Mr. O'HARA. Will the chairman yield?

Chairman PERKINS. I was going to call on Mr. Thompson.

Mr. THOMPSON. I yield.

Mr. O'HARA. I thought this might be useful to the committee. The witness, Mr. Held, read a letter I believe from a priest that contained some specific criticisms of the community action program. I believe it would be useful if Mr. Hansan were to respond to those criticisms.

Mr. HANSAN. Mr. Chairman, in answer to Mr. O'Hara's question, one of the points that was brought out in the letter of Reverend Strittmatter refers to a grant my office made to the city of Cincinnati for $100,000 to expand a summer recreation program which locally had been called Operation Cool Summer. For the benefit of the committee, this Operation Cool Summer was planned and approved prior to any racial or riot troubles. Our request to the OEO for summer funds preceded any such trouble and I had written a letter to the city manager as soon as the President's funds were made available asking what the Community Action Commission could do to help the city during the summer. The first response we got was from the recreation department and they asked for more money to hire more people for their Operation Cool Summer. We agreed to that and funded it.

Now, the point of the letter that they had nothing but salaries does touch on a problem we have in Cincinnati and that is that in many ways of city of Cincinnati as a city government has done very little to assist on these kinds of programs.

You know, I think that is what the Negro leaders were saying when they made the statement in the city council that they are not doing anything. They were directing it at the city council. They weren't directing it at the Federal Government.

We put in this money especially for salaries, but we also agreed to pay for fringe benefits, travel, and these other things, but we forced the recreation commission to keep it down to a minimum, hoping they would use their own resources for equipment, supplies, and trucks and whatever other capital equipment.

Mr. ASHBROOK. It is my understanding that the poverty program has made the promise in this area, not the city of Cincinnati. Am I incorrect?

Mr. HANSAN. That depends on what you are asking, Mr. Ashbrook. The people who were appearing before the city council were asking for improved housing and more jobs, more opportunity. These were the kinds of things they were. These are not all poor people directing these complaints.

Mr. ASHBROOK. Maybe we ought to talk to some of these people.

Mr. HELD. Could I take exception?

Mr. ASHBROOK. Mr. Held thinks differently.

Mr. HELD. I was in the city council, and this gentleman I never have seen in the city council, and he knows what these gentlemen said. Commonsense tells me that if you hire seven people and pay salaries what does that have to do with your appropriated money? Why don't you buy some swings and only hire three people. It is ridiculous.

Ted, if you want to testify sit up here and quit prompting this gentleman.

Mr. CLANCY. You have been prompting him all afternoon.

Mr. Theodore M. Berry (Assistant Director for Community Action Programs, OEO): I haven't even said anything to him. I will speak for myself.

Chairman PERKINS. Let's have order.

Mr. O'HARA. Mr. Chairman, may I ask the witness if he said that the cool summer program was run by the city? Is that correct?

Mr. HANSAN. Yes, that is correct.

Mr. O'HARA. Mr. Chairman, since you called Mr. Hansan up I wonder if he would respond to some of these specific charges, unless he has nothing further he wants to respond to.

Mrs. GREEN. Mr. Chairman, point of inquiry.

I refrained from asking further questions a moment ago because I had understood the chairman to say that he wanted Mr. Hansan to confine his remarks to the amounts spent. If that is not the procedure, then I would have some questions.

Chairman PERKINS. That was what I stated but you may go ahead.

Mr. O'HARA. If the gentlewoman will yield, I didn't ask any questions. I suggested to the chairman that he might want to ask him to respond.

Mrs. GREEN. I will ask, Mr. Hansan, on the matter about which you were just testifying, on the salaries, I don't quite understand your answer to that, that $100,000 was spent exclusively on salaries.

Mr. HANSAN. For example, the city recreation department would like to have had from us, say, a playmobile. The OEO and our own office, and I will take personal responsibility and not put it on the OEO, wherever possible, Mrs. Green, we have tried to make the dollars go into salaries rather than into capital improvements or equipment, this sort of thing, hoping that through the local resources, private contributions, or local funds, this kind of equipment can be bought.

Mrs. GREEN. Then it is correct that the $100,000 was spent on salaries?

Mr. HANSAN. Yes, ma'am.

Mrs. GREEN. What did the people do who were being paid $100,000 in salaries?

Mr. HANSAN. Most of them were young people themselves who were hired and they were hired to assist trained playground leaders, you know, as just another pair of arms and legs. They were assigned to a team. Some of them with less skills than others were given jobs of repairing a tot lot. We have a place where we have a fire engine and a train and these kinds of things and they restored that to good order and manned it. They are the kinds of jobs that the Neighborhood Youth Corps often do.

Mrs. GREEN. It would be similar to the NYC, then?

Mr. HANSAN. Yes, ma'am.

Mrs. GREEN. How many were employed for the $100,000?

Mr. HANSAN. I have to say I don't know that. I am sorry. I have so many different grants that I would be afraid to give you the—just a moment. There was an article in yesterday's paper. No, I have a large figure here, but I could not break down just that $100,000. I am sorry.

Mrs. GREEN. Would you break it down as to how many were NYC employees and how many were staff of NYC?

Mr. HANSAN. None of them. What we did on this one was we coordinated it through the office of our local NYC program in order that

youth who had been on the waiting list for the NYC would have first crack at these jobs. Wherever possible they were to be poor youth, meeting the poverty definition, and they would be the kind of youth who would ordinarily be qualified for the national youth program but for whom there was not enough room.

I think you all know there has always been a waiting list for the Neighborhood Youth Centers.

Mrs. GREEN. One statement was that seven additional people were hired. The inference is that that took up quite a lot of money. Is that correct?

Mr. HANSAN. Without investigating, the salaries for the youths were in the $1.25 range.

Mrs. GREEN. And the adults on the staff?

Mr. HANSAN. For supervisor it was in this case $2. There were one or two jobs for specialists. I think they got the standard civil service rate of $3.75, or whatever it is.

Mrs. GREEN. How many staff office positions came out of this?

Mr. HANSAN. There was one clerical person on the whole $100,000. There were three specialists, arts and crafts, and music and drama, then there were something like five, seven, supervisors and then the rest were all youth and there was one supervisor to every 10 youths, so in that case we certainly gave supportive assistance to the recreation department as well.

Mrs. GREEN. Mr. Chairman, I ask unanimous consent that at this point in the record Mr. Hansen furnish a breakdown of that $100,000 in terms of the people that were employed and the salaries that were paid.

Chairman PERKINS. Without objection it is so ordered.

(The data referred to follows:)

SPECIAL SUMMER PROJECT

Sponsor: Cincinnati Department of Recreation.

Purpose: To provide jobs for youth and to expand "Operation Cool Summer," a special Recreation Department program designed for 10 target areas.

Personnnel:	
a. 100 youth at $1.40 hour for 400 hours	$56,000.00
b. 13 leaders at $100 week for 10 weeks	13,684.00
c. 5 specialists at $3.30 hour for 400 hours	6,600.00
d. 1 clerk at $71.90 week for 10 weeks	719.00
Fringe benefits: Society security and workmen's compensation	3,927.18
Consumables	13,400.00
Travel	4,069.82
Total	98,400.00

Chairman PERKINS. Any further questions, Mr. Ashbrook?

Mr. ASHBROOK. No, I think the chairman certainly points out, and I say parenthetically, the need for a real case study of how much money is being spent in this area. I fully realize you are getting requests from many areas, but I think from what the information we have been able to elicit here this afternoon, it substantiates the need for a field investigation. I would say, and I hope it won't be taken wrong, it certainly is not a threat, not meant to be a threat, but Mr. Ayres authorized me to say, and the other members of the committee on this side have authorized me to say that we think there should be an investigation in Cincinnati. We hope it will be done on a bipartisan basis. If it

is not done on a bipartisan basis a Republican task force will be sent to Cincinnati to investigate.

Chairman PERKINS. Let me reply by saying that I will work 100 percent with the leadership on your side of the committee.

Mr. ASHBROOK. Thank you.

Chairman PERKINS. And when they say we need a staff investigation in Cincinnati we will go there.

Mr. ASHBROOK. Let me make it clear we did not say staff. We said Members of Congress on both sides.

Chairman PERKINS. If information discloses that we need an investigation by congressional committee we will certainly abide with the resolution that was adopted by this committee 100 percent.

Go ahead, Mr. O'Hara.

Mr. O'HARA. Mr. Chairman, I would like to ask Mr. Held a question: How long have you been a member of the City Council of Cincinnati?

Mr. HELD. Five years, sir.

Mr. O'HARA. Then you have been a member of the city council since before there was a poverty program, right?

Mr. HELD. Yes, sir.

Mr. O'HARA. In your statement on page 2 referring to how program funds are being spent in Cincinnati, you said, "We local officials are helpless. We have no way of getting this information."

Do you really mean that?

Mr. HELD. I could answer that. Mr. Clancy made a request. Do you want to go into that, Don?

STATEMENT OF HON. DONALD CLANCY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. CLANCY. I would be very happy to.

Mr. HELD. I will tell you what we ran into, but he can tell you better, sir.

Mr. CLANCY. As to obtaining information, Mr. Chairman, do I have the opportunity to speak?

Chairman PERKINS. Yes, sir.

Mr. CLANCY. I may say to you, Mr. O'Hara, that for several years now I have attempted to secure information pertaining to the poverty program in the Cincinnati area. I have written to what I thought would be to the proper authorities, none other than the Director, Mr. Shriver.

I have contacted Mr. Hansan in Cincinnati by letter, have asked for information from him. I may say that one time I asked just what you are asking right here, as Mrs. Green was interested in, that you are interested in how much of the money that is going into the Cincinnati area is being paid out in salaries.

Now, it would seem to me that that question could be answered by an administrator of the status and stature of Mr. Hansan within a matter of 4 or 5 hours. If my memory serves me correctly, it took me 6 weeks to get that information from him.

I may say that I wasn't entirely satisfied after I got it.

Now, we can constantly write to these gentlemen. We can make phone calls. We can do everything. And just this week I did that

same thing again. I wrote to Mr. Shriver. I requested certain information. It was delivered to my office at noonday.

Now, in obtaining the information it may be of interest to you to know that I specifically asked about the activities of this organization with respect to the Job Corps. I also asked that same question of Mr. Lewis Evans, who is the area manager of the Ohio State Employment Service Division, Ohio Bureau of Unemployment Compensation.

I went to Mr. Evans and asked him about the Job Corps activities in Cincinnati. With your kind permission I would like to read you that.

Chairman PERKINS. Go ahead. Put the whole correspondence in.

Mr. CLANCY. I will put this into the record, Mr. Chairman, with your kind permission. I will submit the entire letter that he responded to my request.

(The letter referred to follows:)

OHIO BUREAU OF UNEMPLOYMENT COMPENSATION,
OHIO STATE EMPLOYMENT SERVICE DIVISION,
July 25, 1967.

Hon. DONALD D. CLANCY,
U.S. Post Office and Courthouse,
Cincinnati, Ohio.

DEAR DON: This is in reply to your request for information concerning programs of the Cincinnati office, Ohio State Employment Service related to job training.

You recall that the publication of March 1, 1967 indicating training opportunities for the Cincinnati area lists a total of 5180 trainees. This figure represents a total of all programs to March 1, 1967 plus those that were requested but were not approved and those whose starting date fell after March 1. Subsequent to that time, twenty eight (28) programs for 1119 persons have been submitted for the fiscal year 1968, however recent cutbacks of the Ohio allocation will substantially reduce the number of programs and consequently the number of trainees available to the area during the coming year. Cincinnati is expetced to receive $864,372 dollars during fiscal 1968.

Statistically, thirty one hundred seventy four (3174) persons entered Manpower Development and Training Act vocational training programs during the period July, 1962 to January 1, 1967. Of this number 929 persons dropped out while 569 were still in training. Fourteen hundred ten (1410) of the 1676 graduating trainees were surveyed by this office to determine labor force status. The survey showed that 689 persons were employed in training related jobs, 319 were unemployed and 402 persons could not be located to establish labor force status. From the inception of the MDTA a total of $1,290,621 in payments were made to trainees, exclusive of the costs of the training facility.

Perhaps the most successful of the MDTA training courses have been those in Auto Mechanics, Welding, Lathe Operators, Milling Machine Operators, Tool and Die Makers and Draftsman (Mechanical). These occupations generally have high degree of mechanical operations involved plus being those considered by employers as difficult to fill. On the other hand those occupations where mechanical requirements are minimal where judgement factors and/or public contact factors are essential, the training programs have met with little success. The first MDTA program held in Cincinnati was one to train unemployed persons to become secretaries. Upon completion of the program it was difficult to place graduates with the employing community because of the many factors involved in the job of a secretary.

Comments concerning the appearance (dress, make-up, hairstyle, etc.) and abilities (found through pre-employment testing) of the graduates were forthcoming from employers. Some employers felt the training itself was not proper for the trainee; that it was inadequate and did not provide the trainee with the proper perspective of secretarial duties. There have been no training programs conducted under the MDTA for secretaries since that time even though a high demand persists in the community.

The Urban League of Greater Cincinnati, desirous of fulfilling its contractual agreements with the Labor Department and in an atmosphere of cooperation with us, has in the past used our service for the purpose of seeking individuals

to place with employers agreeing to employ and train the unemployed. Our service to them and theirs to us is on a continuing basis and is carried out in good order.

A brief analysis of Job Corp activities in the Cincinnati area reveals that 751 persons have been screened and initially considered for referral to Job Corp camps. Of this number, 435 have been accepted by Job Corp and have received some training since the beginning of the program early in 1965. The Community Action Commission has referred 36 of these persons to our Youth Opportunity Center, which acts as the exclusive referral agency in Cincinnati. Two hundred forty five (245) trainees have returned to Cincinnati and have contacted the office for assistance, eighty five of these were considered graduates the remainder having completed less than the required time to graduate. Twenty six (26) of the graduates have been placed in training related jobs.

The present rate of unemployment in the seven county Cincinnati Standard Metropolital Statistical Area is 3.1 percent. Estimates for Hamilton County range from 2.8 to 3.3 percent depending on the method of estimating used.

Should you be desirous of further information, we will provide all that is at our disposal as quickly as possible.

Very truly yours,

LEWIS H. EVANS,
Area Manager.

Mr. CLANCY. "A brief analysis of Job Corps activities in the Cincinnati area reveals that 751 persons have been screened and initially considered for referral to Job Corps camps. Of this number, 435 have been accepted by Job Corps and have received some training since the beginning of the program early in 1965. The community action commission has referred 36 of these persons to our youth opportunity center, which acts as the exclusive referral agency in Cincinnati. Two hundred forty-five trainees have returned to Cincinnati and have contacted the office for assistance; 85 of these were considered graduates, the remaining having completed less than the required time to graduate. Twenty-six"—at a cost of approximately $7,000, mind you. 26. As your committee has so often said to the other Members of the Congress—"26 of the graduates have been placed in training related jobs."

Now, wasn't it the very purpose of establishing the Job Corps to train these young people and prepare them to go back to the communities from whence they have been recruited to obtain employment with the skills that they learned in the Job Corps? I think I heard you, Mrs. Green, say that on several occasions; you, Mr. Thompson, you, Mr. O'Hara.

Mr. THOMPSON. Not me.

Mr. FORD. Will the gentleman yield for a question?

Mr. CLANCY. I will yield, yes; be very happy to.

Mr. FORD. Was it your request or was it the option of the agency that gave you that very qualifying figure on the 26?

You know, we never, in evaluating the success of the public schools in Cincinnati, or in Michigan for that matter, say that the school is a failure because the boys who took a course in mechanical drawing don't end up as draftsmen. What we are concerned about is whether or not they are, after the schooling, engaged in gainful employment commensurate with the skills that they were given plus what they may learn after they get out. The figure you give is 26 people employed in training-related occupations as distinguished from the number employed.

I think, with all due respect to you, a Member of the Congress who hasn't had this particular figure kicked around as much as the mem-

bers on this committee, you ought to recognize the great difference in discussing this statistic; the difference between the kind of figure you have given if you use that qualification and the generally accepted idea among the public of a trained person available for employment.

Do you have any figures or did you ask for figures on how many kids were working?

Mr. CLANCY. How many of those were working? No, I just wanted to know how many were brought back into the community and obtained gainful employment from the skills that they acquired in the Job Corps.

Mr. FORD. That isn't the answer.

Mr. CLANCY. That may not be the answer that you want, Mr. Ford. That is the answer that I want. That may not be the point that you want; that is the point that I want. If you, Mr. Thompson, did not say that, then I respectfully withdraw what I said. I thought I heard you over the year debate on that.

Mr. THOMPSON. Mr. Clancy, please. I don't recall what I said or didn't say. If you will repeat what you attributed to me, then I will acknowledge whether or not I said it.

Mr. CLANCY. What you thought you had said on several occasions in discussing this matter and when matters were before us on the floor, you have indicated that the purpose of the Job Corps was to train youth of this Nation in skills that would enable them to go back to the communities where they were recruited from and obtain employment with the skills that they acquired in the Job Corps.

Mr. THOMPSON. I don't know whether I had the opportunity to speak on the floor and say that, but if I didn't say it I thank you for phrasing it better than I could. That is the purpose. I would add, only in qualification, that I never said that if a youngster is in for training to become an automobile mechanic that he had necessarily to end up as an automobile mechanic. He could end up being a refrigeration mechanic or a motorcycle mechanic. There are a lot of them around today.

Mr. CLANCY. He may become a refrigeration mechanic by not going to the Job Corps. Why would he have to go to the Job Corps if he was going to acquire a job as a refrigerator repairman?

Mr. THOMPSON. Your question is rhetoric. This is a unique experience for me. I will sit here and have you cross-examine me at will.

Mr. CLANCY. You can do that to me, too.

Mr. THOMPSON. But I do think that if you quote me, and I don't remember everything that I say——

Mr. CLANCY. I thought I heard you say that. I could be wrong.

Mr. THOMPSON. That is all right. You can argue with me all day. It is part of my profession, and yours. That's fine.

Mr. CLANCY. May I continue, Mr. Chairman?

We started out about acquiring information. Mr. Shriver's office sent to me information that I have not even had the time to evaluate nor did I have the time to read it but in going over it it appeared to me that the figures pertaining to the Job Corps recruitment in Cincinnati differed from what we received from the Employment Service. This is what I attempted to indicate to the members of the committee,

how difficult it is to secure information and correct information, and that is all we want, sir, the facts. That is what we are here for.

There is no point in my taking up more of your time. If you have made a decision not to make an investigation in Cincinnati, that is well within your prerogative but I am going to say to you, Mrs. Green, that one of the matters in which you have been so interested and I have admired you for, you have known, not only in your own community but throughout the Nation, there has been a great need for secretarial service and you know that this need is becoming increasingly more and more each year. While we are not talking about OEO we are now going to talk about something which this committee has jurisdiction over, and that is the Manpower Retraining Act.

I can only say to you that I have attempted to secure information on this program that was initiated in Cincinnati several years ago through the public school authority. If my memory serves me correctly, and I don't have the facts in front of me but they took into that program, Mrs. Green, 200 young ladies to teach them to be secretaries. It was a rather extensive training program and it lasted for, I believe, some 32 weeks and I stand to be corrected on the length of the program.

But I have been unable to find out from any source the exact number of those trained in that program that are now actively and gainfully employed in my community as secretaries.

I tell you that in Cincinnati there is a great demand for secretarial services at this particular time. There are jobs that are going unfilled and I can't tell you, Mr. Chairman, and I doubt if any one of these gentlemen can tell me on that one because it is not their official function but it is a function of this committee to supervise some of these programs pertaining to manpower retraining.

I would like for you to find out for me, Mr. Chairman, how many of these young ladies that were trained in that program are now gainfully employed as secretaries because this program was at the time it was instituted several years ago. It was one of the first in Cincinnati. It is referred to in Mr. Evans' letter that I am going to submit for the record.

I only ask you again, Mr. Held wrote me a letter asking me to request this investigation, call it a review, or a field hearing. Maybe it could be of great assistance to this committee if a committee were sent to Cincinnati and review this program there. Maybe all of us could assist them in some way as far as recruiting. If they talked about over 751 people and only 26 come back after graduating are employed, I think that I may be able to help a little bit, maybe not much but a little in recruitment.

I may be able to give a little assistance. I would be happy to if I could, Mr. Held would like to, the city council would, so I think our objectives may be the same but nevertheless we would like for you to do this.

I think it would be of great benefit and our taxpayers, all they say is they are entitled—I will just conclude and answer any question I can.

We all send questionnaires to our constituents. I sent a questionnaire this year and the question I asked about with respect to the war on

poverty program was this: "Do you believe that the war on poverty program has been successful to date in improving conditions for the poor?"

I tried to word that as objectively as possibly I could. We have had over 22,000 returns on that questionnaire. Of those who answered that question, 78.9 have said "No," 10.9 have said "Yes," and the other percentage was no answer.

Mrs. GREEN. That is 78.9?

Mr. CLANCY. 78.9 percent of those responding said "No" to that question.

Mr. THOMPSON. How many of them were poor?

Mr. CLANCY. I would have no way of knowing that. We would like to find this out, how many of the poor feel as stated by Mr. Held. I am not going to state what was said in city council because I was not there but I understand representatives came to city officials and said nothing was being done for the poor. That is why we are here. I would like to know how many of these were poor and responded.

Mr. THOMPSON. Your question in the first place, I believe, could be objective. The analysis of the percentage of response would be scientific if you had economic indicators, income, race and other indicators so that you could——

Mr. CLANCY. No, I did not and we would like for you to come to Cincinnati and ask the poor that question that you just asked me. We would like for you to do that.

Mr. THOMPSON. They are your constituents; you know them better than I do. I am intrigued by the percentage reply and I would be more intrigued if it were scientific enough to know how many of those 70 percent were poor and felt they had not been helped, how many had been helped, or how many were indifferent about it.

Mr. CLANCY. I could not agree with you more, but you recognize the limitations we have in analyzing a return of a questionnaire of this magnitude and size but this would be very, very fine and I would agree wholeheartedly with you in everything you said. We would want to know does the poor, the underprivileged and the unemployed in Cincinnati feel that this program is assisting them. That is why we are here. There isn't anything further to discuss. That is why we are here. We are asking this committee to help us.

Mr. THOMPSON. Your statistic is indicative of some sort of attitude, but isn't definitive in any scientific polling in a sense; is it?

Mr. CLANCY. You can be critical of my questionnaire all you want. If that is your purpose you be critical. I would like to break it down and say would you kindly indicate your income on this but there are limitations as far as information is concerned but again we would be very happy if you would come to Cincinnati and ask that question.

Mr. O'HARA. Mr. Chairman, about 10 or 15 minutes ago I asked the witness if he were serious in stating that public officials were helpless in getting the answers and I take it his answer is yes.

Mr. HELD. Yes, sir, Mr. O'Hara, my answer to that is "Yes." When we get the information we don't feel it is thorough enough or broken down.

Mr. O'HARA. I have had opportunity to look over the membership of the board of trustees of the Community Action Commission in

Cincinnati and I find one of the members of the board of trustees is a man named Walton F. Bachrach, mayor of the city of Cincinnati, and then three city councilmen Myron Bush, Willis Gradison, and Thomas Gugen. I don't know if they are from Cincinnati or elsewhere. Are they members of your city council?

Mr. HELD. They are members of the city council and Walton Bachrach is the mayor.

Mr. O'HARA. If these people are on the board of trustees and if you were desirous of information it would seem you could ask them to get this information. Have you asked any of them to get this information for you?

Mr. HELD. Sir, I would strongly suggest if this committee does not go to Cincinnati that you have these gentlemen here, although you will have the darndest controversy you ever had in your life. Some of the members of the city council on that board are constantly at odds with Mr. Hansan rightly or wrongly. I came here on my own to ask you. I know what their opinion would be. Two would be favorable. I think I can say this with some assurance.

Some would be very favorable to the way it is being carried on now. Councilman Gradison I think I can say with conviction would express great dissatisfaction and agree with many of the things I have said. He knows a great deal more about this than I do. I can't answer for the mayor.

Mr. O'HARA. Have you asked them for information and have they been able to supply it to you?

Mr. HELD. Sir, they don't have any information. Their information will all be different. It is all opinionated information. I think Mr. Hansan will agree with what I am saying. There is a great deal of controversy on this board and it is highly publicized.

Mr. O'HARA. I am surprised to hear that. I would think the mayor and city councilmen would at least be able to give information concerning a program for which they are trustees.

Mr. HELD. I heard Mrs. Green ask the gentlemen a question on breakdown of salaries versus something else—I think I am correct—and if you consider what you got back as information, as a councilman I could not use that—round figures, no accounting of the money, everything in round figures. If this is information it would not be any good to me and I certainly would not trust it.

I trust the man, don't get me wrong, but if I were a businessman I would not act on that kind of information, $78,000 or $90,000. There must be a breakdown somewhere in pennies just like a business ledger. There must be one somewhere and I would be most desirous to see this.

Mrs. GREEN. Would the gentleman yield?

Mr. O'HARA. I yield.

Mrs. GREEN. I would say in Mr. Hansan's defense if he did not bring that paper with him he would not have that detailed breakdown. I would say as a member of this committee, and as a Member of Congress I often have difficulty getting information so I don't think it is hard for the members of the committee to understand other people trying to get information.

I have written letters and I can also think of a report for which I asked comments on. The report was issued in March and I got the

comments on it a couple of weeks ago. So I don't think the members of the committee ought to be blind to the fact that it is difficult to get information.

People have a right to have that information, and I think one of our purposes would be to facilitate this and make it possible. While I am critical of parts of the war on poverty, I also think the people who are working with it are working on the most difficult problems in the country and I have great sympathy for them. But if we get the real facts, then this committee would be in a place to make a judgment on those parts of the program that should be left as they are and those parts of the program that ought to be tightened up, those parts of the program where we could get a better return for the dollars we spend. I would think that is what we are all after.

Mr. O'HARA. Mr. Chairman, one of the specific criticisms of the program read into the record by Mr. Held appeared in a letter from the Reverend Strattmitter. It has to do with the cool summer program which, as Mr. Hansan has testified, is a program operated by the city recreation commission.

Have you attempted to get any information with respect to that program from the recreation commission? Did you have any difficulty in doing so?

Mr. HELD. We are in the process of getting it and we have gotten a lot of it. I would like to say one further thing, in fairness to Mr. Hansan when I said it is difficult for us to get information as councilmen and you have the power to do it I was including all of the programs, the board of education programs, the labor programs.

For instance, we can't go to the board of education—I don't think we have the authority as city councilmen—I don't think we have—they might give it to us, but I feel you folks could create more confidence and get rid of this skepticism than we can.

Mr. O'HARA. I think you have a good point there. It has been suggested by several that the poverty program should operate through the local city government. It is not unanimously agreed to but that suggestion has been made. Obviously, an effective program cannot be developed with just one-shot information. Do you feel that we would have better local control if the poverty program were to operate through the city government?

Mr. HELD. Sir, I would rather not answer that. I am not prepared to answer it. Off the top of my head I would say no. I would say the more politics you can keep out of the poverty program the better you would be. That is just off the top of my head.

Chairman PERKINS. Would the gentleman yield to me at this point?

Mr. O'HARA. I yield.

Chairman PERKINS. It is my view here, Mr. Held, and Mr. Clancy, we will cooperate and I will cooperate with the minority and Mr. Ayres, just as soon as he gets back, and Mr. Ashbrook. We will get you all of this information. I think I know what you want. We tried to get some of it in the record today. Then if you are dissatisfied, if the minority wants to send the staff down there—but I think the minority will agree with me that we ought to wait until this so-called nonpartisan city election is over with down there before we meet again.

Mr. ASHBROOK. Would you hold up enactment of the poverty program until then?

Chairman PERKINS. No, I don't think so.

Mr. FORD. Would the gentleman yield?

Mr. O'HARA. I yield.

Mr. FORD. Mr. Chairman, in looking through the previous exhibit here of the witness's I see exhibit No. 9, which is a memorandum to the community action commission delegate agencies dated May 4. It is now already in the record. It makes reference to the fact—I thought this was interesting since we have had all of this discussion in the last hour—to the fact that Cincinnati, Hartford, Conn., and Miami, Fla., were the subject of a study made by an independent firm, Daniel Yankelovich, Inc., which does survey work for NASA and General Electric and similar clients and that there is a formal report rendered by that company on these three cities which contains professional opinion sampling of many kinds as well as other evaluation data. I just wondered if we couldn't ask one of these gentlemen from Cincinnati if he would make available to the committee for its records a complete copy of the Yankelovich report and that part of the report which pertains to Cincinnati.

