

wage of such an individual in circumstances where there is hope for long-term employment, so that we may induce a private-for-profit enterprise to provide on-the-job training for such an individual.

We have suggested this now for several years. We have solicited your comments. I believe last year in testimony you said you were very appreciative of this approach and that you were studying it. It seems to me that we have reached a stage where this kind of approach would be very appropriate, that we should at least be experimenting with this kind of approach to induce employers in profit enterprises to take these youngsters under circumstances where a portion of their wage will be paid by the Government for limited periods of time. This approach is the basis of our Industry Youth Corps proposal in the Opportunity Crusade.

Do you have some comment on this?

Secretary WIRTZ. Yes. You do not include in your question the tax credit and similar so called "incentives" which are all part of the same picture. I will limit my comment to your particular point.

I assume you are talking about the out-of-school program, aren't you?

Mr. GOODELL. That is correct.

Secretary WIRTZ. If you are talking about the in-school program I think probably it would be a mistake to go further. As far as the out of school, for those whom we have called the "dropout," is concerned, there is a question as to the extent to which we should put him into private employment and work out an arrangement for it.

We have two or three experimental programs under MDTA now in that very area under title I. So since we have last talked, we have followed up that discussion by experiments with this same kind of thing.

Mr. GOODELL. Paying part of the wage?

Secretary WIRTZ. That is right. But we do not pay part of wages in a regular OJT project, although some construe an appropriate allowance for waste and spoilage as such. Admittedly, the line between an on-the-job training program where we pay for training costs, and paying part of the wages sometimes gets very fine. Just to illustrate: In an OJT contract in San Diego we pay \$4 a week for each person hired and in training by restaurant and hotel operators. We pay on the basis that that is the amount of the cost of the dishes that will be broken during that period.

In answer to your question, Mr. Goodell, I think there is an area there in which we are probing experimentally. I would not be prepared at this point to recommend a broad expansion of the Neighborhood Youth Corps out-of-school program to permit that.

I am in favor of proceeding with these experiments to see how much can be done with it.

Mr. GOODELL. Mr. Wirtz, you describe a very urgent situation, and I agree with your characterization of the situation we face. We have roughly a million youngsters dropping out of school every year. They are lost in the job underworld to a large degree and increasingly will be.

This is a bipartisan approach. We have tried to do something about this situation in the manpower field over the last 4 years. I think it