—you are aware that the State role in this field under this bill is completely bypassed except in one situation which has to do with the Domestic Peace Corps. By endorsing this bill, as it is presented, do you approve of the elimination of State responsibility as this bill seems to do? Do you want the Federal Government to take over this particular responsibility completely and work directly with the local government and not through the State government, as has been the situation in the past?

Would you like to address yourselves to that general concept of government?

Mr. BESSE. Yes. My statement was directed to title II and the possibility of what might be done through school systems. School systems in our State, at least, while they have some State regulation, are essentially local-action programs. The welfare agencies and other community agencies that might be involved in this are also local agencies.

Mr. GRIFFIN. Do you feel that any Federal aid should go directly from the Government in Washington to the local school district?

Mr. BESSE. Yes. I know of no State organization that—

Mr. GRIFFIN. You realize that this is a new concept, it departs from everything we have known under constitutional government in the past, in the sense that education has always been a State responsibility, and, in the past, when we have had Federal aid suggestions, they have generally been with the idea that they would be administered through the State and with partial financing by the State. There may be a program here or there which deviated from that statement, but that has been the general pattern. This, of course, ignores the historical pattern, and that is the trend which you want to advance?

Mr. BESSE. We have an action in Cleveland right now with Federal aid that did not come through the State. It is called community action for youth.

Mr. GRIFFIN. You approve of this?

Mr. BESSE. It is one of the things that is being demonstrated that supports my belief that if we had extra funds, and we have been unable to raise them locally, we could do a substantially improved job.

Mrs. GREEN. Will you yield?

Mr. GRIFFIN. Yes; I yield.

Mrs. GREEN. The whole "impacted" school aid program is based on the Federal funds going specifically to the local school district.

Mr. GRIFFIN. This is a question of whether we want to accelerate this trend or not.

Mr. ROOSEVELT. I think it is important to point out that in yesterday's testimony, the author of the bill agreed with several of the mayors that we would adopt an amendment that would say that wherever there was an existing local organization, as there is in some cities and in some States, that any program would have to come from them to the Federal administrator before it could be approved.

Mr. GRIFFIN. I am concerned about the State's role.

Mr. V. MARTIN. Could I make a comment on this? I would just like to simply comment on this. I certainly believe in the importance of State government. I also want to point out that I was born in a rural community downstate; was educated downstate in Illinois; and came to Chicago for my graduate work and then into business. So, in that I know both sides of the State, I think that one of the startling developments in our whole governmental process here has been the consolidation of populations and economic and industrial power in a given area. For example, in the county of Cook we have roughly as many people as there are downstate. In the Chicago area, we have over 6 million people in a 5- or 6-county area.

Now, I have worked with our State legislature and I have great respect for them as individuals, but, I understand, being a farm boy myself, exactly the attitude that downstate legislators have many times about giving to Cook County and the Chicago area what is a reasonable amount of funds or reasonable leeway in which to handle precise funds. For example, the county in which I was born and grew up as a farm boy—there are about 90,000 people there—89,900 of them are white. In the Chicago area, Cook County, we have roughly 25 percent; we will say, of our total population nonwhite, and here is where this terrific concentration of poverty is located.

In the counties surrounding Cook there is not this complication—Will, McHenry, you name them. I think the one virtue of the thing you are talking about which I do not believe violates State's rights but I think it approaches problems where problems exist basically because it is impossible for my sister and brother-in-law, who still live on the family farm, to understand Chicago's problems where we have 750,000 to 800,000 nonwhite, many of them recently have come in, while in the county they have only 100 nonwhites and these people have been well employed and longtime residents of the county.

Now this, I think, is one of the great revolutions of our day, the terrific shift of total problems and concentrating them in areas such as Cook County; such as, New York City, Cleveland, and whatnot. I think this does, in some way, indicate the reason why there should be direct work with communities where there is a real serious poverty problem.

Mr. GRIFFIN. I would like to make one comment, and it comes from someone considerably younger than you gentlemen. You are, in effect, telling us that the local community many times will not vote taxes, and will not put itself in debt to do such-and-such, that you are dissatisfied with the way the State operates. Therefore, you are saying that our system of government and the way it is set up is frustrating and you are ready to throw it overboard and run to Washington.

I want to caution you that everyone in Washington is not an expert or genius, by any means. All I have to do is point to the way we have "solved" the farm problem, and remind you that that is the way centralized government sometimes works. If that is the direction you want, all right. I hope you realize that is the way you are pushing the country.

Mr. V. MARTIN. Could I respectfully submit that you made this statement as to what I said? I didn't think I quite said that.

Mr. GRIFFIN. I think that is inherent in what you have said.

Mr. V. MARTIN. No; I don't think so.

Mrs. GREEN (presiding). The time of the gentleman has expired. The gentleman from Florida.

Mr. GIBBONS. I would like to compliment you gentlemen for taking the time and effort to come here and prepare your statements. I have listened to all three of you from the very beginning. I think you show a great deal of insight and knowledge in what are the practical problems of a businessman. I associate myself with you. I spent 17 years in practicing law with businessmen. I think you have a fine understanding of what a businessman's responsibilities are in this field. I am glad to hear you talk about such things as State responsibility, I spent 10 years in the State legislature and I know the problems they have there, and the way you pointed them out is exactly the way they happen. The States have plenty of responsibilities that they are unable to handle, unwilling to handle, and do not have the resources to handle. The problem is too large and complex for them because of the artificial restriction of State lines and State boundaries that really make very little sense when you get down to a practical basis. So I think that you enlightened businessmen have pointed out what is the Federal responsibility.

We cannot solve this problem of poverty just on a mere sectional basis. We must solve it on a national basis.

As the mayor of New York said yesterday, in effect, he could not solve poverty in New York, as rich as New York was, because the more he solved it the more people flooded into New York to get better jobs.

We have to solve this on a nationwide basis.

I commend and compliment you for the fine job you have done.

Mrs. GREEN. Does the gentleman from New Jersey wish to ask questions?

Mr. FRELINGHUYSEN. I should like to very much. I should like to apologize to the panel. It so happens I had a doctor's appointment. I made it on the assumption we would not begin until 10. I regret that I have missed this discussion. I, like the gentleman from Michigan, am very much interested in doing what we can to encourage as much responsibility on the part of State and local government as is feasible. I do not want to see the individual community turning to the Federal trough unless there is no alternative.

How do you feel about the advisability of a Federal program trying to encourage a greater degree of participation on the part of the State and local government? I do not suppose any of you gentlemen are opposed to that as a general proposition; are you?

Mr. BESSE. No.

Mr. ROOSEVELT. Are you against sin?

Mr. FRELINGHUYSEN. I am going to ask you—you did not have to talk among yourselves—I am going to ask about matching funds, by which, in the past, we have specifically tried to encourage this sense of responsibility and participation. In your opinion, is that an old-fashioned theory that should be discarded?

Mr. V. MARTIN. I don't think we would be in the field of entrepreneurial effort if we felt this way, which, essentially, business is, if we felt this way.

Mr. FRELINGHUYSEN. Does that mean you are in favor of a requirement for matching on the part of local and State communities in order to receive Federal funds?

Mr. V. MARTIN. I thought you said you were not talking about matching funds.

Mr. FRELINGHUYSEN. I am talking about matching funds as one of the tested ways in which, in the past at least, we have tried to encourage a sense of participation and responsibility on the part of local and State government.

Mr. V. MARTIN. I will answer as an individual. I cannot answer for the others.

So far as I am concerned, I am completely accustomed to the theory of matching funds, and think there is substantial virtue in it.

Mr. FRELINGHUYSEN. Do you think the bill would be improved if we should step up the matching requirement so that, instead of 90 percent of the money coming from the Federal Government, something more than 10 percent would come from local and State governments?

Mr. V. MARTIN. I think whether you talk about 10, 20, 30 percent is irrelevant. I think you are talking essentially about, and again I want to go back to this residential revolution that I talked about earlier, Congressman, I think you are talking essentially about a problem that many of the communities have inherited from a na-

tional situation and not necessarily generated locally. I agree with the theory of matching funds. The amount I could not intelligently discuss because I don't know what it should be.

Mr. FRELINGHUYSEN. I do not know what local problems you feel have been inherited from the national situation, Mr. Martin.

Mr. V. MARTIN. I think the tremendous mobility of population that we are talking about, the tremendous mobility of population in the northern cities.

Mr. FRELINGHUYSEN. But the Federal Government is not responsible for the mobility of the population.

Mr. V. MARTIN. I did not say this. I said it is a national problem and not a local problem. I did not say the Federal Government was the cause of national problems. I said that there is a national problem. This is different than Federal.

Mr. FRELINGHUYSEN. You may have already answer this already, gentlemen, but do you feel that a State should not participate in the determination of the greatest areas of need within that State? Did I understand you to say you think the State should be bypassed? Do you feel this should be a local determination? Because you are being shortchanged by State legislatures you are seeking Federal assistance? Is that your position?

Mr. BESSE. Yes; that is my position. I think we know a great deal more about the poverty problem in Cleveland, and have a much better organization to work on it, than anything I know about at the State level.

Mr. FRELINGHUYSEN. You feel that if the State has some role in the determination as to where the money should go, you would be shortchanged? You lack faith in the participation of the State government in this process of determining where funds should go?

Mr. BESSE. I don't lack faith in them. I just have more faith in Cleveland to handle it.

Mr. FRELINGHUYSEN. You are saying that you do not think that the State should play any role; is that right?

Mr. BESSE. Yes, on the item I testified to, which was title II, and the participation of the schools, where I believe the core of the solution lies.

Mr. FRELINGHUYSEN. Just to finish up with that point, you feel that the Federal Government should provide aid to education without any participation or approval by the State, through the community action program?

Mr. BESSE. Yes, I advocate that.

Mr. NICHOLS. Before you arrived, sir, I made an observation and conclusion when we were talking about Federal Government becoming involved in the State government, et cetera. I could not help but recall the formation of the Reconstruction Finance Corporation, which had to come to the rescue of the local communities in no uncertain terms. Now to get on to this point: If you read section 208 that covers your point, "Participation of the States agencies. The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate." To me, that is a commonsense approach.

Mr. FRELINGHUYSEN. I do not imagine that a comment of a Governor will affect a decision by the Federal Government as to whether a local program is advisable or not.

Mr. NICHOLS. I think by analysis, the comment I would hope would have as much to do with it as a comment by you.

Mr. FRELINGHUYSEN. I would think we might well look closely at the language, with a view to tightening it, if you feel the States have a role to play.

Mr. NICHOLS. I have listened to this, sir. If you have a better proposition, I will be delighted to come down one day and talk with you about it.

Mr. LANDRUM (presiding). The time of the gentleman has expired. The gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I am grateful that these three gentlemen are here this morning. I think their testimony is among the most important we have had today on this bill. I am sure Mr. Nichols and Mr. Besse will understand when I say I am certainly proud that Mr. Martin is from Chicago.

Mr. Martin, you touched on one subject here. You said that you had 160 jobs that you could not fill in your store because these people required some basic skills that they did not have.

Would it be proper to assume that, if an adequate training program were established, we could look forward to creating jobs for 160 people instead of, I presume, leaving them on the relief rolls they are now on in many instances?

Mr. V. MARTIN. Yes, sir, these are actual openings that exist day in and day out. They will fluctuate by nature but, essentially, this is what we need. It is in our budget.

Mr. PUCINSKI. Mr. Martin, and gentlemen, my own observation is that our well-meaning colleagues on the other side are just completely out of touch with reality on this bill.

Mr. FRELINGHUYSEN. Thank you for the compliment.

Mr. PUCINSKI. As a matter of fact, in some instances they are almost downright discourteous in saying you cannot discuss among yourselves an answer. They cannot, apparently, understand the fact that unemployment because of people being functionally unemployable, as is the case in so many of these instances in poverty, is causing local, State, and Federal Governments literally billions of dollars a year and this is nonproductive money. This is money which has to be invested every 12 month and has to be expanded. No man is better qualified to discuss this point than Mr. Martin, himself, who served as chairman of the Illinois Public Aid Commission and had a magnificent record there, a most distinguished record.

Last year we, in Illinois, appropriated \$690 million for the present biennium for general assistance in the State of Illinois.

Mr. V. MARTIN. Of which 80 percent is for Cook County, in Chicago.

Mr. PUCINSKI. Would you concede, Mr. Martin, that many of the recipients of these funds, and these are humane funds, many of these recipients are people who have for various reasons exercised their right under the American Constitution and migrated into Illinois from other areas seeking economic opportunities but because they were not prepared technically, not trained to accept jobs that

were offered to them, they became a burden of the State; is that not correct?

Mr. V. MARTIN. Yes. And the rapid change of job skills required in Chicago. For example, steel and meatpacking have automated so very much that many of these people who had good jobs before are without skills to accept a job today.

Mr. PUCINSKI. The reason I asked you this question is because there is a constant question being raised here by the gentleman on the other side, is this a Federal responsibility? With the fantastic mobility of the American population, certainly, what happens in Georgia, happens in California, happens in Illinois, or happens in Ohio, becomes a subject of interest to the whole Nation, does it not?

Mr. V. MARTIN. I would simply say that when I was the chairman of the public aid commission, and I am sure it has not changed a great deal, that there was a complete recognition by the Federal Government that this was a national problem because I think a great part of our funds came out of finances which were appropriated by you on your annual budget.

Mr. PUCINSKI. Now, Mr. Nichols, you pointed out here and I thought your statement was very timely—would you care to expand on this?—there have been questions asked by the gentleman from Michigan—did you read the bill? Of course you read the bill. I presume any witness who ever came before this committee studied the bill and studied its effect.

Leaving that for the moment, you have put the whole situation in proper perspective. You say this bill offers at least a reasonable beginning.

Mr. NICHOLS. That is right.

Mr. PUCINSKI. Of course, this committee is going to make substantial changes in this legislation. The mayor made some very impressive recommendations. Even the Cabinet member who testified suggested certain shortcomings that have to be changed and tightened up. There is no question that this bill, when it comes out of committee, is not going to be in the same form that it now appears before the committee. The author, himself, has already indicated several changes he is going to offer.

I think, Mr. Nichols, you have really put your finger on this, and I understand you represent one of the largest corporations in this country, when you suggested that this bill at least offers a reasonable beginning. I think that this is the first time, as far as I know, that this Nation or any other nation has attempted to coordinate all of the activities at all levels of government to deal with the problem of poverty.

Mr. LANDRUM. The time of the gentleman has expired. Thank you.

Mr. BRUCE?

Mr. BRUCE. I would like to direct a question to the gentleman from Illinois. What is the per capita income of the people of your State?

Mr. V. MARTIN. It is one of the highest. I wouldn't know exactly the dollar figure. I know that the family incomes in the Chicago area by census tract range from about \$3,400 per family unit up to about \$10,000 per family unit.

Mr. BRUCE. I believe you rank eighth nationally.

Mr. V. MARTIN. I would say we rate rather high.

Mr. BRUCE. I would like to direct a question to the gentleman from Cleveland. What is the per capita income of the people from Ohio?

Mr. BESSE. I don't know that, sir, but in Cleveland I did study the poverty statistics on this basis.

Mr. BRUCE. I am talking about your State.

Mr. BESSE. It is pretty good.

Mr. BRUCE. I believe you rate 14th in the Nation.

I would like to direct the question to the gentleman from New York. What is the per capita income of the people of the State of New York?

Mr. NICHOLS. I have forgotten, frankly.

Mr. BRUCE. You rate fourth in the Nation. So, we have the 4th ranked State, the 8th ranked State, and the 14th ranked State represented in you three gentlemen.

Are you telling us that your States are incapable of handling the problems of Ohio, of Illinois, and of New York with that kind of personal per capita income in these States?

Mr. V. MARTIN. What State ranks first?

Mr. BRUCE. Delaware ranks first.

Mr. V. MARTIN. What State ranks last?

Mr. BRUCE. Mississippi ranks last.

Mr. V. MARTIN. I would say, just talking of Illinois, that our poverty problem is concentrated in two areas. One is St. Clair County, in which East St. Louis is located, and the other is Cook County. Now, in the southern belt surrounding St. Clair County, there are a number of counties that have been terribly depressed since coal mining disappeared. I would not say that the State, as a whole, probably lacked resources if it were able to keep its resources within the State, but I am also saying that within the State there is such disparity of poverty and wealth—

Mr. BRUCE. Let us pause there for a moment—

Mr. V. MARTIN. Well, the county which I came from was probably one of the wealthiest counties in the State. It is very difficult for a wealthy county—we are talking about the State problem—to vote with any great enthusiasm for a problem that is in St. Clair County and a problem that is in Cook County; whereas, on the Federal basis—incidentally, the St. Clair County problem is identical to our problem in Cook County—on the Federal basis, it seems to me, there is a possibility of returning to the States as the situation indicates some of the money which comes out of the general well-being of the total State.

Mr. BRUCE. You made the comment that if you could keep the resources there. Where are these resources going?

Mr. V. MARTIN. They are going many places. I think probably the biggest taxing unit is the Federal Government and the State of Illinois.

Mr. BRUCE. Do you have any idea of the estimated projected cost of the program that you have endorsed?

Mr. V. MARTIN. I think the figure I have read is in the neighborhood of \$900 million.

Mr. BRUCE. The first year?

Mr. V. MARTIN. Yes; I think that is appropriated the first year. In the State of Illinois now we are spending almost \$400 million a year on public welfare programs.

Mr. BRUCE. What you are saying, then, and correct me if I am misinterpreting what you are saying, is that the rest of the people of Illinois really do not care about the poverty-stricken people in Illinois. Is that what you are saying?

Mr. V. MARTIN. I am saying this is true of any State in the Union. I don't know what State you come from—

Mr. BRUCE. But you believe that?

Mr. V. MARTIN. They care, but it is completely impossible for them to articulate this care.

Mr. BRUCE. Do you think at the Federal level there is a greater genius of mind and brilliance that has greater compassion for the poverty stricken of Illinois than the people of Illinois do?

Mr. V. MARTIN. As a local citizen, I would not agree with this. I think it is the modus operandi. In a business, you set policy and then you build procedures to perfect the policy. What I think we are saying here is that we do have a national problem. It is not isolated to Illinois. Therefore, what are the best procedures to handle the problem. This appears to me to be the best procedure.

Mr. BRUCE. Let me ask you another question. In Cook County, for example, you mentioned the migration of poverty, as it were. Where are most of these people coming from?

Mr. V. MARTIN. A great part of them are coming from the South.

Mr. BRUCE. Why?

Mr. V. MARTIN. I think that they feel that there is greater economic opportunity, probably some semblance of freedom.

Mr. BRUCE. I again ask why?

Mr. V. MARTIN. I talked to my Irish grandfather, who left Ireland and came over here. The only reason he came here was because he thought he would have freedom and opportunity to develop.

Mr. BRUCE. In other words, the failure of about 18 States to meet responsibility realistically with archaic laws causes you from Illinois to say rather than putting the emphasis on those 18 States, we should have a Federal program that will take more out of Illinois, give you back less than they take from you in order to try to correct the problem. Is this sensible?

Mr. V. MARTIN. I think you have led me along a very interesting path on which I have no comment to make.

Mr. LANDRUM. The time of the gentleman has expired.

Mr. HAWKINS?

Mr. HAWKINS. I yield my time to Mr. Pucinski.

Mr. PUCINSKI. Mr. Martin, Mr. Bruce would have you create the impression before this committee that the people of Illinois are only concerned about their immediate problems and have no interest in the problems of their fellow citizens. I know that as the chairman of the PAC, you do not share that view, because the whole State of Illinois provides \$400 million a year to take care of the needy of certain sections of the State; namely, those you mentioned in St. Clair and Cook Counties. Is that not a fact?

Mr. V. MARTIN. Yes. I didn't agree with his statement. I think there is as much concern about other citizens in Illinois as there is in other States about their citizens.

Mr. PUCINSKI. It again demonstrates the woeful lack of any understanding of what this legislation is trying to do.

The question was asked of you if you think that Illinois has any interest in what happens in these 18 States who, for various reasons, have not been able to take care of their citizens.

As a member of a fine Republic of 50 States, would you not say that you have a very intense interest as a resident of Illinois in what happens in any other State of the country?

Mr. V. MARTIN. I quite agree with this. But I didn't know this was the area we were discussing. I thought we were talking about a problem that was created in part by this.

Mr. PUCINSKI. The line of questioning that we have had here has tried to create the impression that we in Illinois and in New York and in Ohio, the wealthier States, are paying more into the Federal Government and then somehow or other you gentlemen are being criticized for appearing here in support of this bill from these wealthier States. The fact of the matter is that if you, in Illinois, Ohio, and the other States do not help resolve the problems of the poorer States, sooner or later those problems are going to be on your own back door, are they not?

Mr. V. MARTIN. That is right. This is a national problem.

Mr. PUCINSKI. Therefore, when Mr. Nichols and Mr. Besse—Mr. Besse I thought made an extremely interesting statement when he said "the elimination of urban poverty involves an unbelievably complex cluster of factors."

What I submit is that our colleagues on the other side just cannot see it. They want to bury themselves in a narrow little community. Certainly the gentleman from Michigan does not understand, because he comes from a rural part of Michigan. He does not understand the degree of the problems in Chicago—

Mr. FRELINGHUYSEN. I make a point of order. The gentleman from Michigan is not here.

Mr. PUCINSKI. Well, let me say the gentleman from New Jersey does not understand.

Mr. LANDRUM. The time of the gentleman has expired. Mr. Martin?

Mr. MARTIN. I yield my time to the gentleman from Michigan, who is now coming in.

Mr. FRELINGHUYSEN. Would the gentleman from Nebraska yield?

Mr. GRIFFIN. Would the gentleman from Illinois repeat what he said?

Mr. LANDRUM. The gentleman from Nebraska has yielded to the gentleman from Illinois.

Mr. GRIFFIN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman from Michigan, coming from a basically rural area with some cities, smaller cities than Chicago, of course, just does not understand the intensity and the vastness of the problem in cities like St. Louis, Chicago, New York, Boston, and various others, the large urban areas that today constitute 78 percent of this Nation's population, and the complex nature of the poverty problem.

Mr. GRIFFIN. I get the gentleman's point—his evaluation of the gentleman from Michigan. I would like to say—never mind, I am not going to defend myself except just to let you know that my father worked most of his life in a plant; and I worked my way through

school, and I believe I do know a little bit about poverty, Mr. Pucinski.

I want to say to these gentlemen, in view of some of my previous questions, that I highly commend them and their companies for the programs that they have outlined which are already in existence without this Federal poverty package. You are to be highly commended. The very example of what you are now doing points up to me that there are other very more appropriate ways, in keeping with our constitutional system, which we could pursue in attacking this problem. Really, our disagreement, which is obvious here, is not over the end but, as it is so often the case, it is over the means or the ways of accomplishing an end. Really, our whole system of government, the reason we have our system of government, grows out of a deep concern about the means of accomplishing desirable ends.