I don't think we should burden the record with Miami and Hartford, Conn., if it can be deleted without damaging the report. I would like to ask unanimous consent, if the report is available, that it be included in the record. (See p. 3086.)

Chairman PERKINS. Without objection it is so ordered.

Mr. O'HARA. May I finish up with a couple of short questions.

Mr. Held, I want to say I am pleased that you and the other members of the city council are as interested in the progress of this program as you are. I am sure you have been closely observing it. I am not at all certain that we are going to get out to Cincinnati before we go into executive session on this bill. I think the executive sessions are supposed to begin next week.

I would like to ask you if with your observations of the Poverty Program and your knowledge of the city of Cincinnati and its people, if you would have any specific suggestions about the programs in Cincinnati, the way they are operated and any improvements that might be made in the program that you would like to see expanded or any programs you would like to see discontinued.

Mr. HELD. Sir, I don't know enough about the programs to make any suggestions.

Mr. O'HARA. I was hoping that you might.

The Chairman referred to a nonpartisan election that is coming up. What election is that?

Mr. HELD. For city council. We run every 2 years the same as you do.

Mr. O'HARA. You have my sympathy, then.

Mr. HELD. I don't like the way you said that.

Mr. O'HARA. If you have to run every 2 years I know it keeps you pretty busy.

Mr. HELD. Yes, sir.

Mr. O'HARA. Mr. Chairman, I have taken up too much time already. I will yield back the balance of my time.

Mr. CLANCY. We will be willing to answer any questions you have of us but we do intend to catch a plane shortly.

Chairman PERKINS. I want to assure you we intend to cooperate and we will attempt to get you all of the information you seek.

As far as I am concerned, if you want to get up with one of these poor witnesses, I will pay the expense of one and you pay the expenses of another and you pay the other.

Mr. ASHBROOK. All we want is your usual fair consideration.

Chairman PERKINS. We will give you the usual fair consideration.

Mr. CLANCY. Thank you, Mr. Chairman, for the opportunity and courtesy of appearing before your committee.

Chairman PERKINS. Without objection and with the unanimous consent of the committee, we will place in the record at this point various pieces of correspondence on this subject.

(The documents follow:)

CINCINNATI, OHIO, *August 1, 1967.*

Representative CARL PERKINS,
House Office Building,
Washington, D.C.:

We urgently request your committee to act favorable on the administration's economic opportunity legislation. We particularly urge continuation of the community action programs believing that maintenance and expansion of youth employment programs are crucial in these days of crises. This is no time for Congress to practice political or economic retaliation against the large proportion of innocent Negroes in order to punish the limited number who have caused and participated in city riots.

Mrs. JAMES M. DOLBEY,
President, Church Women,
United National Council of Churches.

CITY OF CLEVELAND,
July 25, 1967.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: In view of the grave concern expressed by many Congressmen for the Office of Economic Opportunity, I would like to take this opportunity to relate to you the urgent need I feel for the continued existence of that agency, and the many significant programs it has fostered in our community. OEO has sponsored programs in the Greater Cleveland area that are responsible for bringing to bear unique, innovative efforts upon the debilitating conditions of poverty. The prospect of the termination or dismemberment of these programs is, at best, alarming: it threatens the whole effort at dealing with pressing urban needs.

Cleveland has already felt the effects of substantial reductions in funds available for OEO programs. In the early months of this year, the Community Action Program in Cleveland was forced to terminate several programs and such services as Adult Education (educational opportunities for low-income adults) and the Police Athletic League (preventing/combating juvenile delinquency) had to be transferred to other auspices, which resulted in a severe curtailment of service. This turn-of-events resulted in loss of income to some, a more cynical attitude by many toward promises made and hopes raised, and, in numerous cases, personal and family tragedies of major proportions.

I am particularly concerned with the continued vitality of the versatile Community Action Programs. It is through funding for versatile programs that Congress has shown its faith in the local communities and persons involved in the poverty situation to marshall their unique forces in a way to have a maxi-

mum impact on the urban poverty problems. These unencumbered funds, responsive to local need, have been crucial in Cleveland's progress.

Cleveland has enjoyed vigorous and successful anti-poverty programs. On numerous occasions I have offered to appear before appropriate committees of Congress to testify concerning these successes and in support of continued, and enlarged, funding of OEO programs consistent and commensurate with the demonstrated need. I renew that offer to make such appearances, and I earnestly request that you schedule a time for me to testify before your committee.

Sincerely,

RALPH S. LOCHER, *Mayor.*

STATE BAR OF MICHIGAN,
Lansing, Mich., July 31, 1967.

Hon. CHARLES E. CHAMBERLAIN,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN CHAMBERLAIN: For many years, the State Bar of Michigan has been in the forefront of Bar Associations in the development of Legal Aid programs—that is, programs designed to provide legal service to those unable to pay a reasonable fee to a private practicing lawyer.

With the advent of the Legal Services Program of the Office of Economic Opportunity, this Bar Association took immediate steps to expand its program of Legal Aid, always accepting its responsibility to initiate, administer, and control such programs.

Following the strong leadership of the American Bar Association, this State Bar passed a Resolution on December 6, 1965, reaffirming its professional responsibility. (Copy attached)

We wish to point out we have implemented this Resolution by many positive actions.

1. A special committee of this Bar Association was established, first from among the members of the Board of Bar Commissioners, and later, enlarged to include a strong cross-section of Bar Leadership. (Copy attached)

2. Hundreds of our members have devoted countless hours of time to the development, supervision, administration, and educational aspects of these programs. To date, i.e., June 30, 1937, there have been 15 programs funded entirely or in part by the Legal Services Program of OEO. A list of these is attached, together with the amounts of these grants.

3. In addition, there are two programs in process which, although critically important, have not been funded due to lack of available monies. A brief description of these unfunded programs is included on a separate page after the listings of the funded programs.

4. One of our major concerns is adequate continued supervision of these programs. Accordingly, the State Bar of Michigan has just provided, at its expense, for a full-time staff attorney who will be responsible to the Board of Bar Commissioners for the continuing success of these programs.

There is a Legal Services program funded by the Economic Opportunity office in your Congressional District which is being administered by the Greater Lansing Legal Aid Society. This program was funded at a total cost of approximately $37,580, April 1, 1967, for a four month period and will be refunded on September 1, 1967, for a full 12 months.

Poor people in the counties of Ingham, Eaton, Clinton and Shiawassee will have legal aid available to them through this program.

The Bar Associations of all four counties are involved in the program and many lawyers have worked tirelessly to construct a program which would be responsive to the needs of both Urban Lansing and the rural communities in the four counties.

We have some concern about the future of these programs. First, the $15,000 maximum salary limit is unrealistic as applied to professional services. Doctors in independent agencies are not subject to such limits; neither should lawyers be. It is difficult, if not downright impossible, to secure and retain an experienced lawyer-administrator for our major offices—such as Detroit, with 21 lawyers—

unless we are permitted to pay a competitive salary in the community. We are asking to be permitted to set salaries based solely upon a strong showing of the comparative incomes of comparable positions of responsibility in the legal profession.

Second, the 10% or 20% local matching fund requirement is unrealistic. We are not suggesting that we be excused from any contribution; on the contrary, we firmly believe that the required local contribution has brought the practicing lawyer into close contact with the people he is striving to serve through the Legal Aid Program and keeps him directly involved. However, the Legal profession has only its time, knowledge, and cash contributions to use as matching funds. It does not have physical resources such as land, buildings, equipment, etc., as other segments of the community do. With respect to the programs in Michigan, the current 20% requirement converted into dollars represents a minimum of $15,000 to a maximum of $230,000 per program. Remembering there are 15 programs in Michigan representing a 12-month total cost of approximately 3.6 million dollars, our professional resources simply cannot produce the required level of local contribution. The Medical profession is specifically exempt from the matching fund requirement; we strongly believe that the Legal profession should have some relief from this restrictive provision.

Third, our experience in the last two years leads us to seriously question the advisability of Legal Services being part of the Community Action Agency (CAA) Section of the Statute (Section 205). While it is true that Legal Services has been semi-autonomous in operation, and has had the full support and complete cooperation of Mr. Shriver and Mr. Berry, we have, nevertheless, experienced serious delays in the implementation of our programs.

The delays experienced, in many instances, stem from the fact that even though each Legal Services proposal contains a provision requiring independence and freedom from control of any agency, there seems to be a reluctance to accept this as fact. This independence is, of course, essential, because the lawyer must base his conclusions exclusively upon the best interests of his client without regard to any other considerations. As you are aware, the lawyer is governed solely by the Canons of Ethics of the State Bar of Michigan, as approved by the Supreme Court of this State, and he must, at all times, not only protect the interests of his client, but also the confidentiality of the lawyer/client relationship, regardless of who the opposing party may be, including the CAA, OEO, or any other agency of government.

In other instances the delay stems from the fact that we must compete with other CAA programs for funds, inasmuch as Legal Services does not have a separate budget.

So long as OEO continues as an entity, with its present realistic attitude, we would prefer to stay there, but with an independent status and a separate budget. However, should OEO be dismembered, then we suggest that the type of service and the scope of our program would justify Legal Services as an independent agency in the Office of the President. At the moment, the Legal Services Program is utilizing nationally, approximately 33 million dollars; President Johnson has recommended 47 million for fiscal 1968; the American Bar Association, National Legal Aid and Defender Association, and National Bar Association, together with the National Advisory Committee to OEO on Legal Services, have all recommended 90 million as a minimum to meet the already programmed needs. Legal Services then, is already approaching the total annual budget of the Department of Justice and will surpass that organization in size and budget, if the Congress in its good judgment, sees fit to continue this project and expand it so that the goal set can be achieved.

A second alternative is the Department of Justice. Our concern here is the question of conflict of interest. Since many of our cases will be against other Federal programs, we will be opposing Department of Justice attorneys. This raises a series question of ethics and independence.

A third alternative is to place this program in the Administrative office of the U.S. Courts. This agency now supervises the operation of the Criminal Justice Act: it should be able to administer the Civil Legal Services Program.

No other existing agency appears even remotely suitable. HEW for example, would be the worst possible position for the program. It would be submerged in a large agency; the lawyers would be in an impossible position so far as

ethics and independence of judgment is concerned. An old mistake, corrected many years ago, would be repeated. At one time, a number of local Legal Aid Societies were a part of Family Service Agencies (welfare organizations). We learned painfully at that time that such a relationship was destructive of the concept of Legal Aid, and all Legal Aid Societies have been removed from the domination of Family Service or any other welfare organizations; they have been made distinct entities responsible to the Legal Profession.

The State Bar of Michigan is heartily in accord with the philosophy of representation on the Legal Service Boards of Directors, of the people whom we are trying to serve. Any proposals made by us for independent status presuppose a continuation of this philosophy in the decision-making process of the programs, subject of course, to full recognition that what is being rendered is a legal service; that this service must be rendered in accordance with the ethics of our profession and hence control must rest with the Bar.

Finally, if it can be fairly stated that the overall goal of the anti-poverty effort is Justice in the broadest sense to the underprivileged, then Legal Aid, in bringing a knowledge of the law, a demonstration of the law, and a respect for the law, must be given a very high priority. When we convince a person that the law can be an effective weapon for him also; when we prove to him he can get basic justice; when we convince him that pursuing his legal rights and assuming his legal responsibilities is the best path to follow in resolving his problems, then indeed we have helped him take the first step up the ladder leading out of poverty.

Our hope is that through your favorable consideration and support, we will be able to accomplish our mutual goal of "Equal Justice Under Law" for all citizens, by providing the required professional representation to handle the overwhelming and justifiable demand from the indigent for legal services.

Yours sincerely,

WILLIAM M. ELLMANN, *President.*

RESOLUTION OF THE BOARD OF COMMISSIONERS, STATE BAR OF MICHIGAN

Whereas, the organized bar has long acknowledged its responsibility to make legal services available to all who need them, and this Association has been a leader in discharging this responsibility; and

Whereas, the organized bar has extended legal services to indigents for many years; and

Whereas, individual lawyers traditionally have rendered service without charge to those who cannot pay; and

Whereas, despite this considerable effort of individual lawyers and the organized bar over many decades, it is recognized that the growing complexities of modern life, shifts of large portions of our population, and enlarged demands for legal services in many new fields of activity warrant increased concern for the unfilled need for legal services, particularly as to persons of low income and that the organized bar has an urgent duty to extend and improve existing services and also to develop more effective means of assuring that legal services are in fact available to reasonable cost for all who need them; and

Whereas, the Economic Opportunity Act of 1964 provides for cooperative programs with state and local agencies through which various services, including legal services, may be rendered to persons of low incomes who need advice and assistance; and

Whereas, freedom and justice have flourished only where the practice of law is a profession and where legal services are performed by trained and independent lawyers;

Now, therefore, be it resolved, that the State Bar of Michigan reaffirms its deep concern with the problem of providing legal services to all who need them, including indigents, and to persons of low income who, without guidance or assistance, have difficulty in obtaining access to competent legal services at reasonable cost; and authorizes the officers and appropriate Sections and Committees of the Association, including such additional special committee (if any) as the Board of Commissioners may establish, in cooperation with local bar associations to improve existing methods and to develop more effective methods for meeting the public need for adequate legal services; and

Further resolved, that the Association through its officers and appropriate committees, shall cooperate with the Office of Economic Opportunity and other appropriate groups in the development and implementation of programs for expanding availability of legal services to indigents and persons of low income, such programs to utilize to the maximum extent deemed feasible the experience and facilities of the organized bar, such as legal aid, legal defender, and lawyer referral, and such legal services to be performed by lawyers in accordance with ethical standards of the legal profession; and

Further resolved, it is the responsibility of the organized bar to take such action as is necessary to assure that such programs are initiated, sponsored, implemented and controlled by the bar to assure to the client the highest standards of service and the maximum ethical protection, and that the Association's Committees on Legal Aid and Lawyer Referral Service shall, in the absence of the creation of a special committee for the purpose, have primary responsibility for (I) implementing these resolutions and (II) reporting back to the Board of Commissioners of the State Bar of Michigan.

Adopted by Board of Commissioners, December 6, 1965.

STATE BAR COMMITTEE ON OFFICE OF ECONOMIC OPPORTUNITY, 1967

Harold H. Bobier, Chairman, Federal Building, 600 Church Street, Flint 48503.
Cyrus At Lee, 225 W. Cedar Ave., Gladwin 48624.
William Barense, 210 E. Huron St., Ann Arbor 48108.
John S. Clark, First National Bank Bldg., Petoskey 49770.
John W. Cummiskey, 465 Old Kent Building, Grand Rapids 49502.
William M. Ellmann, 1800 Penobscot Building, Detroit 48226.
John Fitzer, Jr., 2138 Dime Building, Detroit 48226.
John R. Hathaway, 1001–8 First National Bldg., Ann Arbor 48108.
Carl F. Ingraham, 950 E. Maple Rd., Birmingham 48012.
Charles W. Joiner, University of Michigan Law School, 320 Hutchins Hall, Ann Arbor 48104.
Kenneth McConnell, 1001 Pontiac State Bank Bldg., Pontiac 48058.
Robert C. Murphy, 500 Northland Towers, Southfield 48076.
Roy Rogensues, 22552 Gratiot Ave., East Detroit 48021.
Robert S. Rosenfeld, 2961 Guardian Building, Detroit 48226.
A. D. Ruegsegger, Suite 1500, One Woodward Ave., Detroit 48226.
Anthony Schwartzly, 7628 Gratiot, Saginaw 48603.
Weston L. Sheldon, 121 McDonald Street, Midland 48640.
Burke H. Webb, Box 13, Marcellus 49067.

Funded programs

Name of program	Area of service		Original funding					Refunding		
	Counties	Major city	Total cost	Month and year	Period (in months)[1]	Local share (percent)	Number of lawyers[2]	Total cost for 12 mo.	Date	Local share (percent)
Neighborhood Legal Services		Detroit only	$390,761	May 1967	4	10	21	$1,168,500	Aug. 31, 1967	20
Grand Rapids and Kent County Legal Aid Society.	Kent	Grand Rapids	128,648	June 1967	7	10	5	241,480	Dec. 31, 1967	20
Wayne County Suburban Legal Services.	Wayne	None	368,934	June 1966	12	10	10	368,802	Nov. 30, 1967	20
Oakland County Legal Aid Society.	Oakland	Pontiac	91,100	June 1967	6	10	4	187,756	Dec. 31, 1967	20
Saginaw County Legal Aid Society.	Saginaw	Saginaw	86,476	May 1966	12	10	3	81,067	July 31, 1967	10
Washtenaw County Legal Aid Society.	Washtenaw	Ann Arbor	108,464	do	12	10	2	93,858	do	10
Genesee County Legal Aid Society.	Genesee	Flint	150,809	June 1967	[1] 14	10	3	135,048	July 31, 1968	20
Calhoun County Legal Aid Society.	Calhoun	Battle Creek	87,361	May 1966	12	10	3	88,768	July 31, 1967	10
Greater Lansing Legal Aid Society, Inc.	Clinton-Eaton, Ingham-Shiawasee.	Lansing	[3] 52,028	April 1967	4	10	4	103,818	do	10
Macomb County legal services program.	Macomb	Mount Clemens	235,524	June 1966	12	10	4	249,626	August 31, 1967	10
Muskegon-Oceana Legal Aid Society.	Muskegon-Oceana	Muskegon	69,812	April 1966	12	10	2	64,671	do	20
Berrien County Legal Aid Society.	Berrien-Cass, Van Buren.	Benton Harbor and St. Joseph.	71,200	June 1967	8	10	2	98,385	January 31, 1968	20
Bay-Midland Legal Aid Society	Bay-Midland	Bay City	109,208	May 1966	12	10	3	109,856	July 31, 1968	20
Upper Peninsula Legal Services, Inc.	Entire Upper Peninsula—15 counties.	None	217,119	April 1966	12	10	7	220,056	February 29, 1968	12
University of Detroit	Wayne	Detroit	352,428	October 1966	12	0	4	[4] 360,000	October 1967	0
Total			[5] 2,519,872					[6] 3,571,691		
Increase, if funded for 12 mo			[7] 1,060,826							
Grand total			3,580,698							

[1] As of January 1967, the termination date of all programs funded under sec. 205 of the statute must coincide with the end of the fiscal year (program year) of the local community action agency. Thus, programs funded in the summer of 1966 for 12 mo. were extended, to the extent the program still had funds, to the end of the community action agency's fiscal year. If the program did not have sufficient funds to operate beyond the original termination date, the program was refunded for a short period and the new termination date set to coincide with the community action agency's fiscal year. Any programs submitted after January 1967, were funded short with a termination date coinciding with the fiscal year. This means that a new program could be funded from a minimum of 4 mo. to a maximum of 11 mo. No program was funded for less than 4 mo. Rather it was funded for a full year, plus the short period; i.e., Genessee was funded for 14 mo.

[2] These programs provide for the use of law students in addition to full-time attorneys:

Program	Approximate number of students	Source of students
University of Detroit	50	University of Detroit Law School.
Neighborhood Legal Services	50	Wayne State University Law School and Detroit College of Law.
Washtenaw	50	University of Michigan Law School.

[3] This figure includes equipment, supplies, insurance, and bonding at the full-year cost. Thus, the figure upon which refunding is based is $37,580.

[4] Estimated figure based on maintaining the same level with the allowable 3-percent salary increase.

[5] This figure would increase by $1,060,826, if all programs had been funded for 12 mo. (See schedule below:)

Program and period	Short period	12 mo.	Difference
Neighborhood Legal Services (4 mo.)	$390, 761	$1, 172, 283	$781, 522
Grand Rapids (7 mo.)	128, 648	220, 540	91, 892
Oakland (6 mo.)	91, 100	182, 200	91, 100
Lansing (4 mo.)	52, 028	112, 740	60, 712
Berrien (8 no.)	71, 200	106, 800	35. 600
Total	733, 737	1, 794, 563	1, 060, 826

[6] Refunding figures eliminate nonrecurring items such as furniture, equipment, etc., but reflect personnel on a full-year basis. The original funding required the personnel to be phased in over a period of months.

[7] See footnote 5.

PROGRAMS IN PROGRESS

1. The Michigan State Bar Foundation has submitted a program which will assume the responsibility of coordinating all Legal Services programs in Michigan. It will also function as the clearing house for all educational material, test case litigation, briefs, and legislation, either prepared by, or referred to, the Legal Service Programs.

2. A program to provide legal aid to the indigent in the 33 counties located north of Mt. Pleasant and south of the Straits (commonly referred to as the NORCAP area).

AVONDALE COMMUNITY COUNCIL, INC.,
Cincinnati, Ohio, July 25, 1967.

Representative CARL PERKINS,
Chairman, House Education and Labor Committee, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PERKINS: It may be well to note that the Economic Opportunity Act of 1964 was introduced to Cincinnati in early 1965. Since that time hundreds of persons who never before had decent jobs have been hired to work in various phases of the program. Hundreds more have been helped to enter training programs and find decent jobs outside the program. Pre-school children who are never really expected to be able to compete with their more fortunate counterparts in later life are now reading, writing and speaking as well or better than the average 5-year-old. Little children who have long suffered from malnutrition and lack of adequate medical care are now well-nourished and healthy because of programs like headstart and pre-school.

Senior citizens who many times feel unwanted and useless are now engaged in healthy productive activities which are not only beneficial to themselves but to others as well because of programs such as Foster Grandparents and Recreational Therapy for the Aged.

Many young mothers who have been burdened with unplanned, unexpected and untimely childbirths are now able to live happier and more productive lives because of the planned parenthood program.

Many youth who have been caught in the throes of an urban ghetto community which discourages normal cultural and intellectual development have been uplifted through tutorial, library and other experiences which have been a part of the School-Community Center program.

Adults, who never before have been part of community life, find themselves in leadership positions and willing to accept leading roles in the determination of their own destinies. The merits of this program are, no doubt, well documented elsewhere so there is no need to belabor the point here.

One of the founding fathers of the Community Action Commission was the *City of Cincinnati.* Since this is true it seems utterly stupid for an elected representative of city government to request information from Washington about programs which the arm of local government he represents has some responsibility for operating. Councilman Held seems to have proved on more than one occasion that he is making political hay out of programs which could seriously affect the lives of many people, but this time he surpasses himself. Councilman Held is in no way qualified to speak to the issue of the operation of the Poverty Program in this city, nor is he qualified to speak for any of the persons for whom the program was intended. Any testimony he might give should be regarded as another attempt to ensure his re-election to Council and not an attempt to render a service to the people of this city.

Congressman Clancy seemingly has only been concerned with the Poverty Program when community groups began to move toward voter registration. This concern, no doubt, was expressed because he felt that the newly registered voters would not vote for him. He probably knows less about the program than Councilman Held and can hardly speak for those persons for whom the program was intended.

If it is necessary to have hearings on the use of Federal Funds to support this program or any other program operating in this community, I would strongly urge that people close to the program be heard.

Sincerely,

BAILEY W. TURNER,
President, Avondale Community Council.

ROCHESTER, N.Y., *July 26, 1967.*

HON. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.:

In re telegram of 21st, based upon my experience in Treasury and Health, Education, and Welfare Departments and local experience, I am convinced that the separate independent agency, as now functioning, can be more effective in directing national effort against poverty than to distribute functions to regular departments. Individual program can be transferred as is already being done when experience indicates that functions can be carried on effectively in departments. Actual experience with War Production Board and Marshall plan clearly demonstrated the need for separate independent agency to obtain results in a major specific project which affects many different agencies whose prime concerns are in other fields.

MARION B. FOLSOM.

HARVARD MEDICAL SCHOOL,
Boston, Mass., May 31, 1967.

LEE B. MACHT, M.D.,
Deputy Medical Director and Principal Psychiatrist, Job Corps, Office of Economic Opportunity, Washington, D.C.

DEAR DR. MACHT: I am writing to let you know the high opinion I have developed of the Mental Health Program in Job Corps which you direct under the supervision of Dr. Joseph T. English. As you know in my capacity as Senior Psychiatric Consultant to the Office of Economic Opportunity I have learned a great deal about your program in the Job Corps, and during the past year I have also had an opportunity to gain experience of the accomplishments and potentialities of this program at the grass roots level in my consultation to the Rodman Job Corps Camp in New Bedford. I believe that the work you are doing in the Job Corps is in direct line with the accomplishments of our mental health program in the Peace Corps over the past six years and represents a most important development in American psychiatry.

I have just returned from a conference in England on the training of young people for rescue, relief and service under the chairmanship of H.R.H. Prince Philip, the Duke of Edinburgh and at that meeting I reported on some of your achievements in the Job Corps. I particularly stressed the educational potential of your institution in fostering maturation and personality development of disadvantaged adolescents and emphasized the significance of this program for the entire field of promoting mental health and preventing mental disorder in the population. The leaders of British medicine and service organizations who were present at the conference were tremendously impressed with your achievements in the Job Corps, and felt that they can learn many lessons from it which might be utilized on their side of the Atlantic.

I am glad that as in the Peace Corps psychiatrists have been able to contribute to this educational and health promotional program. It is important that we psychiatrists expand our activities outside our strictly clinical domains to use our skills in fostering the development of personality strength in populations at special risk such as young people disadvantaged by reason of poverty, prejudice and social and educational deprivation, so that they will be better able to master the stresses and strains of life in healthy, socially acceptable ways rather than being forced to escape into mental disorder and abnormality.

As you know I am currently preoccupied with the major problem of changing the training of our young psychiatrists both in medical schools and in State and Veterans Administration mental hospitals in order to equip them to play a more effective part in the comprehensive community mental health programs which are being so actively fostered at present both by federal and state governments. I feel that the Mental Health Program of the Job Corps provides an unrivalled opportunity for field work both for the psychiatric residents and their supervisors in the enrichment of traditional training programs and in the development of new community oriented techniques to supplement our traditional clinical methods. It is important for psychiatrists to get outside their clinics and hospitals into community institutions and situations where they can deal with people who are having problems of adjustment which are not defined as yet in psychiatric terms, but which if not handled appropriately might easily lead to mental disorder. By providing such an opportunity spread out over the whole country and therefore potentially available as a practicum in many different

psychiatric training programs the Job Corps is making a most important contribution. I am most happy to be associated with it and I am pleased to support it in any way possible.

Yours sincerely,

GERALD CAPLAN, M.D.,
Clinical Professor of Psychiatry.

BALTIMORE, MD., *July 20, 1967.*

Hon. EDWARD A. GARMATZ,
House Office Building, Washington, D.C.:

It is absolutely essential for the preservation of the domestic peace and tranquility that OEO appropriations be increased and the OEO structure remain intact there is massive unemployment among colored citizens in Baltimore City and the counties in the State. Jobs is the number one problem. Urge you use your influence with your fellow congressmen to help prevent riots by alleviating the critical unemployment problem. OEO must be increased and enlarged and the people given hope that you our congressmen understand their needs.

Maryland State conference of NAACP Branches: Mrs. Juanita Jackson Mitchell, President; Walter W. Black, Jr., State Director of Branches; Rev. Richard T. Hicks and Rev. John W. Ringgold, State Coordinators.

THE JUNIOR COLLEGE DISTRICT OF ST. LOUIS,
Clayton, Mo., July 17, 1967.

Hon. CARL PERKINS,
Chairman, House Committee on Education and Labor,
Rayburn House Office Building, Washington, D.C.

Dear CONGRESSMAN PERKINS: As President of a two-year, comprehensive community junior college district in the metropolitan area of St. Louis, St. Louis County, Missouri, I would like to emphasize the importance of Sec. 122, "Community Employment and Training Programs", in an amendment to Title I of the Economic Opportunity Act, as an educational institution faced with the very difficult problems of rapidly increasing enrollments with resultant increased needs for professional staff. The Junior College District is moving strongly in the area of sub-professional assistance to the teaching staff. This type of assistance is of great importance for the following reasons:

1. It helps alleviate the shortages of man power in the teaching profession by permitting teachers to spend all of their energies in teaching and thus eliminating the trivia which is often a part of the teacher's responsibilities.
2. It curtails expenditures by utilizing lower paid staff members.
3. It permits people who are interested in education but who would not have the professional qualifications needed for a teacher to become a part of the educational institution.

Each of these reasons is important to society and, specifically, as mentioned before, to the teaching profession, to the tax-payer and to the sub-professionals.

