

TABLE 4.—*Economic classification of program expenditures for fiscal year 1965*

[In thousands of dollars]

Federal Government:	
Purchases of goods and services:	
Wages, salaries (Federal)-----	4, 830
Other ¹ -----	101, 690
Transfer payments to individuals and nonprofit organizations (allowances)-----	123, 521
Total, Federal expenditures-----	230, 041
Non-Federal expenditures-----	(²)

¹ OJT Contracts and Institutional Training Costs.² Not available.

REDEVELOPMENT AREAS: MDTA TITLE II, SECTION 241

PART I. DESCRIPTION OF THE PROGRAM

1. *Objectives*

The purpose of the program is to provide a supplementary program of training for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce.

2. *Operation*

Program responsibilities and operating arrangements parallel those used in the regular MDTA Title II training activity, except that proposals for occupational training in redevelopment areas under Section 241 are approved in the National office, not in the field. See answer for Question 2 under "Title II, Excluding Section 241."

3. *History*

The training activities of the Department of Labor under Section 241 of the Manpower Development and Training Act of 1962, as amended, are essentially a continuation of the program begun under Sections 16 and 17 of the former Area Redevelopment Act (ARA) of 1961. Therefore, the history of the program must begin with the earlier Act.

The ARA represented the first comprehensive attack by the Federal Government on the problems of chronic unemployment and underemployment in order to promote economic betterment in economically distressed areas. The ARA was designed to expand job opportunities in "redevelopment areas" through a concerted program of financial and technical assistance.

The relevant portions of the law provided for (a) the training of unemployed and underemployed persons residing in redevelopment areas to enable these persons to overcome skill deficiencies which acted as barriers to employment, and (b) the payment of weekly training allowances for a maximum of 16 weeks at the State's average unemployment compensation allowance. To assure an effective and sound program, each training proposal was required to be geared to existing and potential manpower needs.

Improvement of the skills and employability of unemployed workers in redevelopment areas where jobs are scarce presented a formidable challenge. Job opportunities for which suitable training proposals