I would suggest that your approach, as laudable as your motives are, in endorsing this kind of blank check authority to bureaucracy in Washington, and abandoning State and local responsibility, is the wrong way to go.

For example, would it not be well to have Federal tax incentives for business groups or business organizations to encourage the very things that you are doing? Would that not be another way of accomplishing, pursuing this type of goal? Have you thought about that?

Mr. BESSE. I don't understand the comment, what you mean by Federal tax incentives.

Mr. GRIFFIN. There are many ways that the Federal Government could provide tax incentives to business to do the very things you are doing without any special tax incentive; to encourage business to take a special interest and in providing apprenticeship training, for example.

We have a very serious lack of apprenticeship training in this country. Could we not encourage businesses to set up more apprenticeship training, other types of retraining programs, and so forth?

Mr. BESSE. I would like to speak to that, if I may.

Mr. GRIFFIN. Yes.

Mr. BESSE. I think those programs are excellent; they do a wonderful job for a very small selection of the people. But what is needed in the poverty areas of a city like mine, Cleveland, is a massive attack on the problem, not a program that reaches a relatively small percentage of the people. The people, for example, whose family incomes are less than \$3,000 in Cleveland, and that is 17 percent of the population, with over 20 percent of the children, no spot program by industry is going to do much more than select a few people, highly motivated normally, who will benefit from this. This can't be done as a program by private industry. It must be done as some kind of a public centered program.

What we would like to do, of course, is to incite the kind of individualism that brought Mr. Martin's grandfather from Ireland that has failed. What we would like to do, of course, is have local government support its schools on a kind of program that would do this job, itself. But the fact is that issue after issue presented to local voters has failed. We had to present the levy for the support of the city of Cleveland municipal government three times before it was passed in Cleveland.

Mr. GRIFFIN. Maybe they did not justify it the first time around. It is much easier to run to Washington, is it not?

Mr. BESSE. It could be. But we have a tax rate that supplies for the schools of the city of Cleveland only half the per capita cost that the suburbs supply for their children. In the poverty areas, because the concentration is greater, it is even less per capita.

Now, we could go to the State government, but the State government does not even raise enough money to do an adequate job in higher education where it has prime responsibility in the State.

Mr. GRIFFIN. If you do not sell this to the Federal Government, are you going to go to the United Nations?

Mr. BESSE. This is a practical problem. We are faced today in Cleveland with race riots because we have not done an adequate job in the poverty end of our community. We have attempted to sell this and businessmen have almost universally been behind every school levy we have tried to pass in Ohio.

I have worked on educational problems to the detriment of my job for years and years and years.

As a practical matter we can't raise the money locally. Certainly we ought to. But, as a practical matter, we can't.

Now, if we don't get some money from a source where the money is available, we are going to lose another generation of people who will not be able to support themselves in our community. The cost of what we have been doing under pure local responsibility, I believe, is substantially greater than the total cost of correcting it.

Mr. LANDRUM. The time of the gentleman from Nebraska has expired. Would you desire another question?

Mr. MARTIN. No; I have no question.

Mr. LANDRUM. The gentleman from Hawaii.

Mr. HOLLAND. Will you yield to me for one question?

Mr. GILL. Surely, go ahead.

Mr. HOLLAND. I just came through a fight in Pennsylvania on trying to increase taxes. We had a fine group of men who went around and spoke in schools, churches, and everything else. We got the worst licking we ever got in our life to increase taxes. We went to the State. The State is broke because we have the coal mines, and so forth. We have only one place to go to and that is the Federal Government.

Mr. QUITE. We are broke.

Mr. HOLLAND. As far as the United Nations is concerned, they were broke long ago.

Mr. LANDRUM. Mr. Gill.

Mr. GILL. Thank you.

I would like to just compliment you gentlemen on one factor which is not often evident in this committee; that is the fact that you people from the business world have taken the time and the interest to look into many areas that are not directly concerned with your own economic interest. It is very refreshing to hear you express opinions on them.

I would like to move off this great philosophical debate we have been on in the last few minutes down to a more specific problem that I think is covered by title II. Let me outline a problem that I have had some contact with. We have what is known in many areas, and I am sure it exists in your cities as it does in mine, hard-core cases. These are cases of people who have been on welfare, whose parents per-

haps have been on welfare, whose children look like they are going to be on welfare. There does not seem to be any way to break this vicious cycle. Statistics, at least in some areas, show that these types of cases use up a very high percentage of the total services and money available for this type of work.

Now, here is a family that is in difficulty. Perhaps it is a fatherless family. The mother is receiving welfare payments. So she is under the jurisdiction of a caseworker in a department of social service, whether it be city or State. There is a health problem in the family which is covered by the State health department and they have a State public nurse checking this family. One of the kids was caught stealing hubcaps. He is under the juvenile court, and they have a juvenile court worker working on this family. The family lives in an area where they have a private settlement house. They receive money from the community chest. All groups are concerned with this family.

The question is asked, Do you think any of you will ever get together to try to come up with a program for this particular family that will pull all the ends together and try to get them out of this mess? The answer of the social worker and the department of social services is, "I have 90 other cases on my load, I can't spend more than 10 minutes a month." The health worker says, "There are only 12 of us in the Department. No more money this year." The juvenile court worker says roughly the same thing. The settlement house says, "The community chest did not come up with enough this last year. We are stuck. We can talk to them and try, but that is the end."

Now, is not one of the ideas behind title II that where these agencies have the expertise and the workers that know the problem that you can put together a combined program with Federal money to allow them to meet this type of situation? Is this the concept that you see behind the bill? Does anybody care to comment?

Mr. BESSE. That is one of the concepts, sir, that is one of the difficult ones. It is possible to do that. Twenty years ago, we picked out the worst area of Cleveland, the Tremont area in Cleveland, and concentrated a lot of money and talent to see just what we could do with the kind of cases you just recited. The results were startling. We very substantially reduced delinquency, in fact, to about the median of the city. We reduced dropouts in schools. We got more of the people employed. But it was an exceedingly expensive thing to do on a reclaim basis.

What I personally am advocating is a revision of the whole school structure so that we start in the beginning and don't let families get in that kind of situation because the costs and, as a businessman, I must be concerned with costs, to me the cost of doing nothing is infinitely greater than the cost of starting a program that will prevent this from—the kind of family you have described—developing in the future.

Mr. GILL. And the effort will be made basically by the people in the community who have knowledge of the situation and the skills to deal with it; is that right?

Mr. BESSE. That is right. They are the only people who can work on this kind of problem because it is a personal problem. It has to be somebody who is on the scene.

Mr. GILL. What we are doing is using local skills, local effort, local initiative with Federal tax dollars paid by people in that community in the first place.

Thank you.

Mr. LANDRUM. The gentleman from Minnesota.

Mr. QUEB. I will yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to plead with the members of this committee to use a little good sense and perhaps a little more good humor than we have shown, with respect to our descriptions of fellow members. I was very unhappy yesterday at the characterization of the gentleman from New Jersey, and I am now unhappy about the remarks of the gentleman from Illinois today. This name calling is going to get us nowhere, especially when it is inaccurate name calling.

Mr. PUCINSKI. What name calling?

Mr. FRELINGHUYSEN. This business you just indulged in.

Mr. PUCINSKI. I don't recall any name calling.

Mr. FRELINGHUYSEN. You referred to the gentleman from Michigan as being unaware. You referred to me as—

Mr. PUCINSKI. That is a perfectly frank statement.

Mr. LANDRUM. The gentleman from New Jersey has the floor.

Mr. FRELINGHUYSEN. The fact that our districts may not be ones with heavy unemployment, or heavily industrialized, does not mean that we do not have deep and continuing concern for the problems of urban areas. I do not think any Republican refuses to recognize the fact that Chicago, Detroit, Cleveland, New York City, and so on, have problems. Nor do I think that most of us would feel that the Federal Government does not have a responsibility to help. However, we also know there are vast programs of assistance already on the books which we hope is going to be of some value.

I would plead for us not to make a spectacle of ourselves in discussing what, admittedly, is a controversial question. I happen to think this bill is misnamed. I believe it is massive only in the sense of creating great expectations. A billion dollars is all that is being provided for all the programs under this bill. For the community action programs, it would interest you gentlemen, only \$315 million will be provided. Unless we are to boost this by many billions of dollars, the chances are that Cleveland's share is going to be small, Chicago's share is going to be small, New York City's share is going to be small, or that one or any of those cities may get nothing. I do not think that we can fairly describe this as a massive attack. It lends itself, as written, to all sorts of possibilities which, to some of us, seem unwise. It lends itself to competition between existing Federal programs. It lends itself to a bypassing and a reduction of efforts by communities and States which are or should be made. In many ways, this bill is something that needs looking into.

I hope our views are respected and that members of the committee, at least, will forbear and not use us as whipping boys to the extent they have.

I thank the gentleman from Minnesota.

Mr. LANDRUM. The gentleman has consumed 4 minutes of the time allotted.

Mr. FRELINGHUYSEN. I thought the Chair was watching the use of time.

Mr. QUIE. Mr. Chairman, I am glad these three businessmen have come before us today and expressed their views. However, they note the men on this side of the aisle do not look at the Federal Government as a wise place to go for the source of revenues. Listening to some gentlemen on this committee, and I had better refrain from saying on which side of the aisle they are, the local communities are broke and States are broke, and we seem to have the same problem on the Federal level. Our taxes are so high they evidently reached the point of diminishing returns and we cut them by better than \$11 million.

We had to plan our budget in the red this coming year.

I do not know how long that will continue. Perhaps for a long time.

The States do not operate their finances in this way. Really, the situation is that the Federal Government has greater borrowing authority than anyone else. I think this is why we are the place of last resort, where everybody comes for some financial assistance.

When we look at the Federal Government's ability to solve the problems where it does have jurisdiction, one only has to look at the District of Columbia to see how well we take care of the problems of poverty here, of inadequate education, of the problems of the people of the minority race. We see that the Federal Government has fallen very short of the goal we have set for it.

So, there is no superability or superintelligence on the Federal level.

The one thing you point out here is the need for revision of the school structure. There has always been a strong fear around the country that if the Federal Government steps into the picture, at least it should not propose any changes in school operation. But here this is the one thing you recommend. Perhaps there ought to be changes in the school structure.

All I can see in the program is the Federal Government picking up 90 percent of the cost to get us started. Any ideas on school structure still has to come from the local community. I wonder if once they know how to change their structure, perhaps this in itself will enable them to go ahead and do it. The reason you are unable to do it now is that the local community has not accepted it, has not been told the story well enough. I have seen this happen time and again. When people with an idea on a local level have tried to put it into practice without letting the information be known to the rank and file and selling them on it, bond issues are lost. When they get that slap in the face, they ought to go out and really do a job of public information, and the end result would be that they finally accomplish what they want to. So, no matter—

Mr. LANDRUM. The time of the gentleman from Minnesota has expired.

Mr. FRELINGHUYSEN. I ask unanimous consent that the gentleman be permitted to continue for 2 more minutes.

Mr. QUIE. Really, the local communities will have to make these changes and improve themselves. Nobody else can do it.

What we are talking about here is money, how we ought to finance these programs.

Mr. LANDRUM. The gentleman from California, Mr. Bell.

Mr. BELL. Mr. Besse, I note that on page 4—my question goes somewhat to what Mr. Quie was talking about—I note that you speak

about local districts should be permitted to pass on to the Federal Government their normal routine school costs. Then you speak of new objectives, new curriculum, and so forth, in short, a whole new set of concepts must be adopted to make headway in eliminating poverty. Few school systems are apt to take these steps except as an incident to a major overall program supported by substantial outside financing.

I assume you mean by that the Federal Government, and that you mean direct Federal aid to schools?

Mr. BESSE. Yes, sir.

Mr. BELL. Is that correct?

Mr. BESSE. Yes, sir.

Mr. BELL. Speaking of direct Federal aid to primary and secondary schools, would you think that that Federal aid should go to private, parochial as well as public schools?

Mr. BESSE. I advocate that this be done through the public school system.

Mr. BELL. In other words, you would not have any Federal aid at all to parochial or private schools?

Mr. BESSE. I think that there are activities of the private and parochial schools that contribute to these solutions, but I would have them under the coordination direction of the public school system.

Mr. BELL. Would you have the Federal Government change anything in the way of teacher certification?

Mr. BESSE. The Federal Government?

Mr. BELL. Yes; the Federal Government improve the teaching standards through any method they want to recommend.

Mr. BESSE. No; I would leave teacher certification as well as the details of an improvement program in the hands of the local people.

Mr. BELL. I assume, Mr. Besse, now, as I understand this, in our education program a large part of our problem is actually getting good teachers and seeing that teachers teach the right curriculum. As you indicated in your remarks here, new curriculum, new facilities, new teacher training, new family relationships, new coordination with other public and private agencies, new time coverage, new cultural involvement—in short, a whole new set of concepts must be adopted to make headway in eliminating poverty—you are talking about teachers and about this massive program. You say the local government cannot handle it. I take it from this you must mean that the Federal Government should move into the area of teachers?

Mr. BESSE. The local government can't finance it. They can handle it if they have the dollars.

Mr. BELL. I mean finance it. Are you supposing that you might believe that the State government, even though they had the financing of it, were not doing a good job of selecting teachers and changing the curriculum, and so forth, supposing they decided not to do this or make changes in this area, do you think the Federal Government should have something to say about it?

Mr. BESSE. I think the local governments have not done a good job in these poverty areas. I think the principal reason they haven't is lack of funds. They could do it; in fact, in Cleveland they have demonstrated an ability in some areas to substantially improve these things on a limited basis. There are not enough dollars to do it.

What we have done in Cleveland has, by and large, been in the suburbs where there is more money. Where the poverty is, we have not been able to raise the money to do it.

Mr. BELL. You are talking about these national changes, changes on a national scope to fight this poverty. You have 50 different States. Supposing they do not go in the direction of fighting poverty adequately. Would you think that the Federal Government should play a part in this?

Mr. BESSE. I don't think the Federal Government should direct the program. I think one of the greatest assets of our whole educational system has been its diversity. In spite of the diversity, we have had from the beginning, which you just characterized, we have developed our school systems to whatever level they are without Federal coordination. I don't believe we need Federal coordination to do these things now. What we need is money.

Mr. BELL. The argument on the other side, which I suspected you were going to raise, is the point that the Federal Government puts up the money, therefore, it has some responsibility to see that the overall program you are discussing is coordinated properly. I thought that is what you would say. You say still the States should control it.

Mr. BESSE. Not the States; I would leave it with the school boards.

Mr. LANDRUM. The time of the gentleman has expired.

Mr. BELL. Could I have an additional minute?

Mr. LANDRUM. Without objection.

Mr. BELL. As you know, the power of the Federal Government, as I pointed out before, to approve a project is still inherent in most of our aid programs and particularly those dealing with this poverty package. That is a factor. So the Federal Government giving money is, in effect, de facto direction, is it not?

Mr. BELL. I would hope not. I think that is under the control of the Congress and the citizens as well as anything else that we do. We have set up a school system that is traditional in this country with the habit and practice of running its own affairs. I think that is so deeply ingrained that there is perhaps less chance of Federal interference than almost any other kind of institution we have in the country. Everybody went to a public school. Everybody's children went to public school with great pride in the local direction of public schools. If we keep this in the hands of the local school boards, the local teachers, finances them to do the job, I think they will work out their own direction on these things.

Mr. BELL. I hope you are right, Mr. Besse. However, I can see it could be interpreted that this view might be on the naive side to think that the Federal Government is going to approve so many features of this and yet not be a factor in this direction.

Mr. BESSE. Perhaps so. I doubt if it is as naive as thinking that there is going to be any solution to this biggest domestic problem we have if we don't have Federal aid.

Mr. LANDRUM. The time has expired.

The gentleman from Pennsylvania, Mr. Holland, desires recognition?

Mr. HOLLAND. I yield to the gentleman from California.

Mr. ROOSEVELT. Yesterday the mayor of Syracuse gave us a program of a local area in title I instead of having a national CCC camp or arrangement. Would you feel that this would be feasible in your community in Cleveland, and possibly in Chicago?

Mr. BESSE. I really haven't studied the Youth Corps phases of this bill, Mr. Congressman. It would take a great deal of study locally, as it does here nationally, to analyze these things. There has been no such proposal. We have no structure to do it locally. Whether it could be done would depend on soundings in the community, the proposal for the source of finances which would be exceedingly difficult.

I wouldn't say it could not be done. Many wonderful things have been done by local leadership, as the Congressman over here said a moment ago, but I haven't studied the problem.

Mr. ROOSEVELT. Thank you very much.

Mr. PUCINSKI. Would you yield to me?

Mr. LANDRUM. The time of the gentleman has expired.

Mr. Taft?

Mr. TAFT. Gentlemen, at the risk of being considered a dangerous liberal, let me welcome you to the committee and say that I have enjoyed some past associations, indirectly or directly, with each of you. I certainly respect you as gentlemen who have contributed greatly to their own communities and who have had some familiarity with the problems in individual areas.

I guess that you realize by now that you are in the middle of what is a political hassle. I think you should recognize it is a political hassle in an election year. The hassle arises, and certainly I share in some feeling of frustration in this bill, because the bill generally represents a new package, a new ribbon, and a new tag put around specific proposals that have been presented to the Congress previously and have failed to pass on their own merits.

Now, that does not mean necessarily that this is not the time they should be passed or considered. However, the fact of the matter is that, for instance, the Youth Employment bill and the National Service Corps bill were considered in detail by this committee. We had bills drafted and amended, ready to be drafted, ready to be proposed, going into much greater detail than the provisions of this bill and they have now been put on the shelf.

We are being asked here to accept and to take specific programs without any designation of what is really meant.

Getting back to title II, I would like to ask any of you to specify the type of program that you think is involved here other than some form of assistance to education which Mr. Besse has indicated.

I have a hard time understanding what the limits are, and what the objective is, within title II. I would be interested to hear your observations on what you think the objective should be. I would like to put this in the record to clarify the direction in which we are going.

As to Ohio, in 1963, we received from the Department of Health, Education, and Welfare in various grants a total of \$138 million in these three categories: Office of Education, Public Health Service, and, finally, in Welfare Administration. As I figure out the percentages, Ohio might be lucky, sometimes it gets 5 percent, sometimes it gets less.

In talking about this program, you might be adding to the \$138 million, but unless there is some specific program we are aiming at, which we are not doing today, and should be doing, I have a hard time seeing how the small addition to the present grant is going to do the tremendous job that you gentlemen, and all of us, would love to do if we could do it.

Would any of you care to comment on this?

Mr. BESSE. Did I understand your question, Mr. Congressman, to be limited to plans other than education?

Mr. TAFT. Yes; outside the educational area. In the educational area, I have had some other comments. Particularly, I would like to say with regard to Cuyahoga County and other counties in Ohio and throughout the Nation, certainly one of the problems is the complete imbalance of quality of the educational system within the county. You have several of the best, systems in the entire State, perhaps, in the entire Nation. I know this to be true. However, you also have some of the weakest and your central core city system apparently is in some difficulty from what you describe.

Mr. BESSE. Particularly the poverty area of the core city.

Mr. TAFT. Outside of the educational area, what are you thinking of under title II?

Mr. PUCINSKI. Would the gentleman yield for an answer here?

Mr. TAFT. I want the answer from the witness.

Mr. PUCINSKI. Perhaps it will help the witness—

Mr. FRELINGHUYSEN. Regular order, Mr. Chairman.

Mr. LANDRUM. Let us have regular order.

Mr. BESSE. We have in Cleveland, and now tested for 5 years, an independent agency that has as members certain school districts. It is called the educational research council. We believe that the educational research council, if we could finance it for the poverty areas of the city of Cleveland, could immediately launch a curriculum and teacher training program that would very substantially change the quality of education of those children who come from undercultured, underprivileged homes. This is one of the basic problems that at the beginning of the school system there are inadequate family background trainings for the youngster starting in school and they start from a handicapped base—

Mr. TAFT. Why would not a better way to handle this be to amend the various educational bills we are considering, and put in a specific provision authorizing appropriations for this kind of purpose rather than leaving this entirely in the hands of a Federal official who is going to be charged with many, many other areas not necessarily related to education?

Mr. BESSE. The educational research is only one aspect of it.

Mr. TAFT. Could you answer the question, I just interrupted with—

Mr. BESSE. Because I think there has to be single direction of a program to make it effective. I don't believe a lot of piecemeal attacks on it will help.

Mr. TAFT. I have a hard time understanding that from your printed testimony, Mr. Besse, because Mr. Shriver testified before us many times that he is only to be a coordinator. That he is not going to set up an entirely new department or bureaucracy. All he is going to

do is coordinate programs with other areas. This is only a coordination operation. I get some conflict from your testimony.

Mr. BESSE. I have never seen Mr. Shriver; let alone understand what he has said, but my concept of the thing is that the school board is the central core but they can't do this alone. They need to bring in some other agencies to help them.

In our case, you ask for things other than the school board. One is the research council we have. Another is the health agencies. Unfortunately, these are not all concentrated in the same place. For example, one of the common causes of absenteeism and dropouts in the poverty areas of Cleveland is lack of dental care, an important one. There are other health causes that the dentists have nothing to do with.

I don't believe that you can put this in a whole lot of different pockets and have—

Mr. TAFT. I don't think Mr. Shriver is going to take care of the dental care.

Mr. BESSE. I want the school board to have the authority locally to bring in all these things that are supplemental and additional to an effective school system, so that it is the School Board of Cleveland that runs it in the poverty area. To the extent they need dental care, they bring in dental care. To the extent they need the direction of skills of the YMCA and—

Mr. TAFT. He is not going to put all programs I mentioned, \$138 million, under one centralized direction under this bill. We are only talking about a small supplement at the very most.

Mr. BESSE. You still will have the tremendous interrelationship and many complex factors in the type of community problem we are dealing with. We have made the same type of an attempt in my own community to aim at the overall problem. It is hard enough to do it on a local level. How you are going to do it on a Federal level I think defies the imagination.

Mr. TAFT. I do not think the Federal people will develop the program. I thought that was the idea in title II, it would be put into the community-action hands. That is how I read the bill.

Mr. V. MARTIN. It is a correlated attack, really, on the local level.

Mr. TAFT. I think the way to do is take a correlated attack but I think you have to do it on a local level. I have a hard time to see how this bill can do that.

Mr. BESSE. I thought that title II did exactly that. It called for the development of a local program to coordinate these things.

Several of the questions here have indicated the problem is money. How does the local coordination that develops the plan and gets this rolling get the money to do the job, because it is extensive?

Mr. LANDRUM. The time of the gentleman has expired. All time has expired.