It is also important to note that our institution and others like us provide career ladders for those sub-professionals which permit them, within their abilities, to achieve and to, therefore, come close to realizing their potentials. Educational institutions, certainly, should be in the forefront of this type of activity for it is just as important for them to provide opportunities for their implement to progress, as it is for them to provide educational opportunities for the outstanding student.

Your support of this section will be most appreciated.

Regards,

JOSEPH P. COSAND, *President.*

DIVISION OF POLICE,
THE DEPARTMENT OF PUBLIC SAFETY,
Newport News, Va., July 21, 1967.

Hon. THOMAS N. DOWNING,
Congressman, Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DOWNING: I would like to take this opportunity to express to you my views with relation to the Newport News Office of Equal Opportunity under the able direction of Mrs. N. Downing, Executive Director.

In the year 1966, the crime rate of the City of Newport News decreased 22.5%. I feel, without a doubt, that the fine program instituted in this City by the Office of Equal Opportunity has contributed largely to this rate of decrease in crime.

As a result of the activities and programs of the OEO in Newport News, there has been a marked improvement and change with reference to lower income people that this Program is able to come in contact with.

The OEO Program was started in this City on February 1, 1966, and at the present time they have an able Staff of 30 personnel.

The Neighborhood Youth Corps, which is a part of the OEO Program, has given opportunities to at least 250 Youths to be gainfully employed.

The primary objective of the local OEO Neighborhood Youth Corps is to offer Youth proper job experience and proper job attitude, besides the secondary purpose of giving the Youth of our Community an opportunity to be gainfully employed.

The Youths under this Program also attend regular counseling sessions, and information given to me from Mrs. Downing indicates that at the present time there are openings for at least 250 more Youths, and I have been further advised that if further funds were available, at least that many more Youths would be able to be gainfully employed, properly counseled, and also given the opportunity to gain proper job experience and attitude, which would most certainly be an asset to them in their adulthood.

I wholeheartedly, without hesitation, endorse the Office of Equal Opportunity as being immensely beneficial to the Community and to the citizens as a whole.

I would therefore respectfully request of you that every effort be exerted by your Office to assist this beneficial Program, and every effort be made to obtain additional funds to expand the Program.

I feel certain that every effort will be exerted by your Office in this matter, and rest assured that in the event I may be of any assistance, please let me know.

Yours truly,

W. F. PEACH,
Chief of Police.

CINCINNATI, OHIO, *July 21, 1967.*

Hon. DONALD D. CLANCY,
House Office Building,
Washington, D.C.

DEAR DON: It was with great elation that I read of your request for a Congressional investigation of the anti-poverty program in Cincinnati, and it was with equal dejection that I learned that your request was turned down. I feel that little can be accomplished by summoning executives of the Cincinnati program to Washington. They will be able to give evidence of projects that look marvelous on paper, but offer little in reality.

As you know, I spent five years as assistant pastor at St. Leo's in North Fairmount and just two months ago, I was transferred to St. Bernard's in Winton Place and the Mother of Christ Mission in Winton Terrace. All of these places are so-called "target areas" for the anti-poverty program.

I am no expert on these things by any means, but I have observed enough of these programs in action to say (and this is about the most charitable comment I can make) that they leave much to be desired.

One of the complaints of negroes during the recent riots in Cincinnati was that they have been lied to. It is my feeling that they are right in many instances and that the very anti-poverty program which is supposed to help them is actually becoming a cause of increasing discontent. What I mean by that is this: tremendous promises are made about what will be done and statements are forthcoming about the hundreds of thousands of dollars being appropriated for this that and the other thing, and then nothing happens. The effect is the same as when a parent keeps promising his child things and then never delivers.

To make this concrete, allow me to cite three examples of what I mean:

(1) Shortly after the June riots $140,000+ was designated for the hiring of additional recreation workers to supplement the "Cool Summer" program. In our area of Winton Place-Winton Terrace-Findlater Gardens, seven additional workers were hired. By their own admission, they have been able to do nothing, because they have no funds available for equipment, programs, etc.—all of their appropriation was spent on salaries. The net effect is that seven people collect salaries for doing nothing and the area benefits not at all.

(2) The Metropolitan Housing Authority last year promised to set up six "Tot Lots" in the above-mentioned areas. They were to be ready for July 1,

1967. When July came, two lots were equipped with inferior swings, slides, etc., purchased at Sears. The equipment lasted one day and collapsed under the heavy use it got. The explanation was given that no more money was available ($160 having been spent for this equipment), but that something would be done next year.

(3) I spent an afternoon with Sister M. Cherubine, OSF of Our Lady of Angels High School. She is a diocesan coordinator for federal projects in the poverty schools. St. Henry's School in Cincinnati—in the heart of the poverty area—has benefited so far to the tune of two pairs of shoes! She expresses frustration in her efforts and disgust for deviousness of officials who maintain that funds always run out just before they get to the grassroots level.

I cited these three examples to bolster my contention that money is being spent alright and plans are on paper, but people are not being helped. Appropriations are being spent on administration and a little trickle is reaching the people. It is not fair to the tax-payers who think they are doing so much for the poor, nor is it fair to the poor as we build up their hopes and then leave them high and dry. I am convinced that by doing this, we are laying the groundwork for the next series of riots, not only in Cincinnati, but throughout the country. Before one more cent is spent on a Federal antipoverty program, we should find out where the money is going and why people are not being helped. You're not going to find this out from the people who administer the program. You can find it out only from the people in poverty areas, from the poor themselves and from the people who are trying to work with them.

There is plenty for a Congressional committee to see and hear in Cincinnati, provided that they are sincerely interested in learning the truth and then doing something about it.

Kindest personal regards and best wishes to you and thanks for all of your hard work on behalf of the people of this district.

God bless you.

Father LAWRENCE R. STRITTMATTER.

[The Enquirer, Friday, July 14, 1967]

THE POVERTY PROBE IS NEEDED

Despite the anguished cries of "Preposterous!" and "Smoke screen!" that have arisen from some quarters over the forthcoming congressional investigation of the manner in which the antipoverty program is being administered in Cincinnati, we believe such an investigation, properly intended and conducted, will have good results.

And these could apply both to those persons for whose benefit the program is designed and the taxpayers whose money is being expended.

One would get the impression from some of the reactions of those opposed to the probe that a witch-hunt is about to be launched. We firmly believe such is not the case.

Rep. Carl Perkins (D., Ky.), chairman of the House Education and Labor Committee, agreed to make the field hearings following a request by Cincinnati's Republican Rep. Donald Clancy. Mr. Clancy said he made the request at the suggestion of Councilman John E. Held.

At the moment at least one other city, Phoenix, Ariz., is on the committee's schedule for a similar inquiry. There may be others, according to the committee's ranking Republican, Rep. William Ayres of Akron, who said other large cities may well request reviews.

Representative Perkins' committee currently is considering a request for $3 billion in antipoverty funds, and it seems beyond argument that their efforts would be enhanced by gleaning information on how the program is working in various American cities.

There have been numerous charges that the antipoverty program suffers from excessive administrative costs, that in many ways it is floundering, that its effects on the betterment of those whom it purports to assist are not what they should be, that indeed the antipoverty program is begetting more poverty.

The more airing that can be given to such charges, and their concomitant countercharges, the better, we think. It would seem, indeed, that those charged with the administration of the program would be among the first to welcome inquiry.

The fact that the exact opposite seems to be the case convinces us even more that the congressional review is a good thing.

JULY 7, 1967.

Mr. WILLIAM WICHMAN,
City Manager, City of Cincinnati,
Cincinnati, Ohio.

DEAR MR. WICHMAN: You are no doubt aware of a public announcement appearing on Friday, July 7th, concerning the establishment of a "temporary labor exchange" involving co-operation of several job finding agencies which is to begin Monday at the Community Action Commission. The release indicated that plans had been worked out among four agencies, including the Ohio State Employment Service and contained a plea to all employers who have summer job openings to contact the Community Action Commission.

Our office was completely unaware of this arrangement prior to reading the announcement and did not participate in the planning.

The Cincinnati office of OSES, including the Youth Opportunity Center, began planning early this spring to particpate in the President's campaign to secure summer employment for youths which was spearheaded by Vice President Humphrey. Much publicity attended the initiation of this campaign and included the mailing of hundreds of letters to local employers to solicit their active participation in the program and encourage them to list all their summer job openings with OSES. The program has been pursued diligently and, of course, is still in progress at the present time. We are also heavily involved in a permanent program of Human Resources Development (HRD), in which the full cooperation of other agencies and groups is not only heartily welcome but is mandatory if the desired results are to be achieved.

We are not in a position to delegate the responsibility assigned to our agency by the President of the United States and we consider the "temporary labor exchange" as a dilution of this nation-wide effort, a situation which we have constantly tried to avoid in Cincinnati and which surely can only work to the disadvantage of those whom we are obligated to serve.

Sincerely yours,

LEWIS H. EVANS, *Area Manager.*

STATEMENT OF COUNCILMAN JOHN E. HELD, CINCINNATI, OHIO

Mr. Chairman, I am John E. Held, a member of the Cincinnati City Council. Cincinnati is a community of 502,000 people in a metropolitan area of one million people. I am not here today as an official representative of the Cincinnati City Council, but you can be sure that my queries and observations and my appeal do reflect the sentiments of the vast majority of the citizens of our Cincinnati community.

Our City is in deep and serious trouble. The criminal riots and lawless actions of irresponsible anarchists have placed our City government in a physcial and financial crisis that might well be classified as an emergency. We are told that we are going to have to reduce essential city services before the end of the year to try to continue to make ends meet.

Our people—the citizens of Cincinnati—are scared and disgusted. Millions of dollars worth of businesses have been destroyed. Countless employees have been thrown out of work by the destruction. The morale and outlook of the business owners who have survived these riots is bad. In short, Gentlemen, Cincinnati is genuinely at the crossroads, and we need all the help we can get. Under these circumstances, to waste one Federal dollar that could be put to productive use in our urban area constitutes a criminal act against the taxpayers. If the war on poverty in Cincinnati is a boondoggle, the public has a right to know it. If it is being used for political purposes, the public has a right to know. If it has been a hopeless failure, the public has a right to know. If the public doesn't know, if we local officials don't know, and certainly if you gentlemen don't know, there's really very little hope for truly effective action.

You, Gentlemen, are the only ones who have the power to get the answers, and you can't get them here in Washington from professional witnesses; you can only get these answers by coming out into our area and getting the facts first hand. We urge you to investigate, assess and evaluate the effectiveness of the

Federal funds that are flowing into Cincinnati and the programs these funds are supposed to support. We local officials are helpless. We have no way of getting this information.

(Read Father Strittmatter's letter and letter to Mr. Wichman from Lewis Evans.)

Now it is not really important what I think, but you can be certain, and a field trip would quickly convince you, that a great skepticism and a dark cloud of distrust exist in our City toward the Federally-funded programs that are supposed to be designed to assist the down-trodden, the underprivileged and the unemployed.

The drift and business-as-usual methods, the lack of coordination between programs, the reported abuses have no place in our quest for urban survival.

EVALUATION OF THE CINCINNATI COMMUNITY ACTION PROGRAM PREPARED FOR OEO

SUMMARY STATEMENT

With almost half a million people, Cincinnati is Ohio's second largest city and the center of a metropolitan area of 1,313,000. Originally largely settled by Germans, who gave the city an enduring tradition of solid conservatism, Cincinnati is a major industrial center with plants of many national manufacturers. Despite a high level of business prosperity, the Cincinnati area is estimated to have more than 100,000 people living in poverty. The city, located on the Ohio River in the southwestern corner of the state, has traditionally been a gateway to the North for migrants from the South, both Negroes and mountain whites from Appalachia.

The city's slums, in which many of these newcomers settle, are easy to see, but with production and employment at high levels the problems of poverty have not aroused general public concern. In 1964, however, inquiries by public and private groups, coinciding with passage of the Economic Opportunity Act, lead to organization of the Community Action Commission of the Cincinnati Area as the local agency for the antipoverty campaign.

The Community Action Commission has achieved substantial results since that time:

It has created a network of Neighborhood Service Centers, using both new and established agencies, that has touched the lives of about 46,000 people—or almost half the estimated poverty population.

Participation in OEO programs by poverty families who are aware of the programs is twice as high (8 out of 10) as for the nine cities studied as a whole (4 out of 10).

For the first time, the poor themselves have been actively involved in the planning and operation of programs for their own betterment.

As a result of the neighborhood organizations inspired by the Community Action Program, the poor have begun to bring their needs directly to the attention of public authorities.

The CAC programs are believed by many informed Cincinnatians to have contributed to the absence of racial/poverty riots or civil disturbances in the Cincinnati area.

There have been some weak points in the administration of the Community Action Program:

A sense of public relations—of how and when to act to achieve a favorable public response—appears to be an urgent need. Some of the unfortunate publicity it has received seems, in retrospect, to have been avoidable. At least one effort was made by the staff to obtain Board approval and funds for a public relations program. Some of the most insightful observers urge that new efforts be made to solve this problem.

The relations of the CAC with the press have not been good. While to some extent this reflects the conservative nature of the local dailies, there is also evidence that the CAC lacks a sophisticated understanding of the nature of news and of press coverage. The result is poor communication between the agency and information media. This study shows that knowledge by community leaders is largely limited to Neighborhood Centers and Head-Start, despite an extensive and varied program. Further, awareness among poverty families of CAC programs is lower (4 out of 10) than for the entire study of nine communities. The high participation level in Cincinnati,

previously cited, demonstrates the critical importance of good communications with the entire target population.

There is need for better evaluation of the effectiveness of the various competing antipoverty programs. The agency itself is now seeking ways to make this evaluation.

Relations between the Commission and the Cincinnati city government could be improved. Elected officials, with some exceptions, have not been supporters of the programs. Many of the difficulties, however, clearly stem from the fact that the city government is dominated by conservative political elements who are suspicious both of Federal programs and of government activities in social welfare.

Close cooperation has not developed with certain state and local government social agencies. Since these agencies are ultimately responsible to elected government, some of the political problems mentioned in the preceding comment apply here also. The situation is further complicated by the reported weakness of some of the agencies in question.

While approximately 2 out of 3 CAC staff positions have been filled by target population persons who work as nonprofessionals, the training and upgrading programs are not well developed. A major goal of CAC has been to work with the existing social welfare agencies in ways which will bring about much needed changes of the agencies without losing their cooperation. This "tightrope walking" goal has been only partially achieved. The CAP staff's philosophy—"we want to work with as many of the agencies as we can" —helped considerably. So did the ability and willingness of the Community Chest and Council to work out a blueprint for CAP activities which could become its accepted mandate. A CAC policy which encourages purchases of agency executives' time and maximizes program delegation has also been a helpful factor. But inevitable problems occur with increasing frequency as CAC's budget is reduced and choices must be made which impinge upon the agencies' interests.

INTRODUCTION

This document is one of nine city reports submitted in conjunction with the report entitled "Detailed Findings of Study to Determine Effects of CAP Programs on Selected Communities and Their Low-Income Residents." The main body of the report which summarizes the data for all nine cities was presented to the Office of Economic Opportunity in March, 1967.

The data in this report on the Cincinnati Community Action Program (including Hamilton and Clermont Counties in Ohio, and Boone, Campbell and Kenton Counties in Kentucky) is based on interviews with members of the CAA staff, community leaders and more than 600 families living in areas contiguous to the Neighborhood Centers. The community leaders include elected officials, educators, public welfare and housing officials, executives of private social welfare organizations, labor leaders, members of the press, civil rights leaders and businessmen. For a detailed description of the methodology of this report, the reader is referred to Page 218 of the summary report mentioned above.

It should be noted that the interviews with members of the CAA staff were designed to provide basic factual data on CAA operations in the Cincinnati area. Interviews with community leaders and families have been utilized to evaluate and measure the impact and achievements of CAP programs.

Detailed statistical data on Cincinnati, as well as the other cities included in this report, may be found in Part IV of the summary report entitled "Statistical Reports From OEO CAP's and Communities," also submitted in March, 1967.

DESCRIPTIVE DATA

The community

The area covered by the Community Action Commission of the Greater Cincinnati Area falls into three divisions. By far the largest is Hamilton County, Ohio, of which the city of Cincinnati forms the major part. The city has a population of 499,500; the rest of the county has 437,200 more. Negroes compose 14.3 percent of the total county population. There are 285,400 households in Hamilton County, and it is estimated that 16.5 percent of these have incomes below $2,500 per year, with 28.7 percent below $4,000.

In 1960, Hamilton County had an unemployment rate of 4.9 percent, somewhat lower than the national rate of 5.6 percent. This rate was higher than 53 percent of the counties in the United States. These statistics reveal, in summary, that the poverty problems of this area are not as acute or extensive as those found in some of the other communities studied.

One other Ohio county is included in the CAC area: Clermont, immediately to the east. Hilly and rural, with a population of only 93,100 people, Clermont is essentially part of Appalachia. The Negro population is only 1.2 percent. There are 24,700 households. The proportion with annual incomes below $2,500, and below $4,000 is similar to Hamilton County (29.5% below $4,000). The 1960 unemployment rate was also similar, 4.8 percent. The county is lacking in public facilities—it has no hospital for example with its residents being advised to make use of hospitals in surrounding counties—and is seeking industrial development.

Three Kentucky counties across the Ohio River from Cincinnati also come under the Community Action Commission. Among them, Kenton, Campbell, and Boone counties have a total population of 243,000 people, with 71,100 households. The proportion of households in these counties with less than $4,000 annual income is also just below 30 percent.

The median income per family is $5,363, and 16.4 percent of the families have incomes below the poverty level of $3,000. About 9.3 percent of the children under 18 live in one-parent or substitute homes. The median educational level is 9.4 years of schooling. Figures for two of the three counties show 2,200 "dilapidated" dwelling units. The unemployment rate in Campbell County in 1960 was similar to the Ohio counties, but was much lower in Boone (2.3%) and Kenton (3.6%) counties.

There are only about 5,000 Negroes living in these three counties or a little over 2 percent of the population. Kenton County is more than 3 percent Negro, the others below 1 percent. About 61 percent of the Negroes are said to be engaged in menial jobs. Judging from figures for Covington, the largest city in the area (50,000 population), their standard of living is markedly lower than that of their white neighbors. Some 15 percent of the Negroes in Covington have family incomes of less than $1,000 a year, as compared to only 4 percent of the whites. The Negro median family income is $3,288 a year, over $2,000 less than the median for Covington's white families, and barely above the poverty level.

This study was made at a time when Cincinnati was enjoying a high level of prosperity. Unemployment had fallen sharply and industry was actively seeking workers with job skills. It was also a time when, in the eyes of a number of local leaders, Cincinnati was placing renewed emphasis on its traditional conservatism. Variously attributed to the ethnic or religious background of the city, the city's conservative outlook is viewed by many residents, regardless of their own position, as the most distinctive characteristic of Cincinnati.

Two recent events reinforced this feeling. In November, a liberal Congressman, one of the founders of the Community Action Commission, had been defeated for reelection by a more conservative opponent, and conservative candidates in general had made a notably good showing. Secondly, two successive referendums had turned down a special school tax levy that the Board of Education had declared essential to pay for many school programs—among them a number of OEO antipoverty programs. The question of whether these would now have to be suspended because of the inability of the School Board to make the required matching payments was unanswered at the time the field work for this study was done. Since that time, one Board of Education program has been transferred to ESEA funds, one has been dropped, and two are being carried on with the local contribution made up by services in kind.

The CAA

The roots of the Community Action Commission predate OEO itself. Early in 1964 a committee of the Cincinnati City Council held hearings on the extent and nature of poverty in the city. This was followed by a study of poverty problems carried out by three task forces under the auspices of the Community Chest and Council. When OEO came into existence, the Committee's proposals to a large extent became the program of the Community Action Commission established as the local OEO agency in the fall of 1964. The City of Cincinnati, Hamilton County, the AFL–CIO Labor Council, the Chamber of Commerce, the Board of Education, and the Community Chest joined in setting up the Commission.

Funding

The Commission received its first Federal funds in January, 1965. Various grants and renewals provided a total of $3,276,000 in Federal funds for 22 Title II programs and one Title II–B program. These ran for varying periods through September, 1966.

As of October 1, 1966, the Commission received a total of $3,745,000 in Federal funds to operate a total of 27 Title II programs for the 12 months through September, 1967. Administration costs run 6 percent of the total. The largest amount, about 50 per cent of the total, goes to twelve programs for neighborhood services and organization. About 26 per cent goes to five education programs, and some 10 percent to five health programs. The balance, about 8 per cent, goes to four other programs, including Foster Grandparents, Legal Services, Talbert House (for paroled prisoners), and Small Business Development.

All programs except administration are delegated to other agencies, so 94 percent of the Federal funds go to programs that fall into the delegated category

Structure of the CAA

The Board of Trustees of the Community Action Commission of Greater Cincinnati is its governing body, with an executive committee that provides more immediate direction. There are 40 board members. The founding groups noted in an earlier section are each represented by a single trustee, two represent Clermont County, and six others represent the three counties in Northern Kentucky. (The counties other than Hamilton also have local Community Action Councils but these are subordinated to the overall Board.)

The poor of the area have fourteen places on the Board (25%). At present, eight of these are chosen by the Metropolitan Community Action Board, an advisory body that is composed entirely of representatives of the poor. Three members at large were originally chosen as representatives of the poor and have been accepted by the MCAB. These seats will eventually be filled by election. In addition, two of the Kentucky representatives and one from Clermont County will be elected by the poor.

The balance of the trustees are members at large drawn from community and professional leaders and interested groups.

The policies voted by the Board are carried out by the Commission's Executive Director and his staff. There is an Assistant Director for programs in Clermont and Northern Kentucky and Deputy Directors for programs and neighborhood services. Altogether, the administrative staff includes nine full-time persons, including executives, and six part-time.

The chief voice of the poor, other than representatives on the Board, is the Metropolitan Community Action Board, elected by the ten local Neighborhood Councils in target areas. The trustees have given the MCAB responsibility for reviewing and making recommendations on any project involving the expenditure of funds. The Neighborhood Councils, informal bodies in which membership is open to people who live and work in the local area, screen and review local projects. Representatives of the poor are reported to take an active role in policy discussions and decision making at all levels.

The poor are also represented to varying degrees on the boards of almost all the private delegate agencies. All of the board members of the Lincoln Heights Neighborhood Services program, for example, are drawn from the area, as are almost all of those on the Steele neighborhood project board. In other cases, e.g., Legal Services, the proportion is generally about one-third. In a few agencies, the poor have their own advisory committee.

The Mayor, the Director of County Welfare, three city councilmen, and the President of the Cincinnati Board of Education all sit on the Board of Trustees. Nevertheless, as noted elsewhere, relations with the city government have not been close. The Director of Welfare and one of the Councilmen, who is a Trustee, have been persistent critics of the CAC operation.

Use of nonprofessionals

There are nonprofessionals working in all but three of the CAC programs. As the programs are set up, there are places for about 630 full-time and 365 part-time staff members. Of these, about 370, or 59 percent, of the full-time jobs, and about 250, or 70 percent, of the part-time places, are described as nonprofessional. A CAC survey of the income earned by staff members the year before they came to work for CAC showed that 39 percent of those answering had made less than $3,000. A number of staff members did not reply to this question, however, and not all the nonprofessional posts were filled at the time the survey was made.

The training of nonprofessional staff workers varies from program to program. Employment Specialists are trained by the Commission itself in a four week course at CAC headquarters. Each of the Neighborhood Service Centers trains its own nonprofessionals with in-service courses for varying lengths of

time. Training for Head-Start Teachers Aides is handled by Head-Start, which contracts with local universities to provide one to two week courses. A few Head-Start aides attend an eight to ten week course at the University of Michigan.

Although CAC has asked repeatedly for training funds, these requests have always been denied.

The organizing principle of the CAA

The leadership of the Community Action Commission views its activities as equally concerned with services to the poor and organization of the people in the target areas. As pointed out by a senior official, projects and neighborhood organization go hand in hand: people can only be organized in relation to a specific activity.

From the emphasis placed on the Neighborhood Centers and services by CAC, it is clear that organization plays a major role. (This is also reflected in the complaints of a political leader that CAC "shouldn't stir up the neighborhoods so much," because it "just arouses unrealistic expectations.")

An important aspect of the CAC operations is its deliberate effort to work through and buy services from existing social agencies whenever these can handle a project. This has obvious advantages in winning the cooperation of the agencies, which are closely tied to the community power structure. It also helps pave the way for the eventual establishment of some programs as a permanent part of local social welfare activities. On the other hand, there has been some criticism that the program is too much under the control of the professional social workers. Some critics believe that this group lacks the administrative skills required. Others criticize the social workers as unwilling to seek basic changes in social patterns they believe needed to remove the causes of poverty.

Relationship of the CAA to other OEO programs in the Greater Cincinnati area

The Community Action Commission handles recruiting for the men's Job Corps, and there are a number of other antipoverty programs operating in the Cinicnnati area with which the Commission has a cooperative relationship. Among these are the In-School Neighborhood Youth Corps, administered by the Cincinnati Board of Education, and Out-of-School NYC, administered by the Citizens' Committee on Youth. The latter non-profit agency also sponsors PEPSY—Preparation and Employment Program for Special Youth. The Youth Opportunity Center, administered through the Ohio State Employment Service, using United States Department of Labor funds, has been fed young clients by CAC.

In addition, the Commission cooperates with a Title V Work Training Program, administered by the Hamilton County Welfare Department, and has provided assistance to an Upward Bound project at Earlham College.

Finally, CAC has contributed funds and effort to the applications being developed for pre-maternity health programs of HEW.

IMPACT AND ACHIEVEMENTS*

Effect of the Community Action Commission in Cincinnati

The view of CAC Officials.—"CAC is a system by which the needs of the poor are met—either through OEO or otherwise." Expanding his one-sentence summary of the agency's role, a CAC senior executive described it as performing a triple task:

> *To gather information* about the hard-core poor in order to develop understanding of their needs and problems;
>
> *To help* the poor to solve these problems;
>
> *To encourage* maximum participation by the poor in the planning and operation of the programs designed to help them: "CAC provides the only meaningful, extensive involvement of the target population."

In administering OEO's antipoverty funds, he explained, CAC matches social services to the needs of the poor. Where existing social welfare agencies are competent, CAC works through them, stimulating and coordinating their activities. The Legal Aid Society and the Cincinnati Board of Education, for example,

*All the community leaders interviewed in this study are residents of Cincinnati, and their comments concern the city and the adjacent sections of Hamilton County. In addition, the Clermont County antipoverty programs are described by a CAC staff member who is particularly familiar with them. To avoid confusion, his comments on Clermont County have been set apart in parentheses.

are contracting agencies. Where no social agency exists—or existing agencies are not competent to meet the need—CAC creates a new agency, for example, the new Neighborhood Services it has set up in some target areas.

Has CAC succeeded? "In a sense, our mere existence is our success," the CAC executive declared. Enumerating the agency's activities, he pointed out that the Commission operates $4 million worth of OEO programs, and has a hand in programs costing $4 to $5 million more, under various titles of the OEO Act.

He listed some programs established by the agency: a dental clinic in the Cincinnati schools, preeducation programs in Cincinnati and adjacent Lincoln Heights in which 100 nonprofessional Teachers Aides are paid for by OEO and 150 more by Cincinnati; a Montessori program demonstrating very advanced teaching techniques for preschool children; and an OEO grant, matched by the Legal Aid Society, to provide legal services for the poor. The executive emphasized that the CAC urged the residents of the target areas to serve on the Boards of the participating agencies, while encouraging the agencies to hire indigenous people as nonprofessional workers in the programs.

CAC also provides a center for exchange of information and the interfitting of antipoverty programs, the respondent pointed out, and coordinated Manpower Services—job training, job development, and employment.

"The Commission is a gadfly for the community," he declared, "pointing out to the social agencies where there are needs, duplicated efforts, examples of institutional rigidity."

(The CAC official concerned with Clermont County described the agency's role there as "primarily to move the people of poverty out of poverty." To do this, the CAC office concentrates on coordinating public, private, and other groups in an all-out effort to improve economic conditions in the County. CAC does not operate programs itself in Clermont although it intends to in the future.

(The respondent declared that "the program has been mighty successful—one of the best. It took six months to get things started—then the operation snowballed." Among other things, the County, a depressed area, has raised money for an industrial park, established an Adult Education Council, and started a recreation program.

(The CAC official explained that he had gone to Clermont County as Cincinnati CAC representative in the face of considerable local opposition. Many Clermont people had wanted the County to have its own, independent community action agency and to hire their own director. "Now," he declared, "there's a new feeling of unity with Cincinnati and Hamilton County, which were formerly distrusted." The Cincinnati Chamber of Commerce is assisting Clermont to obtain new industry; the Cincinnati Hospital Council is helping set up the Clermont Hospital Program.