In behalf of the committee, Mr. Martin, Mr. Besse, and Mr. Nichols, we thank you very much for giving us this time and giving us the benefit of your valuable thoughts.

Mr. V. MARTIN. Thank you, sir.

Mr. LANDRUM. Governor Welsh of Indiana is our next witness.

The Chair recognizes the distinguished member of the committee from Indiana, Congressman Brademas.

Mr. BRADEMAS. Thank you very much, Mr. Chairman. I am pleased and proud to be able to welcome to our committee today the distinguished Governor of my State, Matthew E. Welsh, who has, I think, as much as any other Governor in our country, concerned himself not only with important State issues but with important National issues. He has given himself particularly to a consideration of the problems of young people in our State, has been a strong champion of education, and I am gratified that he has taken time from his own schedule to come out here and present his views as the Governor of the State of Indiana.

I am very pleased to welcome you here today, Governor Welsh.

Mr. LANDRUM. Thank you, Mr. Brademas.

Now, the Chair recognizes the other distinguished gentleman from Indiana, Mr. Bruce.

Mr. BRUCE. I want to join my colleague from Indiana in welcoming our Governor to this committee.

It is good to see you again in Washington. We are all interested in the same goal of building the finest society that the country has. We know on motivation we are all in fundamental agreement.

We are delighted to have you here, Governor.

Mr. LANDRUM. Now, Governor, we note you have a prepared statement. If you wish to read this or if you wish to summarize and have the statement inserted in the record, proceed according to your own desires.

**STATEMENT OF HON. MATTHEW E. WELSH, GOVERNOR OF THE
STATE OF INDIANA; ACCOMPANIED BY JACQUES H. LE ROY,
DIRECTOR, INDIANA YOUTH COUNCIL**

Governor WELSH. Mr. Chairman, I would prefer to summarize and state in my own words the gist of my prepared remarks because I think I can summarize it as well.

Mr. LANDRUM. We will insert in the record at this point your complete printed statement, and you may proceed.

(The statement referred to follows:)

**PREPARED REMARKS OF HON. MATTHEW E. WELSH, GOVERNOR OF THE STATE OF
INDIANA**

I have reviewed the Economic Opportunity Act of 1964 (H.R. 10440), a bill designed to attack on a broad front the persistent fact of widespread poverty in the United States despite a general economic prosperity.

In Indiana we have more than 12,000 families receiving aid from the department of public welfare. In this group there are more than 34,000 children under the age of 16 years.

The number of families subsisting on a yearly income of less than \$3,000 reached 88,000 according to the Federal census of 4 years ago. The total number of unrelated individuals earning less than \$3,000 a year swelled that total to nearly 122,000.

The number of school dropouts and draft rejectees estimated for 1964 total 39,000. Of that number 23,000 fall into the first category and 16,000 in the latter, thus forming an intolerably large group of young persons facing a future of severely restricted opportunities.

The recent report of the President's task force on manpower conservation stated that 40 percent of the persons in the selective service survey of mental rejectees never went beyond grammar school and 4 of 5 did not finish high school. The report also indicated these young persons were out of work, out of

school, and in desperate need of a skill that would break their "cycle of dependency."

In Indiana, for example, the statistics developed for the month of January 1964 listed 2,200 selective service rejectees of 5,700 youths examined. Of the rejectees, 702 were turned back for having failed the Armed Forces qualification test and for allied reasons.

In a nationwide study, in which Indiana participated, it was determined that 4 of 5 of the rejectees for mental or allied reasons were school dropouts. Of the total, 211 were rejected for lack of educational achievement.

Thus, it would appear that Indiana is in need of a program broad enough in scope to offer new hope to the impoverished and for the unemployed and unskilled, the out-of-work and out-of-school young person a return ticket to the threshold of opportunity.

I feel that H.R. 10440 is a great stride in that direction and I am here to give unequivocal support to the Economic Opportunity Act of 1964.

Indiana is particularly interested in the work-study programs for we have considerable experience in this area.

The Indiana program began in Harrison State Forest in which the work was directed toward conservation of natural resources. The study was designed to uplift the educational attainment age through the teaching of basic subjects.

Companion programs were initiated in other State parks and forests for youthful hoñor inmates of Indiana penal institutions. These camp projects proved successful in significantly improving the mental and physical health of these young men who were much in need of truly constructive rehabilitation.

Their good work in these camps provided the impetus for another program wherein the State offers to private organizations and civic groups sites on a token lease basis for sponsoring campouts for young persons.

In our first youth conservation work camp at Harrison State Forest we brought a group of unemployed high school dropouts (ages 17 to 22) the opportunity to learn skills that would better prepare them for gainful employment. At the same time they were doing useful work in improving our State forests and offering additional maintenance at State parks.

A rigorous 6-day schedule was set up. Five days a week the youths put in an 8-hour workday and then attended evening classes for 2 hours. One day a week was devoted to special classes and to individual conferences with job counselors.

In return for their efforts, the trainees received \$75 a month, their room and board, and a wealth of valuable experience.

Of the 70 boys who completed the training in November of 1963, 62 are now employed. They are now taxpaying members of their communities, no longer dependent.

In this pilot project we were disappointed that we were unable to provide the training necessary to impart the technical skills required to fill numerous job openings in Indiana and elsewhere. A study completed cooperatively by several departments of State government reach the conclusion that we should direct our efforts toward providing such training in selected fields.

Therefore, in response to the demonstrated needs of large numbers of our young persons, and with the confidence gained at Harrison State Forest, we began plans on a much larger youth education program. Our planning is in an advanced stage and we are especially pleased to note that our proposed youth training center would seem to fit easily into the framework described in H.R. 10440.

Our program—aimed at the school dropouts, the disadvantaged minorities, and military draft rejectees—is in fact the first skirmish in Indiana's war on poverty.

We have proposed that this center be located at Camp Atterbury, some 30 miles southeast of Indianapolis, an area that is within a 50-mile radius of nearly half of Indiana's population. The camp has been dormant since World War II except for a brief period during the Korean war.

With a reasonable expenditure for renovation, several of the buildings on the reservation could be prepared for housing, feeding, schooling, and providing recreation for a large number of trainees. With thousands of acres available, on-the-job training could be provided in numerous building and heavy equipment construction trades.

As we envision the youth training center, its trainees would be young persons who would not likely be successful in a regular program in the traditional school setting because of their limited formal education and lack of experience. While the program initially will be set up for men, programs for women will be created later.

The trainees will be screened and referred by the Indiana Employment Security Division offices, and county welfare departments.

While primary emphasis will be placed on the selective service rejectees, there are large numbers of unemployed youth from families receiving public assistance and those from our disadvantaged minorities and rural pockets of poverty.

The program is designed to offer trainees an opportunity through basic literacy training to raise their reading level sufficiently to qualify for additional schooling and future job placement and to offer new job skills for which there are predetermined job opportunities within the State.

When the trainee arrives at the camp he will be given more intensive tests and interviews prior to being placed in the actual training program. Consultants in education, counseling, guidance, and training are being called upon to assist in developing both the basic educational and vocational curriculums.

Trainees will be offered a 6-week to 12-month program making use of modern tools for combating illiteracy such as teaching machines and audiovisual presentations.

Practical job training will be offered on two levels, including pretraining and terminal training in order to meet the varying needs of those youngsters who will come to us with a variety of skill, aptitude, and learning levels.

Training will be offered in the following occupational areas as based on the determination of the employment security division survey of job opportunities:

Groundskeeper	Baker
Landscape gardener	Meatcutter
Forester aid	Furniture finishing
Painter	Upholsterer
Carpenter	Auto mechanic
Plumber	Auto body repair
Electrician	Small appliance repair
Operator of heavy equipment	Major appliance and TV repair
Combination welder	Air-conditioning service and refrigeration
Machine operator (general)	Oil burner installation and service
Diesel engineer	Typewriter and office machine repair
Auto service station operator	Spotters
Electronic technician	Pressers
Roofers	Janitors
Maintenance men (building)	Laboratory technicians, medical
Warehousemen	Heavy equipment-maintenance and repair
Small equipment maintenance and repair	
Cook	

The office of vocational education is now developing training programs in these areas which will be tailored to the needs of the trainees. It is expected that a final curriculum will be adapted and based upon information obtained through the interviews and tests given the trainees.

Counseling and guidance will be on a continuous basis provided through the office of employment security and staff counselors.

Facilities for recreation will be provided for the trainees on the site. Leave time will be allowed on a regulated basis, with every effort made to keep the trainee in contact with his family and home community. Intramural sports will be encouraged as well as other games and activities designed to promote physical fitness.

The development of job opportunities for those youngsters completing the program will begin early in the planning phases of the project. Staff counselors, working through the employment security division, will see that both job development and placement efforts are conducted on an ongoing basis.

It is contemplated that a minimum of one block of barracks with adequate service buildings will be used to house the trainees. The adjacent shop areas will be used for training in occupational skills and for maintenance of equipment. Sufficient recreation areas are included in the proposed housing and training area.

(Because the size of Camp Atterbury—41,000 acres—offers sufficient land area, Indiana also is planning new public hunting, camping, and picnic grounds which will be opened up and developed by some of our early trainees.)

(We expect our first group to be at work in the area within a matter of a few weeks. Detailed requests for rights to the several areas under consideration have been submitted to the Secretary of the Army.)

We expect to open the Indiana Youth Training Center through the cooperative labors and finances of several departments of State government and in cooperation with the Federal agencies involved.

However, our proposal was drawn before the Economic Opportunity Act was introduced and was tailored to the requirements of the Manpower Development Act of 1962.

We expect our original group of trainees to number near 60. Ultimately, we expect a mean population of 600 trainees.

In summary, I reaffirm my wholehearted support for the Economic Opportunity Act of 1964.

Our experience in Indiana has convinced us of the necessity and practical value of such programs as those projected in H.R. 10440.

I commend this legislation to the committee and to the Congress as an enlightened step forward in this Nation's never-ending quest for a better life and brighter opportunities for all her citizens.

Thank you.

SUMMARY OF A FOLLOWUP REPORT ON THE INDIANA YOUTH CONSERVATION CORPS,
HARRISON STATE FOREST, CORYDON, IND.

On July 11, 1963, Gov. Matthew E. Welsh unveiled plans for the establishment of a youth conservation work camp patterned after the proposed Youth Conservation Corps provided for by the Youth Employment Act of 1963. This camp was to be located at Harrison State Forest, Corydon, Ind. The announcement was made at a conference attended by representatives of the sponsoring agencies; namely, the Indiana Youth Council, Indiana Employment Security Division, department of conservation, division of labor, Indiana National Guard, and the department of public instruction.

The youth conservation work camp had a dual purpose: First, to give the young men of Indiana an opportunity to work and to learn in the great out of doors; secondly the camp provided needed employment, job training, and a chance to learn good work habits and skills.

The role of the Indiana State Employment Service was to recruit and select 100 young men for the camp from among an estimated 16,000 jobless between the ages of 17 years and 9 months and 22 years and 6 months. Enrollment was set upon the basis of the number of unemployed in each congressional district as determined by the employment security. Factors such as race, creed, religion, or political affiliation were not considered. In order to be eligible applicants had to fall within the age range, be single, men of good character, residents of Indiana, must have been unemployed for at least 90 days or more, and have adequate physical stamina to do strenuous labor and mental abilities to benefit from instruction and guidance. Enrollees were paid \$75 per month. In addition, quarters, subsistence, and clothing valued at \$150 per month were provided.

The youth camp was given a great deal of free publicity by all media of communication—radio, newspapers, and television. Applications and brochures were available to interested young men at the 33 offices of the Indiana State Employment Service, Indiana Youth Council, department of conservation, and the division of labor. It was soon evident from the lack of response that the young men of Indiana were not too interested in this type of program. Approximately 600 inquiries were received but only 240 boys submitted applications.

Selection of 100 applicants was based on the special application form, health questionnaire, interviewer observation sheet, Otis quick-scoring mental ability test, references and State police check. No physical examinations were required for two reasons: The State board of health reported that there would be only a 2-percent loss due to physical disabilities and the cost of examinations on a statewide basis would be prohibitive. All of the applicants and recommendations from local offices and other sources were directed to the employment service section of the administrative office for screening. Final selection was the responsibility of the overall directing committee representing the sponsoring agencies.

The steering committee established a goal of 100 workers; however, with last-minute dropouts only 95 reported for transportation to the camp. Transportation for the original group was furnished by the Indiana National Guard. Trucks were used to bring the boys from the northern part of the State to Indianapolis where they boarded a bus for camp. Representatives of the Indiana Youth Council transported 21 replacements to the camp by automobile.

The work program ran for 60 days from September 3 through November 2, 1963. The enrollees recruited for the program were quartered at the Harrison State Forest at Corydon, Ind. The weekly work assignments consisted of 40 hours in the field plus a minimum of 8 hours of education and vocational training. The recruits were under the direct supervision of two officers of the Indiana National Guard. Also, 1 conservation officer trainee was assigned to each 10 boys. This was an accelerated program; therefore, except for emergencies, no home leave was allowed.

All enrollees were offered guidance and counseling by the employment service covering a number of areas designed to help them to qualify for suitable employment. Three permanent counselors and three supplementary counselors were assigned to the camp and worked with the boys 1 full day each week. The general aptitude test battery and the Kuder interest inventory were given to 86 enrollees in order to determine aptitudes, achievements and interests.

Employment service counselors conducted individually counseling interviews with the enrollees for the purpose of giving test interpretations and developing of vocational plans. Group counseling sessions were held to instruct enrollees on "how to apply for a job." In addition to the instructions given on the "art" of filling out job applications, advice was given on answering advertisements, being interviewed for employment, and in the manner of grooming and attitudes expected by prospective employers.

Reading, basic arithmetic and other courses were given to the enrollees by high school teachers who donated their services. Skill Center, Inc., of Chicago provided a special reading program, since the reading handicap was the campers' largest problem.

Conservationwise the accomplishments were almost unbelievable. Enrollees, in their 2 months at camp, increased 2 picnic areas, cut 5,000 posts and poles, thinned 15 acres and clear-cut 20 acres of the forest, improved 8 miles of fire lanes, and completed improvement work on 20 acres of timber stand. They also painted the exteriors of all buildings in the forest and the interiors of all buildings used by campers.

The program was very ambitious. Due to the vigorous physical and mental pace along with the strict camp discipline many of the recruits dropped out. On November 3, 70 of the recruits were graduated and returned to their homes.

It was now the responsibility of the 33 local offices of the employment service to assist the 70 graduates to find suitable employment. By mid-December the employment service found jobs for 54 of the 70 graduates. Employment was obtained in the following major occupational groups: 30 as laborers; 3 as tree trimmers; 5 as clerical workers; 8 as restaurant workers; 3 as construction workers learning a trade; 2 as bakery helpers in training for bakers; 3 as domestic workers in private homes, and the largest group of 30 as laborers in various industries.

Of the 16 graduates who indicated that they were not available for placement, 5 found jobs on their own, 2 were in military service, 1 was enrolled in college, 1 moved out of State, and 7 were not interested due to personal reasons.

A post camp questionnaire sent to over 100 of the boys who attend camp for all or part of the 60-day period indicated that 67 enjoyed the work at camp; 65 said they did not consider the work too hard; 52 felt they had learned some things to help them get jobs; 26 said the classes were dull, and 29 said they were too tired to study after working out of doors.

The youth conservation work camp, the first of its kind in the Nation, was a successful experiment. Governor Welsh now hopes to have two such camps operating this spring, one of which would be located at Camp Atterbury and would offer vocational training.

Statistical documentation and detailed followup information is available from the Indiana Youth Council, 706 State Office Building, Indianapolis.

Governor WELSH. I became quite interested in the problem of young people in Indiana after I became Governor, when I found the problems in our penal institutions, where we had more than 100 percent overcrowding, and in the institutions particularly designed for the 16 to 25 age group, the juvenile delinquents, so-called. This, of course, made rehabilitation impossible.

It also came to my attention that our State park system was desperately in need of attention. Our parks were being beaten to death by overuse and what they needed was work done on them.

So, I conceived the idea of taking juvenile first offenders out from behind the institution walls and putting them in youth camps, our work camps, in our State parks and forests. We have been doing this now for 3 years. We have three such camps operating on a large scale and another one will be open very soon.

The experience we had with these camps was extremely encouraging. The return rate in our penal institutions is one out of every two. In Indiana, the experience has been that one out of every two will return as a convicted felon. But our experience with the boys who have gone through this work camp program, doing this useful work in outdoor surroundings, giving them a feeling of making a contribution to society while they paid their debt, has been that 9 out of 10 of the boys that go through this process have been rehabilitated. The contrast in the two systems was quite startling. I became quite interested then in expanding this concept.

The boys, in addition to the statistics showing that return rate, were startlingly different. We know that the boys who went through this work camp program were materially improved physically as well as mentally. We had one boy who gained 40 pounds in 4 months, to give you an example. They returned to society in very much better condition.

So we arrived at the idea of camps for boys that are not yet in trouble but are raw material certainly for our penal institutions; namely, the out-of-school and out-of-work youngster.

Last year at our Harrison State Forest in Indiana, we brought 100 boys, roughly 10 from each of our congressional districts, to our Harrison State Forest. The raw material was obtained from boys 16 to 21, I believe, who were interviewed by our employment security officers and were taken down to the Harrison State Forest where they were given the opportunity of, for 60 days, working in an outdoor camp of this type, building camping areas, camping facilities, improving the forest, cutting slash timber, painting and repairing the buildings.

The boys responded beautifully, although for a while we thought we did have a bear by the tail because we had no means of disciplining them. This was a matter of real concern for a while.

You must bear in mind that these boys were out of school and out of work. They were not from a normal home environment. Most of them were from broken homes or were slow learners, or for some reason or another had not had a normal upbringing as we understand it.

When they got down there, some of them thought they were on a lark. One or two were found to be mental cases, disturbed children, and so on.

Seventy finished the program of 60 days of extremely hard work. You must bear in mind we had no incentive or discipline. The only incentive we had to offer these boys is that if they stayed there 60 days, the employment service would find them a job. Seventy of them did finish and jobs were found for all of the 70 who wanted employment. We had no difficulty. Physically they were a much more presentable specimen. The fact they had the stamina and the determination to do this hard physical work for 60 days was proof

that there was good raw material here. Several of the 70 that didn't finish went back to school. Some of them dropped out for one reason or another. We paid these boys \$75 a month and room and board.

But the startling thing we discovered in this program was that when the boys were given an intelligence test, a screening test, we found that 50 percent of them could not read or write.

In Indiana, in 1963, 50 percent of those boys could not read or write. No wonder they could not get a job. They could not fill out an employment application. They could not follow instructions that they were given. Obviously, here was a need that was much greater in scope than we had believed and one that had to be met because, if we didn't meet it, all we would be doing was adding to our correctional problem and our welfare problem. Obviously, these boys were never going to be able to get a job.

We got at this in this particular instance by calling in schoolteachers from the surrounding neighborhood, the counties surrounding the forest, who came in on a voluntary basis 2 hours a night and on Saturdays, and every boy there got some training of one kind or another. The boys who could not read or write were taught to read and write. Those who were a little more advanced were given a more advanced type of instruction.

We found that the need for instruction is very great. We found that we were really combating what amounts, apparently, to a problem of sheer illiteracy. This was amazing to us. So we determined that that this program should be expanded.

Presently we are negotiating with the Army to convert Camp Atterbury. The camp is a dormant Army camp 40 miles or so south of Indianapolis covering about 41,000 acres, with a number of buildings in reasonably good shape. We plan to institute there a vocational training program and, if we can get the acreage, to combine this with an outdoor work program. We hope to have perhaps as many as 600 boys there in this program. The State highway department, which has the responsibility in our State of constructing roads for our conservation department, has agreed to build some roads, and we plan to offer the boys a training program in heavy equipment operation, heavy equipment maintenance, and some basic construction techniques while building roads that will be necessary. The acreage will then become available as public, under our conservation department, to the people of Indiana for park purposes.

We plan through our State department of vocational education to offer a number of other courses, giving training in other areas where we know jobs exist.

MR. BRADEMAS. May I interrupt the Governor for questioning at that point? You are talking about what you are planning to do at Camp Atterbury. When do you think you are going to be in business with this Camp Atterbury project? It seems to me a fairly ambitious program. Do you see any particular hurdles that need to be overcome?

Governor WELSH. Actually, our adjutant general has taken possession of some of the buildings and has a crew of carpenters rehabilitating the 10 or 12 buildings that we need. This was the quickest way to begin. We hope to start the program by June 1.

The only area that I see we might have a problem here is in connection with the additional real estate, aside from the buildings. We have a feeling that there is something of a vested interest in the status

quo by a lot of people. Some of the farmers want to use this land for grazing, and the local people perhaps do not like to have their present existing arrangements changed too much.

I am going to talk to the Army people this afternoon while I am in the city to cut as much redtape as possible, to get in possession of this real estate so that we can move forward.

I think the burden of my remarks is really that we know from actual experience in Indiana that the boys respond beautifully to this type of outdoor work experience. We know from actual experience that there is a tremendous gap here, and that unless it is filled, unless some agencies fill it, by taking these boys who are out of school and are out of work and giving them some access to a skill or a vocation, we are facing serious trouble. It is really a much greater need than we believed. This has been our experience.

We know that the boys want to learn and desire an opportunity of this nature, and we are going to try to give it to them in Indiana. We are going to use Manpower Development and Training Act funds in vocational training of a limited nature, not necessarily as broad as we would like to be able to offer.

Concerning this bill that is before this committee: I would like to urge upon you that this is a need which desperately must have your attention. I am confident it is a problem in Indiana. I am sure the same problem exists in other States to a greater or lesser extent. Without question, a number of these boys came to Indiana and had no education because they were from migrant parents, who had never settled in one area long enough to let these boys ever acquire an education. They became 16 and hence didn't have to go to school, and they had reached this age without acquiring an education. So it is not a problem that is confined to our State, it is national in scope and it is going to take a national effort to get at it.

MR. LANDRUM. Thank you, Governor. You described a most commendable program of your State to combat the problem of poverty and its associated conditions.

Is it your opinion that the problem is yet too large for the States and the localities to attempt to solve without the assistance of the Federal Government?

Governor WELSH. Certainly we are going to make every effort we can in Indiana to get at it. But, as I mentioned, this is a problem that exists because of the mobility of population and no matter how hard we try, this is not going to really solve the problem, it has to be solved all over the country. I mean, it has to be met all over the country. I am confident, of course, that if every State would do this on their own motion, this would be fine, but I am not sure that every State would do this. Indiana had not done it before last year and the need existed for some time prior to this.

MR. LANDRUM. Let me ask you this in that connection—

Governor WELSH. And we are going to use Federal funds to finance this. We are going to use Manpower Development and Training Act funds to a large extent. The program should be expanded substantially, which we could not do without Federal funds.

MR. LANDRUM. Do you find it difficult to get the interest and cooperation—that is, the enthusiastic interest and cooperation—from your wealthier sections in support of the problem that may come, does come, from less wealthy or less fortunate sections?

Governor WELSH. I think the people of all economic levels will support any program that is aimed at helping young people. It is in their own self-interest, as I view it. If we do not do this, the crime situation becomes more and more acute. After all, these young people represent the largest segment of our society today. This is true in Indiana certainly.

In Indiana 40 percent of our total population is under the age of 19. This is a major segment of our society. Unless we give these young people a skill and a means of taking a place in society, they are either going to turn to crime or they will become welfare cases. The people of means are going to be the ones to pay this tariff. They are much better off to have these young people as taxpayers rather than dependents, as I view it. But the response of people to a program that helps young people is almost automatic. We find very little opposition.

Mr. LANDRUM. Mr. Roosevelt.

Mr. ROOSEVELT. Thank you, Mr. Chairman.

Mr. Chairman, I just wanted to be sure that we do not get crossed up a little bit because of one statement of the Governor.

Your present program is being partially financed by an existing Federal program. I think that is what you just said.

Governor WELSH. The program that we contemplate. Now the program at Harrison State Forest, we did get surplus foods for a portion of it. But this was the only one.

Mr. ROOSEVELT. Title I of part B of the proposed bill, of course, would enable you, as I read it, to fit it exactly into the program you are doing, but would enable you to do more of it.

Governor WELSH. Greatly expand it.

Mr. ROOSEVELT. You would not have to then depend on funds which might be very limited under the existing Federal program.

Governor WELSH. That is right.

Mr. ROOSEVELT. Therefore, it is not a duplication, it is merely an assist; is that correct?

Governor WELSH. I believe so; yes.

Mr. ROOSEVELT. The only other question I would ask you is: Title I, part A, creates the Job Corps which I assume is fairly similar to the old Civilian Conservation Corps idea. Is there any conflict, as you see it, between your State plan and a CCC camp under Federal auspices?

Governor WELSH. I don't see that there is any conflict. I would hope that any Federal program would contain language either in the act or in the regulations governing the administration of the act, encouraging the Federal agency to work with State agencies and through State agencies to the fullest extent possible. This will vary from State to State, I realize, because of local statutes and local conditions.

Mr. ROOSEVELT. As you point out, there are many States which might not have such a program as you have.

Governor WELSH. So far as we know, there are none.

Mr. ROOSEVELT. Certainly in those areas the Job Corps would be almost an essential; would it not?

Governor WELSH. That is right.

Mr. ROOSEVELT. Secondly, would you have any objection, if you have in your State certain cities that might have potentials for a similar idea of a Job Corps but run on a city level, you would have no feel-

ing that we had to necessarily have to do this through a State agency but it would be perfectly proper to do it through, let us say, some agency in Indianapolis, if there were such an agency; would that not be proper?

Governor WELSH. Yes. I think the State agency should be kept advised as to what is going on and this sort of thing. If the city wants to get into this on its own, a local recreation department, or have a youth department as many of our cities do, we would encourage them to do this, certainly.

Mr. ROOSEVELT. Thank you.

Mr. LANDRUM. Mr. Frelinghuysen.

Mr. FRELINGHUYSEN. I have been very much interested in the Governor's testimony about his State's job corps. I should like to commend him for the progress which has been made in this area. I have a couple of questions, Governor. You suggested that a substantial amount of the financial assistance which makes your State job corps program possible comes from Federal funds, through the Manpower Development and Training Act. Do you have any figures as to costs? What percentage of those costs is being paid for presently from Federal funds?

Governor WELSH. The Federal money will be used in this program that we contemplate. The Manpower Development and Training Act money will be used in conjunction with the projected program at Camp Atterbury.

Under the Manpower Act each trainee would receive an allowance of \$20 a week and, in addition to that, \$5 a day subsistence. Our program contemplates that of this \$5 the camp fiscal officer would, by contract with the individual boys, use \$4 a day to defray the expense of keeping them at the camp, for food, housing, clothing, medical expenses, and so forth. The \$1 the Manpower Development and Training Act apparently also requires be paid to the trainee for incidental expenses.

With this \$4 per youngster, we believe we can finance not only his food and this sort of thing but also pay a major share of the administrative expense so far as this program is concerned.

Mr. FRELINGHUYSEN. How much per enrollee do you think this program will cost you for a year?

Governor WELSH. We don't have any firm figures. We estimate that this would be in the neighborhood of perhaps \$2,500.

Mr. FRELINGHUYSEN. How much of that would be Federal money?

Governor WELSH. Substantially all of it. For the first year, substantially all of it.

Mr. FRELINGHUYSEN. The reason I ask you the question is that the proposed National Job Corps would cost \$4,700 per enrollee for the first year. So there is a very sizable discrepancy between what apparently is a realistic program, already set up and projected in realistic terms, and what is projected on paper at the national level.

I am wondering about two things. If you have been able to get this far and plan to go further with Federal assistance, why do you not advocate utilizing the Manpower Development and Training Act, perhaps stepping up the amount of money made available under that program, instead of coming in here advocating a new program? Why not use the existing program rather than turn to another which might be competitive, or at best only an additional source of funds for your State?

Governor WELSH. We feel that the Manpower Development and Training Act is fine. It is designed for a specific purpose that is not as broad in scope as I think the need really is.

Mr. FRELINGHUYSEN. I am not sure in what way it might be broadened. Why would it not be better to broaden something that you are planning to utilize than to set up a new program which may overlap or duplicate or simply broaden what is already available under the Manpower Development and Training Act?

Governor WELSH. I would see no objection so long as we get the job done.

Mr. FRELINGHUYSEN. I am not trying to trap you.

Governor WELSH. I understand.

Mr. FRELINGHUYSEN. I do think it might be at least as feasible to use this approach. I am sure you realize that the proposal in this poverty bill proposes federalizing these Job Corps. This would no longer be a State corps. There would be national standards established. The provision for State participation, and I refer to section 103 of the bill, is that the State may enter into an agreement with the Director for the provision of such facilities and services as the Director, in his judgment may feel are needed. In other words, you would lose control or might well lose control within a new Federal program, in the sense that you would no longer select, or decide what the standard should be. You would become part of a much larger Federal effort. Yours would no longer be an individual State effort.

Is this something you would approve? Would you like to retain control and suggest, if necessary, that 50 State Job Corps be set up rather than 1 national one?

Governor WELSH. This is a national problem and I think the effort has to be looked at on a national basis. Certainly I would hope that in attacking the problem, the national Administrator or the national organization in charge of this program would use the facilities of the States. As a Governor, I am very proud of the job we have done in Indiana and I am sure the other Governors feel this same way, and welcome the opportunity to show that we as States can discharge responsibilities that are before us.

Mr. FRELINGHUYSEN. Governor, you are proud of your achievement, not just the fact that you have facilities that can be used.

Governor WELSH. That is correct.

Mr. FRELINGHUYSEN. Would you want to have a continuing responsibility for the operation and maintenance and the discipline and all the rest of this camp?

Governor WELSH. Of course.

Mr. FRELINGHUYSEN. None of that is guaranteed to you under this bill.

Governor WELSH. I would hope and I would assume, certainly, that the Federal agency in charge would do it through and with the help of the States and that wherever there is a State willing, ready, and able to meet this responsibility, the Federal agency would use this additional assistance at its disposal.

Mr. FRELINGHUYSEN. I am not saying they would not; but there is no provision saying you could retain it. You might be granted it.

Mr. LANDRUM. The time of the gentleman has expired.

The gentleman from Pennsylvania, Mr. Holland.

Mr. Holland, would you yield to me for a moment?

Mr. HOLLAND. I will.

Mr. LANDRUM. Is it not true, Governor, that most of the States would not have available to them the facilities of which you are now availing yourself with regard to a place to accumulate or assimilate and train these Job Corps people you are talking about?

Governor WELSH. I am sure this is true, that many States would not have access to a dormant Army camp so well situated and equipped for this purpose.

Mr. LANDRUM. So that, where that facility does not exist within a State, there is a necessity to provide for the Federal management of it along with and cooperating with the State and the local government.

Governor WELSH. This is true and also, quite properly, funds for a facility.

Mr. LANDRUM. I thank the gentleman from Pennsylvania for yielding.

Mr. BRADEMAs. Would the gentleman from Pennsylvania yield to me?

Mr. HOLLAND. I will be glad to yield to you.

Mr. BRADEMAs. I recall your saying Indiana is the only State carrying out a program along the lines you suggested.

Governor WELSH. Yes; so far as we know, Indiana is the only State which has a program being carried on contemplating instruction of this nature.

Mr. BRADEMAs. The reason I make that point is that it is all very well for us to be critical of any Federal support for activities of this sort and to say that this is something that the States ought to be doing. I would agree that this is something that the States ought to be doing. But there are 50 States in the Union. That means that there are 49 other States which do not seem to have given the kind of leadership you have given in our State of Indiana. It seems to me that this problem is a splendid example of one of the reasons that people are increasingly turning to the Federal Government for assistance in coping with these extraordinary different problems, both because of a lack of interest, a lack of will on the part of many of the State governments, and, also, to be candid about it, a lack of the resources, lack of money.

In many cases, Governors, I am sure, would like to undertake this kind of program but they do not have the money to do it. I think we can all run the flag of States rights up, but if nobody is around to salute it and pay the bill, then we are still going to have the crime and juvenile delinquency and the illiterate 16-year-old young men in the northern part of the country as well as in the South. So, I have been very much encouraged by what you have had to say here with respect to our program, our State Job Corps, as it were, and the fact that it does pay off in terms of training young men even in a very limited program such as the one you have already described we have had at the Harrison State Forest, pay off in terms of providing jobs. I think our State has shown that it is pioneering in this field under your leadership.

I want to ask if it would be possible, with unanimous consent, Mr. Chairman, to include in the record the text of a short pamphlet prepared by the Indiana Employment Security Division on Indiana's low-income families, if that could be provided for the record.

Mr. LANDRUM. Is there objection?

Without objection, it is so ordered.

(The material referred to follows:)

INDIANA'S LOW-INCOME FAMILIES

WHERE ARE THE POOR IN INDIANA?

President Johnson has set \$3,000 annual income as the measure of poverty. In 1960, there were 214,792 families in Indiana who had incomes of less than \$3,000 during the previous year. This release tells where the low-income families are concentrated and summarizes information about these concentrations.

Statewide, 18 out of every 100 families in Indiana had incomes below \$3,000. In several counties more than one out of every three families had an annual income of less than \$3,000. In other counties the rate was as low as one out of eight. In Marion County, 13 out of every 100 families had annual incomes of less than \$3,000.

Counties with the highest rates of low-income families are predominantly rural and are concentrated in the southern part of the State and along the western border. Thirteen out of the fifteen counties with more than 30 percent of their families in the low-income bracket are south of Star Route 40.

The counties with the greatest numbers of low-income families are urban centers. Marion County had 22,850 low-income families, Lake County 13,939, and Vanderburgh County 8,898. Thirty percent of the low-income families are located in six metropolitan counties.

Poverty has become a prominent topic lately as a result of recent proposals to alleviate this condition. Estimates of the extent of poverty in the Nation have included from one-tenth to one-third of the population. The estimates differ because of the definitions and criteria which are used. For example, use of a criterion such as family income of \$2,000 results in a lower estimate than one where a criterion of \$3,000 family income is used. In either case, some families who might be living adequately at that income level would be included, while some impoverished families would be omitted.

For national estimates, the President's Council of Economic Advisers have used criteria of \$3,000 income for families and \$1,500 income for unrelated individuals. The same criteria have been used for the 1960 census data presented here for Indiana. The data probably overstate the number who might be considered very poor because it includes farm families whose home grown food may be an important contribution, the value of which is not reflected in the reported income. On the other hand, large families with income just over \$3,000 are omitted even though they might be regarded as very poor. Poverty among unrelated individuals is probably also overstated because those living in group quarters are included.

In 1960, there were 214,792 families in Indiana who had incomes of less than \$3,000 during the previous year. This was 17.9 percent of all the families in the State. About 50 percent of the low-income families lived in urban areas while the other half were in rural areas. Ninety-two percent of the low-income families were white and 8 percent were nonwhite. Practically all of the 17,770 nonwhite, low-income families lived in urban areas.

About one-third of all rural farm families had low income while one-seventh of the urban and one-fifth of the rural nonfarm families had low incomes. About 17 percent of white families and 30 percent of nonwhite families had low incomes.

The maps show the number and percentage of families in each county who had incomes under \$3,000 in 1959. Those counties which have a large percentage of low-income families are mostly rural. The counties with the largest number of low-income families are mostly urban.

More than one-half of the heads of low-income families were in the experienced labor force. By occupation, the largest number of low-income families were headed by farmers, operatives, craftsmen, laborers, and service workers, while other occupations were represented with smaller numbers. The industries in which the largest number of heads worked were agriculture, manufacturing, retail trade, and construction. Forty-four percent of the heads of low-income families were not in the experienced labor force.

Of the nearly 300,000 unrelated individuals in the State in 1960, 52 percent had incomes of less than \$1,500 during the previous year. About 70 percent lived in urban areas. Ninety-three percent of these individuals were white. The 7 percent who were nonwhite were located mostly in urban areas. About 49 percent of the urban and about 62 percent of the rural unrelated individuals had low incomes.

Families with income under \$3,000 in 1959, by color, for Indiana, urban and rural: 1960

	Families		Percent of number in the State	Percent of the total number with income under \$3,000
	Number in the State	Number with income under \$3,000		
Total, the State.....	1, 198, 152	214, 792	17. 9	¹ 100. 0
Urban.....	747, 561	111, 198	14. 9	51. 8
Rural nonfarm.....	319, 329	58, 858	18. 4	27. 4
Rural farm.....	131, 262	44, 736	34. 1	20. 8
White, the State.....	1, 138, 806	197, 022	17. 3	91. 7
Urban.....	689, 568	93, 983	13. 6	43. 8
Rural nonfarm.....	318, 172	58, 385	18. 4	27. 2
Rural farm.....	131, 066	44, 654	34. 1	20. 8
Nonwhite, the State.....	59, 346	17, 770	29. 9	8. 3
Urban.....	57, 993	17, 215	29. 7	8. 0
Rural nonfarm.....	1, 157	473	40. 9	. 2
Rural farm.....	196	82	-----	-----

¹ Percents may not add to 100 because of rounding.

Source: U.S. Census of Population, 1960; "General Social and Economic Characteristics, Indiana," final report PC (1)-16C, table 65.

Industry of head of families with income under \$3,000 in 1959, for Indiana, 1960

Industry of head	Number of families in the State	Number of families with income under \$3,000	Percent of number of families in the State	Percent of total number of families with income under \$3,000
Total.....	1, 198, 152	214, 792	17. 9	¹ 100. 0
Head in experienced labor force.....	1, 029, 629	119, 190	11. 6	55. 5
Agriculture, forestry and fisheries.....	80, 848	33, 094	40. 9	15. 4
Mining.....	7, 932	700	8. 8	. 3
Construction.....	77, 268	10, 137	13. 1	4. 7
Manufacturing.....	427, 880	24, 503	5. 7	11. 4
Durable goods.....	327, 476	18, 607	5. 7	8. 7
Nondurable goods.....	100, 404	5, 896	5. 9	2. 7
Transportation, communication, and other public utilities.....	81, 833	5, 119	6. 3	2. 4
Transportation.....	56, 500	3, 902	6. 9	1. 8
Other.....	25, 333	1, 217	4. 8	. 6
Wholesale trade.....	35, 894	2, 504	7. 0	1. 2
Retail trade.....	112, 594	16, 371	14. 5	7. 6
Finance, insurance and real estate.....	28, 084	1, 932	6. 9	. 9
Business and repair services.....	21, 811	3, 189	14. 6	1. 5
Personal services.....	22, 039	6, 937	31. 5	3. 2
Entertainment and recreation services.....	3, 492	676	19. 4	. 3
Professional and related services.....	65, 734	6, 626	10. 1	3. 1
Public administration.....	37, 374	2, 166	5. 8	1. 0
Industry not reported.....	26, 846	5, 236	19. 5	2. 4
Head in Armed Forces.....	5, 002	964	19. 3	. 4
Head not in experienced labor force.....	163, 521	94, 638	57. 9	44. 1

¹ Percents may not add to 100 because of rounding.

Source: U.S. Census of Population, 1960: "Detailed Characteristics, Indiana," final report PC(1)-16D, table 146.

*Occupation of head of families with income under \$3,000 in 1959, for
Indiana, 1960*

Occupation of head of family	Number of families in the State	Number of families with income under \$3,000	Percent of number of families in the State	Percent of total number of families with income under \$3,000
Total.....	1, 198, 152	214, 792	17.9	¹ 100.0
Total in experienced labor force.....	1, 029, 629	119, 190	11.6	55.5
Professional, technical and kindred workers.....	93, 747	3, 123	3.3	1.5
Farmers and farm managers.....	69, 281	27, 859	40.2	13.0
Managers, officials and proprietors.....	101, 763	6, 394	6.3	3.0
Clerical and kindred.....	68, 745	4, 837	7.0	2.3
Sales workers.....	57, 425	4, 653	8.1	2.2
Craftsmen, foreman.....	228, 426	13, 805	6.0	6.4
Operatives and kindred.....	252, 108	22, 278	8.8	10.4
Private household workers.....	4, 404	2, 882	65.4	1.3
Service workers.....	52, 452	11, 763	22.4	5.5
Farm labor, unpaid family workers.....	134	85	-----	-----
Farm laborers, except unpaid, and foreman.....	8, 395	4, 414	52.6	2.1
Laborers, except farm and mine.....	57, 655	11, 398	19.8	5.3
Occupation not reported.....	35, 094	5, 099	-----	2.7
Head in Armed Forces.....	5, 002	964	19.3	⁴
Head not in experienced labor force.....	163, 521	94, 638	57.9	44.1

¹ Percents may not add to 100 because of rounding.

Source: U.S. Census of Population, 1960; "Detailed Characteristics, Indiana," final report PC(1)-16D tables 145 and 146.

*Unrelated individuals with income under \$1,500 in 1959, by color, for Indiana,
urban and rural: 1960*

	Unrelated individuals		Percent of number in the State	Percent of the total number with income under \$1,500
	Number in the State	Number with income under \$1,500 ¹		
Total, the State.....	299, 659	² 156, 542	52.2	² 100.0
Urban.....	225, 046	110, 253	49.0	70.4
Rural nonfarm.....	60, 764	37, 633	61.9	24.0
Rural farm.....	13, 849	8, 655	62.5	5.5
White, the State.....	278, 159	145, 486	52.3	92.9
Urban.....	204, 784	99, 883	48.8	63.8
Rural nonfarm.....	59, 606	37, 005	62.1	23.6
Rural farm.....	13, 769	8, 598	62.4	5.5
Nonwhite, the State.....	21, 500	11, 056	51.4	7.1
Urban.....	20, 262	10, 371	51.2	6.6
Rural nonfarm.....	1, 155	628	54.2	0.4
Rural farm.....	80	58	-----	-----

¹ Estimates.

² Items may not add to total because of rounding.

Source: U.S. Census of Population, 1960; "General Social and Economic Characteristics, Indiana," final report PC(1)-16C, table 65.

Mr. PUCINSKI. Would the gentleman yield to me?

Mr. HOLLAND. I yield.

Mr. PUCINSKI. The statement has been made several times today that the States are being excluded from any authority in developing programs within the State. I think you have been asked whether you would yield that authority. Actually, this legislation does recommend that, where possible, actions flow through the States. Take the States of Illinois and Indiana. Take the Gary-South Chicago area where there is a great deal of poverty there. It is entirely possible that the Director, after consulting with you as a Governor of Indiana and with Governor Kerner of Illinois, may very well decide that the program may be more effective working through a bi-State agency in that area. I imagine there may be instances where we will have tri-State problems. Is that not the purpose of this bill to give the Director that latitude without in any way taking away from you the chief executive's powers?

Governor WELSH. I am sure. And I am sure there will be instances where boys from one State who desperately need this type of assistance will have to be taken to another State to be given this kind of training, either because of facilities or courses or for a number of reasons.

Mr. PUCINSKI. Thank you very much.

Mr. LANDRUM. The time of the gentleman from Pennsylvania has expired. We will recognize him again in a minute.

The gentleman from Michigan.

Mr. GRIFFIN. Governor, I think your testimony is excellent. What you have done, and are trying to do, in the State of Indiana, is a good example of what State government can do in this field. I think that the main argument we are having about this legislation is how to do it; whether or not the Federal Government should provide some incentive for States to do the job where they are not doing it; helping perhaps to finance, to some extent, and to encourage this type of activity.

Your testimony is excellent. You made the statement earlier that the people, the taxpayers, are generally willing to support a program to help young people. I think that is right. I think the programs have to be well conceived, and I think it must be demonstrated to the people that they deserve support. Many times it is much easier to run to Washington rather than justify a program to the local people, and hope that you can get money down here without necessarily convincing the local people that it is a good program.

I think we wind up, then, with a bill here which does not utilize the experience, at least as far as the administration of the program is concerned, of which your program is a good example; this bill speaks in terms of a National Job Corps. The corps shall be composed of male individuals and so forth, "who meet the standards for enrollment prescribed by the Director" and so forth. "The Director is authorized in his discretion," if he wants to, "to enter into an agreement with a State or local agency for the provision of such facilities as in his judgment are needed," and so forth.

If State administration is important at all, it seems to me that by endorsing this bill you put an awful lot of blind trust in the bureauc-

racy down here; trust that they are going to administer this program so as to take advantage of State administration and responsibility.

While you might have this trust in one particular individual at a particular time, I wonder if this is good policy to assume that you can always have the same kind of trust?

That is a kind of speech. Maybe you have some comment on it.

Governor WELSH. I would say, first, that I regard this as a national problem, not a State problem. This is not only Indiana's problem. Many of the youngsters we have on our hands are youngsters who really grew up in other States and are now in Indiana. This is true in many other States. As much as we do, we will never solve our problem unless it is attacked on a national scale. I think we must keep this in mind at all times. I have no fear of the Federal Government. We assume that the intentions and objectives of the agency that is going to administer this policy are going to be identical with what we are trying to do. We don't think we have all the answers. I am sure there are able and intelligent people in other States as well as in Washington and we would welcome the opportunity to benefit by their experience and perhaps the best way to do this is to have a national agency charged with this responsibility so that everyone who has an interest and information to contribute can do so.

We will use every device and every bit of information that is helpful that we can.

This matter of blind trust—we feel that we are part of this Government and that the Government is not going to pick on us.