("There's a new attitude in Clermont, which a lot of people attribute to the Community Action Program.")

The View of Other Community Leaders.—Interviews with community leaders acquainted with CAC and its programs found an overwhelming majority praising the OEO agency as a positive benefit to the city. "Worked out well," "beneficial," "positive effect," "of significant value, both economically and socially," were typical of the majority's comments. Although these respondents had many suggestions for improvement, they agree on the validity and success of CAC's basic approach.

Two respondents, however, sharply challenge this favorable view, pointing to what they believe are fundamental flaws. Since their viewpoints are poles apart, however, they arrived at quite opposite conclusions about what is wrong—programs versus execution.

Singled out for repeated praise by the majority was the impact of the CAC programs on the poverty population. "The programs have made people in the poverty areas more keenly aware of the possibilities for improving their lives," a school official said. And a businessman: "CAC has made these people aware of their own identity and power—of their own importance as people." A social worker declared: "There's been a stirring in this community such as I've never seen before. In the city as a whole, there is a more active concern at the neighborhood level about a variety of problems—a sense that 'Things will happen if we speak out.' This is not just in the target areas but all through the city."

A labor leader declares that the CAC programs "have changed the attitude of the target population from apathy to action and self-help," and he went on to give an example from his own neighborhood, "In the past, potential leaders have had only marginal opportunities—running ball clubs and that sort of thing.

The neighborhood as a whole had done nothing for itself—just received handouts. OEO got them aroused about such problems as housing. The Neighborhood Council developed a plan for moving people into new housing before tearing down their old houses for urban renewal. This seems obvious but it hadn't been proposed before. Now the neighborhood people proudly give advice to others on how to get things done."

A social worker said that, "These neighborhood organizations mean that you can no longer control the neighborhoods—as they were previously controlled by the Community Chest, which in turn is controlled by the power structure."

A civil rights leader said that the programs had "given many people in the poverty areas an opportunity to project themselves through such activities as serving as block workers. They are stimulated to get more education. At the same time the programs have brought a lot of money into Cincinnati and raised the economic level of Negroes in the city." A labor leader declared that the CAC programs "meant that Cincinnati, unlike some other cities, did not have poverty riots last summer."

A newspaper reporter qualified her praise:

"Overall progress has been made—I frequently see examples of people who have gotten jobs as a result of the program—although the Welfare Director denies that OEO has reduced welfare costs, attributing a slight decline in relief payments to the high level of employment.

"Many helped by OEO might have moved ahead anyway—those active in the Community Action Programs were already local leaders before the antipoverty programs started. However, the programs have certainly developed more leaders.

"I am disturbed because the only Negroes I see getting ahead are women. Progress among men is vitally important to the success of the antipoverty program."

Several respondents saw the programs as educating the public. "They have made the community aware of the existence of poverty in Cincinnati," a businessman declared. A housing official said "CAC has made a marriage between the average citizen and the underprivileged."

A lawyer felt that the effect of CAC was generally good "although the programs were not too well thought out at the beginning. They grew like Topsy." They are important "in the sense that it would be pretty bad if the programs were abandoned." According to a businessman, staffing the agency was a problem at the outset when CAC was trying to get off to a fast start. He declared emphatically that "CAC has done a lot—but now it could do a lot more because its people are becoming better trained after 18 months of operation."

While believing that "some spots could stand some brushing up," this respondent felt that the programs had worked out well. "The programs had been given a black eye with some people who object to government—but actually OEO gives self-help programs, not doles or handouts."

"There should be better administration and a more realistic approach," a newspaper reporter declared. "Give the social workers less say—they don't know how to do things in a business-like way. CAC should have a Board of Education type of administrator—a professional administrator with a background in social work." This respondent added "CAC is always bragging about how much Federal money it obtains. You wonder if they are getting their money's worth."

On the other hand a prominent attorney said flatly that "I am confident of the ability and integrity of the local CAC administration." A businessman declared: "I am not critical of CAC operations. They do well. There is very little political influence in the operations." A social worker said that "The politicians have been shown that the antipoverty campaign cannot be politically controlled." And a civil rights leader felt that "The programs are pretty well handled now, within the budgets available to work with."

A civil rights leader said that CAC should demand a more creative use of OEO funds by the Board of Education, "including teacher training in the culture of poverty." One respondent urges more use of nonprofessional workers—but with more training for them. Another declared that both the professional and nonprofessional needed better training.

Several respondents urge enlargement of the programs. A labor leader declared that OEO should "ask for more money—the programs are underfunded all around."

Many suggestions concern specific programs. An official wanted expansion of job training, on a housing project basis, to develop skills and creativity. More programs in housing, urban renewal, and housing rehabilitation were

urged by a labor leader. More training in job skills—and more job procurement—were supported by several respondents. A union official wants more emphasis on education—"the whole program is too skimpy." A lawyer would like to see more experimentation. This respondent also urges greater local control of how antipoverty funds are spent. "For example, twice the money was set aside for Legal Services as the Bar Association recommended. The programs are greatly affected by Federal controls, congressional appropriations, and so forth."

Public relations is a weak point in the program in the eyes of several of the community leaders. An elected official declared that CAC had made tactical errors and "should handle its public relations with more sophistication." A colleague agrees: "CAC should cultivate the press . . . and make more meaningful and concise response to criticisms." And he urges that "the programs should be projected in more meaningful terms. Lack of this has been a great shortcoming of the agency." A labor leader suggests that CAC should use publicity to gain more acceptance of racial and social differences in the community and to emphasize racial integration in housing.

A businessman noted that press reports had given CAC unfavorable publicity. "In newspaper stories about CAC Board meetings, arguments over a new public relations program crowded out the approval of important programs."

This respondent sees need for "a comprehensive public relations effort, through all media, to make the average citizen of Cincinnati aware of the needs of the poor—which he isn't now." He also suggests a stepped-up effort to have people visit the poverty pockets, see how the poor live, learn about their problems. "Not 4 out of a 100 Cincinnatians—outside of the poor themselves—are familiar with the needs of people in these poverty areas." This is a big problem, a moral responsibility of the community, he declared—"People in the suburbs just drive in and out on the expressways and never see where the poor live."

A labor leader urges another type of information project—"a clearing house of information about the programs." He explained, "You should be able to find out what's going on by visiting just one place, instead of having to go through a maze of doors and be passed along from person to person—frequently by receptionists who don't know very much about the programs. Information must be accessible to the community." He does not believe that CAC is equipped to carry out this function.

Better evaluation is another need brought up in several interviews. "One thing that bugs me," a businessman declared, "is the difficulty of measuring progress. Perhaps it's because we're dealing with people. There was an evaluation committee when CAC started, but it never functioned. Maybe it can't be done—or at least not except over the long-term." What he would like, he went on, "is to have social scientists from the universities and planners from industry working together at finding a way to measure results to evaluate. This is becoming particularly necessary as OEO withdraws and local people must decide which programs to keep." A school official declared emphatically: "Before any changes are suggested there should be a complete analysis of needs, using both professionals and nonprofessionals, people from the community at large and from the poverty areas. This should set priorities for setting up new programs and eliminating old ones. This study would provide a breathing space for the programs."

A top union official suggested other research studies. "There should be more job surveys to find out what skills are really in demand, so that we can match training programs to jobs. Take beauticians, for example—when does a community become saturated with beauty shops? Small shops don't give their workers decent pay, so there's a tendency for girls to open their own—and a tendency for them to go bankrupt. Training a person in the skills for a specific job is not the same as teaching a person how to run a business."

The respondent developed his point further: "That's why the supporting services offered by the social agencies should be enlarged. It's not enough just to give a man job skills. When he makes a paycheck he's likely to overspend, get his wages garnisheed. He doesn't understand the situation." The union official emphasized his conclusion: "Preparation for metropolitan living is as important as job skills for these people, and is greatly needed."

A major critic of CAC is an elected official—in private life a businessman—who was one of the founders of the Community Action Commission. He admits that it has useful achievements to its credit yet believes there were basic weaknesses in the agency's approach. His ambivalent relationship to the agency is reflected in the fact that he was listed by various respondents both as one

of the most helpful in developing the programs and as one of CAC's leading opponents.

His criticisms fall into three general sectors: tactics—the way OEO set up the Community Action Program and its relation to existing public and private agencies; priorities among the various programs; and the basic approach to dealing with the people in the target neighborhoods.

"The general result has been good—CAC has made a major contribution in stirring interest in the poor," he declared, "but a lot more could have been done" if CAC had been set up differently. CAC should have spent a year at the outset to plan the programs "instead of giving out money quickly to whoever applied."

Specifically, CAC—

Should have tied its activities in more closely with city departments.

Should have been "less critical, less of a thorn in the flesh of the existing public and private agencies. Now CAC wants to work with these agencies and runs into resentment that is hard to overcome."

Should have worked more through the state agencies instead of going around them—"This would have helped to strengthen them."

"Although I realize that the poor, particularly Negroes, have unmet needs," he said, "programs for the poor are only *one* of Cincinnati's problems. Only the most worthwhile parts of the poverty program can be continued. The Community Action Commission should have recognized that it would have to set priorities to save the best programs. Now they'll wind up cutting out many good programs."

On this question of priorities, the respondent was particularly critical of the Neighborhood Centers. "Less should have been spent on this and more on jobs, health, and services," he declared.

This criticism is closely related to the respondent's unfavorable view of the oprangization of target people for community action that took place at the Centers. "Don't stir up the neighborhoods so much," he urged. "It just arouses unrealistic expectations. A lot of time and effort are required to argue against the demands of these people. In the end the poor aren't any happier and we have just used money unproductively."

The other major critic has a diametrically opposite viewpoint. A civil rights leader declared, "The individual services are being more effectively offered and are producing better results, but I originally expected that OEO would offer a power base for organized action—and this generally has not happened. Community organization has been secondary to the extension of individual services to the poor." He concedes that the Agency has set up neighborhood services, but asserted that CAC had not tried to pull people together to take their own action. "OEO programs are not reaching people at the grass roots," he declared. "The community organizations and councils tend to be tea-party type operations. The result is increased social welfare paternalism."

Social workers, he feels, had too much say: "The control that the social welfare agencies have over the neighborhood services should be drastically limited." he declared. "Perhaps I'd even put them right out of the picture and have indigenous advisory committees instead."

Reactions of Various Segments of the Cincinnati Community to CAC Activities.—The respondents were queried about the reaction of ten individual segments of the community, as well as the general public, to the OEO programs. Of these groups, education officials and the social welfare agencies are consistently rated the friendliest and most cooperative. The press and the public—perhaps a significant linkage—are considered to be the least friendly. The role of elected officials is the most controversial, with respondents giving them both top and bottom ratings.

The top leadership of CAC describes Cincinnati's ELECTED OFFICIALS—considered as a group—as basically against the OEO program. A majority of the City Council are seen as generally critical of Federal programs with a conservative outlook typical of Cincinnati.

Community leaders on the other hand see Cincinnati's elected officials as having a somewhat friendlier attitude. More than half the respondents state that the officials have responded favorably to the needs of the program. Those who are themselves active in political life consider that this group have been real spark plugs but add that "the tide has changed and feelings are now becoming negative."

A social worker says that CAC has been successfully kept out of politics—a a view that is backed by several respondents. Another declares that "as a result of OEO efforts, the climate for acceptance of other Federal programs has been immensely fostered."

"Somewhat grudging" is the way a labor leader describes the attitude of this group. "The city was slow to participate in the programs. Republicans opposed them in theory and the Democrats were ineffectual. The program may be in trouble from now on as attitudes change."

A civil rights leader also believes that party feelings prejudiced Republican elected officials against the programs, but nevertheless felt that "The city administration has generally taken a middle-of-the-road stand." Another civil rights official sees the city fighting the programs, while Hamilton County officials have been more cooperative.

In the eyes of at least one elected official, his colleagues have "not had much real effect. It takes a lot of time to keep up with this program," he added, "and most don't do it. A few have, and they are opponents."

(In contrast, CAC leadership says that the elected officials in Clermont County have responded favorably to the antipoverty program. They are described as having put up cash, space, and such services as bookkeeping to make up the required local 10 per cent contribution. Office holders attend meetings and otherwise show an active interest.)

In contrast, Education Officials are described as one of the friendliest community groups. A senior CAC executive views the educators as spark plugs. "They spurred the effort and scrambled for school-related CAP programs. What's more, they have shown an ability to develop their own programs."

Almost all the community leaders interviewed see the educators as friendly and responsive to the program and about half of them feel that this group has been outstanding in their cooperation. A labor leader describes some school officials as "enthusiastic—some from a sense of responsibility, others because they want to get themselves in on the act."

Several respondents, including all the private social welfare officials, describe the School Board as having opposed the antipoverty program at the outset (as well as such things as Federal support for "free milk and free lunches"). "Slow and reluctant," "have dragged their feet," "had to be coaxed and led by the hand," were some of the comments. While some believed there had been a basic change, there were fears that there might be more difficulties ahead because of pressures on the school budget. An elected official saw the educators "now becoming negative as the school system has had its dollars cut."

(CAC leadership gave a much more mixed report on Clermont County educators. The County School Superintendent reportedly gave little support to the programs after seeing that OEO grants weren't coming his way. Out of nine local School Boards, two were described as having been outstanding supporters of the program, four as having responded to its demands, and the remaining three as having fought it.)

CAC leaders find Cincinnati Health Officials at best lukewarm to the antipoverty program. An example cited is the long delays encountered in trying to get the Public Health Council to play its agreed part in submitting a proposal for health projects to HEW.

Among the other respondents, all but one describe local health officials as at least not opposed to the programs, while several consider this group as enthusiastic supporters. Two elected officials call the health people "spark plugs," but one notes that "Their past director was excellent, but has recently quit because of a lack of money for his programs. At the Board level, there has been resistance." This resignation was mentioned by several respondents as an unfavorable factor.

Several respondents agree with the view expressed by one that health officials had "made a minimal response and health is the weakest field of OEO activity."

A labor leader made a further point: health officials "are conscious of the power structure and reluctant to take forward action on their own." One respondent declares that this group is ultraconservative and has fought the program.

A civil rights leader said that the Health Department as a whole was "pretty good," but complained about opposition to having Negro dentists serve in health clinics.

In the eyes of a senior CAP executive, Cincinnati's Welware Officials have been at best weak and ineffective—and at their worst an obstacle. "The Director

of Welfare doesn't think he is an obstacle but I do." The respondent ascribes this hostility to the fact that "OEO has irritated the Welfare Department by organizing its clients."

Community leaders split sharply in their assessment. About three-fourths of these respondents describe welfare officials as friendly to CAC and responsive to its needs. A school official reports that this group "like some aspects of the OEO programs but dislikes others. CAC's grass-roots operations have stirred up problems for them."

A labor leader sees a change in attitudes: "The welfare people were an obstacle at the start but are now giving grudging support." He added that the Welfare Department had been annoyed with CAC for hiring away some of its best staff members. (The respondent noted that those left apparently tried harder and did a better job.)

A journalist said the Welfare Commissioner had frequently been at odds with CAC. "He thinks they are doing too much dreaming and spending money unwisely." A civil rights leader sees a different situation. "The commissioner is about to retire—and in the meantime he's not going to change the status quo."

A substantial minority describes the reaction of the Public Welfare Department as passive or hostile. The Department was "initially angered and insulted by the undiplomatic entrance of OEO into the community, although OEO has had a positive influence on it," according to a welfare agency official.

(Clermont County Welfare officials are said by a CAP official to be real spark plugs. "CAC is in the same building as the Welfare Director and has friendly relations.")

A senior CAC official declared that Cincinnati's Social Welfare Agencies had been major supporters of the programs, with the Neighborhood Houses and Health and Welfare Council particularly active. At the beginning, CAC had followed a blueprint prepared by a Cincinnati Civic Association task force. The CAP agency, he emphasized, was not using "Alinsky tactics," but was working with those sections of the establishment that were able to contribute to the programs. For example, three old-line settlement houses, Legal Aid, and the YMCA were among organizations funded by OEO. New agencies were started only where none existed—or where the existing ones were not worth working with.

Community leaders also see the social welfare agencies as extremely friendly to CAC—one of the most cooperative groups in the community. Half of the respondents feel that the agencies have sparked the OEO programs.

None view them as opposed, although some report a mixed response, with some agencies taking the lead in working with the programs while others dragged their feet.

A journalist said that "The agencies go along with the CAC program completely—the only group except for the schools to give wholehearted support. The agencies dominate the antipoverty effort."

A civil rights leader describes the agencies as "enthusiastic in support of the program. It's meant money and has been a lifesaver to them."

An education official outlines the relationship between CAC and the agencies: "The agencies have tied their operations into those of OEO. In the beginning the agencies provided the leadership and did much of the original staff work for the first projects. Later when CAC got its own staff the agencies bowed out. The Community Chest has now contracted to provide OEO with the assistance of its research people."

One elected official agrees with the majority view. "OEO has been operating through the existing agencies so the level of support has been good." But a colleague has an entirely different opinion: "OEO has generally taken the position that existing social welfare people didn't do the job and never would. This has been resented."

(Clermont County's voluntary agencies are also described as highly cooperative—the member agencies work on the CAC committees that are the main strength of CAC.)

Labor organizations also are rated as friendly to CAC and its programs in interviews with both the agency staff and community leaders. It quickly becomes clear, however, that to an unusual extent this opinion is based on the activities of one man. As a CAC executive explained, Al Bilik, when President of the Cincinnati AFL–CIO Council, had played a major role in the original establishment of the Community Action Commission. (Since then he left for a labor union post in Washington and has just returned.) Otherwise, this respondent considers the attitudes of the city's labor to be uninspired. None of

the unions has opposed the CAC programs, but he feels that many labor groups were indifferent. Following Bilik's departure, no labor representative has taken an outstanding part in the antipoverty campaign.

Among the community leaders interviewed, two persons who are active politically consider the Cincinnati unions to have spark plugged community action.

Three others characterize organized labor as strongly in favor of the antipoverty programs and most of the others described the unions as responding. A number, however, have reservations about some elements in the labor movement.

Here too, Bilik's name comes up repeatedly. "Bilik was a leading CAC supporter and he's the key to labor here in Cincinnati," "hand-in-glove with the CAC," "one of the architects of the local plan."

Bilik aside, there is considerably less enthusiasm about labor's role, and there are some highly critical comments on certain segments of the labor movement.

A school official said, "Local labor has not been a stumbling block to (OEO trained) kids getting jobs—we have agreements with them saying they will cooperate. The labor people usually find a way to help when asked for it. Or at least," he added, "they go through the motions."

"Building trades unions are an obstacle to employing Negroes in their crafts," a labor official declared, adding, however, that "individuals have been helpful." A housing official reports that "as a result of a slow process the unions have been well coordinated with the job training programs—but they held out as long as they could against admitting minority groups." "Now, however," he went on, "there's been a definite breakthrough in this area: except for the electrical workers, something is being worked out." But he added throughfully, "I believe it's been a hell of a fight to get them to cooperate."

A top labor union executive notes that the "biggest problem is to get people to understand socioeconomic problems: this area looks like a natural for labor."

But he went on: "There have been problems trying to convince the craft unions that rehabilitation and on-the-job training programs couldn't threaten their own jobs. The approach has been to disprove criticisms as they are made, and to point out that programs won't damage job security. Those who were critical at first are now salesmen for the programs—it's most gratifying."

Although one civil rights leader describes the unions as supporting the programs, another was extremely critical—not only of the Cincinnati unions but of Bilik himself.

"In general, organized labor has not been very helpful," he declared. "It sees the training programs as a threat to its apprenticeship system. The unions fight preapprenticeship programs. Bilik was a great white liberal until we (the respondent's civil rights group) had a sit-in in his office." This 27-hour demonstration, the respondent explained, had followed Bilik's refusal to sign a statement that the labor movement would try to eliminate discrimination, on the ground that there couldn't be any discrimination because it was already forbidden by union charters.

"Bilik was then head of the Democratic Party and a buddy of Gilligan and the others," the respondent said. "He sparked the beginning of the OEO program but I feel he was politically motivated rather than working for the good of the city." A Negro candidate had defeated Bilik for the last seat in the City Council race, the civil rights official noted, adding that "the unions have forgotten why they were founded. They have become too fat."

(There is so little organized labor in Clermont County that the unions play a very small part in CAC operations there, according to a senior member of the CAC staff. However, he noted that a representative of the Upholsterer's Union who sits on the Clermont CAP Board "is both respected and vocal.")

The respondents mark the PRESS as one of the least friendly segments of the Cincinnati community. There is general agreement that at times the papers had been extremely critical and had become more unfriendly in the past year. There are differing views, however, on why this change has occurred as well as on whether the newspapers are basically hostile to the program.

"Although the papers think they have done well by us, their overall position has been negative. We've made mistakes and they've clobbered us," was the comment of a senior CAC official. He cited what he felt were unfair stories about CAC salaries, misused interviews, "nit-picking," and minimal press coverage when Sargent Shriver and Vice-President Hunphrey visited Cincinnati. Basically, he felt, the papers were hostile—which he attributed to their Scripps-Howard ownership.

As for the other mass communications media, the CAP executive believes that they generally tend to take the same line as the newspapers. He accepts WCYN, a Negro radio station, and WCKY, which he felt were more liberal and objective

than the others. As for television—"I won't give you a nickel for all the TV stations—they run criticisms and never let us get in with our answers."

The community leaders divide into three groups in their views of press attitudes. One group thinks the papers have responded to the CAC programs, another that the papers are pretty much on the borderline between being responsive and unfriendly, the third and largest group sees the press as actively hostile to OEO.

Elected officials and labor are particularly inclined to see the press in opposition: "The papers fight Federal programs. Some articles are fair but they don't miss a chance to jump on mistakes and problems. They are certainly not a help to CAC." This was the comment of an elected official (who had himself been an outspoken critic of some Community Action Programs). Another describes the press as "a real problem. When OEO was in the developing stage the press was fair, but as it began to develop, the papers became very critical. They couldn't find anything to criticize locally so they ran a lot of national source stories that were very critical and this has promoted a generally negative attitude. The press has been the greatest single influence in creating hostility toward OEO."

Social workers among the respondents also see the press as hostile. "They have used national incidents to hurt local efforts," one declared. Another said that "The nature of the news stories depends on who's writing them and whether they are under orders to slant them politically to match the paper's policy."

Labor officials commented in a similar vein. "The papers talk about the War on Poverty in terms of distrust without digging into what the problems are," a union official declared. "The press has not been helpful; rather it has helped create an atmosphere of opposition to OEO." Another labor leader said that while the papers had supported—or at least not denounced—OEO programs as such, "they are biased against Federal programs in general. The press," he went on, "attacked CAC over proposals to hire a press agent for the programs and they ask snide questions about salaries, political activities, and so forth." This respondent felt that TV stations owned by the papers had taken a similar attitude. "The smaller radio stations are useful in publicizing programs but have not given them strong support."

Some local officials—not elected—see things differently. "The newspapers have done a damn good job," a housing official declared. "They've not been belligerent or bitterly opposed, but they print the news about defects in the CAC program."

A school department official agrees "In general the papers have been pretty good. They have run a series of articles on antipoverty programs in general and the CAC programs in particular that have had a positive approach. They of course quote critics of the program but overall have been cooperative. The editorials have been generally favorable." (The respondent referred particularly to an *Enquirer* editorial in December, which concluded: "The real issue in the present debate is whether the hope that has been so carefully nurtured in the last two years is to flourish or whether it is to be crushed. Those who would crush it are playing with dynamite.")

(In Clermont County, a CAC staff man reported, the situation is quite different. The half dozen weeklies in the County (there are no local dailies), as well as the Clermont pages of the Cincinnati papers, give favorable play to CAC releases. "We haven't had one hostile article yet," the respondent noted. There are no radio or TV stations in the area.)

Civil Rights Organizations are viewed by the respondents as generally friendly to the Community Action Program but not as playing a major role or providing leadership.

A senior CAC official describes the civil rights organization as essentially middle-of-the-road groups that "support OEO programs in a vague way" but do not really participate. (An exception, he noted, are the Black Muslims, who oppose the programs.) The civil rights organizations are not an important group locally, the respondent explained. "In Cincinnati even the Negroes are Germans"—that is, they are basically conservative.

By better than 5 to 1, community leaders see the civil rights groups as friendly to CAC; some view them as indifferent; only one, as really hostile. A housing official said civil rights groups were "if anything pretty strongly for CAC. Many individuals are pretty heavily involved in the programs." A publisher sees them as "with CAC all the way—their representatives always vote with the pro-CAC majority on that agency's board." Both civil rights leaders interviews see their groups as supporting the programs. "Enthusiastically behind it from the early days," said one. Several respondents noted that there were many civil rights people working in the programs, and one declared that at the local level the civil rights and CAC organizations were almost identical.

Some of the respondents, however, described these groups as weak and ineffectual and lacking good leadership. "Neutral—neither helped nor hindered," "Weak, no factor," were some of the comments. A labor official called them "basically ineffective" adding: "They could have done a lot more to support the programs.

"Their backing has been nominal and they wouldn't fight for the programs. Civil rights leadership in Cincinnati has been poor."

Another labor leader declared that "the NAACP is immediately involved in community action, but it has also unfairly criticized administration of the programs as inaccessible and not doing enough." He added "There is a lack of communication—these people don't understand the scope of the programs. When hope is aroused but then their kids are turned down, it causes criticism."

An education official pointed out that "civil rights organizations are supposed to protest—not be satisfied. Most of them would like to see *more* OEO programs, but they are not critical of the existing ones."

An elected official commented sharply: "The civil rights organizations are weak. They have criticized the program and have been fighting internally. They have been competing with each other and helped to create a negative atmosphere."

(In Clermont County, according to a CAC executive, there are no civil rights organizations. Less than 2 percent of the population are Negroes and most of these have jobs—there is a very little Negro participation in such work programs as the Neighborhood Youth Corps.)

Most of the CAC staff and community leaders describe Cincinnati's business community as passive but not unfriendly. "Overall, CAC has received tolerance from the Cincinnati business community," a senior CAC official said. "They recognize that we have run a clean organization and they respect us even if they don't agree with our ideas." He noted that the Chamber of Commerce was one of the original incorporators of CAC and that businessmen on the CAC board showed a continuing interest in the agency.

The respondent neverthless believes that business support of the programs has been very weak. CAC had had no contact with insurance companies. General Electric, whose Evandale plant is just across a street from the Lincoln Heights target area, has been no help to the Community Action Program. On the other hand, he observed, the most business help had come from Federated Department Stores. This company, which had a vice-president on the CAP Board, had assigned a public relations officer to advise on CAP public relations jobs.

However, the respondent said, the average businessman was poorly informed about CAC. "He tends to get his opinions from the newspapers, not directly, and it is hard to evaluate his views."

Community leaders generally see business as passive but at least not obstacles to the CAC programs. Several respondents, however, see businessmen as unaware, mixed in reactions or even hostile.

One union leader described business as giving mild support to the programs, and hiring OEO trained people. And he added, "They recognize that OEO brings money into the community and that they stand to benefit if the programs work." Another labor official pointed out that workers are in short supply in Cincinnati—the 3 percent left unemployed are the long-term jobless and there are almost no production workers available. As a result industry, formerly reluctant, is now interested in training people. Despite this, he felt, business had shown very little activity—"They are from Missouri and must be shown. Their first reaction was against payment of the $1.25 minimum wage."

A civil rights leader, reporting that business had gone along; "business had never fought the OEO programs because it has never been threatened by them. No one really objects to individual services—and they don't cost the community money." Another civil rights leader who felt that business had had a hands-off attitude towards OEO—"not all out for the programs but not trying to block them"—noted as relevant that "there hasn't been the massive political activity connected with the OEO programs in Cincinnati that there has been elsewhere."

A respondent active in politics noted that a number of businessmen on the CAC Board had become involved with OEO through being on private agency boards. These had become somewhat positive in attitude but he predicted that in any conflict with the city establishment, they would back off and remain neutral. Another respondent pointed out critically that the business community had not sponsored any OEO programs. He felt that business could help with job training and similar programs.

A school official cites as evidence of top business support a recent meeting between the Board of Education and a high-level committee on interrace rela-

tion. In discussions about what Cincinnati school programs might have to be deleted as a result of the voters' turndown of a special school tax levy, business leaders on the committee emphasized the need to continue the school-sponsored OEO projects.