Mr. GRIFFIN. Under title II, the so-called community action program, the extent of State involvement is limited to submitting a proposed program to the Governor "for his comment." Title II, of course, will involve aid to education. Are you satisfied that the State responsibility is sufficient and adequate under title II?

Governor WELSH. You mean the requirement—

Mr. GRIFFIN. The recognition of the State role.

Governor WELSH. Frankly, I am not familiar with the precise language.

Mr. GRIFFIN. The community action title involves some \$390 million the first year. Apparently a lot of it is going to be used in various forms of aid to education and anything else, I guess, because there are no standards of criteria whatsoever. The bill completely bypasses State government, under title II, except that a project will be submitted to you for your comment.

If you have not examined title II from the standpoint of the State's role, I wish you would do that. You will find it interesting.

Governor WELSH. This gets back to the point I made a moment ago. My experience of 3½ years as Governor is that when a Governor makes comments to a Federal agency, they usually listen. That has been my experience.

Mr. GRIFFIN. I do not think that necessarily follows in every case.

Governor WELSH. I would not expect them to do precisely what I asked them. Certainly, if a program is going to be successful, it has to be one, so far as my experience would indicate, that has the voluntary support of the people and of other agencies. You can't force people to do things and you can't drive them. The Federal program

would never be successful if they were flying in the face of what was good practice in Indiana.

MR. GRIFFIN. Don't you think your State educational agency should have something to say about new educational programs going into Indiana?

Governor WELSH. This is one of the people I would consult.

MR. LANDRUM. Would the Governor and the gentleman from Michigan yield to me, without it coming out of his time, for a little discussion off the record here?

MR. GRIFFIN. In view of the limitation of time, Mr. Chairman, I have no further questions.

Once again, I think what Indiana is doing is a fine example for the rest of the Nation. I think this committee ought to benefit from this example of what State governments can do.

Governor WELSH. Thank you very much, sir. We would be more than glad to make the benefits of whatever experience we have had available to anyone in Washington or any other State, for that matter. It has been an interesting 2 or 3 years. Quite frankly, as I say, we didn't know whether we had the "bear by the tail" or not. For a while we thought we did, but it has worked out well.

MR. LANDRUM. The gentleman from Indiana.

MR. BRADENAS. Thank you, Mr. Chairman. I would like to make a couple of observations following what my colleague from Michigan has said.

First of all, I was very pleased to see him commend you on your testimony. Lest I be misunderstood, with respect to what I said earlier about States rights, let me make clear my own feeling, as well as that of the Governor, that this is not a problem that ought to be solved simply by the Federal Government; rather, as President Johnson indicated in his speech accompanying this antipoverty bill to Congress, this is a problem which requires the cooperation of State, Federal, community, public, and private resources.

I think one of the difficulties that we get into when we try to figure out what is the best way of meeting the challenge of poverty is that we have so little awareness of the dimensions of the problems. I was just reading an article in the March 26 issue of the Reporter by the distinguished Washington Post writer, Bernard D. Nossiter, in which he cites a study made by Prof. Robert Lampman of the University of Wisconsin, who is one of the pioneer economists in this field of poverty. Mr. Lampman states that even if Congress passes the bill we are now discussing, the entire \$1 billion package, it will still require 30 years to solve the problem of poverty in this country. Professor Lampman draws this conclusion because, if we use as a rate of poverty the figure of \$3,000 or less annual income per family, there will be 30 million Americans living under conditions of poverty. If you define the solution of the problem of poverty even as simply as withdrawing such families from the \$3,000-a-year category, it will clearly take 30 years to do so even if, to repeat, we pass this \$1 billion program.

For Mr. Lampman projects that the passage of this program would mean a withdrawal rate of 1 million persons a year from the poverty category. He also points out that even this withdrawal rate would mean approximately double the recent rate of withdrawal from the category of \$3,000 a year per family.

Mr. QUITE. What years did he use as recent years?

Mr. BRADEMAS. Between 1947 and 1957. I am quoting from Mr. Nossiter's article:

Professor Lampman estimates about 800,000 a year rose from the poverty level. In the next 5 years the rate fell to about 500,000. This decline was the result of sluggish growth, high unemployment, and a slower gain in the payments made directly to the poor from social security and other channels of transferring income. The economy's recent torpor, then, has left the Nation with a deficit of 1.5 million who might otherwise have escaped from poverty. Against this background, Lampman's suggested yearly target of a million withdrawals appears more ambitious; it is, in fact, approximately double the recent rate.

I go into all this simply in response to what Congressman Griffin said and to make clear that we have to work at this problem at the Federal level, at the State level, at the local level; and, even if we work at it, even if we pass this bill, we are only getting started.

Mr. PUCINSKI. Are those figures, the million there, are those bread-winners or are those total members of a family?

Mr. BRADEMAS. These are families we are talking about.

Mr. PUCINSKI. Entire families?

Mr. BRADEMAS. That is correct.

The other point I wanted to make, with respect to your colloquy with Congressman Griffin, is that in section 208 in title II of this act, community action programs, there is a provision that:

* * * the Director of these programs "shall establish procedures,"

and I am quoting—

which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

I think I have made two speeches. If you have any comment on what I have had to say, Governor, go ahead.

Governor WELSH. One thought occurs to me as far as the Federal program is concerned: A Federal program would probably set standards and there would be a certain uniformity, an effectiveness, that would not be possible unless there were a Federal program. This is really a very serious problem and some States may give it a "lick and a promise" and really not get at it.

Mr. BRADEMAS. What about one problem we have not said very much about? I was not quite clear on your first point to which Mr. Griffin also referred; namely, that if it is a program to help young people you felt confident we could get adequate support. Is it not true that in many States of our country, not excluding Indiana, we have had difficulty in getting adequate tax revenues to support the schools of the State? Can one really be so optimistic, therefore, that there will be adequate State funds available for attacking the problems of unemployed youth?

Governor WELSH. I am sure in Indiana, if we were going to try to finance this type of thing with State funds, we could not do it; we simply could not do it. We have been compelled in Indiana to go to a

new revenue program primarily because of the cost of our program of education. We see that this is going to cost more money simply because there are more youngsters coming along. This is the most expensive segment of society; namely, young people, and if we educate them properly in our public schools, that alone will consume all the money that the normal State can raise.

Mr. BRADEMAs. You meet with Governors frequently in your position. Do you find, in conversations on this problem with your gubernatorial colleagues, that the shortage of finances is the chief hurdle for them to overcome in meeting this problem at the State level?

Governor WELSH. I would say this would be the normal problem which must be overcome in order to have a program that will be successful and do a job of training these young people to give them a skill. For, unless you can give them a skill so that they can go out and become a responsible taxpaying member of society, you have not accomplished anything. This is going to be an investment.

Mr. BRADEMAs. Thank you.

Mr. PUCINSKI (presiding). Mr. Quie.

Mr. QUIE. Yes.

Governor Welsh, you have on the first page of your statement here the number of families who have incomes of less than \$3,000—88,000 according to the census of 4 years ago. How did that change in 10 years?

Governor WELSH. I don't believe I can answer that question. You mean to what extent did it increase?

Mr. QUIE. Yes. Now, the national figures indicate there has been a decrease. Your statement indicates, by saying they reached 88,000, that they must have increased in Indiana. I would like to know what caused them to increase in Indiana.

Mr. BRADEMAs. Will the gentleman yield for a unanimous-consent request?

I would like to ask unanimous consent to include in the record the article of Mr. Nossiter, to which I made reference earlier.

Mr. PUCINSKI. Without objection, it is so ordered.

(The article referred to follows:)

IT WILL BE A LONG WAR

(By Bernard D. Nossiter)

In what the President has called an unconditional war on poverty, the administration is aiming at nothing less than the destruction of the cultural conditions that cause and perpetuate poverty in the United States. Because his is a vast and largely unexplored territory and because so many different disciplines will be called upon to penetrate it, an evaluation of the administration's program on economic grounds alone is impossible. Precisely how long it will last and what it will cost is anybody's guess. Nevertheless, some educated estimates about the program's future are worth noting. For example, Robert Lampman, of the University of Wisconsin, thinks that 30 years is a feasible goal. Another economist, one of the principal architects of the administration's strategy, contends that at least two generations will be needed to eradicate poverty in East Harlem alone. In sum, the most informed guesses foresee a campaign lasting several decades.

Lampman's views are entitled to special respect on several grounds. His paper in 1959 before the Joint Economic Committee was the first of the recent attempts to define and describe the dimensions of contemporary poverty. Lampman's unique contribution was to demonstrate that the percentage of the population defined as poverty stricken fell rapidly during the first postwar decade of reasonably high employment and relatively healthy growth, but much more

slowly in the next few years of a lackluster economy. This effectively rebutted the contention that modern poverty is unrelated to the economy's total health. Last spring, when Walter W. Heller, the President's Chief Economic Adviser, first determined to spur an attack on poverty, he turned to Lampman—then on Heller's staff—for a broad design.

To gage the progress of the campaign, Lampman has devised the concept of the withdrawal rate. This is a measure of the number who each year climb above a set level defined as the poverty line. The idea of a withdrawal rate is likely to become a fixture in the Government's planning. Given the current definition of poverty as a family income under \$3,000, Lampman concludes that a withdrawal rate of a million a year is within reach of the programs that a Johnson administration is likely to adopt. This rate assumes a high level of employment and some acceleration of economic growth. Since more than 30 million Americans are now below the poverty line, an annual withdrawal rate of 1 million implies at least a 30-year program.

This may look like a modest pace, but it is well above the rate sustained even during the buoyant decade after the Second World War. Between 1947 and 1957 Lampman estimates, about 800,000 a year rose from the poverty level. In the next 5 years the rate fell to about 500,000. This decline was the result of sluggish growth, high unemployment, and a slower gain in the payments made directly to the poor from social security and other channels of transferring income. The economy's recent torpor, then, has left the Nation with a deficit of 1.5 million who might otherwise have escaped from poverty. Against this background, Lampman's suggested yearly target of a million withdrawals appears more ambitious; it is in fact approximately double the recent rate.

In a recent conversation with me, Lampman discussed other proposals to transfer income. If social security payments were doubled, 5 million aged persons could be removed at once from the poverty rolls at a yearly cost of \$6 billion. Lampman pointed out that in other countries, Canada and Great Britain, for example, for years Government allowances have been paid to families with children. These payments have helped rescue some deserted, divorced and widowed mothers and their children from poverty. Indeed, nothing short of such direct payments is likely to do much for the impoverished aged, the fully disabled, and the poverty-stricken female heads of families. If Johnson is elected in November, his next administration probably will press for higher social security benefits and perhaps other welfare payments. But under the constraints of the current budget, direct payments of any significant size are simply not on this administration's agenda. A more limited program directed largely to rescuing some of those who can make a productive contribution is the most that the Government economists envision now.

The long-range arithmetic of the economists follows these lines: \$3 to \$4 billion a year is now spent—or, perhaps more accurately, misspent—on scattered programs affecting the poor. The new programs which will add less than \$1 billion to the total effort in fiscal 1965, will be augmented by \$2 to \$3 billion annually in the next few years. At the peak, the Federal Government will spend more than \$6 billion a year on the poor. In perhaps 10 years, these officials suggest, the Federal share of the costs might decline and State and local governments could be expected to pick up more of the burden.

ASSUMPTIONS AND CONCLUSIONS

The administration's strategy for its drive against poverty draws on a wide variety of sources; indeed, nobody can assert with authority what will and won't work. Even so, a set of common assumptions and conclusions underlies the whole project. Here are four essential points that guided the administration:

Because of the current budget restraints and the commitment to hold down public spending, at present the Government can employ only limited resources for the huge problem it has chosen to deal with. A memorandum that circulated among the Cabinet in early November made this point explicit.

There are already a host of ill-defined programs to help the poor at the Federal, State, and local levels. They are scattered uncoordinated, and often duplicating. For example, in one small area of New York, 10 agencies are tackling the problems of children on probation.

Poverty is found in two general settings, but only one is strongly resistant to advances in the economy as a whole. Poverty, when found in the midst of plenty is relatively easy to deal with. For instance, the children of the impoverished Negroes clustered on a few streets in the comfortable Georgetown

section of Washington are able to attend relatively good schools and live in an atmosphere that encourages them to look for a better life. Poverty in the midst of poverty, as in eastern Kentucky or Harlem, poses problems of a different order. Here the whole environment fosters a circular process that traps whole generations.

Some of the planners believe that the tax cut will provide job openings on a larger scale than has been officially forecast. This thesis is disputed both within and without the administration. In any event, it may never be fully tested. Next year, it is quite possible that the budget restraints will be lifted and welfare and public works spending will be permitted to rise. This prospect will be enhanced if the administration's promise of reducing military expenditures is fulfilled.

From this blend of fact and forecast the administration drew several conclusions. Programs must rehabilitate impoverished human beings and prepare them for more productive lives. Although direct relief is necessary for some, it won't be granted because of the budget cuts. Thus public works and those measures designed for relief alone should be minimized, and a greater effort made in education and programs that increase the ability of the poor to improve their condition.

Finally, it was agreed that direct attacks must be launched in the sectors where poverty is concentrated and institutionalized, such as the South Side slums of Chicago and the played-out mining communities of West Virginia. This attack must be launched on a broad front, against the whole environment. It cannot be limited to better housing or better schools or vocational training. The principal beneficiaries should be the young, and the principal strategem on this sector must be to bring the present scattered programs together in some coherent fashion. Also, community leaders must be drawn into the planning. Because of the limit on resources, the campaign may be pushed in only 75 communities this year and twice that number the next. But such an approach will yield more dividends than thinly financed programs on a national scale.

So much for the underlying theory. In practice, of course, the administration program will take many forms. One important element consists of camps to teach basic reading and arithmetical skills to youths rejected by the draft. This is precisely the kind of program that supposedly was to be shunned, since it overrides the master plan of working through the community and applies a remedy nationally to one age group among the poverty-stricken.

But tearing apart and rebuilding impoverished environments is a slow process. The camps were accepted largely because the newly appointed Director of the poverty program, Sargent Shriver, insisted on something that would bring quick and visible results. Indeed, Shriver was named in part to bring peace among the various departments and agencies with competing interests in the program, as well as to charm Congress. The Labor Department, for one, had to abandon much of its hope of contributing to the campaign by creating new jobs particularly suited to the limited skills of the poor. Labor Department officials wanted a large slice of the available resources spent on projects to clean up cities, service public buildings, and the like. In one heated session at the White House late in January, high officials from Labor and five other departments went at each other for several hours without coming close to an agreement. In the end, however, fragments of each agency's proposals will survive.

THE SANGUINE APPROACH

The public response to the President's declaration caught nearly everyone in Government by surprise except perhaps Mr. Johnson himself, who is largely responsible for designating the poverty program as an "unconditional war." Before President Kennedy's death, his aids were employing bloodless titles like "Human Conservation and Development" or "Access to Opportunity." They had tentatively settled on "Widening Participation in Prosperity—An Attack on Poverty."

One day after President Johnson took office, he gave his blessing to Heller's project. By now the idea has won applause from virtually every sector but the extreme right. In Congress, the Republican members of the Joint Economic Committee did not follow Barry Goldwater, who had suggested that poverty is the fault of the poor themselves and that the Federal Government had no business worrying about it. Instead, the committee members outlined their own thoughtful seven-point program for conducting the war. For the most part, these points are incorporated in the administration's campaign. But they include

one—research on the link between population control and poverty—on which the administration has so far remained conspicuously silent.

The whole enterprise is a natural for Democrats hungry to recreate some of the fervor of the New Deal days. Since the 3 Kennedy years were largely devoted to programs long sought by businessmen, it was especially necessary that the White House produce an issue like this in 1964. The issue came ready to hand. The rising pressure of the Negroes for a full share in the benefits of American life, coupled with a wider recognition of the damage being done to our society by neglect of the underprivileged at large, created a massive demand that cannot be met without an attack on poverty at large.

Governor WELSH. We have digested this down from original material an inch thick. We have left part of the explanatory text out for this committee so that we would not have an overlong statement. It has dropped.

Mr. QUIE. It has dropped. So when you say it reached 88,000 that means it reached down to it rather than up to it?

Governor WELSH. Apparently so.

Mr. QUIE. In using those words "reached" and "swelled," it makes it sound as though it is an increasing rate rather than a decreasing rate.

Governor WELSH. Not in percentage but in sheer numbers. The population has increased.

Mr. QUIE. The same is true of dropouts. You say 23,000 dropped out of school. There has been even a more substantial decrease in the number of dropouts on the national level over the years percentage-wise, but not as great in total numbers. Would that not be the case in Indiana, the number of dropouts is less in 1964 than they were 10 years previous to that?

Governor WELSH. I am not familiar with the figures of 10 years ago.

Mr. LEROY. I think the point you are getting at is this, if I am catching the train of your thought, that as with the school dropout rate—where we have an average of approximately 40 percent school dropouts, if we were to go back to 1910, we would find in the comparison of figures that our school dropout rate has improved immeasurably.

Mr. QUIE. Or even 10 years ago?

Mr. LEROY. Or even 10 years ago. We would find our dropout rate has decreased approximately 5 percent. In other words, we are holding more young people in Indiana in school than ever before in the history of this country, this is true. But our rate of increase has been not so great. Our population has been increasing, and increasingly large numbers of people, because the population is increasing, are not completing school. The problem, as we see it, is this, that as the rate of technology is increasing, the demands made upon these young people are increasingly great. Their ability to fit into society today is certainly not at the same level as their ability was 10 years ago or 20 or 30 or 40. When we refer to figures and when we are talking about a given income rate, I probably don't have to tell you that things buy considerably less than they did then.

Mr. QUIE. You did not say that the total number of dropouts is higher than it was 10 years ago.

Mr. LEROY. I believe you would find that the case in Indiana.

Mr. QUIE. Then I would like to find out what makes Indiana so unique, because nationally there are a fewer number as well as a substantially lower percentage of dropouts.

Mr. LeROY. Our increase in the past years has not been dramatic.

Mr. QUIE. If you would provide those figures for the record so that I could look over them when the record is complete in order to determine how Indiana compares and to find out why this increase has occurred in Indiana, I would appreciate it.

Governor WELSH. I am sure we can obtain this information for you.

Mr. QUIE. Lastly, you indicated a certain percentage of the young men in the camp were illiterates. What percentage was that again?

Governor WELSH. Fifty percent.

Mr. QUIE. What was the grade level of the students?

Governor WELSH. You mean what grade had they progressed to in school?

Mr. QUIE. Yes.

Governor WELSH. Certainly below sixth; most of them below the fourth grade.

Mr. QUIE. Your program begins at 17 years of age in Indiana. Do you have 17-year-old boys who dropped out at the fourth grade?

Governor WELSH. This was their level of achievement.

Mr. QUIE. This is different. How many grades had they completed in school?

Governor WELSH. They put in on an average 8 to 10 years in school, according to the record, but not in the same school. This was just the record. We don't know how many days, or, for example, whether they had a hearing difficulty and got nothing out of it.

Mr. QUIE. Here you are achieving results in teaching those boys how to read and write. There must be something basically wrong with the school system where they have gone to school 8 to 10 years and have not learned to read and write. If you have to establish a camp to find this out and to teach them, what in the world is happening in the school? Why are they permitted to progress in the school system without learning to read and write?

Governor WELSH. That is a good question.

Mr. GIBBONS. The same as in your State.

Mr. QUIE. No; in my State only 2.7 percent are rejected because they cannot pass the preinductive examination of the selective service. If you include mental retardation this can be excused because the average incidence of mental retardation is about 3 percent. And we have special classes for the mentally retarded. There is a compulsory law in Minnesota that you must provide an education for the handicapped as well. I do not see how Federal money is going to help this without some Federal standards set up along with it, that you provide that kind of education.

I think this is pretty deplorable when that large a percentage of students have not even learned how to read and write and have gone that far, especially when Indiana is doing an excellent job compared to other States.

Governor WELSH. That is right. We feel we have an excellent school system. You must bear in mind now that this 50 percent was drawn from a group that was unemployed and out of school and had been unemployed for 90 days or more. This percentage is representative of boys who were not from normal family backgrounds or anything else. Misfits, I think is as good a word as you can use, in society, and they just haven't found themselves. The reason most of

them were misfits perhaps is because they could not read or write, or because of some personality trait or physical trait, or because of family circumstances, such as a migrant family.

Mr. QUIE. If they were misfits and for that reason could not learn to read and write, this could be true up through the third or, perhaps, the fourth grade at the most, but from those grades on, the fact that they could not read and write would surely make them misfits. I was wondering if you are planning to do anything in Indiana to identify these people early and do something about them in the public school?

Governor WELSH. We have a good counseling program which we are substantially expanding. In the last session of the general assembly, we mandated the superintendent of public instruction to do a much more intensive job of counseling in our school systems. We feel this is an area which has been neglected.

Mr. QUIE. Does your counseling follow the pattern of the National Defense Education Act where we have gone through the secondary school and now have reached out to the seventh and eighth grades?

Governor WELSH. I can't answer that question.

Mr. QUIE. That is all, Mr. Chairman.

Mr. PUCINSKI (presiding). Mr. Gibbons?

Mr. GIBBONS. I yield to Mr. Gill.

Mr. GILL. Governor, it is a real pleasure to see you again. I had the opportunity to make your acquaintance some years ago at a legislative leaders' conference in Albany. It was said, at that time, that Matt Welsh was not only going to run for Governor, but he was going to be elected and be a good one. I think that prophecy has been borne out.

I have one question. I gather from what you said that your program of youth camps is successful as far as it has gone, but you do not believe it has gone nearly far enough?

Governor WELSH. That is correct.

Mr. GILL. You feel it has gone about as far as your current resources and backing will allow it to go?

Governor WELSH. Without Federal funds, we could not move forward. All we have done is prove to ourselves that there is a desperate need.

Mr. GILL. Right. Now, under the act that we are considering here under title I, the Federal Government could come to your State and set up a series of camps which would operate on roughly the same principles as those that you have operated by yourself, is that correct?

Governor WELSH. That is correct.

Mr. GILL. You could go ahead under title II, could you not, as a community action program and with Federal assistance expand the camp program you already have?

Governor WELSH. This is what we would like to do.

Mr. GILL. You could do this in conjunction with the title I Federal program, could you not?

Governor WELSH. Yes.

Mr. GILL. This would tend to greatly expand the services that you feel are needed in this area?

Governor WELSH. That is correct.

Mr. GILL. So there is really no conflict with the Federal Government at all. There is no derogation of State authority or no infringing on local initiative, is there?

Governor WELSH. We don't believe so.

Mr. GILL. Thank you very much.

Mr. PUCINSKI. Mr. Bruce?

Mr. BRUCE. Governor Welsh, how much do you estimate the Federal return for the first year into Indiana will be under this program, if passed?

Governor WELSH. I have no knowledge of this.

Mr. BRUCE. You have no idea how much will come back to Indiana from this total program?

Governor WELSH. No.

Mr. BRUCE. As I understand your position, you feel the State of Indiana financially is incapable of carrying on an adequate program, is that correct?

Governor WELSH. I do not believe that our State has the funds, certainly not at the present time, to carry on a program of vocational training of the type that we know is desperately needed. It is always possible that the next legislature will do this, but my experience with the legislature as Governor, does not indicate this is likely to happen.

Mr. BRUCE. You did get a pretty massive tax bill through the legislation.

Governor WELSH. Yes; but all this additional money is going to be funneled back to local communities to help pay the cost of local schools.

Mr. BRUCE. For education?

Governor WELSH. Yes.

Mr. BRUCE. Where does Indiana stand on the per capita national income?

Governor WELSH. I would imagine 20th, or 21st-22d maybe.

Mr. BRUCE. Twenty-first, as of the 1961 report. Earlier this morning we had testimony from citizens of New York, Illinois, and Ohio which rate 4th, 8th, and 14th, respectively, that they did not have the funds. You used the term "Federal money." Will you define that?

Governor WELSH. Money from the Federal Government paid by taxpayers all over the Nation.

Mr. BRUCE. That is right. You believe, do you not, Governor, that there are several States which are in much more jeopardy on poverty than the State of Indiana?

Governor WELSH. We regard ourselves as a very fortunate State economically. But if we have it in our State, certainly other States have it to a much more acute degree.

Mr. BRUCE. One of the problems that I have heard testified to earlier this morning, and you touched on it again, is the mobility factor, that people are coming in from other States where they have a lesser affluence. Is that correct?

Governor WELSH. Yes.

Mr. BRUCE. Would you not believe that with Indiana ranking 21st and Ohio ranking 14th and Illinois 8th and New York 4th that a crash program aimed at your basic poverty States which in effect are creating much of the problem in Illinois, and Chicago, would be of greater benefit in solving the problem than a massive 50-State program, to pinpoint it to the great areas of poverty that are creating situations in Indiana, to a degree, and in Illinois?

Governor WELSH. No; I don't think you can isolate it geographically. It is a national problem. Families are going to be where jobs exist, where opportunities, as they see them, exist. You can't compel them to stay in places in this society.

Mr. BRUCE. Governor, it was stated a while ago that it would take 30 years under this program, as proposed, in order to even appreciably solve the problem. Does this sound reasonable?

Governor WELSH. I am not familiar with these figures.

Mr. BRUCE. Now, the poverty figure at the moment is pegged, by one way or another, at \$3,000, is that correct?

Governor WELSH. By the legal definitions, I gather, in the act.

Mr. BRUCE. Now, this Federal money you are talking about is borrowed money, is it not? Now, the Federal Government is broke, let us face it, as far as balanced budget, as far as meeting our expenditures. Any new programs we go into will be borrowed money. Is that not sensible?

Governor WELSH. I don't know that I would agree to that; no.

Mr. BRUCE. Where is it coming from?

Governor WELSH. I am sure a major portion of it is coming from income paid by taxpayers.

Mr. BRUCE. Yes; but the outgo exceeds the income. So any new money has to be from borrowed money.

Governor WELSH. This applies to any Federal disbursement.

Mr. BRUCE. As the Federal Government continues to spend more than it takes in, does this not have a direct impact on the cost of living?

Governor WELSH. If over an extended period of time, the National Government would spend more than it took in, I presume, eventually, inflation would result.

Mr. BRUCE. As the result of inflation, who is hit the hardest?

Governor WELSH. People on fixed income.

Mr. BRUCE. That is right. Particularly your low income—the widows on social security, the elderly retired—those in the \$3,000 and under. So, as we continue with programs that are carried on on borrowed money, are we not defeating, to a degree, the very things we are setting out to do? You constantly push it up for them.

Governor WELSH. I think the theory behind this recent action by the Federal Congress in reducing the Federal income tax rate was that reduction of the tax rate would restore confidence and initiative in our economy and thereby generate more revenue.

Mr. BRUCE. At the moment, this is theory, though, is it not?

Governor WELSH. It has worked in England, I understand.

Mr. BRUCE. Yes, several things are supposed to have worked in England, Sweden, Norway, and other States along that line.

Are you familiar at all with the stay-in-school committee in Indianapolis?

Governor WELSH. Yes.

Mr. BRUCE. What do you think of their work?

Governor WELSH. I think they are to be commended. I think every citizen's effort to encourage young people to stay in school should be supported and commended.

Mr. BRUCE. What was the cost of your camp program in Indiana at Camp Harrison?

Governor WELSH. Total cost in the neighborhood of \$50,000.

Mr. BRUCE. That was for 70 boys?

Governor WELSH. We started out with 100. We felt that we got value received really from the work they did in forests.

Mr. BRUCE. Let me ask you, Governor: Recognizing that according to the action and the statement of the school board of Indianapolis in their most recent meeting commending the stay-in-school committee of 50,000 volunteer women in Indianapolis—because their work resulted in the return of 131 children to the Indianapolis public school system that had dropped out, because of their personal interest—have you taken the example of these volunteer, dedicated women in Indianapolis and recommended it to the other areas of the State of Indiana, as an example?

Governor WELSH. I have called it to the attention of the superintendent of public instructions and asked that he call it to the attention of the school systems all over the State. I believe this is being done.

Mr. BRUCE. Do you think this can work?

Governor WELSH. Anything we can do to encourage citizens to participate in trying to solve this problem should be encouraged. This is a big problem, and the best way of solving it is to get as many people working on it as possible.

Mr. BRUCE. How, Governor, if the States which are the most affluent do not have the money—I come back to that same question—how is the Federal Government going to increase affluency at the same time that they are deficit-financing over a continued period of time?

Governor WELSH. I think the objective is eventually to have the Federal Government's income exceed its expenses.

Mr. BRUCE. This is a nice idea, but do you foresee that?

Governor WELSH. Eventually, yes; I would say I foresee this.

Mr. BRUCE. Governor, I hope you are correct, but I would say that certainly the figures do not indicate that.

Governor WELSH. I believe it is a reasonable expectation, in view of the President's economy program and the predictions that have been made for the national economy. Just yesterday, for example, I attended a meeting where the executive vice president of the Radio Corp. of America stated that his economists tell him there will be an economic boom continuing at least until 1970.

Mr. BRUCE. From all the indications, is it not true that the Federal expenditure is going to be increasing too, because we are not talking about a balanced budget under the economy program; we are talking about a deficit budget.

Governor WELSH. I would not be surprised if the Federal budget does increase, as our population increases.

Mr. BRUCE. I am talking about the Federal budget.

Mr. BRADEMAS. I would like, if I may, Mr. Chairman, to make a couple of observations about what my friend from Indiana across the way has said, because I think he is really talking economic nonsense on the basis of the facts. The facts are, as the economists will show, that we have had relatively little price inflation in this country in the last few years. The facts are that our gross national product at the end of last year hit over \$600 billion. The facts are that only a few days ago one of the great power and electric companies in our country took a full-page ad in the Wall Street Journal to announce that because of the great confidence that the business community had at the present

time, coupled with the spurt and encouragement given by the tax cut—the \$11 billion tax cut—against which I think my colleague from Indiana voted, that because of these two factors, this American power and electric company was going to invest a very substantial sum of money in plant and equipment in the next several years. The facts are that General Motors recently announced a tremendous \$2 billion program of investment in plant and equipment. The facts are that Chrysler has made a similar announcement of plans to make substantial new investments. So has Ford. The facts are that, in relation to our national income, it has been State and local debt which has been going up in our country and not the Federal debt. Walter Lippmann, the distinguished dean of American columnists, published a column in the Washington Post only this week, commenting upon an article by a well-known former public official of the Republican stripe, Mr. Eisenhower, and Mr. Lippmann pointed out some of the facts that I have just been pointing out here.

It seems to me that if we are going to talk economic sense instead of economic bunk, we have to pay attention to the immense increase in the outpouring of goods and services, in real income, in our country. Otherwise we are just talking sound and fury, which is all right, I suppose, if you are a candidate for public office, but I do not think it is a real contribution to intelligent debate on what we all know is a very serious subject.

Mr. BRUCE. I would say to the gentleman that he, being a candidate for public office, is qualified to evaluate that from his viewpoint.

He cited Mr. Nossiter as his authority. If he would read the most recent book by Mr. Nossiter, he would see the prediction by Mr. Nossiter that between 50 and 100 years from now capitalism will disappear from the United States and be replaced by a form of socialism.

Mr. BRADEMAS. The fact I am citing an article by Mr. Nossiter should not be taken to mean that I share either his predictions or the viewpoints he takes in all his writings.

I read the Wall Street Journal but I do not necessarily agree with their editorials. I read the Washington Star, but I do not necessarily agree with their editorials.

Mr. PUCINSKI. Could we go back to the bill?

Mr. BRUCE. I think, basically, we are with the bill. I would suggest that those who have been hit by the increased cost of living throughout the years do not consider it economic nonsense.

Mr. BRADEMAS. What are the years the gentleman is referring to? Would you give the figures on the increase in the consumer price index in the last several years?

Mr. BRUCE. I will be glad to put them in the record.

Mr. BRADEMAS. I am asking you for the facts. You are the one that made reference to the problem of inflation. I am asking for the facts. You do not seem to have them.

Mr. BRUCE. Everybody knows that inflationary pressure on the income of the widow, our low-section society, is at the highest point. Many of the programs of the Federal Government are a direct cause of poverty, such as tariffs on Canadian automobile parts which caused an industry to move out of your town, lock, stock, and barrel. One of the basic reasons was Government policy which made it impossible for them to compete.

Mr. PUCINSKI. Could I ask a couple of questions here?

I would like to clear up one point. Perhaps the gentleman from Indiana was not aware of this. There is nothing in this bill that establishes \$3,000 as the criteria for a poverty-stricken family. This is a policy established both by President Kennedy, President Johnson, and perhaps there were others before that. We, as Americans, having full confidence in the free enterprise and capitalistic system feel that a family that makes less than \$3,000 a year within our concept of an economy is an impoverished family. Therefore, we have established this figure of \$3,000 as the guideline but it is not a fixed figure. As a matter of fact, if I may impose on your time for just one second, the Communists had really zeroed in on President Johnson when he announced his program, and particularly Peiping and throughout Asia and Africa they tried to make a great issue of the fact that in America things are so bad that the President had to, himself, personally, declare war on poverty. Well, I am glad that we have a very efficient Director of the U.S. Information Agency, Mr. Rowan, who turned right around and went back and replied to the people of Asia and Africa and the rest of the people of the world, "That is true, in America we consider \$3,000 a poverty wage." The Chinese, realizing that this was backfiring on them because, as the people of the world began wondering if America considers a person earning \$3,000 impoverished, as they looked at their own earnings they concluded things were pretty good in America. So the Communists abandoned their campaign against President Johnson. But the \$3,000 figure is not a portion of the act. It is a national goal or standard set by our President. Now the other part I was going to ask you about, section 208 of the bill, there has been some question here as to the protection of the State's voice in provisions of this act. Section 208 provides:

The Director shall establish procedures which will facilitate effective participation of the States in community action programs. Such procedures shall include provision for the referral of applications for assistance under this title to the Governor of each State affected, or his designee, for such comments as he may deem appropriate.

The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

You can see in this language a strong desire by the administration to recognize, on the one hand, there may be overlapping jurisdictions where we are dealing in bistate or tristate areas trying to solve a problem of common interest to all of them. But still this act does provide that all applications in a given State must be called to the attention of the executive of that State, the Governor. So he knows at least what is contemplated in the State so that he can then take whatever action he wishes.

Now, do you feel that this language is sufficient or do you have any suggestions on how this language can be strengthened, keeping in mind that this is an area program rather than a centralized program in respective areas? Would this language satisfy you as a Governor that you, as a chief executive, still have sufficient protection against your authority being usurped in this program?

Governor WELSH. I think generally yes, I would be satisfied with this language. My experience has been that the Federal agencies are

most anxious to work with the State government and when the Governor's office or any of the agencies of State government are asked for opinions, they are received sympathetically and every attempt is made to coordinate efforts and work in harmony.

My experience in Indiana is, as long as we are assured we will be consulted, that we can work something out.

Mr. PUCINSKI. Now, the next question I have in mind is this. Frequently witnesses like yourself have been told, and we have had the same thing earlier today with the businessmen, an effort made to try to establish that Indiana, being 21st in terms of State contribution to the national effort, will not get back the same amount of money that will be expended. Is it not a fact, though, that because of the mobility of the American population, whatever efforts are expended to improve the capability of people to become participants in the stream of economy, whether it is in your State or my State or any other State that we are making contribution, sooner or later it is possible that the person may wind up in your State and he will wind up prepared to take a job instead of a person ready to go on public assistance. Do you agree with that?

Governor WELSH. I agree.

Mr. PUCINSKI. Finally, the question was asked, you are not going to get your pro rata share, would you comment on the basic philosophy of this bill?

Most Federal aid programs are worked out where the Congress establishes a sum of money. Take a million dollars or \$100 million. And then through various complicated formulas based on population and per capita earnings, the money is divided into 50 segments and each State gets its share.

It has been the contention of the authors of this bill that frequently this is piecemeal assistance which gives an independent State a little money but often not enough money to deal with the whole of the problem. So, this bill does not provide a fixed distribution among the 50 States but rather vests in the hands of the Director the authority to use his judgment on where is the help most urgently needed and where will it do the most good.

So it is entirely possible that if the State of Indiana should come to the Director and show that this fine program that you have already started is indeed a program that holds out the greatest promise to help the greatest number of young people, you could conceivably get this assistance where the State of Illinois might be denied that assistance. The idea is to put the premium on the best and most imaginative programs to get this job done.

Do you see any violent objection or any objection to this concept?

Governor WELSH. Not at all. I am sure that it would not be abused. If it were abused, I am sure Congress would take appropriate action.

Mr. PUCINSKI. I am certainly glad to hear you say that, Governor. You have now put your finger on it. Some of the opponents of this bill, critics of this bill, behave as if they thought this was going to be the last piece of legislation passed by Congress.

I, as a Member of Congress, am willing to try to pass as good a bill as we can now and I believe as we move along we will improve this bill as we have experience with this legislation. We may very well

delete some of the programs as impractical. We may make basic changes.

I think that the critics of this bill have little faith in their own Chamber here on the Hill.

Governor WELSH. As I say, I am sure that Congress would take such action as is necessary.

Mr. PUCINSKI. My final question. I am sure you did not mean when you gave your figures on page 2 of the selectees that have been rejected, indicating some 50 percent, that all of these youngsters were rejected because of some deficiency in Indiana's educational system. I presume that these youngsters have been rejected for a whole myriad of reasons—emotional, physical, various others—and undoubtedly perhaps their educational handicap might have played a part.

But the question was, If 50 percent of the young people in Indiana are being rejected, what has happened to your education system? I am sure that is an unfair question if it is intended to indicate that your system is not teaching young people how to read or write.

Is that fair assumption?

Governor WELSH. I am sure that our educational system is quite good, one of the better ones in the country.

The 50-percent figure to which you referred—this is the selective service rejection percentage?

Mr. PUCINSKI. If you recall the question—

Governor WELSH. The rejections were based on mental, physical, and all causes.

Mr. PUCINSKI. Of course, the corollary to this question is that your public school system must keep a child in school through his 16th year, I believe.

Governor WELSH. Yes.

Mr. PUCINSKI. Regardless of what his mental capabilities may be, whereas the Army, when it examines them, sets up a very high, and properly so, criterion. So that there really is no correlation in trying to judge the effectiveness of an educational system necessarily because a number of youngsters are rejected by the draft. That is the point I am trying to point out.

Governor WELSH. I think there are different standards.

Mr. BRADENAS. I regret that my good friend from Indiana, Mr. Bruce, is not now with us, but I do want to read into the record the following facts because he expressed such great concern about the increase in the Federal debt and deficit financing. I made reference to the article of Mr. Lippmann, published in the Washington Post a few days ago.

Mr. Chairman, I ask unanimous consent it be printed following my remarks at this point.

Here are the facts to which I earlier referred as cited by Mr. Lippman:

The percentage of increase in private debt in the United States from 1947 to 1963 is 279 percent. The percentage of increase in State and local debt from 1947 to 1963 is 382 percent.

The percentage of increase in the Federal debt from 1947 to 1963 is 26 percent.

So, I would reiterate that I think the views of my good friend from Indiana are not well founded.

..(The article referred to follows:)

[Article in the Washington Post, Apr. 16, 1964]

GENERAL EISENHOWER'S VIEWS

(By Walter Lippmann)

General Eisenhower has just published in the Saturday Evening Post a long statement of his present beliefs about the state of the Union. They can fairly be described as Goldwater minus the howlers about the graduated income tax, social security, TVA, and the like. That is to say, General Eisenhower's position is that of the conservative right not of the radical far right.

His basic thesis is that there has been for 30 years under the New Deal, the Fair Deal, and the New Frontier "a steady obvious drift of our Nation toward a centralization of power in the Federal Government." We have "an-overbearing Federal bureaucracy that seems unchecked in both size and power." The net result of the "easy money and inflationary policies" of this Federal bureaucracy is that "the dollar you saved and earned 24 years ago is now worth just 45 cents."

This is a strange interpretation of the history of the past 25 years, and one thing we may be certain of is that General Eisenhower will never be hailed as a reliable historian. He was the supreme commander in Europe during the Second World War, he was the supreme commander of NATO in the cold war, and he was twice the President of the United States. Yet, incredible as it is, he has interpreted what has happened since 1940 without even mentioning the fact that the country has grown by 50 million people, that during these 25 years the country has fought the Second World War, the Korean war, and the cold war.

How is it possible to talk about the rise in prices which has cut the purchasing power of the dollar by rather more than half without mentioning the wars and the preparation for war? As a matter of fact, half of the rise in prices occurred during and immediately after the Second World War: another 15 percent of the rise occurred during the Korean war. From 1953 to 1963 the rise in prices has been a little over 1 percent a year. The rise was just about the same under President Eisenhower as it was under President Kennedy.

If General Eisenhower is blind to the economic consequences of the wars in which he has played such a distinguished part, he exaggerates grossly the part played by the civilian sector in the growth of the Federal bureaucracy.

There has not been, as General Eisenhower says, an unchecked growth of the Federal bureaucracy. While State and local government employment has doubled between 1947 and 1963, nondefense employment in Federal Government was the same percentage (1.9) of the total civilian labor force in 1963 as it was in 1948. In fact, Federal civilian employment has not grown so fast as the population. There are now approximately 13 U.S. workers per thousand of population. Of these, five are employed in Defense, three by the Post Office, one by the Veterans' Administration, and four by all the rest of the Federal Government.

Nor is it true that there has been a "consolidation of power and revenue in the Federal Government." While the share of State and local government in the national product has doubled since 1948—from 5 to 10 percent—Federal revenue as a percentage of the national product has increased only slightly—from 12 to 14 percent—and has not risen for 5 years. And if we take debt as a measure of activity from 1947 to 1963, we see that State and local debt increased 382 percent; private debt increased 279 percent; Federal debt increased 26 percent.

Thus, General Eisenhower has not painted a true picture of the state of the Union. It is not possible to paint a true picture of the state of the Union since 1940 by ignoring the three wars, by ignoring the growth of the population by as many people as live in Great Britain, by ignoring the preponderance of Federal employment (71 percent) in the indispensable functions of defense, the postal service and veterans' care, by ignoring the relatively greater growth of State and local activity, and by professing to believe that all the troubles and dangers of our age are due to the handful of civilian welfare measures.

It is just this refusal to recognize the facts of American life which accounts for the condition of the Republican Party today. General Eisenhower meant to speak for the moderate, prudent, and, in the correct meaning of the word, the conservative mass of our people. But what he says is so greatly out of touch with the realities—with what has happened, with what is happening, with what the people need to have happen in the future—that it lacks all credibility.

Mr. PUCINSKI. Governor, I have one final question because this point gets lost along the line here. I do not know how often I have a chance to ask a Governor this question. We have been talking figures here in terms of people that we hope we can put back to work with this program. Is it fair, in your judgment, to then automatically multiply that figure by four? Because when we take one man, when we put one man who is today on some form of public assistance, to work we really are taking four people off the relief roll and saving the State that amount of money. We have heard figures used here that we are only going to take care of 20,000 here, and 40,000 here, and 50,000 here. But we are talking about breadwinners or we are talking about preparing young people to become breadwinners.

Governor WELSH. And to become taxpayers.

Mr. PUCINSKI. Earlier today Mr. Martin said he had 160 jobs that went begging because he could not find people to take these jobs, qualified people. If we could train 160 people and take them off the relief roll and find those jobs, that alone would save the State of Illinois some \$15 million a year just as one little example.

Are we then correct in trying to demonstrate this legislation as a real economy move, in effect, because the most costly thing in this country, so far as I am concerned, next to education is an unemployed American worker. Is that true in Indiana?

Governor WELSH. It certainly is and I would agree.

Mr. PUCINSKI. Governor, we are certainly very grateful to you for your testimony today. I think as the Governor of a great State you have made a great contribution.

If I may just wax facetious for just one second. It is nice to see Indiana come back in the Union. I recall not too long ago, I do not recall who the Governor was, but there was a Governor of Indiana who said he just did not believe in any kind of Federal aid programs and did not want any assistance at all from the Federal Government.

I think you have put your finger on it. This is a great Republic. It is going to get greater when we work together, the Federal Government, the State government, the local communities.

Thank you very much.

Governor WELSH. It is a pleasure to be here.

Mr. PUCINSKI. The committee will stand in recess until 2:15. We will hear Dr. Bishop, head of the department of agricultural economics at North Carolina State College.

(Whereupon, at 1 p.m., the committee recessed until 2:15 p.m., this same day.)

AFTERNOON SESSION

Mr. LANDRUM. The committee will come to order.

The first witness this afternoon is Dr. C. E. Bishop, executive director, Agricultural Policy Institute, North Carolina State College.

We are delighted to have Dr. Bishop from one of the outstanding colleges of the United States which has one of the really top agricultural departments in the colleges of the United States. Dr. Bishop, we understand you have a prepared statement which you would like to have inserted in the record at the onset of your remarks and that you will talk in summary fashion on the statement. Is that correct?

STATEMENT OF DR. C. E. BISHOP, EXECUTIVE DIRECTOR, AGRICULTURAL POLICY INSTITUTE, NORTH CAROLINA STATE COLLEGE

Dr. BISHOP. That is correct, Mr. Landrum.

Mr. LANDRUM. The statement will be inserted and you are recognized to proceed as convenient to you.