Business has cooperated in job entry for members of OEO youth programs, this respondent reported, "though sometimes it's double talk." He knew of no organized segment of the business community that had come out against the programs, although there had been a setback when attacks on government spending were emphasized in the recent political campaign. Nevertheless, the respondent himself had recently had an enthusiastic reception from a young businessmen's group to which he spoke on OEO programs.

(The attitude of the Clermont County businessmen was described by a CAC official as "by and large favorable." The Clermont Industrial Development Commission (a CAP group) he noted, includes manufacturers, real estate men, bankers, and others from the business community and sponsors a monthly discussion group.)

The target population is seen by almost all the respondents as favoring the CAC. Many also believe, however, that a large segment of the poor are still unaware of the programs' existence.

A CAC executive said that the dominant mood of the target population is apathy: "CAC gets no help from the grass roots." Despite a good beginning in getting the poor to take part in the CAC programs, there are still comparatively few involved—and a long job lay ahead. The respondent pointed out, however, that the reaction varies from one target neighborhood to another, depending on such factors as the type of residents, and the quality of the local staff. In some areas, there is strong support, with CAP activities well-attended.

Among the community leaders, an elected official said that the poor had responded when the programs reached them—but that the resources of CAC had been too limited to make strong contacts. A colleague, however, feels that the poor "have all been stirred up and so far still feel that OEO has helped them." This respondent takes a dim view of the future. "I'm afraid of their reaction when the program steadily recedes and they are forced to recognize that they won't be helped."

A school official describes the poor as "at first not satisfied with their own involvement in project planning, but pretty much so now." He added, however, that some feel "they should have representatives on the boards that actually operate the neighborhood service projects."

A social welfare worker involved in the CAC programs declares that "sometimes they are mad at us because we don't have enough money to do what we said we were going to do. Sometimes they are with us. Sometimes they don't know what is going on." Another social worker agrees that the response has varied. "The most difficult areas have been those with an existing organization," he said. "There the attitude toward CAC people has been 'what are you fellows doing here now?' "

A labor leader asserts that the target areas accept the programs. "The Neighborhood Houses have done a tremendous job—they talk easily to people and have had some quick successes that show what can be done." Another union man described the growing involvement—and continued reservations—of the poor in his own neighborhood. "In the beginning the poor were cynical and didn't believe in the programs, giving only nominal support. In the West End, CAC hired the natural leaders of the community. Now the people give CAC overwhelming support—but they still don't think the programs will work."

(A CAC official said that the response of the target population in Clermont County is difficult to evaluate. "They don't show much reaction." The poor there are not concentrated into neighborhoods but scattered widely over the County, so it is hard to get them involved. "The north-south roads in the County are very poor so that travelling 15 to 20 miles to meetings is a real chore." "But those that are serving on committees seem to like what we are doing.")

The respondents are divided about how the GENERAL PUBLIC of Cincinnati feel about the OEO programs, but nobody sees any enthusiasm or even very much friendliness. Almost half described the public as hostile to CAC. An equal number believe that the public is simply unaware of the programs—or at least not informed about them. A small minority suggest that the public is at least a little bit responsive to the programs.

A senior CAC official saw the public in general as not knowing what's going on but "if they did, their attitudes would range from disinterest to hostility."

Considering the basic conservatism of Cincinnati, "We're going upstream in this town and I don't think we'll ever win a popularity contest." The respondent quoted surveys carried out by Cincinnait's two Congressmen before the last election: they showed western Cincinnati about 4 to 1 against the programs and the eastern half divided about equally between opponents and supporters.

A civil rights leader pointed out that Cincinnati's large Catholic population is particularly conservative and that many oppose so-called giveaway programs.

A school official commented that some sections of the city "particularly middle-class suburban areas"—don't understand the programs. "They feel that too much is being done for these people—what do we get out of it?" He added, however, "when they are informed they respond differently. Five to six hundred volunteers, many from the suburbs—take part in the programs as tutors and participate in Saturday morning enrichment programs."

(Another CAP official said that despite press publicity and innumerable talks to service clubs, etc., people in Clermont County still ask what CAP is. "I would like to believe that the general public likes us, but I can't really give a reading on this—not too many of them know we are there.")

Effect on community costs

1. *Welfare.*—There is little tendency to see the CAC programs as having any major effect on Cincinnati's welfare costs. Half of the respondents who commented on this point agree with a senior official of the Welfare Department who said that he "knows of no reduction."

Among the few who speculate on a possible connection, a civil rights leader believes that OEO job placement and other programs had cut the number of welfare recipients. (At the same time he complained that CAC had not raised the level of individual welfare payments, which he felt desirable.) A housing official denied firsthand knowledge, but "had heard reports" that the programs had cut payments. The most positive opinion came from a labor official: "When the OEO programs are effective, the rise in welfare costs is arrested, but this is masked by the increase in population. It is too soon to see a decrease in welfare costs, but this is a possibility for the future."

Two respondents working in the social welfare field believe that if anything the programs would—and should—send welfare costs up. "Reduction of welfare costs will not be the purpose of the program until all those eligible are on the rolls and services reduce dependency."

2. *Crime.*—Several respondents believe the programs might be having an impact on the costs of juvenile delinquency and crime. One respondent declared: "It is hard to show a change on the record. But give a person something to do and you keep him out of trouble. Participants in the programs are not involved in incidents and vandalism has fallen off." A housing official reported that "there is less vandalism in the housing projects—and in some areas the crime costs have been cut. The programs have a potential for future gains in this area." A school official reported some indication of a decrease in juvenile delinquency arrests—"and the only new element in the situation is the OEO programs." On the other hand several social workers commented that juvenile delinquency was too complex to be clearly affected by a single factor, such as the programs.

A civil rights leader was not impressed by the impact of the programs, even if it were shown to be favorable. "By keeping kids off the streets you cut down the number of crimes—but you are not getting at the causes of crime. The OEO programs are essentially a baby-sitting job for potential delinquents."

3. *Other Costs.*—The civil rights leader says that the OEO programs were, "if anything, increasing the costs of municipal services because more services are now being asked for." Another civil rights leader sees an offsetting factor: "The programs have increased the city's revenues from its local income tax by the take from people whom OEO has trained to hold jobs." And a labor official saw one big economy: "The riots that didn't occur save Cincinnati a lot of money."

Matching funds in Cincinnati

In the past the required local contribution to OEO programs does not appear to have been a problem. In recent months, however, three developments have complicated the picture:

The required contribution has been increased from 10 to 20 percent, doubling the demand on local resources;

Defeat of the special school tax levy in referendums jeopardized the largest single source of local contributions;

Cutbacks in OEO programs raised questions of project priorities and the extent of local control over the selection and retention of projects.

According to a senior CAC official, there has been controversy over the matching funds from the Community Chest agencies. A school official pointed out, however, that the agencies had hitherto been able to make up its 10 percent largely from services. "The new 20 percent requirement," he said, "will be a real problem to some of the voluntary agencies, particularly those that have no financial resources except the Community Chest. The Chest hasn't committed itself to providing funds for the local share. Some private agencies will be unable to provide the necessary matching funds and will have to close their CAC projects."

The increase in the matching contribution hit the Cincinnati Board of Education at a bad time. As a labor leader explained: "The matching contribution has become a bone of contention in the Board since defeat of the special tax levy. The Board claims it was putting up its share in cash and must withdraw its support in order to trim its budget." The respondent personally disagreed. "I feel that this is largely untrue—that the School Board's contribution has been largely in kind. In any case the community can certainly do more."

There is sharp disagreement among the respondents as to how much the city of Cincinnati had done to make up the local contribution. A CAC official described the city's share as a "pittance" and a former Congressman declared that "local government had put no cash into the matching fund." A newspaper reporter went into more detail. The city or county put up no money "except for the Citizens Commission on Youth, which uses city money for the dropout portion of the Neighborhood Youth Corps."

A far different picture of the situation was given by an elected member of the city government. He reported that there had been very stormy discussions of the local contribution. "I feel strongly that the city should not give CAP unrestricted funds to use as they judge best. I believe that too much is spent on the Neighborhood Centers and not enough on the service programs. As a result I initiated long discussions in the City Council on the subject. Until this year the Council had voted the 10 percent. This year OEO funds were cut so some programs will have to be reduced . . . It is clear that OEO is asking the very people it has been criticizing—the Welfare Department, Board of Health and so forth—to pick up the OEO program."

(CAC officials report that Clermont County had been generous in contributing space and services—utilities, auditing, disbursement. The County also paid cash for alterations to the health clinics, while doctors provide medical services for the in-kind contribution to the clinic project. It has not yet proved necessary to figure in the time of volunteers to make up the required local contribution.)

PROGRAM ANALYSIS

Neighborhood centers and services

The Neighborhood Centers and Services Program is clearly regarded by the respondents as the heart of the Community Action Program in Cincinnati. Some three-fourths of the community leaders, more than endorsed any other project, listed it among the most valuable CAC programs. Its support was broad: it simultaneously drew praise from all the businessmen and all the civil rights leaders interviewed. Yet, at the same time, the neighborhood programs drew some of the most sharply critical comments.

To a senior CAC official, the Neighborhood Centers and Services "exemplify the bases of community action"—the decentralization of services into the target neighborhoods and the involvement of the poor themselves. "Lasting change in the poor depends on their learning to help themselves," he said. "To do this they must organize and must improve their ability to communicate with each other and with other groups in the community." The programs started in each target area by the Neighborhood Centers help the people to do both. "People can't learn to organize and communicate in the abstract," he declared, "they must do it through a concrete program."

Besides encouraging the target area residents to organize into meaningful patterns that enable them to help themselves, he said, the Centers provide a vital link between the people who need help and the resources that can provide it. At the same time, the neighborhood programs themselves provide major services missing in urban poverty areas.

(There was no Neighborhood Centers program in Clermont County at the time the survey was made.)

A wide range of benefits provided by the neighborhood program were cited by the community leaders. Nearly half of these respondents emphasized the effect of the program in providing motivation. Several welfare workers agreed. "It has given the poor a sense of participation," said one. Another said that now the poor "walk a little taller." "It's snapped the people out of lethargy," an elected official said. "It helps build initiative and self-respect" another respondent said, "and provides the leadership needed to galvanize the poor into action." A business leader declared that the program "made people in the poverty areas aware of their own identity as people." A labor leader described one Neighborhood Center council as having transformed the morale of the community from apathy to a feeling that it is possible to do something about the situation.

The impact on the whole target community is frequently mentioned. A businessman states he has "high hopes and great faith that the program will succeed" because while flexibly adapting its services to each target area it "treats each neighborhood as a whole and gives the residents unity and purpose as a group."

Several persons emphasize the value of the Centers for communication. A businessman points out that the Centers let the target area people know that the whole community is interested in their problems. A former Congressman, noting that the program was reaching people never reached before, declares that "4 out of 5" (of the poverty population) do not even know what services are available to them, and have a built-in suspicion of authority."

A businessman has his own reason for praising the program. The Centers, he says, provide a way for "haves" to help the poor in a more personal way than by just making a contribution to the Community Chest. Volunteers work with child care, tutoring—sometimes just talking to the people in the Centers. The dialogue helps both of them. A civil rights leader values the Neighborhood Services for reaching out through family workers into the homes: "Many people in poverty areas don't realize that their way of living is not normal until somebody points it out to them."

Participation of the poor is emphasized. "This is the first time an attempt has been made to get the poor to do things as a group," a businessman declares. And another respondent points out that the Centers provide "places where neighborhood people can discuss their problems together and act as a community rather than as individuals. Now they have a voice—and are more likely to be listened to by City Hall."

A social worker makes this point. "This program gets at the basic problem of the poor—their lack of communal and personal resources or power. The city's services come only in response to the organization of the community. If the poor are given encouragement, resources, hope, they'll do this. The Centers provide the poor with these things. The only lasting benefit to the community is to get people to do things for themselves and this means they must be in a power position from which they *can* do things for themselves and make requests."

Giving the target people a "voice" draws critical comments as well as praise. A newspaper reporter believes that "social workers encourage unrealistic projects," citing as an example "agitation to increase the level of welfare payments." Formation of an ad hoc committee and organization of a "March on Columbus" to push the issue were, the reporter believed, encouraged by CAC workers—"CAC denies this, but its people were always on hand." The respondent states strongly that "while this kind of activity may be okay, it disturbs the public in a conservative city like Cincinnati. The Neighborhood Centers weren't really set up to do this sort of thing." He also criticizes a voter registration drive held by the Centers: "These people don't vote and the drive was a big flop."

A labor leader disagrees: "Now these people can muster opposition to the power structure as never before." As examples, he describes organized protests in the West End that had blocked downzoning for a filling station and defeated an attempt to raise rents in public housing.

These incidents are also cited by a senior CAC official as showing the impact of the neighborhood program on local government. This staff member lists other, less dramatic examples: the bringing together of city departments and local residents to plan for the West End community; an increase in the number of Health Department clinics; more concentration on Housing Code enforcement; more attention to neighborhood improvements such as traffic signals, street lights, signs; a planned decentralization of recreation facilities.

"As the programs give the poor an increased feeling of identity," a businessman reports, "they begin to ask the Welfare Department to answer a lot of ques-

tions and explain its policies." Most of the social welfare workers among the respondents agree that the program has had an impact on Welfare Department operations. Another businessman explains that the City Welfare Director has been meeting with people from the Neighborhood Centers for two hours on Saturday mornings so that they could ask him questions. "One result has been that the Metropolitan Action Board, made up of representatives of the people served by the Neighborhood Centers, has been asked by the Welfare Department to serve on an advisory committee on welfare problems." The Centers' program is also described as having a tremendous impact on welfare operations in Clermont County. "It has resulted in improved programs, a greater readiness to listen to suggestions, and a work training program."

A lawyer declares that the neighborhood program "has increased the awareness of local welfare people of what welfare is all about— and that welfare hasn't done the job of getting people out of poverty." There is general agreement that the Centers and Services have also affected the approaches and techniques of the private social welfare agencies. "The agencies have acquired a heightened awareness of their distance from the poor," a CAC official said, "and they are trying to get in touch." He lists a number of ways this is being done—adding clients to agency boards; hiring nonprofessional workers, changing the pattern of services to increase decentralization and outreach. "Agencies are becoming more aware of the way services are offered," he declares. "There's less looking down their noses by the staff. They are under more pressures—and are more responsive to needs."

"As a result of OEO operating through them, the agencies have become more responsible," a political leader agrees, "but if OEO money dries up they would slide back into their old conservative ways."

A civil rights leader believes that some of the changes have been forced upon the agencies. Another respondent comments that the agencies "are observing OEO programs and searching for new approaches. But I'm not sure that they have found any meaningful new insights." One respondent who is personally active in the social welfare field believes the program has had relatively greater impact on the group work type of agency—such as the Boy Scouts and YMCA—than the casework organizations.

A lawyer cites another important point: "The program has clearly made the Community Chest more aware of where the needs are. This is the big reason for setting up the major evaluation of Community Chest programs that is now under way." A senior CAC official also refers to this self-examination by the Community Chest agencies as largely inspired by CAC.

There is disagreement among the respondents as to whether the neighborhood program is having any direct effect on the community's budget for welfare, delinquency, and other social problems. A CAC official believes "there is no way of knowing—there are too many variable factors, such as economic trends." Others point out some possibilities. An elected official observes that welfare expenditures have been reduced and Aid to Dependent Children cut in half. A social worker observes that welfare costs have dropped, but two others contradict this and state that costs have actually gone up as the result of more eligible people applying. Another elected official notes that the programs might be a factor in the absence of any juvenile delinquency riots. A labor officials is more positive: "the Neighborhood Centers, along with other OEO programs, have meant that Cincinnati, unlike some other cities, did not have poverty riots last summer—and the riots that did not occur saved the city a lot of money."

One businessman sees no savings in welfare, but believes the programs have helped reduce vandalism and juvenile delinquency. A lawyer agrees there has been some impact, "but it's hard to measure how much. Parents aren't doing their job with their kids—it is hard to say how much worse the situation would be *without* the OEO programs."

Expansion of the Neighborhood Centers and Services program was urged by three-quarters of the respondents. "Absolutely," said a senior CAC official. He points out that right now the problem is to hold onto the Centers already in existence—"but money should be provided for anywhere from three more to double the present number of centers and provide services not now available." An elected official agrees that "more money should be put into community action," but adds: "It should be directed into the more successful programs and expansion should be coupled with more research and firmer controls." Expansion of job training through the Centers was urged by a union official. A businessman points

out that some sections of Cincinnati, in need of Centers, lacked them: "For example, the East End of Cincinnati is a poverty pocket of Appalachians. This is a group whose problems have been overlooked—when we think of the poor we think only of the colored."

A civil rights leader believes that the program should be expanded both in Cincinnati's West End and in Northern Kentucky. "There should be more staff—both professional and nonprofessional at the Centers. All the staff, including volunteers, should have more training in community leadership. And there should be more consultants and staff for community research and planning." This respondent also believes that "youth components are needed at the Centers—a staff that concentrates on the problems of young people, such as they already have in the Evendale neighborhood."

A substantial minority of respondents are firmly against expansion of the Centers' program. "Not unless the need can be proved" a businessman declares. "It is all too easy to expand programs when we should be pruning them." A lawyer also casts a negative vote: "The program has enough money now—we should learn to spend it better, more efficiently." Two workers in the social welfare field also oppose expansion at this time, feeling that the program should instead be "sharpened and focused."

An elected official is even more negative: "Too much of the budget has gone into the Centers in relation to their value. Two million dollars has been spent, and there is no evidence to prove that the Centers are worth it. While the CAC cites the number of families served, this doesn't prove the value of the program." In his view, "this program raises false hopes among the poor. We just can't meet all their needs."

Most of the respondents paint a grey picture of what would happen if the Neighborhood Centers programs were curtailed or dropped. "The reaction of the people in the target neighborhoods would be a blend of disgust, apathy, and hostility—the proportions varying with the relation of each Center to the community around it," a senior CAC official declared. "Where the programs are good, the people would be very unhappy—in the West End neighborhood, for example, there would be mass demonstrations. But where the people are very poor there would be no reaction—they would be too far down the ladder."

A civil rights leader makes a similar prediction: "the Neighborhood Services program is the only one people would care about losing. In the West End there would be anger and frustration with a potential for riots." And another respondent, active in the civil rights movement, declares that "curtailment of the program would certainly increase the anger and frustration that we are trying to keep down to a reasonable level." A social worker predicts "marches on city hall."

A labor leader is equally outspoken. "Curtailment of the program would be the biggest crime of the century," he declares. "You can't slam the door in the faces of the neighborhood people. In time to come, if you awaken the expectations of these people and then slam them down again, there will be riots, like in Watts."

A businessman points out that "how much the neighborhood people think of the Centers is shown by how hard the East End is pushing to get a Center of its own. If the program were cut the people would feel the loss—they would really miss the opportunity to communicate with each other." Another business leader comments that "curtailment would certainly be a waste of effort and momentum." A lawyer states, "without professional workers and facilities people would slip back into the morass of hopelessness and indifference—not that they are all out now."

The respondents take a gloomy view of the chances of anyone picking up the program if it were dropped by OEO. A senior CAC staff member believes that local government lacks the money—and if it should try to carry on the program it would change the nature of the project. "Social welfare organizations are already doing their utmost just to provide the local contribution and fill in for anticipated cuts." Nor does he see any Federal agency as ready to pick up community action.

The community leaders are no more hopeful. The least negative comment comes from a businessman. "I would hope that local government would pick up the program—this is an obligation upon the community. We should have had a Neighborhood Center program before the War on Poverty even began. But the chances of local government acting are not too good."

There is slightly more optimism about the private agencies. Several respondents think they would try to carry on—and might do a little. But a respondent

familiar with fund-raising drives in Cincinnati points out that the Community Chest was "already raising eight million dollars a year and it would be hard to get more."

As for the Federal government, several respondents suggest that HEW might pick up the program; others suggest HUD or the Labor Department.

Head-Start

Head-Start is named by more than half the community leaders interviewed as a highly beneficial program. It draws the support of all respondents from the business community and individuals in most of the other categories. Many of the respondents discuss Head-Start jointly with a very similar but much smaller preschool program carried out to demonstrate the advantages of Montessori teaching methods.

The special value of these preschool programs is summed up by a CAC executive. "They compensate, *at the earliest possible moment*, for the inadequacies in health, welfare, and schooling of a disadvantaged child's environment," he states. "They give these kids a chance to catch up with their upper and middle-class peers so that they will have a fair start in school."

Most of the community leaders agree: "Head-Start attacks the basic cause of poverty—poor education—at a critical time, when the deprived individual is still young," one declares. Another notes approvingly that the program tackles all the problems of a deprived child—physical, social, moral, emotional—to "remove his predisposition to failure and give him maximum readiness for school." A journalist praises the program for giving underprivileged children some cultural background—"showing them there are other things." Several respondents particularly value the way the program involves parents.

The use of target area people as Teachers Aides in Head-Start classes is praised by an elected official for simultaneously making possible small classroom groups and giving useful jobs to the poor. This same respondent has particular praise for the Montessori program, as "the only one with evaluation built in." He adds: "It's expensive, but at least they know what they've achieved in relation to goals and objectives."

A businessman believes that the recent defeat of a special Cincinnati school tax levy gives Head-Start particular pertinence. Should lack of tax funds force the schools to drop kindergartens, "Head-Start would have to fill the hole that would be left."

Not all the evaluations of Head-Start are favorable. "Such programs are meaningless unless they organize people to change their environment," a civil rights leader comments critically. "Otherwise they are just hatching a new group of the powerless poor in the same environment."

Respondents differ on whether the programs have had any impact on the activities or techniques of local government. A CAC official believes that it has "loosened up the Board of Education to consider the value of child development programs—taking into account a child's physical and emotional needs—as contrasted to so-called 'pure' education." This respondent also believes that Head-Start has helped the school system to recognize the value of parent involvement and the use of nonprofessional Teachers Aides. "While CAC pays for 100 such Aides," he point out, "the Cincinnati Board of Education has hired 130 more. This is a real breakthrough."

In contrast, an official of the school system states he is not "sure there had been any effect." The same respondent, however, believes that the private social welfare agencies are "beginning to reappraise their own Day Care Centers in terms of Head-Start."

A senior CAC official does not see the program as having any effect on the community's budget for social problems. An elected official states that for the present "the program has actually increased public costs, since the school system is paying for its own preschool teachers. In the long term, however, there may be savings, since the Head-Start kids are less likely to become public charges."

In the view of a school official, Head-Start has probably had some effect in reducing the number of juvenile arrests. "The mothers of small children are likely to feel better about public agencies because of the program," he declares. "As a result, they are more ready to encourage their other children to accepted social behavior. They are less likely to be antisocial. This seems pretty definite—and is one reason Cincinnati has not had any major civil disturbances."

Expansion of the program is urged by a majority of respondents. A CAC executive declares that there should not only be more children enrolled in more

schools for longer training, but the program should be expanded into new areas—"for example, preschool programs are needed in Newport, Kentucky, where the Board of Education is very weak and there is no program of remedial help for the underprivileged."

An elected official, although critical of several other aspects of CAC gives a resounding "Yes" to expanding Head-Start. "We've only scratched the surface. Money should be taken from other programs and put into this one." Another respondent, noting that Cincinnati Head-Start now serves 1,300 children in the summer but only 575 during the school year, declares that "many more year-round classes should be held—summer classes don't come near doing the job. One year is a minimum—*two years would be better.*"

A businessman agrees and notes that "the Montessori people are seeking a program that would extend over two or three years." This respondent is worried by surveys "that seem to show that the benefits of Head-Start are lost after the child has been in a regular school a few months. These underprivileged children are not getting enough of a head start to see them through." A newspaper reporter has also heard that Head-Start benefits are lost "when the children go back to those horrible homes." The respondent declares: "Attempts should be made to *keep* the good effects—not just say Head-Start is no good because the effects don't last." Another respondent emphasizes that Head-Start should be followed up by adult education programs for parents.

The possibility that Head-Start might be curtailed has already produced a strong reaction in the community, a school official reports. "This OEO program has received more sympathetic support than any other," he states. "The people whose children are in the program are also strongly for it—many letters have been received from parents asking that Head-Start be continued." A social worker believes that Head-Start curtailment would flood the Day Care Centers—and other children would become "doorkey" kids, left alone all day. "There would be some increase in crime, children molested, etc. The parents would be upset." A businessman concurred. "Hopefully, many families would say 'our children need this education to do better than we have.'" But he concedes that some working mothers would merely regret the loss of their Head-Start "baby-sitters." A journalist doubts that there would be much, if any, visible reaction from parents—"they just don't realize the value of the program."

Opinions differ as to whether there is any hope of someone else picking up Head-Start if OEO dropped it. A CAC staff executive states that neither local government nor the private social agencies have the money to keep the preschool program going. As for other Federal sponsors—"sibling rivalry among the Federal agencies makes it certain that any agency that can get hold of the money will take the programs." But he warns that if HEW picked it up "they will provide help for the whole community—rich and poor alike—and the special needs of the poor won't be recognized."

Although one respondent believes that Head Start has a better chance of being carried on by local government than any other program, the failure of the special school tax levy is cited as making it unlikely. "In fact the Education Board is even talking of dropping kindergartens," this communtiy leader points out. As for the private agencies taking over, a school official believes that they might pick up some of the load "but nowhere near as much as the schools carry. The agencies lack recruiting and training facilities as well as the necessary physical facilities. Classes would have to be held in substandard rooms with inadequate personnel."

Several community leaders think there is a possibility that the Office of Education might come to the rescue under the Elementary and Secondary Education Act—"After all, Head-Start is more important than some present ESEA programs," a businessman states.

(The summer Head-Start program in Clermont County, carried out independently of those in Cincinnati, is discussed critically by a senior CAC official. He notes that while the schools generally like the program, some of the districts that need it most, such as New Richmond, are unwilling to accept it. This respondent believes there has been too little involvement of parents—an important element of the program—and not enough pains taken in the selection of the children, particularly in regard to income level. "There was also insufficient care in hiring Teachers Aides. These were supposed to be selected from among the parents of the children, but actually few of these were hired. Most of the Aides were college students home for summer vacation.")

Legal services

The Legal Services Program is named by slightly over a third of the community leaders as one of the most valuable CAC projects.

A senior staff member of the agency states: "This program has transformed the Legal Aid Society from an agency serving only middle class to one that also helps the poor. The salary of the director was increased from $8,000 to $13,000 a year, so that a better man could be obtained for the job, and the staff lawyers now devote full time to the agency, taking no outside clients. Representatives of the poverty population sit on the board of the agency."

The prevention of exploitation is considered the major value of the program by most of the respondents. "Now the poor have weapons to fight injustice." "Now poor people can find out what their rights are" were some of the comments. "We should have had this program before OEO—we didn't recognize the needs of our brothers," a businessman declares. He places particular stress on the value of having Legal Services offices in the target areas. "This enables poor people to get advice on a wide range of problems right in their own neighborhoods instead of having to go to a plush office downtown."

A notable achievement of the program to this respondent is persuading the city courts to accept recognizance bonds from defendants who thus escape paying high bail fees to professional bondsmen. "This not only means a saving for a poor person but improves his attitude toward the community by giving him the feeling he is trusted," the respondent states. "If local government doesn't trust these people, they won't trust the government."

A leading attorney views the program as beneficial, but comments that it could have been carried out for less money. A school official declares "the program is still new and its value is just being recognized. If its successes are seen it will boom—it's just a matter of promotion."

One respondent hopefully notes that the program might decrease the need for the private social agencies, by helping poor people to keep out of trouble. For the same reason, he believes it might decrease the community's expenditures for crime and delinquency.

Asked whether there is a need for expanding the program, an elected official sees this as impossible to judge without a general evaluation of CAC projects. Others are less cautious. A journalist urges expansion into more areas—"People are unlikely to get on a bus and start off to find a Legal Aid office. Many don't have the money to do so." A businessman declares that "there should be six more Legal Aid offices in addition to the four present ones. There should be one in each Neighborhood Center."

The same respondent predicts that curtailment of the program would bring "the shyster right back in there with high interest rates and all the other evils." He adds, however, that the recognizance bond might survive the end of the program as a permanent reform.

Should curtailment come, some respondents believe, the Legal Aid Society might try to carry on with the help of the Cincinnati Bar Association—"but they couldn't continue the program in the same manner."

Foster Grandparents

Only two respondents—both businessmen—single out the Foster Grandparents program as highly beneficial but they are enthusiastic advocates. On the other hand, three other respondents list the program as one of the less valuable CAC projects.

"The Foster Grandparent program simultaneously helps both children and the elderly," one of its supporters declares. "The foster grandparent, an elderly person, fills a gap in the life of a child by providing parental love. The child—anywhere from 1 to 5 years old, lives in an orphanage, a hospital, an infant home. Five days a week his 'grandparent' visits the child, holds him, feeds him, plays with him—and loves him. Human beings are born with a need for parental love and these children have no parents to give it to them."

The "grandparents" are paid $1.25 an hour, the respondent explains: this small income is enough to keep some of them off relief. "But the thing the grandparents talk about is not the income, but their happiness. Before they were lonely. Now the grandparents have a light in their eyes because they feel that somebody needs them after all."

The respondent believes strongly that the program should be enlarged to cover every parentless child in the eligible age group. "Other social agencies will want to enter the program when they see that it works," he declares.

What if the program were cut instead? The effect on the children, the businessman believes, "probably wouldn't show up until adolescence." But, he adds, "the grandparents would be returned to a void. While the program lasts, they are living happier and probably longer lives. The activity may well be keeping some of them out of mental institutions."

Little likelihood is seen that local government would pick up the program—"they have never recognized the problem in the past." The voluntary agencies are viewed as a possibility: "Catholic Charities might turn the program over to the St. Vincent de Paul Society, which has elderly members." Or possibly HEW might provide Federal money under Aid for the Aging.

Critics of Foster Grandparents downgrade the project in relation to other programs. "It may do some good for older people," an elected official declares, "but it won't break the poverty cycle. It would not be high on a priority list." And a businessman states: "I am not sure the Foster Grandparents program is near the center of the target." A journalist believes: "this is a nice program but too small in scope to have much impact—and I don't know what good it is going to do either. The main emphasis should be taking care of the young, rather than working with the old."

This respondent adds: "I can't see paying people to do a job that volunteers will do," a sentiment echoed by a businessman. But a supporter of the program gives this answer: "The social welfare agencies tried the same thing before OEO, but using volunteers. It didn't work. You couldn't count on the volunteer grandparents to show up."

Lighted Schools

The Lighted Schools program is praised by one community leader, a civil rights leader. (The Lighted Schools are public schools kept open in the evening.) The respondent points out that "the Lighted Schools are the only place in most target neighborhoods where the entire family can go together in the evening. The activities there—neighborhood clubs, discussion groups, self-improvement courses, for example—bring family members closer together." The program also gives families a sense of community spirit and "provides opportunities for self-improvement and gives individuals a heightened self-image."

The respondent believes that as a result of this program families that had been on welfare for two generations were becoming conscious that there was another way of life. "As they become aware of their own plight," he states, "they begin to demand more of the Welfare Department." In the long run this may mean higher welfare costs as the demand grows for a more realistic level of payments.

The program is described as a definite factor in reducing delinquency—"kids go to the Lighted Schools at night instead of roaming the streets." The respondent believes that the program needs more workers, to increase the amount of family involvement. He also urges the addition of more schools to the program and the "opening of schools around the clock."

Curtailment of the program, the respondent declares, would "leave the people out on a limb and angry at the government. Many of the Lighted Schools programs would stop entirely."

Adult Literacy

The Adult Literacy program is strongly supported by a journalist. "This program gives people a chance to better themselves by preparing for better jobs," the respondent declares. "At the same time it gives those who are parents a better understanding of how important it is for their children to get an education." The reporter, pointing out that most of the classes were in the West End neighborhood, urges expansion of the program to provide classes in all the target areas. "And if possible, some classes should be scheduled at times when *men* can attend—most of those going to the classes now are women."

Curtailment of the Adult Literacy program would upset and discourage the people it serves, this respondent contends. "If you take the trouble to go to a class to learn to read and write and then somebody cuts it off, you'll be pretty disgusted and blame the government."

The Clermont programs

Although rural Clermont County is part of the area covered by the Community Action Council of Cincinnati, its antipoverty programs are separate and administered locally by a CAC office in the County.

The senior CAC staff member most intimately concerned with the Clermont programs lists two of them as among the most effective: the CAC office itself and the Dental and Well-Child Clinics. Because none of the community leaders reached by this study came from the Clermont area, the comments that follow are entirely from the staff respondent.

1. *The Clermont Office of the Community Action Commission.*—The CAC office in Clermont is described as essentially a catalyst for bringing people together to work on the problems of this depressed rural area—"people come to us for coordination on joint projects—getting them started." The CAC office tries to build local leadership—"a slow job"—while working for the simultaneous social and physical development of the area—"you can't go ahead on a basis of just concrete and bricks and steel."

Examples of activities in this role include:

A County Improvement Corporation to finance new industry and develop industrial parks;

An Industrial Development Commission that initiates a variety of other programs;

Planning for a Metropolitan Housing Authority;

An Adult Education Council;

A Community Attitude Commission, concerned with such improvements as clean-up campaigns;

A Recreation Committee.

"Previously there was no attempt to unify the County through joint projects and there was distrust of neighboring Hamilton County (Cincinnati). There was no attempt at industrial development."

CAC activity led the Clermont County social service agencies to expand their efforts and join in providing information about the social services available, as well as in setting up a Volunteer Service Bureau to find people willing to give their services to social welfare programs.

There has been a marked decrease in Clermont County's welfare budget, for which CAC activity may be partly responsible.

CAC activities should not be expanded in Clermont at this time: "We are pushing as hard as we can—if we do any more we'll antagonize people."

The programs are not yet strong enough to be carried out by local resources. If CAC activities were cut "the situation would in many cases slide back to what it was before." Adult Education programs and Clermont Industrial Development activities, for example, would stop. A proposed new hospital for the County would be delayed in getting off the ground. On the other hand, housing plans for the County would continue.

No alternative sponsor, local or Federal, is seen for the Community Action program, should OEO bow out.

2. *The Clermont County Health Clinics: Dental and Well-Child.*—The Clermont clinics were established only over the opposition of the local Health Commission. Aid was received from housing and other officials in setting them up. Before these clinics were established there were no health services for poor people in Clermont County.

Most of the people who come to the clinics have never seen a doctor or a dentist—90 per cent of the children have serious dental problems. In six weeks the clinics uncovered 69 different kinds of health problems, from tuberculosis to eye tumors.

The clinics start children off in life with a strong foundation of good health—important to their ability to learn in school, their future contribution to society, and their personal happiness.

The clinics have no direct impact on local government, since they do not serve young people on welfare, who are covered by Title 19 of Medicare. The clinics do, however, work closely with the social agencies, with cross-referrals. The result is better identification of the poor who need help. So far there has been no evidence that the project has had any effect on the community's social problems budget, either favorable or unfavorable. However, availability of the clinic services might conceivably reduce pressure on parents to turn to crime to get money for family needs.

The program should be expanded—in several ways. Although it would not be practical to set up additional clinics at this time, the size of the present clinic should be doubled. There is now only enough money to run the Dental Clinic for 35 weeks a year and the Well-Child Clinic for 24 weeks. As a result appointments must be scheduled months in advance. The clinics should also be expanded

to take care of adults. (An adult dental clinic proposal was submitted, but turned down.)

Cancellation of the program would be a severe blow to the poor people of Clermont County. If this should happen, the County itself might try to cover part of the expense. The private social welfare agencies might want to pick up the project—but it is hard to see how they could manage it: it is very difficult to raise money in Clermont County.

As for other Federal help—HEW might take the clinics over. "At least it would be worth a try."

(The Clermont Clinics draw critical comments from an elected official among the Cincinnati respondents. He questions the need for the clinics on the grounds that there are already four hospitals—outside the County—serving Clermont residents.)

Other programs

A few programs draw only unfavorable comment. *Talbert House*, a program for paroled prisoners, is criticized as too special in nature and too far removed from the main antipoverty effort to be appropriate to the Community Action program.

The Small Business Development program is described by several respondents as ineffectual. Some believe that its weakness is due to an inability to get loan applications approved further up the line. A social worker declares flatly that SBD suffered from "poor leadership and inadequate professional staffing," and adds: "Also, the financial community has not been sufficiently involved in its activities."

Some programs were not discussed, in most cases because they are too specialized in nature to be of general interest. In this group are the Dental Services Program, Family Planning Service, Therapeutic Recreation Program in Institutions for the Aged, the Lincoln Heights School Social Work Project, the Preschool Program in Lincoln Heights, and the Salvation Army Case Work Program in Clermont County.

This study did not involve community leaders in the three Kentucky counties. However, the major programs in these areas parallel the most widely discussed programs in Cincinnati, Neighborhood Facilities and Head-Start.

AWARENESS, PARTICIPATION, AND BENEFITS TO FAMILIES

1. In Cincinnati 4 out of 10 respondents, living in poverty areas contiguous to the Neighborhood Centers, report that they are aware of the programs and activities sponsored by the "War on Poverty." This incidence of awareness is lower than the average reported for the nine communities studied (6 out of 10).

	Total contacts	Total contacts, Cincinnati
Number in group	5,720	602
Unaware of program (percent)	38	60
Aware of program (percent)	62	40

2. Among the households contacted in Cincinnati, participation in OEO "War on Poverty" programs by one or more family members is reported by 3 out of 10 respondents—slightly higher than the participation level (1 in 4) noted for the nine communities, on the average. Taken as a function of awareness, the incidence of participation in Cincinnati is at a much higher level (almost 8 out of 10) than is reported among the nine communities studied (4 out of 10).

3. Those who participated in the CAA programs in Cincinnati (the "affected poor" [1] interviewed) have, by and large, similar characteristics to the "affected poor" interviewed in the nine areas.

A high proportion are under 35 (about 4 out of 10).

The average household size is about the same (5.8).

Unemployment is as prevalent—3 out of 10 reporting no family member employed.

[1] Those respondents reporting participation by a family member in one or more programs are identified as the "affected poor."

Their per capita income is parallel—$670.

Most of the families report having one or more children (age 5–18) living at home.

The majority of families are fully formed—with both parents present in the household.

However, some differences exist which set them apart from the total "affected poor":

A high proportion are Negro (3 out of 4)—as compared to the Negro distribution of about half in the nine areas as a whole.

They are not as well-educated as the total "affected" group—2 out of 10 have completed a high school education as compared to 3 out of 10, on the average, in the nine communities.

4. The critical needs reported by the "affected poor' 'interviewed in Cincinnati follow the same pattern as those expressed in the nine communities in aggregate. These needs revolve around three basic issues—their children, their finances and their health. Of lesser importance in both Cincinnati and the total poverty population studied are those factors relating to education, job opportunities and material benefits.

5. The most widely used program, among those who were eligible[2] in Cincinnati, is Head-Start. In about 2 out of 3 of the families eligible, the head of household reported that one or more of their children has participated in the Head-Start program. Interestingly, this incidence of participation is on a lower level than was reported by the nine communities in total—where participation was almost universal (99%). Considering the other programs available in Cincinnati, participation by eligible families varied significantly—from 1 out of 2 heads of households reporting participation in Health Programs to less than 1 out of 10 heads of households reporting participation in Household Management (administered through the Neighborhood Centers). Another difference between Cincinnati and the nine areas combined is the high reported utilization of Education Help for Grade School Children (believed principally to reflect the Lighted Schools program)—by a 4 to 1 ratio.

6. In almost all (9 out of 10) of the households, in Cincinnati, where a child was enrolled in the Head-Start program, the head of household reports that a change, primarily for the better, has taken place in their children.

Indirect benefits—such as more interested in school, eager to learn and gets along better with children—are reported in more than 9 out of 10 households. Direct effects—reported by somewhat fewer than 9 out of 10 households—include benefits such as doing better school work, speaks better and learned to read and write.

Both direct and indirect benefits are on a par with those reported by the total "affected poor" in the nine communities.

Heads of households in Cincinnati attribute essentially the same benefits for themselves, as was reported by the total "affected" group—with about half reporting that they have been positively affected by the child's participation in the Head-Start program. The majority of benefits are indirect (at about the 50% level), e.g., child getting more attention, get more done around the house, nicer to child, etc.,—rather than direct (at the 15% level)—e.g., able to shop better, get work, and take courses.

In general, the participants in other programs in Cincinnati, aside from Head-Start, also reported major benefits. The number of participants in these programs, however, are too few to permit separate reporting for Cincinnati. The quality of the benefits of each of the programs is described in the volume entitled "Detailed Findings of Study to Determine Effects of CAP Programs on Selected Communities and Their Low-Income Residents" where data are presented for all nine communities in aggregate.

Chairman PERKINS. The committee will be in recess until 9 o'clock tomorrow morning.

(Whereupon, at 5:20 p.m., the committee was recessed, to be reconvened at 9 a.m., Friday, July 28, 1967.)

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[2] Eligibility is defined as those families who meet the requirement for participation (e.g., for Headstart—the presence of a child).

(The following material was submitted for the record:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., July 3, 1967.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In reading the transcript of the June 21 hearings on the Economic Opportunity Act Amendments, we noticed that some concern was expressed about the relationship between Upward Bound and Talent Search. Since we are responsible for the administration of the Talent Search program, we thought that our view of the differences between them would be helpful to you.

The differences are these:

1. MISSION

Upward Bound's mission is to *prepare* under-achievers for college. As OEO's statements put it, "students selected for Upward Bound shall be those who have potential for success in college or other post-secondary education, but whose present level of achievement and/or motivation would seem to preclude their acceptance in a college, university, or other post-secondary institution." So far as we understand the program, this is an accurate description.

On the other hand, Talent Search's mission is not a preparatory program but, as stated in the Higher Education Act of 1965, one of *identification and encouragement* of "qualified youth" to complete secondary school and undertake post-secondary education, and encouragement of secondary school or college dropouts to reenter educational programs. While there is some small overlap with the Upward Bound target youth, "qualified youth" under Talent Search are limited to those with good high school records, good enough to qualify them for college entrance. Upward Bound serves the harder core youth with a poor high school record, who require major remedial programs.

Upward Bound serves "poor youth with *undemonstrated* aptitude" who might, if given intensive academic remediation and enrichment, be prepared for post-secondary education. Essentially this means that Upward Bound works primarily with under-motivated youth. Talent Search, on the other hand, generally serves poor youth "with *demonstrated* aptitude" providing college admission and financial aids counseling for such youth.

2. PROGRAM

Upward Bound provides to poverty youngsters, at no cost to them, the full range of academic pre-college courses in residential summer schools and by tutoring and special classes during the school year. Medical and dental care is provided as well as a weekly stipend of up to $10 per week per student while on campus.

Talent Search, on the other hand, counsels qualified youth about college careers and publicizes college admissions and financial aids data. Any remedial or compensatory work would be incidental. Subsistence, medical and dental care, and stipends are not provided.

3. FINANCIAL STATUS

Upward Bound is currently serving 22,000 poor youth in 250 projects at a Federal cost of approximately $1,250 per student. The faculty/student ratio is 1:7.

Talent Search currently serves 250,000 to 500,000 students in 57 projects at a Federal cost of $5 to $10 dollars per student. The counselor/student ratio is 1 to 1100—1 to 2200.

4. COMMUNITY INVOLVEMENT

Upward Bound projects operate in conjunction with Community Action Agencies and the universities and colleges to provide counseling, remedial, and supporting services and to identify youth.

Talent Search, on the other hand, relies mainly on college and high school personnel for its counseling and publicizing projects, and the extent of community involvement varies from project to project.

The programs are presently quite distinct in their specific objectives and operations. Much of what is learned through Upward Bound, however, has been and will continue to be useful to us in the administration of the Talent Search program.

We feel that it is essential to continue to support Upward Bound and the improvements it is bringing about in dealing with the problem of reclaiming talents that would otherwise be lost. A change at this time would, we believe, imperil the substantial progress which is being made in helping disadvantaged youngsters develop their talents to the full reach of their potential.

Sincerely,

JOHN W. GARDNER, *Secretary.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., August 10, 1967.

Hon. CARL D. PERKINS,
House of Representatives,
Washington, D.C.

DEAR MR. PERKINS: At the time I appeared before the House Education and Labor Committee on June 23, 1967 in connection with the authorization hearings for the Economic Opportunity Act, requests were made for the following:

(1) a breakdown by sex for Title V trainees who left projects for reasons other than employment, entered advanced training and completed assignment. This information is contained in the enclosed table providing data for the period December 1964 through April 1967.

(2) an interpretation of Section 503(b) of the Economic Opportunity Act regarding the 36-month limitation on an individual's participation in a Title V project. Enclosed is a copy of a memorandum dated July 11, 1967 from Mr. Joseph H. Meyers, Acting Commissioner of Welfare, which incorporates the construction of this section by the Office of General Counsel of the Department of Health, Education, and Welfare.

(3) a "rebuttal" of the Community Associates, Inc. "Case Study of Leslie, Knott, Letcher, Perry (LKLP) Community Action Council, Eastern Kentucky prepared for U.S. Senate Committee on Employment, Manpower and Poverty." Enclosed are comments, as requested, from the viewpoint of the Title V, Work Experience and Training Program.

(4) comments on the staff paper entitled "Work Experience and Training" prepared by Dr. Sar Levitan for the Sub-Committee on Employment, Manpower and Poverty of the Senate Committee on Labor and Public Welfare. Enclosed is a general statement regarding Dr. Levitan's paper and specific comments on a number of items in the paper.

Sincerely yours,

LISLE C. CARTER, Jr.,
Assistant Secretary for Individual and Family Services.

Enclosures.

Work experience and training program—Other reasons for termination by sex, December 1964 to April 1967

Reasons for termination	Total		Male		Female	
	Number	Percent	Number	Percent	Number	Percent
Total	47,700	100.0	20,964	44.0	26,736	56.0
Good cause	17,363	36.4	5,900	12.4	11,463	24.0
Disability and medically unqualified	10,017	21.0	4,247	8.9	5,770	12.1
Child care	3,721	7.8	324	.7	3,397	7.1
Ineligible	1,908	4.0	830	1.7	1,078	2.3
Hours of work	190	0.4	38	.1	152	.3
Transportation problems	1,002	2.1	240	.5	762	1.6
Educational limitations	525	1.1	221	.5	304	.6
Not good cause	15,407	32.3	8,259	17.3	7,148	15.0
Poor attandance	8,825	18.5	5,224	11.0	3,601	7.5
Dissatisfied with assignment	3,339	7.0	1,396	2.9	1,943	4.1
Lack of progress	1,955	4.1	702	1.5	1,253	2.6
Misconduct	906	1.9	634	1.3	272	.6
Refused assignment	382	0.8	303	.6	79	.2
Projects terminated	2,814	5.9	1,038	2.2	1,776	3.7
Other (reasons not specified)	12,116	25.4	5,767	12.1	6,349	13.3

INTERPRETATION OF SECTION 503(b) OF THE ECONOMIC OPPORTUNITY ACT

I understand that when you testified before the House Education and Labor Committee in connection with authorizations under the Economic Opportunity Act, the Chairman, Congressman Carl D. Perkins, requested a construction of the 36-month limitation on participation in Title V projects. The following reply has been received from the Office of General Counsel:

"This is in response to your request for an interpretation of section 503(b) of the Economic Opportunity Act of 1964, as amended. Section 503(b) reads as follows:

> Work experience and training programs shall be so designed that participation of individuals in such programs will not ordinarily exceed 36 months, except that nothing in this subsection shall prevent the provision of necessary and appropriate follow-up services for a reasonable period after an individual has completed work experience and training.

The provision in the House bill was identical to the one enacted except that the limit was 24 months. The House report, H. Rep. No. 1568, 89th Cong., 2d Sess., p. 22, contains the following statement:

> No individuals can participate in these programs for over 24 months, although followup services can be extended for a reasonable period after the completion of work experience and training.

The Conference Report H. Rept. 2298, 89th Cong., 2d Sess., p. 35 states:

> The conference substitute differed from the House provision by extending the limit on the duration of work experience and training programs from 24 to 36 months.

It seems clear from the language of section 503(b) that the 36 months' limitation applies to individual participation in work experience and training programs and not to the programs or projects themselves. This is reinforced by the House Committee report. The language in the Conference Report suggests the contrary, but is directed to the length of the period rather than its effect, and in any event would not, in our opinion, override the clear language of the statute. Thus, it would be permissible to extend or review a project which has been in operation for three years or more.

Although the 36 months' limitation is imposed on individual participation, the statute directs that it be achieved through project design. Accordingly, in the formulation and approval of projects—and especially in connection with grants for periods approaching or extending beyond the project's third birthday, as well as for periods thereafter—particular attention must be given to compliance with the statutory limitation.

Section 503(b) allows some flexibility in directing that projects be designed so that individual participation will not *ordinarily* exceed 36 months. There is implicit recognition that, while participation in a work experience and training program for three years or less may be sufficient for most individuals, there may be some few (perhaps especially disadvantaged) individuals for whom a longer period is necessary.

Also, in the carrying out of a project, there may be specific cases where an individual has been ill or for other good reason prevented from following his employment plans or training schedule, so that his participation in the program beyond 36 months would be warranted. Similarly, if a participant has fallen behind and can complete his schedule within a few weeks, an extension might be granted. These are only examples, and we do not attempt here to envisage all of the situations that would justify an extension.

The House Committee report states that no individuals can participate in the programs for more than the specified limit. We do not view this statement as superseding the language of the statute, but it does indicate the committee's intention with respect to section 503(b), and it suggests the need for restraint in allowing individuals to participate in projects beyond 36 months.

COMMENTS FROM THE VIEWPOINT OF THE TITLE V, WORK EXPERIENCE AND TRAINING PROGRAM ON THE "CASE STUDY OF LESLIE, KNOTT, LETCHER, PERRY (LKLP) COMMUNITY ACTION COUNCIL, EASTERN KENTUCKY (WHITESBURG, KENTUCKY)

Although this report deals primarily with the community action program in the four designated counties, some references are made to the Work Experience and Training Program authorized under Title V, Economic Opportunity Act and administered by the Department of Health, Education, and Welfare. The Work Experience and Training Program in these four counties is part of a 19-county

project in Eastern Kentucky which provides work experience and training for approximately 3,800 unemployed fathers.[1] The Kentucky Department of Economic Security administers the Title V, Work Experience and Training Program under a grant of $12.5 million in Federal funds for fiscal year 1967. Although the Kentucky Legislature in 1964 passed enabling legislation for the State to claim Federal matching for aid to families with dependent children in need as a result of unemployment of a parent, necessary State matching funds have not been appropriated for the past several years. Neither the State nor localities provides general assistance in the 19-county area so, aside from the Economic Opportunity programs, there is practically no other means of livelihood for large numbers of families headed by unemployed fathers. Most of these men previously earned a living working in the mines. They are a somewhat older population (average age 39) with a relatively low educational level (almost 36 percent of all Title V trainees had completed only the fourth grade and under.)

The Community Associates, Inc. study is generally favorable with respect to the Work Experience and Training Program except (1) to charge a lack of imagination in utilizing participants for a variety of purposes including construction of dams, low cost homes for public assistance recipients, aid to community development, etc. (reference is made to suggestions offered by trainees themselves in the April 1967 issue of the "Sorry Times"); and (2) the opinion "that the vocational training has been weak, due primarily to lack of suitable heavy equipment, and some field supervisors who are 'straw bosses'." (The latter reference is not too clear.)

With respect to the first point, it is agreed that the suggestions for program activities made by the Work Experience and Training trainees themselves offer some excellent possibilities. On May 31, 1967, staff of the Welfare Administration (Department of Health, Education, and Welfare) met with a representative of the Mid-Atlantic Regional Office of the Office of Economic Opportunity to discuss possible implementation of these suggestions. It was learned that the Office of Economic Opportunity is in a position to secure heavy equipment (Government surplus property) from the General Services Administration, which will be of major assistance in carrying out some of the activities suggested. Other activities, such as construction of low cost housing for welfare recipients, are not authorized by law as far as the Title V program is concerned. However, while construction of housing is not authorized, Title V trainees in Eastern Kentucky have received training in home repair skills through patching the roofs, fixing broken doors, and windows and otherwise making the rundown homes of public assistance recipients more habitable. It should also be pointed out that there has been considerable work done under the Title V project in Eastern Kentucky in the way of conservation of natural resources, beautification of roadsides, renovation of classroom and other public buildings, building of bridges to enable children to attend school, repair of roads so families can get into town, clearing of streams for fishing and recreational purposes, etc. An example of such activity was observed [2] in Wolfe County, Kentucky which is rated the second poorest county in the United States. Here some 150 unemployed fathers are enrolled in the Title V program. Under a project sponsored by the Soil Conservation Services, approximately $1 million worth of flood control work has been provided by Title V trainees in the Red River Valley. A garbage dump was constructed on land donated by a private citizen. April 13, 1967 was designated as the town's first "Clean-up Day" with Title V trainees manning borrowed trucks to pick up trash collected by local residents.

The second point of criticism made by the Community Associates, Inc. report is with respect to limited vocational training provided under the Title V project. This point should be considered in relation to the characteristics of the group being served in Eastern Kentucky. As pointed out previously, about 36 percent of the trainees have completed only the fourth grade or under (about 6 percent reportedly had no schooling at all). Consequently as a first step in upgrading their employability about 95 percent of the trainees were enrolled in adult basic education courses. This was carried out right from the beginning of the project in January 1965 with the wholehearted cooperation of the State Department of

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[1] The other 15 counties included in this project are Bell, Breathitt, Clay, Elliott, Floyd, Harlan, Jackson, Knox, Magoffin, Martin, Menifee, Morgan, Owsley, Pike and Wolfe.

[2] During a visit on March 27–30, 1967, by representatives of the Office of the Secretary, Department of Health, Education, and Welfare and Office of the Commissioner, Welfare Administration, D/HEW.

Education in making available funds under Title II–B of the Economic Opportunity Act to cover the cost. As a result of this initial effort, it was possible for 476 trainees to advance into high school equivalency courses by 1966. Since, until quite recently, Manpower Development and Training Act was not an available training resource in this area, funding for some 200 full-time one-year vocational educational training spaces was approved under the Title V project on July 28, 1966. This number was being further expanded when additional MDTA training resources were made available last spring.

Another significant training resource under Title V has been the provision of on-the-job training through the use of private employers. 658 trainees have been assigned to such placements with an almost 100 percent success rate as far as securing resultant employment. In fact, taking into account the prevailing economic conditions in this area,[3] the 33 percent job placement rate is quite favorable. A report for the period January 1965 to May 1966 shows that a total of 1,936 trainees had been terminated from the project during this period. Of this number, 943 (48.7 percent) had been involuntary due to agency policy (regarding absenteeism, misconduct, etc.) and 993 (51.3 percent) had been voluntary. Of the voluntary terminations, 640 (64.5 percent) had left the project because of having obtained employment.

A labor mobility demonstration project was approved as of July 1, 1966 in this area sponsored jointly by the D/HEW and the Department of Labor. The cost of actual relocation of family heads and their dependents is paid by the Department of Labor grant. The D/HEW grant covers financial assistance, if and when needed, medical care, and casework and related services before and after relocation. There have been 83 participants in the demonstration project who have been relocated from Eastern Kentucky, most of them to Lexington, Louisville and the northern part of Kentucky, with some working in Indiana, Ohio, and Virginia. These men found jobs as material handlers, painters, assemblers, truck drivers, and auto body repairmen with rates of pay ranging from $1.74 to $2.46 per hour. As of April 15, 1967, 208 trainees in the Kentucky Title V project have been referred to the Division of Employment Service under the mobility demonstration and were interested in being including in the demonstration. A number of these trainees are located in the four counties covered by the Community Associates, Inc. report. Most of them would not have been brought to the point where they could relocate and qualify for jobs in other communities were it not for the services they received under Title V.

Apparently the inference which the Community Associates, Inc. report tries to make is that vocational training is limited because of the use of "straw bosses." We assume this is with reference to the use of selected Title V trainees to serve as crew foreman for other trainees engaged in work experience. The purpose is to provide closer supervision to smaller groups of trainees (one foreman to crews of 10–20 trainees). A two-week foremanship (crew chief) course is provided under contract with the Uuniversity of Kentucky. Since the crew chiefs are among the most successful in moving into vocational training and private employment, it is necessary to reschedule the training course periodically in order to fill vacancies. The use of crew chiefs is not intended as a means of providing vocational training but is intended primarily to supplement project staff supervision of work experience to assure that the work experience is actually instilling good work habits.