(The statement referred to follows:)

STATEMENT OF DR. C. E. BISHOP, EXECUTIVE DIRECTOR, AGRICULTURAL POLICY INSTITUTE, NORTH CAROLINA STATE COLLEGE

Poverty has become the magic word of the day. With amazing speed the pendulum has swung from affluence to poverty. As America has discovered its poor, it has begun an extensive examination of current policies and programs with reference to their failure to improve the levels of living of a large number of low-income families. Concurrently there have emerged demands for new programs designed specifically to improve the levels of living of low-income families.

The purposes of this paper are to examine the nature of the low-income problem in the United States, to identify some of the forces generating the problem and to indicate changes that must be made if the cycle of poverty is to be broken.

THE POVERTY CONCEPT

Usage of the word "poverty" is very confusing. The term is applied to at least three situations. The policies relevant to solving the problem vary distinctly among the different situations. Therefore, recognition of the type of problem under consideration is essential to effective policy formation.

Economists have long been preoccupied with low income as an indicator of inefficient use of resources. In an efficiency context, the low-income problem is one of adjustment in resource use—incomes from resources are increased by transferring resources to more productive uses—or of resource development. If resource owners are rational, the problem can arise and persist only (1) from lack of information concerning the potential return from resources in alternative uses, or (2) as a result of governmental or other restrictions which prevent profitable resource transfers. Given imperfect knowledge or institutional restrictions on factor mobility, a large number of conditions can result in low incomes in one area relative to another. It should be emphasized, however, that inefficiency in resource use is neither a necessary nor sufficient condition for low incomes. Certainly, inefficiency in resource use may exist among families which are defined above the poverty category. Also, relatively low returns do not necessarily indicate inefficient resource use.

Secondly, some people have low income by choice. They are not motivated by money income. This condition, which is referred to as anomie, results when people choose to employ their resources in certain uses even though their money incomes would be higher if they transferred their resources to other uses. To the extent that there is a low-income problem among these families, it results from differences of opinion with respect to how income components should be valued.

In a market economy, the market is the place where the preferences of resource owners and those of consumers are reconciled. Through their purchases in the market, consumers express preferences for the production of goods and services and indirectly for the use of resources. It is not possible, therefore, for people to choose arbitrarily the use which they will make of their resources and at the same time to specify the income which they will receive. Once the use of resources has been specified, income has been largely determined. Certainly, society has no responsibility to individuals to provide them with minimum income levels if these individuals are not motivated by income-generating uses for their resources.

If there is concern that resources are not being used most productively this can be resolved by using the taxing and subsidizing powers of the Government to provide incentives for changes in resource use. Over the long run, people can be motivated to employ their resources productively through education. Individual preferences are a product of their cultural heritage. Through edu-

cation and other informational media and through experiences gained in different situations, the wants of people are changed and they are motivated to seek higher incomes.

Most of the recent discussion which has taken place over low incomes has been concerned with poverty. Poverty is a relative concept. It is most meaningful when defined with reference to a community norm of ability to purchase goods and services. Some families own so few resources that they are unable to purchase the goods and services generally considered to constitute a socially acceptable minimum level of living even when their resources are employed in their most productive uses. This condition describes real poverty—the ownership of too few assets to yield an income high enough to sustain a level of living considered to be minimal in the society under consideration.

The people of poverty are poor not by choice and not because they fail to employ their resources profitably, but by virtue of the fact that they have too few resources to generate the income needed to sustain a minimum level of living.

The poverty problem generally is considered to be reflected in the consumption pattern of families. This accounts for the willingness of many people to use levels of living as an index of poverty. Implicit in this criterion of poverty, however, is the valuation that all persons should consume some minimum specified bundle of goods and services. Many persons are not willing to subscribe to this view. Consequently, poverty has come to be defined in terms of the possession of sufficient assets to purchase those goods and services which are regarded as constituting a socially acceptable minimum level of living. Therefore, it is sometimes difficult for people who own their homes to obtain welfare assistance.

In our society there is a great deal of evidence of concern over the poverty problem. Although it may be difficult to define a minimum level of living, most persons readily identify those among them who are considered poor and are sufficiently concerned to be willing to contribute to charitable organizations. Furthermore, this concern extends beyond the national boundaries. Private and public contributions in vast amounts are made to meet the needs of poverty-stricken groups throughout the world.

DYNAMIC ASPECTS OF POVERTY

The discussion to this point has treated poverty in a static context. Certainly, there are those among us who are physically and mentally handicapped or who are disadvantaged in other respects and who are considered poor. Although there is a great deal of public concern for people who are classified in the poverty category at any point in time, there is an even greater concern that this condition shall not prevail through time. How does poverty develop and why does it tend to perpetuate itself through time?

Our economy is highly dynamic. It is characterized by rapidly changing technology, automation, creation of new occupations, destruction of old occupations, obsolescence in skills, changing education and skill requirements for jobs, rapid growth in some communities and stagnation and degeneration in other communities. The effects of these changes vary greatly among individuals and among communities. These changes are the source of poverty for some individuals and communities and they give rise to the hope of overcoming poverty in other communities. As a result of changes in technological and economic conditions some skills and investments are rendered obsolete while the demand for other skills and forms of investment may be increased sharply. Some communities may be bypassed and may find their social institutions degenerating; others may experience increased demand for social services and increased ability to provide them.

Several years ago, Schultz put forth the hypothesis that poverty in agriculture is largely the result of the manner in which the economy developed.¹ It was his thesis that some communities were favored by economic progress while others were bypassed. The bypassed communities failed to participate in the income growth associated with economic progress. Consequently, incomes in those communities lagged behind those of the favored communities. Economic and cultural impediments emerged to impede the flow of labor and other resources among communities and enhanced the income differentials.

¹ T. W. Schultz, "Reflections on Poverty in Agriculture," *Journal of Political Economy*, February 1950.

Under these conditions poverty is perpetuated. Because of the poverty there is relatively little investment in human resource development and in the development of other resources. Investment in social overhead capital falls behind in the low-income communities thereby perpetuating and magnifying income differences.

As our economy has continued to grow and develop, the pace of technological change has quickened. The nature of this change also has been altered. Today, there is a great deal of specialization in plants and in equipment. Linkages have been developed among plants and agglomerations of industry have developed in favored areas. These developments complicate attempts to induce growth in isolated communities. Consequently, we now find many communities that not only are bypassed by progress but are actually degenerating.

There was a time when the term "ghost town" was reserved largely for gold mining and silver mining villages and more recently for coal mining villages. During the past decade, the term has acquired relevance in agricultural communities. This is particularly true of those rural communities which have served as supply centers for items purchased by farmers or which have depended heavily upon farm product processing. Modern transportation and communication systems which have developed in conjunction with large changes in the structure of modern agriculture have made it possible, and in fact profitable, to bypass rural towns and villages. As a consequence, the current U.S. scene is characterized by many sick rural communities. The problems of poverty, therefore, are to a considerable degree, problems of sick communities. People in these communities find a decreasing demand for their services. Many of them now face a bleak prospect that their services have been made largely obsolete by the rapid and impersonal march of technological and economic progress.

At the same time that skills (i.e., previous investments in human assets) are rendered obsolete, many new jobs are created which require different skills. Consequently, a paradox has emerged in which many people are unemployed as a result of changes in the structure of the economy while there are many unfilled jobs because of a shortage of persons with the requisite training and skills. Clearly, this situation could not have existed if we had anticipated the structural changes which are taking place in our economy and prepared people for the emerging jobs. The situation which exists has developed in part from the failure of our institutions to make people aware of the nature and extent of the changes which have taken place and which will come to pass in our society.

Labor market institutions must share this guilt. The labor market has not and does not disseminate pertinent information to warn people of changes in labor market conditions. As individuals it is difficult, if not impossible, to anticipate effectively changes of the nature which have occurred and which continue to occur in the labor market. Typically, the individual gets the signals for a change only after the changes are an accomplished fact. A better early warning system is needed to help people to anticipate, prepare for, and adjust to change.

Our educational institutions should devote more resources to study of the processes of growth and development. They have become unduly preoccupied with technology and technological change, with relatively little emphasis upon assisting people to adjust to these changes. This is especially true of the land-grant colleges and universities. These institutions were established to generate new knowledge and to work with innovators in the application of this knowledge. It was not surprising, therefore, that the measure of productivity adopted for the institutions was the extent to which they were able to increase the output of their clientele. Consequently, the effectiveness of the agricultural research and educational programs soon came to be measured by the extent of the increase in production of farm commodities. Under such a system, it is only natural to expect those who are employed in it to work with the innovator, the person who is going to make the greatest increases in productivity. But as income of those whose productivity increases rises in comparison with the income of others relative poverty is intensified.

It is difficult for people to emerge from the culture of poverty. The capitalistic system is built upon a profit motive; it assumes that people will innovate. Furthermore, it is profitable to concentrate upon those who can and will innovate. Those who are unable to make the necessary adjustments because of capital restrictions, limited managerial ability and for other reasons are frequently forced into a lower income position. We see numerous examples of this in agriculture. For example, grade A dairymen who could not make the neces-

sary adjustments to convert to bulk tank storage were forced to discontinue production of grade A milk.

Emergence from the poverty category also is complicated by our inclination to discourage a free flow of human resources. Although the costs of migration should be viewed as an investment in increased productivity of the human resource, migration is not generally encouraged in our society. On the contrary, in many instances, the kinds of training which are provided for people and the job information which is disseminated to them through publicly supported institutions are tempered by the fact that geographic mobility of human resources is discouraged.

In short, the unevenness with which the economy develops spins off broad segments of poverty. The private enterprise system is based upon progress, growth, and development. There is incentive, therefore, to work with those who will innovate and develop. When, for various reasons, people find that they are unable to make the necessary adjustments they may become trapped in low-income positions. In like manner, in many of our social institutions we have developed incentives to work with people who are in a position to innovate and to expand production. Consequently, the poverty sector has been largely ignored.

The culture of poverty which has emerged has become highly static in its orientation. Individuals frequently have failed to take cognizance of the signals which were transmitted to them. They resist socioeconomic change. Some scorn change, fight vainly to perpetuate the status quo, and maintain and impart false hopes to situations where there is no hope. In an effort to avoid change, many remain opportunely ignorant of developments taking place about them and their consequences. The pockets of poverty, therefore, tend to stagnate and to be perpetuated through time.

BREAKING THE CYCLE

Now, the really important questions relative to the poverty problem concern what can be done to break through the cycle. The remainder of my comments are focused upon six targets that should receive emphasis in an attack on rural poverty. These targets are (1) full employment, (2) agricultural reorganization, (3) area planning and development, (4) human resource development, (5) leadership development, and (6) income transfers.

Full employment.—First and foremost, we know that it is easier to make adjustments and to improve conditions in all areas when the national economy is growing at a rapid rate. As the Nation grows, all regions tend to grow and per capita income in the low-income regions increases relative to that of other regions. In view of these facts many people subscribe to the view that the current high level of unemployment and the poverty which persists in society represent a deficiency in aggregate demand. It is argued that whether a person is disadvantaged or in the poverty category depends to a considerable extent upon the general level of economic activity and upon conditions in the labor market.

Impediments to resource development and to labor transfer become stronger during periods of recession and heavy unemployment. This is true of racial barriers, educational levels, and other impediments. Many persons who would be quite employable in a tight labor market find themselves disadvantaged in a labor market characterized by high unemployment.

Even so, it has become obvious that there are differential rates of growth in the demand for labor in various occupations, and there is a premium upon acquiring the training and skills needed for employment in rapidly growing occupations. Thus, while a high rate of national economic growth may be a necessary condition for breaking the cycle of poverty and for achieving a full employment economy, the high rate of economic growth per se is not sufficient to achieve these goals.

Agricultural reorganization.—Extensive reorganization of agriculture is necessary to break the cycle of rural poverty. The changes which will be required include the (1) changes of the kinds and amounts of farm products produced in low-income areas; (2) increasing the amounts of capital and changing the form of capital invested per farm; (3) improving managerial skills; (4) coordinating marketing and farm adjustments; and (5) expediting migration of labor from farm to nonfarm employment.

Bold and imaginative steps must be taken if we are to insure that poverty is not perpetuated in rural areas. The cold, hard facts are that agriculture now has more land and more labor than can be profitably employed in the production

of food and fiber. It will be necessary to reduce the amount of labor on farms and the amount of land used in the production of food and fiber in order to solve the income problems of agriculture. These changes will not be accomplished easily. They will not be accomplished as long as policies and programs are carried out under the general assumption that all farmers are similar in that they face similar conditions and that they are affected in the same manner by public policies and programs.

Certainly we cannot cope with the problems of rural poverty if we insist on trying to combat these problems with the same policies and programs which we have employed in the past. To date, the low-income problem of American agriculture has been largely subsumed under the umbrella of price and production control programs. These programs have been of little benefit to the low-income people in rural areas. The benefits are shared largely in proportion to the participation of farmers in commercial markets. In spite of this, agriculture has exhausted much of its political strength in the struggle to develop and maintain price and production control programs.² The facts are that the best conceived price and production control programs will do little to improve the lot of those who control few resources.

Geographic and occupational mobility of labor are essential elements of resource adjustment in many rural areas. In areas characterized by heavy out-migration, where the economic base for agricultural production is very limited and where the costs of establishing and maintaining good schools and other forms of social capital are excessive, it may be desirable to purchase additional land for forests, recreation, and similar extensive uses.

Area planning and development.—It was implied above that more area planning will be necessary in order to break through the poverty cycle. Multicounty market areas and trade areas constitute a better base for economic development than most counties. Multiple counties also will constitute a more natural base for the planning of social overhead capital than single counties. The county boundaries which exist today are a product of history and have economic significance largely in that context. If the opportunity were provided today to restructure county lines in accordance with the potential for growth and development, it is obvious that many counties would be consolidated.

In this age of specialization there are definite important economies in agglomeration of industrial plants. As centers of finance, research, design, invention, business leadership, and professional and managerial talent, metropolitan areas provide a setting which is especially favorable to future economic growth. The patterns of economic growth and development in metropolitan areas will have an important bearing upon the types of development programs which are likely to be successful in the surrounding areas and, therefore, should be considered in structuring geographic areas for planning purposes.

One of the best ways to get rural adjustments is to stimulate growth and development in nearby urban areas. Multicounty planning commissions, development associations, and other organizations to induce economic growth and development should recognize that all counties do not have the same opportunities for growth and development. The forces of growth and development do not appear in the form of a heavenly mist which falls evenly upon all counties. Rather, it is more typical for economic development to appear in the form of a pool which starts in a particular location and grows and develops and from which forces spill over into other areas. The extent to which surrounding counties participate in the growth and development of a particular county depends upon the organization of the factor and product markets and the willingness of people to take advantage of opportunities created by growth. The necessary changes can be brought about more effectively if planning is done on a multicounty basis.

Human resource development.—A major facet of the problem in low-income areas stems from the fact that education and training of the people in these areas are out of phase with economic opportunities. One of the greatest paradoxes of our day is the scarcity of highly trained efficient manpower while at the same time there is a paucity of jobs for large numbers of unskilled workers. Many of the persons caught in the cycle of poverty in rural areas have a bleak employment future either in agriculture or in industry. To encourage them to stay on farms is to perpetuate poverty. Unless some means is found for training the youth for nonfarm occupations, to encourage them to move to urban areas is to impart hope where there is no hope. Unless the youth are trained for the

²T. W. Schultz, "Our Welfare State and the Welfare of Farm People," address at the National Farm Institute, Des Moines, Iowa, Feb. 13, 1964.

jobs which exist today and which will emerge tomorrow, they are destined to join the ranks of the unemployed.

A greater commitment to education and to vocational training is an essential element in breaking the poverty cycle. Several studies have demonstrated that the gap between the incomes of people in low-income regions and in other regions narrows as the amount of education attained increases. For example, a recent study demonstrates that college graduates in the South have incomes which are equivalent to those enjoyed by college graduates in other regions in the Nation.³ In general, there is a tendency for the gap in income between the South and other regions to vary inversely with the level of education. Although education, per se, is not likely to be sufficient to solve the problems of low-income people, it is doubtful whether the problems can be solved without a greater investment in the education of these people.

Leadership development.—The poverty cycle cannot be broken without effective, forceful community leadership and concerted action to overcome the forces which perpetuate the poverty. Leadership must exert itself in the creation of an environment which is favorable to economic growth and development. People caught in the clutches of poverty must be motivated to want improvement. No development program will be successful unless a desire can be instilled in people to make adjustments—to develop and change the uses of their resources. Poverty cannot be obliterated if people are satisfied with their present circumstances. Community goals and social norms must be established and adopted which discourage perpetuation of the conditions of poverty.

The motivation of people to aspire to higher values is a difficult process. Alteration of values is slow and painstaking at best. The extent to which this can be accomplished will depend upon the willingness of leadership to assert itself in thinking through ways of developing community programs which are determined to obliterate poverty and upon the assistance which local leadership can obtain from other areas.

Income transfers.—Poverty, hunger, and disease bear heavily upon the image of our Nation. The onslaught which is being mobilized against poverty is most reassuring. Numerous income transfers have been proposed to cope with poverty. Within the context in which I have used the term, it is obvious that income transfers to the impoverished are a necessary condition for coping with poverty in the short run. In the use of income transfers, however, care should be taken that incentives are not provided to perpetuate poverty. Unfortunately, current programs do provide such incentives. For example, in many programs the participant is penalized for obtaining higher incomes. If incentives are to be provided for people to leave the poverty category, income transfers must be independent of effort, or must be positively related to effort rather than inversely related to it as at present. Costs are associated with becoming a participant in most welfare programs. The participants who find their benefits decreasing as their incomes increase may be discouraged from accepting part-time or even full-time employment. This can be prevented only if benefits are made independent of income or if they are made an increasing function of income. Payments of this nature will require a rethinking of our entire social welfare program. I am convinced, however, that this is a necessary condition for breaking through the cycle of poverty.

Dr. BISHOP. Thank you, sir. My name is C. E. Bishop. I am from North Carolina State, the University of North Carolina at Raleigh. I have transmitted a general statement for inclusion in the record.

I would like to start my comments here by confessing that I find some of the dialog that we have about the word "poverty" to be rather confusing and to point out what I think to be three different types of low-income problems that exist in our society.

The reason I would like to do this is because I believe that the kinds of policies or programs that might be appropriate to solving our low-income problems differ with these different types of problems.

³ Herman P. Miller, "Incomes of the American People," John Wiley & Sons, New York, 1955.

I feel that a lot of people have low incomes simply because they don't use their resources as efficiently as they could. This means that if they change the use of their resources, they could have higher incomes.

The kind of things that are appropriate here, of course, are to improve knowledge of income opportunities through better information services and things of this sort. Secondly, I believe that a lot of people in our society simply have low incomes by choice.

That is, they do not choose to use their resources in ways that would give them high income because they simply enjoy doing other things. So that there is a category where we would say that people by virtue of choosing to do one thing rather than another, have lower incomes.

I personally feel that once we decide what we are going to do in the way of work or how we are going to use our resources that we pretty largely decide what income we will have.

I do not believe that society has a responsibility to provide people with minimum income levels if these people are not motivated to do work or if they are not motivated to use their resources in income-producing endeavors.

But, the third category, I think, is of much greater concern. I have reference here to this term "poverty." We all ought to recognize that poverty is a relative concept. It is most meaningful, I think, when it is defined in terms of some community form, particularly a form of ability to purchase goods and services.

What I have chosen to call "poverty," I think of as the situation where people own so little in the way of resources, that they are unable to get a reasonable income even though they made the best use they can of the resources that they have.

So, here I think we are dealing with a situation which describes real poverty where people have so few assets that even though they made the best possible use of them, they could not generate an income high enough to sustain a level of living that we might consider minimum in our society.

This is what I consider to be real poverty. I would like to emphasize that I am talking about people who really are not poor by choice and they are not poor because they make a poor use of their resources.

They are poor simply because they own or control so few resources. Now, there is another point that I would like to make here and this is that unless some way is found to break into that kind of situation through resource development, that when a family gets trapped with low incomes because of ownership of few resources, that this situation is likely to be perpetuated through time.

So, that the failure to develop our resources can lead to a perpetuation of real poverty.

Now, quite frequently we are inclined to look upon poverty or low incomes as if this were something that characterized individuals or families.

I have a somewhat different view here. It seems to me as though we ought to recognize that in our society, changes take place which give rise to the hope of overcoming poverty for some individuals and in turn generate poverty for other individuals.

In like manner, these changes can have profound effects upon communities because we find whole communities being bypassed by eco-

conomic change, economic progress, and when these communities are bypassed, they are unable to afford the same kinds of social institutions as other communities. So, that schools do not keep up with schools in the high-income communities; hospitals and other kinds of social institutions tend to degenerate.

So, that I believe that what we are witnessing today is a situation in which there are many sick rural communities in the United States, many communities that have been bypassed by the growth and progress that we have had and that, therefore, the problems of poverty not only are problems of the individuals, they are problems of communities and must be attacked as problems of these communities.

Now, I want to argue that it is difficult for people as individuals to emerge from this culture of poverty and I think there are a number of reasons why it is difficult. Consider for a moment our economic system and recognizing that we operate in a system which is characterized by the profit motive, which we all believe in, this motive assumes that people innovate, they will make change, that they will produce.

Furthermore, it is profitable to work with people who will innovate and who will produce. But what we find is that once people get into this poverty category, if they are unable to make adjustments because of capital restrictions, because of limited managerial ability, or for various other reasons, they may be forced into lower income positions. We see numerous examples of this in agriculture.

For example, grade A dairymen who could not afford to install pipeline milkers and bulk tanks were forced to go out of the grade A dairy business.

People who had small broader operations, who could not afford or did not have the managerial ability to handle large units to adopt mechanical methods of production were forced out of the broiler business.

This is the kind of system that we naturally expect; the kind of behavior we naturally expect in our system. It is the system which gives us such vast national production.

The point is that some people because of limitations, perhaps even beyond their control, get spun off into poverty categories.

I think that another aspect of our system that makes it difficult to emerge from the poverty category is our inclination to discourage the free flow of human resources.

We ought to view the cost of migration as an investment in increased productivity of the human resource; but migration is not generally encouraged in our society. On the contrary, there are many instances where the kinds of training that are provided for people and the job information which is disseminated to them through publically supported institutions are tempered by the fact that geographic mobility of human resources is discouraged.

So, we find it is difficult to emerge from this poverty category, once people get trapped in it.

Now, the remainder of my comments, I would like to direct more specifically to the poverty bill. Starting with title I, youth programs, I am convinced that the development of the human resources offers one of the best alternatives in coping with the poverty problem. Any major attack on low incomes must start with improved education

and training of the people in these areas because to a very large extent the training of people in low-income areas is out of face with modern economic opportunity.