The Community Associates, Inc. report devotes considerable attention to the manpower coordination problems (see especially Appendix III). It should be noted that need for coordination in this area is of fairly recent origin since up until recently the Work Experience and Training program under Title V was practically the only work-training program in this depressed area. Parenthetically, it might be added that a recent analysis made by the Office of Economic Opportunity showed that the Work Experience and Training program has put more money in the 182 poorest counties in the country than any other anti-poverty program, although it is not one of the largest poverty programs. As a result of other manpower programs beginning to concern themselves about the problems of the bottom layer of the poor, we can expect to find more and more need for coordination. In this respect, the Cooperative Area Manpower Planning System (CAMPS)—of which the Title V program is a fully participating part—should afford a mechanism for bringing about a more effective deployment of resources

[3] The Community Associates, Inc., report indicates unemployment rate in some counties as high as 53 percent, although it states that its data may be off as much as 10 percent to 20 percent.

to meet needs. The Community Associates, Inc. report states that under the CAMPS all participants agree "not to relinquish any of their statutory powers" and hence implies the effort will not "yield satisfaction to income-hungry men in Eastern Kentucky." Obviously agencies cannot divest themselves of responsibility which has been assigned to them by law unless there is specific legal provision for this to be done. Nonetheless, the CAMPS holds promise for achieving closer working relationships among the various programs and for the more effective deployment of resources. The sharing of program information alone among the various agencies is one important benefit. In fact, if a local CAMPS coordinating committee had been operating in this area, the difficulty referred to in this report regarding difficulty in understanding policies, rules and regulations and criteria for referral to the various programs (Work Experience and Training, Manpower Development and Training Act, on-the-job training and Nelson-Scheuer projects) would have been largely eliminated. Since the CAMPS effort was initiated only this year by the Department of Labor on an inter-departmental basis, it is not yet fully operative in all geographic areas (such as this one).

The initiation of manpower programs (other than Title V, Economic Opportunity Act) came about largely as a result of the curtailment of the Work Experience and Training Program due to the imposition of a 12½ percent ceiling on the amount of funds which can be allocated to any one State. The impact of this in Eastern Kentucky was a decrease in funds from around $17 million in fiscal year 1966 to $12.5 million in fiscal year 1967. In terms of trainees, this meant a reduction from about 5,100 in February 1967 to 2,800 or 3.000 by September depending on how fast trainees could be phased out. Every effort was made not to disrupt trainee participation in vocational training programs which were underway or trainee enrollment in high school equivalency courses. At times, this presented problems as the programs, such as MDTA, which were being developed required higher qualifications which only the advanced Title V trainee already involved in a training or high school equivalency program could meet. The reaction of a Community Action Director is described in Appendix III of the report where he states "We were not even told what policy would prevail in making the selections. This caused a considerable delay since we were forced to fight for our rights. We simply refused to hire many from the first batch of referrals." This was obviously no solution for the former Title V trainees who are among this "first batch" who did not qualify for Nelson-Scheuer projects. Another hitch developed when question was raised about the eligibility for medical benefit coverage under Title XIX of the Social Security Act for former Title V trainees and their families who were transferred for Nelson-Scheuer projects and other manpower programs. This is now being straightened out so the participants under Nelson-Scheuer projects will qualify. However, in view of this uncertainty plus the lower level of payment and short-term nature of the Nelson-Scheuer projects, it is no wonder that the unemployed fathers originally on the Title V program have indicated their strong preference for *meaningful jobs* with *decent income*—not so much on training. They are critical of the *different income range* for differently sponsored programs. In their perceptions, there really wasn't much of a difference in the programs, except as they differed in income.

Their solution would be then, assigning enrollees to work programs based on *income needs* (size of family, e.g.) rather than on degree of education, literacy and potential for learning a skill.

In view of the characteristics of the group and the prevailing economic conditions of the locality in which they live, this seems a very realistic solution. It does not, of course, provide a cure for the widespread poverty in this region which requires, as this report recognizes, large-scale economic development. The solution recommended does, however, afford the means of meeting the financial and health needs of individual families at the same time the father is provided the opportunity to engage in constructive work activity and training where appropriate.

Among existing programs, the ones expressly designed to meet these requirements are AFDC-UP combined with a Community Work and Training Program under Title IV of the Social Security Act. Unfortunately, the State of Kentucky has been unable to come up with the necessary matching funds to implement these two provisions. Of the programs which are available without substantial State matching, the Title V Work Experience and Training comes closest to serving the purpose.

The Community Associates, Inc. report implies that another defect of the Title V program is that it is administered by the State public welfare agency. The main criticisms made in the report against the public welfare agency are: (1)

"secrecy" surrounding rules and regulations governing the program; and (2) fear on the part of trainees of "retaliation by the welfare bureaucracy" if they express opposition to the way the program is being operated.

The report refers to an article in the Mountain Eagle (November 17, 1966) which quotes attorney Harry M. Caudill of Letcher County (author of *Night Comes to the Cumberlands*) as saying that "neither he nor any other Kentucky attorney that he knows of has been able to obtain a copy of the rules and regulations which govern the everyday lives of the recipients." On the other hand, Mr. C. Leslie Dawson, Commissioner of the Kentucky Department of Economic Security, stated in a telephone conversation on July 11, 1967 that any group or individual who is representing a dissatisfied claimant will be provided with a copy of the manual of public assistance policies. He further advises that a copy of the manual is available in every local public welfare office for the inspection of any person who wishes to see it and public welfare staff has been instructed to offer all necessary assistance in finding the information being sought. Following the visit of a member of the staff of the Office of the Commissioner, Welfare Administration, to Whitesburg on March 27, 1967 a copy of the Federal Handbook of Administration of the Work Experience and Training Program was sent to Mr. Tom Gish of the Mountain Eagle. The letter of acknowledgment stated that it was found "very useful reading (if a bit dry)."

The Community Associates, Inc. report cites the dissolution of a committee of Work Experience and Training enrollees organized to *Save the Jobless Program* as due to a "combination of the availability of on-the-job training, the Nelson Amendment programs and to fear of retaliation from the welfare bureaucracy." No evidence is presented to support this charge regarding "retaliation from the welfare bureaucracy." It is known that applicants and recipients who are dissatisfied with the Work Experience and Training Program are not afraid to exercise their right to appeal. This is shown by the fact that earlier this year there was a backlog of 20 appeals for hearings. In order to clear them up a full-time hearing officer (or referee) was appointed to act on Title V appeals. This position was reduced to half-time after the backlog was taken care of. The first step in the appeal procedure is a hearing before the referee. If the claimant is not satisfied with the referee's decision, he can appeal to a Commission consisting of the Commissioner (Mr. C. Leslie Dawson) and two other members. Mr. Dawson states that the Commission has overruled the referee's decision in about four out of five cases brought before it. In other words, where the referee ruled that the worker had correctly applied agency policy the Commission overruled the referee and the worker. This indicates that the appeal and hearing procedure is an avenue for clients to express dissatisfaction and that it is being used.

The role of the Federal Government in seeing that the State administers the program in accordance with established policies should also be taken into consideration. The Regional Title V staff member visits the Eastern Kentucky 19-County project every three months. The State agency has encountered difficulty in recruiting staff at the required ratio of one work experience and training position to each 60 trainees. The Bureau of Family Services has notified the States that September 30, 1967 is the deadline when this ratio must be reached in order to assure that individual employability plans are developed and carried out in a manner that enhances the trainee's employability.

In summary, it is the opinion of most observers that the Title V program has a satisfactory record in this area. This is attested to by the alarm and concern that was expressed when it was necessary to curtail the number of Title V trainees this spring to stay within the 12½ percent limitation imposed by Congress on the amount of funds that can be allocated to any one State. A local clergyman, who has taken a very active interest in the welfare of the poor people in Appalachia, summed up his feelings as follows:

> "The Jobless Fathers program was probably the most inspired experiment—and the most notable success—of all the social welfare innovations of the poverty war. Are we to stand mutely by—and by our silence, acquiesce—as it is dismembered and gradually destroyed?"

STATEMENT REGARDING THE STAFF PAPER ENTITLED "WORK EXPERIENCE AND TRAINING" PREPARED BY DR. SAR LEVITAN

The overall thrust of the staff paper prepared by Sar Levitan entitled "Work Experience and Training" is that the Title V program has not accomplished much in the way of improving the employability of unemployed parents and other needy persons. In our view, Title V has been (1) successful in reaching and upgrading

the employment potential of a large number of severely disadvantaged persons; and (2) that the program has achieved results which have not been bettered by any other government program actually serving a similar group of individuals.

Since December 1964, the program has accomplished the following:

EMPLOYMENT EARNINGS

35,700 unemployed parents and other needy persons have been placed in jobs. Seventy percent of these persons were recipients of public assistance—among the poorest of the poor. The remaining were either on general assistance or had a family income of less than $3,000 a year. They went into jobs earning 75 percent more on the average than they had received previously from public assistance. Their monthly earnings average $258 as compared to the $144 average public assistance payment.

A Title V trainee recently recognized for outstanding achievement illustrates the return on the public's investment in this program. Mrs. Bertha Evans, the widowed mother of 12 children, 8 of whom are still at home, had been a recipient of AFDC since 1961. When a Title V project was established in Conway County, Arkansas in 1965, Mrs. Evans was accepted as a trainee and enrolled in a one-year course for licensed practical nursing. Upon completion of the course, she gained immediate employment and is now serving in a supervisory capacity in a rest home at wages of $250 a month. Without Title V it is a reasonable to expect that Mrs. Evans and her children would have continued to be supported from public assistance for at least the next 12 years. For an investment of about $1,500 in training for Mrs. Evans, there will be a saving of $15,000 in public assistance funds.

Seventeen percent of those employed receive public assistance in addition to their wages which result in an even more adequate income for these families and a reduction in public assistance payments. (Supplementation of earnings by public assistance is sometimes necessitated because care of the children limits the mother to part-time employment. In the case of large families, some jobs do not pay well enough to provide full support. This is particularly likely to be true in rural areas where about 40 percent of Title V training spaces are located.

Nearly half of the employed trainees (16,000) went into skilled jobs including sub-professional and technical. Among the many skilled jobs, taken by this group of trainees, were licensed practical nurses, teacher aides, secretaries, bookkeepers, key punch operators, carpenters, mechanics and salesmen.

Over one-third of the employed trainees (13,000) went into service occupations which range from jobs such as policemen, firemen, and barbers to homemaker aides, waitresses and janitors.

The remaining sixth of the employed trainees (7,000) went into other occupations such as truck drivers, gardeners, common laborers, maintenance, gas station attendants, and road workers.

REACHING THE TARGET GROUP

One-third of all Title V trainees have neved held a job for as long as six months. Less than 21 percent had completed high school at the time of assignment to a Title project. Of those trainees with less than high school training, 26 percent had not advanced beyond the 7th grade level, and one-third of these had an educational level of 4th grade or lower. Exclusive of the Eastern Kentucky and West Virginia projects that have few Negroes in their general population and also exclusive of the Puerto Rico and Virgin Islands projects that do not report race, 5 out of every 10 trainees are Negro and a small percentage is made up of Indians and Orientals. Four out of 10 training spaces are located in rural areas, many of which have high unemployment rates.

TRAINING, EDUCATION, AND OTHER SERVICES

More than 4,600 persons have left Title V to go into advanced vocational training. This proportion can be expected to increase under the 1966 Amendments to the Manpower Development and Training Act.

The Title V program has upgraded the educational level of over 60,700 trainees by providing adult basic education—a necessary first step in equipping the functionally illiterate for the work experience and training they need to find and keep gainful employment. Over 8,100 trainees benefitted from high school equivalency courses and over 24,500 developed new work skills through full-time vocational education.

EVALUATION

It is difficult to evaluate the Title V program on the basis of comparison with other programs because there is but limited experience by other agencies in serving this population. A recent study by the Department of Labor reports on public assistance recipients trained under MDTA program from the beginning of that program through February 1965. The placement rate under MDTA was estimated to be 64 percent. The Department of Labor report refers only to the placement rate of public assistance recipients who "graduated" from MDTA programs. Using a similar concept for the Title V program in terms of "graduation"—i.e., those who have completed their assignment, the rate of employment is 62 percent.

The Department of Labor report was based on a cumulative total of public assistance recipients trained as of February 1965. Their information is based on a sample of 14,000 recipients representing about 18,000 public assistance recipients trained. It is interesting to note that two and one-half years after MDTA began operations, only 18,000 public assistance recipients out of a total of 195,000 trainees were served by the Department of Labor. During a comparable length of time (December 1964 to April 1967), approximately 100,000 Title V trainees were drawn from this same category.

The effectiveness of the MDTA program is hard to compare with that of Title V because of the wide variation in the characteristics and location of the public assistance recipients trained. Nearly all of the MDTA trainees came from densely populated and highly industrialized States were employment opportunities are relatively more abundant. Title V, in contrast, has allocated about 40 percent of its training spaces to rural areas and about 30 percent of all Title V funds are allocated to rural projects. As of March 1967, more than 7,700 trainees (12 percent) were in projects in Eastern Kentucky and Mississippi where only negligible efforts were made by the MDTA program.

Moreover, the education level of Title V trainees was signficantly lower in comparison to that of public assistance recipients trained under the MDTA. In the latter program, about 19 percent of the trainees had eight grades or less of formal schooling, whereas in Title V more than 40 percent fell into this category.

Finally, the previous work experience of these two groups of trainees varied considerably. About one-third of all Title V trainees had less than six months continuous work experience before enrolling in Title V. Of all public assistance MDTA trainees, only 17 percent had no prior work experience.

In sum, the public assistance recipients trained under the MDTA were better evaluate a program such as Title V. Not only do other programs not reach the high labor demand. Despite the fact that Title V trainees were more severly disadvantaged, the rate of employment based on a similar concept of "graduation" was comparable.

The paper prepared by the Office of the Assistant Secretary for Program Coordination of the Department of Health, Education, and Welfare and submitted for the record describes the complexities surrounding any attempt to meaningfully evaluate a program such as Title V. Not only do other programs not reach the same population, neither do they bring to bear such a wide variety of resources to bear on the problems. The paper points out that evaluations of Title V have been hampered by the lack of baseline data with which Program performance can be compared. For this reason, aggregative measures of "success" such as the placement rates which were discussed above are of limited value for evaluate purposes.

Aggregative analyses also overlook the wide variations in the effectiveness of individual projects. Approximately 50 percent of this variation is attributable to differences in:

prevailing economic conditions and social and demographic characteristics of participants

These factors operate independently of any particular administering agency.

SPECIFIC COMMENTS ON STAFF PAPER PREPARED FOR THE SUBCOMMITTEE BY DR. SAR LEVITAN ENTITLED "WORK EXPERIENCE AND TRAINING"

1. "High" drop-out rate

The paper refers to a high drop-out rate as evidenced by the figures that "only one out of every four completed the assigned course of training." This statement does not take into account the number who left to take a job before completing their assignment (approximately 16,320). Nor does it take into account the fact that many who left will probably return once their problems are taken

care of, such as those medically unqualified (10.017) lacked adequate child care (3,721) or transportation (1,002). The most recent data available show that 15 percent of trainees are actual "drop-outs" for such reasons as left because of refusal of employment, poor attendance, misconduct, dissatisfaction with assignment, etc. At the outside, the percentage of drop-outs could go as high as 27 percent if the 12 percent were included who left for unspecified reasons.

2. Bulk of assignments limited to low paying, unskilled occupations

As of January 31, 1967 approximately 30,000—almost half of the 67,300 trainees in Title V projects at that time were assigned to training in skilled occupations including sub-professional, technical, clerical, and sales. Approximately 23,000 (35 percent) were assigned to service occupations, which included a wide range of jobs at many skill levels. Trainees assigned to services occupations may be assigned to training as policemen, firemen, meatcutters or grounds maintenance. Another 3,000 (4 percent) were assigned to farm and non-farm occupational training which ranges in skill level from operating a combine or washing dairy equipment to designing food packaging. Approximately 11,000 (16 percent) were assigned to semiskilled and unskilled occupations ranging from carpenter helpers, and plumber helpers to common laborers and street sweepers.

Many of the trainees will move from training in a low skill occupation to training in a higher skill occupation once they have learned good work habits, acquired basic skills, and there is indication that they are capable of functioning in a job requiring a higher skill level. The above distribution of trainees by occupational category is the initial assignment only and does not reflect the skill level the trainee may reach by the time he terminates from Title V.

3. No evidence that Title V led to more advanced vocational education

4,600 of those who had left the program as of April 30, 1967 went into advanced training. 24,500 received full-time vocational education while on the program.

The 19-County Eastern Kentucky Title V project affords an example of upgrading trainees to the point that they can benefit from advanced vocational education. About 36 percent of the trainees had completed the 4th grade or under (about 6 percent reportedly had no schooling at all). Consequently, as a first step in upgrading their employability about 95 percent of the trainees were enrolled in adult basic education courses. This was carried out right from the beginning of the project in January 1965 with the wholehearted cooperation of the State Department of Education which made available practically the entire State allocation of funds under Title II–B of the Economic Opportunity Act for this purpose. As a result of this initial effort, it was possible for 476 trainees to advance into high school equivalency courses by 1966. Since, until quite recently, Manpower Development and Training Act was not an available training resource in this area, funding for some 200 full-time one-year vocational training spaces was approved under the Title V project on July 28, 1966. This number was being further expanded when additional MDTA training resources were made available last spring.

4. Public welfare agencies had little or no experience with training or placement and awareness of labor market conditions

This statement ignores the very considerable experience of some of our largest State welfare agencies—notably California, Illinois, Minnesota and New York—as well as others. Mr. Harold E. Simmons, Deputy Director of the California State Department of Social Welfare, in his testimony before the Sub-Committee on Employment, Manpower and Poverty of the U.S. Senate Committee on Labor and Public Welfare and before the House Education and Labor Committee, reported on some of the early activities in this area. He stated that some California county projects date back to 1951. "Included were a rehabilitation and evaluation workshop, remedial and skill training in classrooms, work habit and skill on the job training in government agencies. Several counties have had special staff for over a decade to provide vocational counseling, develop and coordinate projects, and to provide liaison with staff of the State Departments of Rehabilitation, Employment and Education or their local counterparts. State law and Social Welfare Department regulations have, since 1951, increasingly stressed the requirement of self-support activities. Since 1963, they have been mandatory."

Long before the passage of the Economic Opportunity Act, Illinois had incorporated training components into its long-standing work program under general assistance. Its previous experience resulted in a particularly effective administrative organization and staff and a program which has attracted nationwide interest. New York likewise has had long-standing experience in this area and

in Minnesota, the Ramsey County Welfare Department established a bureau of employment and rehabilitation to serve public assistance recipients in 1962. In all, ten States had adopted community work and training programs for public welfare clients prior to the enactment of the Title V program in 1964.

It is true that many of the remaining State welfare agencies did not have experience in training and placement. While they previously had been concerned primarily with providing financial assistance and social services, they quickly saw the value of work experience and training in helping clients become self-supporting. Invaluable experience has been gained over the past 2½ years of operation of the Title V program by public welfare agencies. During this time, knowledge of how to work with the group to be served which public welfare agencies have long had, has been augmented by experience in developing training, work experience and placement services especially designed to serve welfare clients.

5. Title V projects have been administered independently of Community Action Agencies and other manpower programs

The most convincing evidence that Title V projects are not operating independently but are taking advantage of the experience and resources of other programs in the community is the following table showing the value of services provided from other sources in 1966. This table shows fiscal effort only which by no means reflects total community cooperation:

Total	$21,491,000
Department of Labor:	
a. Vocational instruction (MDTA)	2,238,000
b. Counseling, testing, guidance, and job development	722,000
Vocational instruction outside Department of Labor	679,000
Adult basic education	2,987,000
High school equivalency	110,000
Medical	450,000
Child care	50,000
Other	1,833,000
Sponsors (work experience and training units contributions):	
a. Supervision and instruction	7,008,000
b. Tools and materials	4,362,000
c. Work space	908,000
d. Other	144,000

Specifically, with respect to cooperation with Commnity Action Agencies, a recent survey shows that of the 251 local Title V projects operating in fiscal year 1967, 172, or 70 percent, were components of Community Action Programs.

6. Shortage of trained social workers to provide pretraining, supportive and other services in Title V projects

The paper quotes an excerpt from an address given by the administrator of the Title V program at the Federal level (Mr. Andrew R. Truelson). He stated "Therefore, in Title V the program objective embraces the needs of the entire family. We must teach wives and mothers the art of good home management, the maintenance of a clean home, how to take care of money, how to buy proper food, and prepare nutritious meals, personal hygiene, and the proper care of their children." Dr. Levitan comments "The assumption that social services can achieve all these objectives is one which even the most ardent advocates of welfare work would question."

Many Title V projects are reaching the objectives outlined above by means of individual and group counseling, classes in home management, consumer education, instruction in child care, grooming, etc. These services are provided either directly by the project staff (as on the Fort McDermitt Indian Reservation in Nevada), through cooperation with other programs, such as community action agencies (as in Conway County, Arkansas) and the Agricultural Extension Services (as in Puerto Rico) or the regular public welfare program (as in the Housekeeping Aide Training Program in New York City).

Provision of these kinds of concrete services does not require trained social work staff. They are being performed effectively by a wide range of aides in Title V projects, e.g. homemaker and child care aides. Many of the other positions involved in administering Title V projects also do not require social workers, but project administrators, work experience and training specialists, counselors, etc.

In the beginning of this program (as is true in almost any other) difficulty was experienced in filling staff positions. As of June 30, 1965 about one-half of the authorized positions were unfilled. By the end of March 1967 about one-fifth of the positions were vacant. Despite staff shortages, it has been possible to operate the program effectively as shown by the fact that as of April 30, 1967, 61,000 spaces were filled.

Faced with staff limitations innovative approaches have been tried in order to assure proper supervision of trainees involved in work experience and other project activities. One of these is the use in Eastern Kentucky of selected Title V trainees to serve as crew foreman to oversee other trainees engaged in work experience. One foreman is assigned responsibility for supervision of a crew consisting of 10–20 trainees. A two-week foremanship (crew chief)' course is provided under contract with the University of Kentucky. This use of crew chiefs has resulted in better supervision to assure that the work experience is actually instilling good work habits.

7. Sparing use of private employers for on-the-job training

Private employers have been used in Title V projects and the results have been outstanding. An informal survey in which approximately 85 percent of the returns have been received to date shows that 1,130 trainees have gone into employment of which 660 (58 percent) were employed by their private employer sponsor and 470 went into other employment. At least 3,000 Title V participants are currently in training with private employers.

Some projects using private employers as sponsors of training units are:

Connecticut:

Oil heating industry skills

Denver County, Colo.:

Automotive repairing

Washington-Knox-Hancock-Waldo-Kennebec County, Maine:

Canning and cabinet making

Acadia-Jefferson Davis-Vermilion Parish Project, Louisiana:

Auto servicing and repairing

Cleburne Six County Project, Arkansas:

Food locker and storage service
Auto repairing

19 County Project, Kentucky:

Small engine repairing
Auto glass installation

Cook County, Ill.:

Taxicab operation and National Cash Register

As Dr. Levitan has noted, the use of private employers is not authorized under Section 409 of the Social Security Act on which the Title V program is based. Therefore, it has been necessary to grant a waiver for this purpose. Such waivers have been granted since April 1965 on the basis of the policy decision quoted in Dr. Levitan's paper. In order to avoid any exploitation of Title V trainees, however, the following safeguards are required:

> The public welfare agency must provide assurance that such training is constructive from the standpoint of upgrading the employability of the participants and that participants are not exploited as a source of free labor. The training period should be reasonably related to the nature of the job. The participant is not to be given tasks other than those associated with the duties of the skill he is learning. As in all of our units under Title V, participants in training with private employers may not displace or adversely affect regular employees (including substitute workers) or additional workers who would otherwise be hired.

Despite such caution, a complication has arisen in connection with the implementation of the 1966 Amendments. The Department of Labor has raised question about Title V placements with private employers being in violation of the Wage and Hour Law. At this point, the Department of Labor has concurred in the use of private employers only for a 90-day period while the matter is under review.

8. Responsibility for approval of Title V projects centralized in Washington

Responsibility for a number of decisions has been delegated to the regional offices under the Title V program. Examples of this are the placement with the regional offices of responsibility for review of arrangements for on-the-job training with private employers and approval of transfers of funds within specified limits from one budgetary item to another. However, the approval of projects has been maintained at the national level because of the problem of implementing national priorities under a declining program. Title V does not operate under a system of allocations of State funds which also makes it less feasible to decentralize administration.

9. More flexibility needed in providing services aimed at individual needs

Several examples are cited of Title V projects helping individuals during the early stages of regular employment and the suggestion is made that such notable illustrations might have been encouraged elsewhere. One of the purposes served by a series of regional seminars which we have conducted is the sharing with other project directors of experience which have been found successful in individual projects. Consultation provided by program development staff at the Washington and regional office level is another means of transmitting such information. Finally, the rating system which is being developed jointly with the Office of Economic Opportunity will provide a mechanism for identifying factors associated with the operation of succesful projects and also for their incorporation of such factors in projects which are less successful but face essentially the same set of outside conditions.

The only new suggestion in the Levitan paper which has not already been tried in a Title V project is the one relating to provision of a second-hand car to enable a potential Title V trainee to get to an available job. This suggests other possibilities to meet transportation problems which will be discussed in relation to additional resources needed to move more Title V trainees into jobs.

10. No need for a separate program to serve public assistance clients now that other manpower programs are aimed at serving the disadvantaged

While other adult work training and special impact programs such as the "Concentrated Employment Program" provide comprehensive services, they do not give special priority to public assistance recipients. The Title V program, on the other hand, is administered by public welfare agencies which have a special responsibility for this population. Public welfare agencies throughout the country have had long experience in administering a comprehensive range of supportive and work-training services while similar services are as yet being developed under the new "Concentrated Employment Program."

While the broader definition of handicapped permits the vocational rehabilitation program to serve a larger group of handicapped persons, than formerly, it does not include the able-bodied but undereducated individual who lacks motivation, job skills and work experience, and is beset by a host of personal and family problems, which could not be characterized as "behavioral disorders."

The Eastern Kentucky experience when the Title V project had to be curtailed and other manpower programs were instituted is cited as an illustration that Title V is inter-changeable with other Federally-supported manpower programs. Quite the contrary view is brought out in the "Case Study of Leslie, Knott, Letcher, Perry (LKLP) Community Action Council, Eastern Kentucky (Whitesburg, Kentucky)" which was prepared for the U.S. Senate Committee on Labor and Public Welfare, Sub-Committee on Employment, Manpower and Poverty. This report, which was prepared by Community Action Associates, Inc., describes the criticism expressed by trainees about the "different income range for differently sponsored programs"; the confusion about the varying eligibility requirements and the uncertainty because of the short-term nature of the Nelson-Scheuer projects. Anxiety was aroused because of the question as to whether participants under programs other than Title V were entitled to medical benefits under the State's Title XIX program and the food stamp program.

11. Goal of stressing training of male family heads not reached

As a goal, the Title V program set a desired minimum of 50 percent of the enrollment to be allocated to male heads of families. This goal was related to the objectives of (1) strengthening family life and (2) demonstrating AFDC–UP in States which have not yet adopted this program. While provision for the latter was dropped from Title V of the Economic Opportunity Act in 1966, it is still intended that the benefits of the program be brought to unemployed

fathers never before reached or reachable under the AFDC categorical program. Projects which do not reach the minimum 50 percent male trainee ratio must submit justification, such as definition of unemployment being used, methods of recruitment utilized by the project, local rate of unemployment—particularly as it relates to needy unemployed male heads of households, number of families receiving general assistance or food stamps, etc. Despite these measures, the ratio of male trainees has declined and probably will continue to do so for the following reasons:

a) Improved economic conditions which result in increased employment opportunities for males;

b) Preponderance of females in the target population which the Title V program is intended to serve (see pages 4, 5 and 6 of the report transmitted to Senator Clark by Assistant Secretary for Program Coordination Department of Health, Education, and Welfare, under date of June 6, 1967); and

c) Increased facilities for child care.

Certainly the Title V program cannot be justly criticized on any of these grounds for not reaching the goal of at least 50 percent male trainees.

12. Trend in characteristics of trainees indicates most promising mothers being selected from AFDC rolls rather than unemployed fathers

The paper apparently assumes that female heads of families have greater potential for employment than males. While AFDC mothers may be slightly better qualified than male heads of families in terms of such characteristics as education and age, their potential for employment is adversely affected by child care problems and the double burden of holding a job and managing a household. This is borne out by the fact that for the 12-month period between January-December 1966, of the 44,595 persons who terminated from Title V projects and were unemployed 19,864 were male and 24,731 were female.