I think we have to have better training—training that is geared more to preparing people for the jobs that exist today and can exist tomorrow. What we witnessed, particularly among the youth in rural areas who are caught in this cycle of poverty, is that they have a rather bleak employment future either in agriculture or, unless they are given additional training, they will have very bleak futures in nonfarm employment.

In other words—and to put it rather succinctly—to encourage them to stay on the farms is to perpetuate poverty. To take them off the farms and send them to the cities without providing them with the requisite skills is to condemn them to a life of poverty and unemployment in our cities.

Mr. PUCINSKI. Would you permit an interruption at this point?

Dr. BISHOP. Yes, sir.

Mr. PUCINSKI. Do you believe that under title III, which provides two basic formulas—one to help the impoverished families get back on their feet without right grants, and the other provision to create family farms on very reasonable payment plans—do you think that these two proposals could help keep some of the people on the farm but in a much better economic and financial condition than they now are?

Mr. BELL. Mr. Chairman, may I interrupt for a question here?

Mr. PUCINSKI. Yes.

Mr. BELL. Are you about through with your statement, Mr. Bishop?

Dr. BISHOP. I would like to speak especially to each one of the titles.

Mr. BELL. I think he has about finished his statement and he will speak to each of the titles. I would suggest that the chairman wait until he has finished.

Dr. BISHOP. I will come to that point anyway.

Mr. PUCINSKI. Very good.

Dr. BISHOP. I think, in short, a greater commitment to vocational training and to education is an essential element in breaking the poverty cycle. We see this: Numerous studies, numerous pieces of research have been done that show us that, as we close the education gap, we also tend to close the income gap. In the South, where I come from, we find that people who have college education get incomes roughly comparable to college-educated people outside the South.

So, to a certain extent, this income difference that we see in our society is a function of education. I would not, however, wish to convey the impression that education by and of itself would be sufficient to solve the low income problem.

I do not happen to believe that. The point I do want to make here, however, is the fact that rural youth are disadvantaged in our society because their education is not comparable with that received by youth in other parts of our society. This fact is well known. If you take the rural youth as a whole with an average education they have a median of 8.8 years; whereas, urban people have a median of 11.1 years.

That assumes that the quality of education is comparable between the rural schools and the urban schools. I don't happen to believe

that. I work in a college where we have an opportunity to observe the performance of youth coming from various walks of life and we feel that our urban areas certainly do a better job of preparing students for working at the college level.

Title I of this bill does provide for an expanded education and training program; so, I assume, would title II, although it is not clear from title II just how much weight would be given to education.

But, to suit my own taste, I would feel better if part A of title I placed greater emphasis upon education and training rather than upon practical work in the forest and in other areas.

I am somewhat concerned that we should be specific in training youth here for jobs that will exist in the future and I am concerned that we may be inclined to take youth who are 16 to 22 years of age, put them in camps in rural areas, and find 2 years later that they are coming out without the proper training for employment.

So I would like to emphasize the need for specific job oriented training under this title. Under Title II—Urban, Rural, and Community Action Programs—I think we should recognize that more work on a multicounty basis is going to be necessary to break through this poverty cycle.

My point would be essentially this: That multicounty market areas and trade areas constitute a much sounder base for economic development and economic planning than is the case of single counties.

If we just stop for a moment and ask when these county boundaries were drawn in the United States, how they were drawn, why they were drawn, and where they were drawn, we will see that they are not really well adapted to our economic situation of 1964.

I would assert that if we were provided with the opportunity to restructure counties today, that we would lay these county lines out distinctly differently from the way they are now drawn. We would consolidate many counties into a much sounder economic base.

The point I would like to make, at this juncture, is that we do not get uniform growth throughout our society. We don't expect economic growth and development to come in a uniform way like a rain would across the land.

It comes more like a little pool or puddle that grows and spills over. So, that, what effects a county might experience from growth and development depends partly on where it is located.

It seems to me that we ought to recognize that by joining together a group of counties to work on a concerted program for development that rural areas may benefit greatly from growth and development that takes place primarily in urban areas; in fact, I suspect that one of the best ways to get rural adjustments is to stimulate growth and development of nearby urban areas because, in this growth and development, we create new markets, new job opportunities, and new income opportunities.

Title II of the present bill is a logical extension of the rural areas development program and it builds, as I see it, upon the local leadership which has been marshaled in that program. The poverty cycle, I don't believe, can be broken without effective and forceful community leadership.

I would emphasize that point: We need concerted action at the local level. The reason I would hold this view is because I feel the

local people must be motivated to want for more—to work for more—if they are going to have more and I believe this motivation can come and usually must come from local leadership.

So, the establishment of community goals—the study and analysis of growth opportunities, of development opportunities, of development opportunities at the local level—is a very important part of any program designed to attack poverty.

If I could take you, for a moment, to our situation in North Carolina, I would like to just describe for you, very briefly, the kind of organization that we have developed there to help us undertake a program in this area.

We have, for example, 100 counties. These counties have been combined into 12 or 13, what we call, area development associations—a voluntary association of local people working together, thinking, studying, and analyzing opportunities for development.

Within these 13 area development associations, and in 100 counties, there are over 1,200 organized communities, and people working with local leadership studying opportunities for growth and development.

We think this is a very wholesome approach and one that is to be encouraged. It is to be my understanding that this type of organization would be encouraged under title II of this bill.

If I can turn now, Congressman, to title III, I will deal more specifically with the question that you raised. I am convinced that extensive reorganization of agriculture also is necessary to break out of the cycle of poverty and I would like to enumerate five kinds of changes that I feel to be necessary in agriculture.

First, I think we are going to have to have some rather drastic change in the kinds and amounts of farm products produced in these low-income areas.

We are going to have to have vastly increased amounts of capital per farm. There need to be intensive efforts to develop the managerial skills of the farmers who are in the low-income categories.

We need better coordination of our marketing and our farm adjustments. And fifth, we need to expedite the migration of labor from farm to nonfarm employment.

What I am saying is that the cold hard facts are that agriculture now has more land and more labor than can be profitably employed in the production of food and fiber.

In other words, we are going to need to take land out of production. We are going to need to find some nonfarm jobs for a large number of farm people. Now, it is rather obvious, I think, that we cannot cope with the problems of poverty with the same policies and programs which we have employed in the past for commercial agriculture.

When we subsume these low-income problems under the umbrella of price and production control programs, we overlook the fact that the benefits of the price and production control programs are shared largely in proportion to the resources that farmers have to the volume of products produced and sold in commercial markets.

I reached the conclusion that a great deal more geographic and occupational mobility will be essential for social adjustment in a great many rural areas. This means that we may need to think in terms of social capital investment such as the purchase of additional land for forests or recreation and for other uses.

Now, let me turn, for just a moment, to who these people are who are in rural America who are in the poverty category. There are 1,570,000 farm families with incomes of less than \$3,000.

This represents roughly 40 percent of our farmers. More than 1 million of those, about 68 percent, are over 45 years of age; 72 percent of these have had less than 9 years of schooling.

The point is that they have very little adjustment potential. They will not and they cannot shift out of agriculture. I do not believe that that offers a reasonable solution to the problems of these people.

They are trapped where they are. They are going to stay there for the rest of their lives to a very large extent. If we study the migration data, we find that most of the migration comes from people who are less than 25 years of age. Once people have reached the age of 25 and they have committed themselves to an investment that may involve paying off debts, that has used a good deal of their savings or all of their savings, the migration rates fall off very sharply.

We made some studies, for example, which give us some ideas concerning the amount of migration that we can expect during this decade. I would like to share two of those figures with you to emphasize my point.

If we take the number of males, rural farm males, who were on farms in 1960, and look at what we would expect to happen to these people during this decade, I think we can see a picture that is rather striking.

Let us look first at those people who were between the ages of 15 and 24. There were 895,000 of these on our farms in 1960. We would expect that in 1970, 259,000 of those would still be on farms so that we would have an off-migration of about 726,000.

Migration takes a heavy drain from these people in this age category, 15 to 24.

Mr. THOMPSON. Are they from any particular areas, Doctor?

Dr. BISHOP. They will come, very largely, from these low-income areas. The rate of outmigration is about 20 percent greater for your low-income counties than for other counties.

Mr. THOMPSON. What is the situation in eastern North Carolina?

Dr. BISHOP. In eastern North Carolina, you have very heavy outmigration, relative to North Carolina. North Carolina's outmigration is not as large as that of some States.

From eastern North Carolina, we had a net loss in population, if you give allowance to the addition through births during the last decade in all but two or three of our counties.

Mr. THOMPSON. That is pretty largely a tobacco economy.

Dr. BISHOP. It is a tobacco economy.

Mr. THOMPSON. On a relative basis it is in good shape, at least, has been, up until recently, that is compared with the tobacco or peanut economy.

Dr. BISHOP. Let us say it has been fairly stable. It is not in good shape. We have our share of poverty in North Carolina. The State is doing a great deal trying to cope with it. We are quite concerned about it. I expect we have more low-income farm people than any other State.

Mr. THOMPSON. You do?

Dr. BISHOP. I think this is right.

Mr. THOMPSON. Governor Sanford has done a wonderful job in initiating in his own State a poverty program.

Dr. BISHOP. Let us contrast now the situation for these people who are between 45 and 65 years of age. I said that we have 895,000 of males between 15 and 24 years of age. We would expect 726,000 of those to leave during this decade.

In contrast, there were 1,287,000 who were between the ages of 45 and 65, we would expect only 150,000 of those to leave agriculture during this decade.

In other words, your migration of these people who are in the upper age categories cannot be expected to solve their low-income problem.

In short, these people are trapped; they are there; they are going to spend their lives there. The question is: What kind of income, what kind of opportunity, will they have in the rural area?

Now, just a word about title IV, particularly on part B. I notice in reading this part that the States that the Director may require, at his discretion, that people who are provided with loans under this part take certain types of managerial training to improve their managerial skills.

It would suit my taste much better if this "may" at the discretion of the Director was changed to "will" because I believe we can learn from the program which has been conducted by the Farmers Home Administration that supervised management can do a great deal, supervised managerial assistance can do a great deal to help people in low-income States who are trying to operate small businesses.

In the agricultural sector when loans are given by the Farmers Home Administration, we do give supervisory management assistance and we have found this to be very effective.

I suspect you would find the same to be true in nonfarm industries.

Mr. Chairman, I am available for questions.

Mr. ROOSEVELT. Mr. Bishop, thank you very much for your testimony. Certainly I would agree that I think you have given us a most interesting discussion of the concept and background of poverty and applying it in specifics which I think will help us greatly as we study the bill itself.

Mr. Bishop, price supports and, therefore, higher prices for agricultural goods have raised the cost of living especially for the very poor since they spend a higher portion of their income on food.

What is the solution to this problem if you will elaborate a little on what you have said?

Dr. BISHOP. I suspect that this is questionable. I do not believe I wish to permit myself the statement that price supports as they have operated in the American economy have raised the prices of foods to our society. We have one of the lowest cost budgets for food of any nation in terms of percentage of our disposable consumer income.

If you assume that price supports in a relatively stable agriculture would induce increased output, I suspect it would be hard to reach the conclusion that price supports had raised the prices of foods because most foods are not supported.

Mr. PUCINSKI. I want to say, Mr. Chairman, I am very grateful for that answer because I have supported some of that legislation.

Mr. ROOSEVELT. In a slightly different field, you have mentioned

that you think you can have incentives in the early part of your statement.

What incentives do you offer to the very poor or from a practical point of view, can be offered if money income is not sufficient motivation? You mentioned the taxing power as a way but that in itself is not enough.

Could you give us a more concrete example of the type of incentives that you have in mind?

Dr. BISHOP. Here you are referring to the passage where I indicated that some people may simply have low income by choice. They are not motivated by money income.

Mr. ROOSEVELT. And we must, therefore, give them different kinds of incentives?

Dr. BISHOP. Yes. I don't know how as a society we can appeal to those people to get more in gear with the market economy, let us say, but I do feel we can do this with their children.

If we can keep their children in school, if we can provide them with some incentives to keep their children in school, I think in this way we can begin to break out of this thing.

The other way that I would think that we could begin to attack this particular problem is through community actions. Community actions are important in our society in setting other certain norms.

We all live in accordance with certain norms of behavior and, I believe, through community action, we can develop a spirit of responsibility to help people to make a greater contribution in this way.

Mr. ROOSEVELT. Titles I and II now are aimed at that specific thing.

Dr. BISHOP. That is right.

Mr. BELL. Will you yield?

Mr. ROOSEVELT. I yield to the gentleman from California.

Mr. BELL. Dr. Bishop, if you are speaking of these people who aren't motivated, as you say, for more income, what kind of people are you talking about? Are you talking about people who just don't want—is that a nice way of saying that people just don't want to work?

Dr. BISHOP. Some people would rather fish and hunt.

Mr. BELL. No matter what you do, you can lead them to water, but they won't drink.

Dr. BISHOP. That is right. However, let me say this: I do not believe that this particular problem is nearly so important as some people attach to it in our society.

Mr. BELL. Don't you think there is a very small percentage of such people?

Dr. BISHOP. It has been our experience, at least in working with low-income people, especially in the mountain region, that once they see what kinds of opportunities exist, they are rather eager to take advantage of them.

It is hard to separate out in behavioral problems actions which are based on lack of information, where people didn't know what they could do, didn't know what they could produce, didn't know where they could sell it, these kinds of things, from the desire just to go fishing.

Mr. BELL. This kind of goes to a very important part there, this philosophical thing. I have heard many, many people say, "You give

them opportunities and many of them won't work and this sort of thing." I have never believed that, myself. I was wondering if you had any kind of percentage. Is there a fairly large percentage of people you can lead to water and they won't drink?

Dr. BISHOP. My view is that most of them will drink.

Mr. BELL. What percentage are you talking about? Are you talking about a very small percentage or a third? What kind of percentage are you talking about of people who won't take an interest even if they have all the opportunities thrown at them?

Dr. BISHOP. Any statement here would be purely a guess. My personal views are that we are not speaking about a very large part of our society. I think most of our people still live under the work ethic.

Mr. BELL. Would you say it is 1 percent?

Dr. BISHOP. Maybe a little larger than 1 percent. Certainly not 10.

Mr. ROOSEVELT. In the long run, as you pointed out, the way to eliminate whatever percentage is in that group, is by working with their young people.

Dr. BISHOP. Yes.

Mr. THOMPSON. Isn't it so to some extent, Dr. Bishop, that environmental situations create really great insecurities in rural areas and that to a very large extent these people who don't work are afraid to venture forth and leave the environment which they are familiar with?

Dr. BISHOP. I think there is a certain element of insecurity. There is also an element of just not feeling that they belonged to this particular type of activity, not knowing about the opportunities and possibilities.

Mr. THOMPSON. A combination of educational and environmental?

Dr. BISHOP. Yes. These particular types are not as distinct and clear cut as we might like to think of them.

Mr. THOMPSON. I have not heard all your testimony. I have read it. As a fellow who went to Wake Forest, I hate to say anything very good about North Carolina State, but you are a wonderful product.

Dr. BISHOP. If it will console you any, my daughter is going there this fall.

Mr. THOMPSON. Fine.

Mr. ROOSEVELT. Dr. Bishop, on page 7 of your prepared statement you say:

A better early warning system is needed to help people anticipate, prepare for, and adjust to change.

You don't think this is just wholly governmental matter do you? Is it not, also, something that business itself, the economy itself, has a responsibility to solve?

Dr. BISHOP. That is right. I think, however, Government also has a responsibility in it. We have an early warning system, for example, against certain kinds of dangers that might come to us from foreign lands.

I would hope that we could also develop early warning systems that might come to our people when their jobs are endangered, either through the private sector or the public sector. My point is simply this: When I am working and technology brings about changes which makes my schools obsolete, I learn of this when the new technology

is adopted. At that point, it is pretty late to start retraining myself for another position.

Mr. ROOSEVELT. I agree with you. It is a very delicate and difficult area to work with. If we can have an early warning system on weather and national defense, we could better apply such an early warning system to human beings. I would hope perhaps in this bill we might be more specific about that particular point.

One last question: Applying what you have said to this bill, would you say that retraining farmers on the land, as title III, I think, aims at, is a misallocation of resources or would you feel it was a proper allocation of resources?

Dr. BISHOP. My view is that title III will be most effectively administered with people who are beyond the age of 25 and perhaps beyond the age of 35, people who are trapped, who are not going to go into nonfarm vocations, who can't really go into nonfarm vocations, and who can eke out a living and a respectable kind of living, given a good opportunity in rural America.

Mr. ROOSEVELT. Thank you very much, Dr. Bishop. I think you have made an excellent statement and contribution. Mr. Thompson?

Mr. THOMPSON. Thank you again, Doctor.

Mr. ROOSEVELT. Mr. Bell?

Mr. BELL. I assume, then, if you were doing this, Doctor, in answer to Mr. Roosevelt's question, that you would take a certain age group and maybe give them some grants and loans as the bill suggests in title III; is that right? In other words, you would make these grants and loans to increase their assets and take a chance that you would make their life on the farm viable economically?

Dr. BISHOP. Where there are opportunities for viable economic units; yes. Where people are trapped this still may be an efficient way to help them to live out their lives in rural areas.

Mr. BELL. You say it may not be?

Dr. BISHOP. It may be. It may be, for example, a least-cost way of getting them up to the minimum level of living we are thinking about.

Mr. BELL. Let us say that conceivably there could be many other economic factors involved in a farm area, markets and many other problems that it might not be wise to try to expand their position on the farms.

That might not be a wise thing to do because it may not be possible in many areas to make a living. I think this is true in many areas of many of the States. It is not so much the fault of the individual or the income that he could possibly—money or capital that he could have.

Maybe it is not just possible to make it in the economy; is that true?

Dr. BISHOP. You are quite right. There may be areas in this country where we should not try to settle people, let us say.

Mr. BELL. That is right.

Dr. BISHOP. That we ought to provide some kinds of incentives to find other uses for the land. I agree with this wholeheartedly. I believe that the bill provides for this.

Mr. BELL. Quite conceivably there could be a number of areas, a considerable amount of area or territory involved that would be involved in this kind of change.

Dr. BISHOP. Yes. This is the reason I think the emphasis should be on the people, not upon the land as such, people and opportunities.

Mr. BELL. What you are saying, in effect, is that title III should, by all means, be made much more flexible; in other words, there should be included, perhaps, migration training for urban jobs.

Possibly move from one farm area to another in another State or another location?

Dr. BISHOP. Title III in and of itself will not solve the problems. It may help but it would not solve the problems.

Mr. BELL. There is a question about the help.

Dr. BISHOP. You need the training programs, other kinds of programs as well.

Mr. BELL. There may be a question about whether or not it would help, too.

Mr. ROOSEVELT. Mr. Pucinski?

Mr. PUCINSKI. I have just two questions, Doctor. One was the question I posed earlier. Do you think that the creation of the family farms under title III is going to keep these people on the farm in light of your statement here earlier, that we have got to find some ways to take them off the farm?

Dr. BISHOP. This depends, of course, on how title III is administered. Now, I can conceive of title III being administered in this way. Where you decide that you are going to provide grants and loans to people who are trapped, who don't have much of an adjustment potential, who do not possess skills that can be marketed in a nonfarm economy, and cannot be retrained for employment in nonfarm jobs.

These people are trapped and with your loans and grants program, if you provide assistance to them, you are, obviously, not holding people on the farms who would move anyway.

Mr. PUCINSKI. Who makes that decision? Who identifies the trapped farmers?

Dr. BISHOP. We can tell from interviews and from tests about the potential of a person for employment in various kinds of occupations.

Mr. PUCINSKI. Would you suggest, then, that under the rules and regulations that will be promulgated to carry out title III that the Director should make these farms available and these loans available only to people who have been determined not to be retrainable for any urban occupation whereas, let the others who want to leave the farm continue their migration to the urban area.

Dr. BISHOP. I think we have to let people migrate who want to migrate. This is an important part of the solution to the farm problem.

I believe, also, that it may be possible under title III to get together large enough tracts of land or a large enough quantity of resources that we could develop economically viable units for some people who otherwise may migrate but who could not get an economically viable unit.

Mr. BELL. As I understand, I believe Mr. Bishop said that he felt there should be some educational features for the people who are going to migrate. There should be some attempt to educate them for urban jobs. Isn't that correct?

Dr. BISHOP. That is correct.

Mr. PUCINSKI. Where, on the farm?

Dr. BISHOP. For rural youth who will migrate. Let us make one more point here. The income differential between farm and nonfarm vocations is so large for most people that we are going to continue to have a lot of migration from our farms. This is going to be very heavy during this decade, especially if we achieve a reduction in the level of unemployment which is a first and foremost planning in any attack on poverty or any attack on the farm problem as I see it, a move toward a more fully employed economy.

If we achieve this we are going to provide new job opportunities and we are going to have a great deal of migration from our farms. But my point is that unless these people have some kind of marketable skills, they are going to be human tragedies in our cities because they are not going to be employable there.

Mr. PUCINSKI. That still does not answer my question, Doctor, as to who is going to decide. What is the criterion for determining whether or not an individual should be given \$1,500, whether an individual should be given access to the acquisition of one of these redeveloped family farms or whether he should be permitted to leave for the city? Where do you draw the line and how do you set up the criteria?

Dr. BISHOP. I think the lines can be drawn in this way. If you are interested in developing economically viable units within agriculture, then we ought to ask the question, what size of farm, how much investment, what form of investment does it take with this type of farming for this person to get a return that would be comparable to what can be earned in nonfarm endeavors?

This would give us a handle on that one. On the migration question, the mobility question, there are various kinds of tests that can be rendered to people to determine the extent to which they are retrainable, the extent to which they might be successful in nonfarm vocations.

Mr. PUCINSKI. In other words, then, you are not suggesting that some third party is going to decide, let us assume that we have a man here who has been on a farm all his life. Now, he may have well wanted to move into the city, he has had it. You are not suggesting that somebody along the line can come and say, "No, you don't have a marketable product. You don't have a marketable trade. You have to stay on the farm." You are not suggesting that, are you?

Dr. BISHOP. Indeed not.

Mr. PUCINSKI. Conversely, supposing that a man who has lived on a farm all his life and has lived in poverty now says, "If I had \$1,500 to buy some seed and if I had a little plot of my own, I know that with my experience and the experience I gained from my father and grandfather, I could make a go on this farm." Are you suggesting that somebody in the Department of Agriculture is going to analyze this and they are going to decide whether he is right or wrong?

Dr. BISHOP. I would say that there are people in the Department of Agriculture who can help him to decide whether this is possible or not.

Mr. PUCINSKI. That is exactly what worries me about title III. Mr. Freeman was here before the committee and we discussed title III at great length and we agreed that the Department of Agriculture now has many things.

They have the FHA over there for credit-risk farms, and assistance on loans. What happens is that the people in Washington seem to get out of touch with reality and they set up criteria that very fre-