13. Half of the trainees who have left Title V (whether by "graduation" or dropout) continue on public assistance

Of those back on public assistance, 17 percent are employed but receiving supplementation of earnings. In many of these cases, care of children has limited a mother to only part-time employment. Earnings are not sufficient to support a large family (see case example—attachment I). Three percent are enrolled in advanced training courses and need public assistance to provide support or to supplement the training allowance. Of the remainder, 30 percent need assistance because they have not found employment for the same reasons that prevented their completing the assignment—namely, lack of child care services, disability or illness, lack of transportation and similar problems. The remaining 50 percent which represents approximately 25 percent of all terminees includes individuals who were dropped by the project, who were enrolled in projects which were terminated and who completed the assignment and did not find immediate employment.

14. States tempted to shift unemployed parent cases to Title V to get 100 percent Federal financing

The paper argues that because the AFDC–UP caseload is decreasing while the number of those on AFDC is rising, States are shifting unemployed parent cases to Title V to get 100 percent Federal financing. There is little evidence to support this contention. From March 1966 to April 1967, the number of Group II trainees in the 22 States having the AFDC–UP program increased by only 300. The number of UP cases in the four States which adopted this program after Title V was established is shown below:

State	Became operative	Number of UP cases as of April 1967
Arizona	Jan. 11, 1966	15
Colorado	Jan. 1, 1966	1,693
Nebraska	Oct. 1, 1965	69
Wisconsin	Jan. 1, 1967	464
Total		2,241

The two trends in AFDC and AFDC–UP caseloads are explained primarily by changes in social, economic and demographic conditions as well as changes in legislation in recent years.

15. No evidence that Federal officials have policed "maintenance of effort"

In fiscal year 1968, the total for assistance, services and administration will, for Group I cases, approximate $38.4 million including $20.7 million in Federal funds and $17.7 million in State and local funds.

Handbook Supplement B details the records and reports required to assure fiscal and program accountability (entire Section B–6000) as well as the methods of review and evaluation by local, State, regional and Washington staff. The equivalent of eight full-time auditors in the Office of the Secretary of the Department of Health, Education, and Welfare are assigned responsibility to conduct audits of Title V projects. Attached is a list of Title V projects which have been audited to date. (attachment II).

16. Since Title V is located in a welfare setting most of the funds go for maintenance.

In fiscal year 1968 about one-half of total funds will go for maintenance payments. This compares favorably with the MDTA program which uses 70 percent of its funds for training allowances. The percentage of funds used for maintenance in the Work Experience and Training Program is effected by the amount of non-welfare services received by the Title V program at no cost (over $20 million). Also, the mix of Group I and Group II trainees have an effect on this percentage. Maintenance cost for a Group II trainee is almost five times that for a Group I trainee. This is caused by the maintenance of effort for Group I trainees through the regular public assistance programs. Including maintenance of effort from all sources, 59 percent of total funds will go to maintenance.

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

FRIDAY, JULY 28, 1967

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The committee met at 9:15 a.m., pursuant to recess, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Present: Representatives Perkins, Green, Quie, Goodell, and Scherle.

Also present: H. D. Reed, Jr., general counsel; Robert E. McCord, senior specialist; Louise Maxienne Dargans, research assistant; Benjamin Reeves, editor of committee publications; Austin Sullivan, investigator; Marian Wyman, special assistant; Charles W. Radcliffe, minority counsel for education; John Buckley, minority investigator; Dixie Barger, minority research assistant; and W. Phillips Rockefeller, minority research specialist.

Chairman PERKINS. A quorum is present, and the committee will come to order.

We have with us this morning Mary Jane Dunn. Come up and let me shake hands with you. I personally am very pleased and it is a great pleasure for me to welcome you here this morning, Mrs. Dunn. I am very proud of Breathitt County, Ky. It happens to be one of the few counties in the United States, if not the only county, that never required the services of a draft board during World War I and I go back there today and see so many of those old World War I veterans.

I think it is impossible to go through that county and up and down those creeks without running into these World War I veterans—there are so many of them—not drawing social security at all because they continued to reside on those little hillside farms, all through the years and made a living, as long as they were able to work; and in the meantime they became marginal farmers, and, with all this automation taking place in late years, those little hillside farms where they raised the crops have grown up, and are completely unprofitable today.

I am delighted to welcome you here. You come from a county and are representing a county with a very low capital income, and very low median family income, and if there is any area in the world that needs assistance it is a county like Breathitt County, Ky.

You do not have any areas in the Washington area with one-tenth the conditions compared with conditions existing in Breathitt County, Ky.

But it has patriotic people, and for that reason it is a great pleasure for me to welcome you here, and I certainly hope we will be able then in the future to do more than has been done in the past for the rural

people. I was completely disturbed when I was down home last week, conversations that I had with some of my relatives, poor people, who grew up in an area of the county next to the Breathitt County, about conversations that they had had with so called Appalachian volunteers, which to my way of thinking was completely unbecoming. I am so proud that we have dedicated people like yourself all through the mountains of the State of Kentucky.

You and I well know that we are not going to make a Schenectady, N.Y., out of Breathitt County. Down in my own little community of Hindman, we have a whole high school, and have two principals down there.

I had so many calls last night about the things that were taking place, and it is completely disturbing, in the area.

It is a great pleasure for me to welcome you here, and let me say that I am a great supporter of this program. I know about the problems, but they are not insurmountable. Above everything else, we have got to try to pass this bill, and we will all work together in the future to make a better program out of it, as Sargent Shriver's desire is to make a better program out of it.

We have a few infiltrationists here and there, there is no doubt in my mind about it, but, by and large, 99 percent of the people in the program are good, and I work with people in every way possible to get any undesirable out of this program, and I work with all of the people on this committee to help improve it.

Again let me thank you for your appearance here this morning, and come around and give us the benefit of your views.

I did not mean to make a speech, but last night happened to be a night when I had so darned many telephone calls with this unemployment, and everything else, just points up the great need for the poverty program at times like these, and a program that we can improve. I am hopeful that we can get some amendments here that will make it more efficient.

Come around. Come around to the microphone here.

STATEMENT OF MRS. MARY JANE DUNN, DIRECTOR, COMMUNITY DEVELOPMENT COMPONENT OF THE COMMUNITY ACTION PROGRAM

Mrs. DUNN. Thank you, Mr. Chairman.

Chairman PERKINS. Go ahead, now, Mrs. Dunn. First tell me what part of Breathitt County you come from. I am interested in the type of community action program you have got. Go right ahead.

Mrs. DUNN. I live in a hollow now, called Pendell, down by the lake, but I was raised up in Clay Hole, on the barge.

In February 1966, OEO funded a program of adult health education. This was a program where fieldworkers could go into the home and talk to the parents about health hazards, and why should we find this necessary in a day when we have eradicated polio, we have miracle drugs, but Mr. Perkins, we still have children sitting in our classrooms with as many as four types of intestinal parasites.

Chairman PERKINS. Will you just talk out, now, so everybody can hear, and give us the whole history? Go ahead.

Mrs. DUNN. Thank you. We are providing our children with good educational opportunities. They get taught in the classroom, but they often go back home to situations that make it impossible for them to apply what they have learned.

When we started this program, we had six people who came from the lower income group themselves, and I taught those people to go into the homes and talk about health problems.

We have taught everything from how to keep your water supply safe to not putting alcohol on the mantle in the winter because it becomes an explosive. We have talked about sanitary toilets and this is one very important thing, because our streams are being polluted at the rate in 35 years we won't have any pure water, and I find our mountain people, if you just give them a chance, they will listen and they will apply what you tell them.

Chairman PERKINS. I understand one of our great problems down there, the departments up here have been too much city born, and know nothing about the rural problems, and I am most hopeful that they have been looking in the direction of rural areas in the last year or two, at least.

And there is no way to move those people out of there. All we have got to do is to get water and sanitation, better community facilities and if we can repair those homes to a little degree, to make them sanitary, I think it will be one of the greatest contributions that the Government could make. I personally regret that the Farmers Home Administration although they have been in favor, have not been able to get an appropriation for these $400 or $500 or $600 for these people on public assistance to winterize their homes, and make them sanitary.

But I am most hopeful that we can come up with some kind of a program, at least, or let these people get a little loan from the Farmers Home Administration in some areas in order to make them sanitary.

Go ahead.

Mrs. DUNN. We have found as many as nine people living in two rooms, sharing two beds, often cooking on an outside fire spot that they have built themselves, and it is hard for any child to learn in school and apply it when they come back home, day after day, to this situation.

And I get a little bit tired of hearing people say, "Well, they don't have to live like that," because we don't know, sometimes, the circumstances that brought them there, and I think instead of pointing a finger we had better start reaching out a hand to them.

Chairman PERKINS. Yes.

Mrs. DUNN. It is good to talk about self-help, and pulling yourself up by the bootstraps, but somebody has to provide the bootstrap for you to pull up by.

We find our people very eager to apply what we teach them. We have over 300 families now digging holes in the earth and burying their garbage, rather than throwing it into the streams. In 1 year's time, in this program, we reached 1,570 families for a total of 5,790 visits. Sometimes it only takes two visits to a home before the family will fix all of their health problems; sometimes it takes 10 visits before you can get your point across.

And if you go in to talk about screens on windows, and you find the people don't even have a roof over their heads, then it does not make much sense to say you need screens to keep your flies out.

First you start with the roof, and you help repair the house and we have done this by just going to our local merchants, buying some tin, and nails, and we have gotten up on the roof and helped do it ourselves.

We found one family——

Chairman PERKINS. Who has helped to do it? Has it been the people on relief down there that has had to do it, or the people on the work experience training program?

Just who has helped to do it?

Mrs. DUNN. No, sir, the people on the work experience training program are not allowed to work on private property.

Chairman PERKINS. Not even on the homes of people on public assistance?

Mrs. DUNN. No, sir. They are not.

Chairman PERKINS. Why?

Mrs. DUNN. This has been one of our big hindrances. I built a pair of steps myself last April, before we got a man assigned to our program, because the woman was blind and she was living alone, and she was stepping down on to a plank that had a hole in it, and I was scared to death she was going to break her neck, so I built the steps myself, because the work experience and training men are not allowed to work on private property.

We do have a contract with six of those men to dig garbage pits and to build sanitary toilets for invalids or elderly people.

Chairman PERKINS. Are there any of the AV's or VISTA people that can do this kind of work and help the old people in building steps, or waiting on the old people?

Is there any of that going on with AV's or VISTA people?

Mrs. DUNN. Not to my knowledge. I have invited them to help, but as of this date I have had none.

Chairman PERKINS. Go ahead.

Mrs. DUNN. We have families who have just sat down and given up, because they have gotten so far down that no one will help them. We have mothers who are deserted, often. They are living up in a hollow, they don't know how to get on public assistance and we try to take information to our people, Mr. Perkins. If you have to walk 2 miles out of the hollow, and catch a ride to town, or pay $5 to town to get a free service at the public health department, that free service becomes pretty expensive.

If you happen to come on Wednesday, and the shots are to be given on a Tuesday, you have got to go back and come again. If you are coming in to get on the food stamp program, and you don't know you are supposed to bring certain information with you, there is another trip, so we take this information to the people.

We go to the head of the hollow, across the swinging bridge, up the mountains.

I did find one woman living 2 miles on top of a mountain in a barn, with no facilities at all, a child on each hip, twins, 1 year old, eight children around her.

We carried that woman and her belongings off that mountain and put her into another home, and she is now on the food stamp program, she is on public assistance, and she is receiving as much aid as possible. The children next summer will be going to school, in better condition

than they did this year, with their shoes tied on their feet with overall straps.

We try to provide the most basic need for the family, and work from there. I am proud to say we have had no trouble getting into these homes. We find our people more than willing to listen to any suggestions that will make it a better home for their children, and for themselves.

We have had one home reject us in the entire time this program has been in operation. Up until 2 months ago, we had only the health program, and now we are combining community action with our health program.

In those 2 months——

Chairman PERKINS. You are the director of the local community action program?

Mrs. DUNN. I am the director of the community development component, yes, sir.

Chairman PERKINS. Community development component.

Mrs. DUNN. This combines our health and our——

Chairman PERKINS. Who operates the community action program then?

Mrs. DUNN. Mr. Roland Sebastian is the executive director of Middletown, Ky.

Chairman PERKINS. Executive director; is he cooperative with you in seeing this that these things are accomplished?

Mrs. DUNN. Yes, he does.

Chairman PERKINS. And do the local people have complete control? I am not worried about the poor people participating in this area. Do your local people have complete control of our community action program?

Mrs. DUNN. I met yesterday with two groups of our local people, our policy advisory council, and they were to look at applications and recommend new fieldworkers for the new component.

It was strictly their choosing. They went about it very democratically. They decided that older people with obligations should have preferences over young people who already had a job, and I was very pleased with the way they went about choosing these applicants.

They meet once a month, and they have members of that council that sat on our Middle Kentucky River board, they attend our board meetings, and they have a voice in everything that we do.

Chairman PERKINS. Well before I even hear your statement, I just want to highly compliment you. A lady that would take time out and let me know, volunteer to come to Washington and pay your own expenses. I want you to stand by today, some of the members may put some questions to you. I just wish that you were in charge of four or five counties there, since you have already convinced me that you are a dedicated individual, and want to improve the standard of living of those people, the poor people in that area, and that is the real purpose of the poverty program.

You go ahead.

Mrs. DUNN. I am dedicated to helping our people. I returned from Texas 4 years ago, because I felt that the mountains needed their own people to help them and so I came back, and since that time I have worked as hard as I know how, and I shall continue to work for as long as I am permitted to, to help our people.

Chairman PERKINS. Give us any other facets of your community action program. Just how do you spend your money down there? Go ahead and tell us.

Mrs. DUNN. Right now we are changing over from the health into community action and health combined. These fieldworkers will be going out into the homes, and they will be serving three purposes: to teach health, to act as an information and referral service for the people, and to organize them in such a way that they could come together and do things as a unit, rather than one or two people trying to do everything in the community.

And I find that all our people need is a little guidance, and a little help and they have got on this an awfully lot of good old mountain wisdom, I think, and initiative, a lot of our people are very talented in many fields, but they have never had it channeled in the right direction.

We have got carpenters. We have got people who do all of their own electrical wiring, and repairing. They don't think of calling a repairman. The man of the house does most of the building, when a new room has to go on the home, and they just do these things, not because they have learned them from a book but because they were born with this knowledge.

My father has a third grade education and my mother never had a repairman in our house. He wired our house for electricity, and he makes our yard furniture, he can put a car together, he can do just about anything with his hands.

So much of what our people know is just part of them, what they have been born with, Mr. Perkins, but they have never had an opportunity to channel it in a profitable manner. No one has ever developed that, and I would like to see some of it developed.

Chairman PERKINS. I agree wholeheartedly with that statement. The people down there are imaginative, and have know-how, and they have certain latent abilities where they grasp real quickly.

Mrs. DUNN. Yes, they do.

Chairman PERKINS. Now, do you have any other aspects of the community action program? Do you feel that your money has been wisely spent in Breathitt County?

Mrs. DUNN. Yes I do.

Chairman PERKINS. Do you feel that it would be a mistake to take this program away from the people as it is presently administered, do you?

Mrs. DUNN. Mr. Perkins, I just would not even want to think of the results, if it were pulled out at this time, because the people are to the point where they are ready to do things, as a community, as a whole group, and they are raring to go, and now if they are slapped down at this point, I just hate to think what it would do to them.

Because you get your hopes built up, you know, and then somebody comes along and knocks you down, and then the next time we are going to have a hard time convincing them that we really mean to help them.

Chairman PERKINS. So you feel that it would be wise to keep the Office of Economic Opportunity in its present form, without transferring to any governmental agency. I mean, transferring its functions to the Department of HEW.

Mrs. DUNN. Well, I have found the program very effective as it is.

Chairman PERKINS. Do you know how much money has been spent in Breathitt County in the past year?

Mrs. DUNN. I know that right now, we have about three-quarters of a million dollars of programs going at this time.

Chairman PERKINS. In Breathitt County?

Mrs. DUNN. Yes, sir, we have our Neighborhood Youth Corps in-school, out-of-school, and the on-the-job training; the Nelson amendment, Headstart; and our community development component.

Chairman PERKINS. Is this development program effectively reaching the poor?

Mrs. DUNN. When the Neighborhood Youth Corps out-of-school was funded, we had more applicants than we could handle, and I feel this is one of the best programs that we have had.

We have already had some of the youngsters quit to go back to school this year; they have dropped out of the dropout program, to go back to school.

Those children have changed from sloppy appearance to neat dress. They know what it is to work all day for a sum of money. They know what it is to get up in the morning and come to work, put in a good day's work, and they are very eager, and I am very pleased with what we have been able to do in the Neighborhood Youth Corps.

Chairman PERKINS. How old a lady are you?

Mrs. DUNN. They are 16 through 21.

Chairman PERKINS. I know, but how old are you?

Mrs. DUNN. Thirty-five. I will be 36 August 30.

Chairman PERKINS. You have got plenty of good years ahead of you. Did you ever have any particular training in the social work field, or not?

Mrs. DUNN. No, sir. I graduated from Berea College and I had a year at the University of Cincinnati, and I have been supervisor of a hospital in Texas.

I taught nursing in Germany, and I just love people.

Chairman PERKINS. Mr. Scherle?

Mr. SCHERLE. Thank you, Mr. Chairman.

It is Mary Jane Dunn, if my sight prevails, at this distance. Is that correct?

Mrs. DUNN. That is right, sir.

Mr. SCHERLE. You don't mind if I call you Mary Jane?

Mrs. DUNN. Oh, no.

Mr. SCHERLE. Mary Jane, would it make any difference, as long as the programs were kept in effect, as to who they were regulated by, the Department of HEW or OEO? The only thing you are after is results anyway, isn't that true?

Mrs. DUNN. That is right, sir.

Mr. SCHERLE. Then it would not really make any difference to you under what department they would function?

Mrs. DUNN. As long as we have the grant to do the job, that is all we are concerned with.

Mr. SCHERLE. I see. Who or how do you solicit the members of your Neighborhood Youth Corps?

Mrs. DUNN. Of course, when this Neighborhood Youth Corps came out, we knew the children that needed it, because we have identified the needs of our community through this health program.

However, this was talked about in community action programs. The first day that this opened, they had 27 applicants, due to our talking to the people in community action programs, and it was put in the newspaper, on the radio, and by door-to-door contact, and because our fieldworkers were going from home to home.

Mr. SCHERLE. Do you have reference now to just this one individual county?

Mrs. DUNN. The program we have conducted in the past has been in Breathitt County. I am now covering four counties: Lee, Owsley, Wolfe, and Breathitt.

Mr. SCHERLE. And all the members of the Neighborhood Youth Corps have volunteered? You have not sought them out?

Mrs. DUNN. They have more volunteers than we can handle.

Mr. SCHERLE. And these Neighborhood Youth Corps members, are they school dropouts?

Mrs. DUNN. Yes, they are. The out-of-school are.

Mr. SCHERLE. And they are paid at what rate?

Mrs. DUNN. A dollar and a quarter an hour for 4 days a week, and they go to school a day.

Mr. SCHERLE. And they work for whom?

Mrs. DUNN. Federal agencies.

Mr. SCHERLE. In the Neighborhood Youth Corps, what is the amount of your grant?

Mrs. DUNN. I am not the program director of Neighborhood Youth Corps. I have the community development component.

Mr. SCHERLE. All right.

Mrs. DUNN. But all of these come through our Middle Kentucky River office.

Mr. SCHERLE. How many people do you have jurisdiction over?

Mrs. DUNN. In all, I have a staff of 23 people, plus myself, after they are all hired. You see we are just in the process of starting a new program.

Mr. SCHERLE. This is 23 employees besides yourself?

Mrs. DUNN. Yes.

Mr. SCHERLE. In four counties?

Mrs. DUNN. Yes.

Mr. SCHERLE. And what is your responsibility?

Mrs. DUNN. Oh. That takes a lot of telling. In each of these counties there will be a coordinator and four fieldworkers, Breathitt County will have five fieldworkers, because we have a larger county. I will see to it, I hope, that those people go into the homes and teach health, act as information and referral services, organize the communities in such a way that the people will have a voice in everything.

Mr. SCHERLE. Is this sort of a self-help? Is this what you call your program of self-help?

Mrs. DUNN. We are trying to get the people where they are able to help themselves, but some of them must be helped to the point where they can have self-help.

Mr. SCHERLE. What do you mean, then, by that?

Mrs. DUNN. Well, if you find a family that—I will just give you this mother that I was talking about on this mountainside, with eight children, no income, the father dead, no way to have a fire in the house, having to cook outside, and a snake ran in front of me when I was going to try to find where she was, and the children with no clothing.

She can't help herself. She has no place to turn. Someone has to help her first.

Mr. SCHERLE. So what do you do in a situation like this?

Mrs. DUNN. We find out first why she has no income, and it so happened that she had moved from another county. Her home had burned, and she had come back to a place that her husband had owned before his death. We took her off that mountain, and we found a place for her to live, and we made up enough money to get her food stamps, and she charged her first month's rent.

We took the children to a doctor, and we picked up pop bottles, and sold them, and paid that bill, and after she was able to get a check, she paid her rent, and she paid for her food stamps herself.

Mr. SCHERLE. Pardon me. A check from where?

Mrs. DUNN. Public assistance. Aid to dependent children.

Mr. SCHERLE. ADC?

Mrs. DUNN. Yes.

Mr. SCHERLE. How many of these different situations are you involved in, say, in your home county? I presume that is an isolated case? Is that true?

Mrs. DUNN. Well——

Mr. SCHERLE. I mean, this is not the normal situation, snakes running around the front yard, and things like that.

Mrs. DUNN. I could quote you several cases like this, but this is not a high percentage. But I gave you this instance to show you that this woman must have some help before she can help herself.

Mr. SCHERLE. In this position, and this responsibility under your jurisdiction, where are the local public health and welfare people, and the Good Will, the Salvation Army? Do these people care? Do these agencies care?

Mrs. DUNN. Oh, yes; they care.

Mr. SCHERLE. Well is there a possibility you might be overlapping or duplicating them?

Mrs. DUNN. No, I would not.

Mr. SCHERLE. How do you separate them?

Mrs. DUNN. I would like to explain how we avoid that. When our program began, we had an inservice training. I had the heads of all departments come in and talk to our people about their rules and regulations. When we find a case like that, we wait, we go immediately and see if anything has been done, so that we don't go and take steps that have already been taken. Then when we bring it to the attention of these public assistance people, they are very cooperative.

They go out very often, the very same day we bring it to them, and this woman lives so far back, I don't know when it would have come to their attention. They don't have the staff to go out and look for these things.

Mr. SCHERLE. Well, how did you find out?

Mrs. DUNN. The school superintendent called me and said the children were coming to school with their shoes tied on their feet with overall straps, and would I look into it.

Mr. SCHERLE. And they turned to you rather than the welfare, or——

Mrs. DUNN. Well, they know that we visit all over the county from home to home, and they know that we will do it immediately. We don't shelve any requests and we do it right then, if at all possible.

On the public health department we have had very fine cooperation with them. They have a very limited staff, they have their clinics that they must conduct, and when we find a case such as—I found a child 11 years old, the family said that she was mentally retarded.

I worked with the child about 5 minutes, and I thought, "This child can't hear," and then I went to the health department to see what had been done, and when Crippled Children's Commission clinic could see this child, and by working with the health department, the women's club, our local banks, we got this child tested; she is wearing a hearing aid, she is making A plus on her report card now; she has a whole new world open to her.

Mr. SCHERLE. In other words, as long as you cooperate with the local community officials, the welfare department, and as long as you get your grant, this program works effectively. As long as you work in such close proximity with these people, if this poverty program were under Opportunity Crusade it would still be very effective, would it not?

Mrs. DUNN. Mr. Scherle, if we can just get the money and God will give me the health, we will try to use that money to the best advantage, regardless of where it is coming from.

Mr. SCHERLE. And so you feel if the program is carried on as I just mentioned, under the opportunity crusade, and they also, of course, are vitally interested in the work you are doing, this program would then serve its purpose very well, would it not?

Mrs. DUNN. I would hope so.

Mr. SCHERLE. That is fine. Thank you very much.

Mrs. DUNN. I hope I answered you.

Mr. SCHERLE. You did. Thank you.

Chairman PERKINS. Let me compliment you, Mrs. Dunn. You are not up here, in my judgment, to testify as a legal expert, but just as to testify to the effectiveness of the community action program.

Is that right?

Mrs. DUNN. That is right, sir. I would not be presumptuous enough to untangle all of these legal questions.

Chairman PERKINS. I appreciate your testimony here this morning. I just wish all the members of this committee could have heard your eloquent statement. And to my way of thinking, the spirit of cooperation which you have expressed is more or less the whole success in the area of our community action program.

I have personal experience where we have these so-called rabble rousers and people who go overboard—I may say completely overboard; some of them may even advocate a march on Washington—that we have very ineffective programs in those counties.

You being reared in the head of a hollow yourself, I just hope to see the day come when a lady with your true American spirit can be elevated to come into a much greater responsibility and when that day comes eastern Kentucky will be lifted out of poverty, for if we have ladies like yourself assuming the responsibility of leadership, and dedicated enough to stay on and make the sacrifice instead of going and working for the outside world. It just impresses me to see a lady of your caliber come before this committee.

Mr. Goodell.

Mr. GOODELL. I apologize, Mr. Chairman, for being a little late.

Chairman PERKINS. Prior we were ascertaining the effectiveness of the community action program, in her local community.

Mr. GOODELL. Yes. Have you had any experience with the VISTA workers?

Mrs. DUNN. We have some in our area.

Mr. GOODELL. What kind of experience? How do you summarize your reaction to their effectiveness, and what they have been doing?

Mrs. DUNN. Are we here to talk, Mr. Chairman, about VISTA? I will try to answer that. I don't like to be put on the spot but we have had VISTA's in our area for quite sometime. And when the Appalachian Volunteers came in, I even took the time out to go and visit with them, and talk about what they would find when they go into homes about health hazards.

I went to the public health department and got literature of all kinds and took it to them and invited them to join with us in doing some of the manual labor that we cannot provide for our people, and I will have to very truthful with you, because my father would still strap me if I told a lie, as old as I am. I cannot speak well of them.

Mr. GODDELL. You are describing actions which you took to try to coordinate their activities with the community action program, so that they could be more helpful, on the basis of it?

Mrs. DUNN. They could be very helpful in our area, if they had the correct supervision and if they had the correct attitudes. You know, when I go into a home I don't go in and say, "Well, look here, I am here to help you, and I am going to change your way of life."

I go in and I observe then what the people need, and then I offer my services in such a way that I let the people feel they are helping us, as a community action group, rather than us going in and trying to supply all their needs.

I never try to get a family to feel, well, we have just come in, now, we are going to take over and take care of all your problems, and the very first step is to make you unhappy with your situation.

Mr. GOODELL. I take it that this is basically the approach you feel the VISTA workers have had in your area?

Mrs. DUNN. Yes, their attitude has been detrimental to them. I don't know whose fault it is. These are young kids, and maybe they come in to help. I don't know. But it has not worked out that way.

Mr. GOODELL. Do you have any idea how many VISTA workers have been in your area?

Mrs. DUNN. I have visited their office just this month, and I was told there were 27, in Wolfe County, and approximately that much in Breathitt County. These are AV's and VISTAs. However when we visit, they move from place to place, and when you visit, they are not home, and I went and asked them to come to our community action meetings, you know, because they can be a great help, going up and down the hollows, and telling people, giving them this information, but I have not found them home.

Mr. GOODELL. In other words, you have experienced almost total frustration in trying to get them integrated and coordinated with your community action program?

Mrs. DUNN. Yes, we have. At this time, we are attempting to work with them on this new community development program. We have asked them to give what aid they felt they had toward training this

staff for this new program, and they have demanded 3 days and 2 weeks of in-service training.

Mr. GOODELL. Is there one individual who is in charge of them down there?

What kind of direction do the VISTA workers have in your area?

Mrs. DUNN. Very little direction. Very little.

Mr. GOODELL. To whom are they assigned?

Mrs. DUNN. They have what they call the field man, and he is supposedly over them, and he has some helpers, but we can't get any answers when we ask questions. We get very few answers.

How many do we have? Well, right now, I think about—well, where do they live? I believe there is one over on Long Fork and there might be one down—and this is the kind of answers we get. This is very frustrating. I tried to spend my time very wisely. I am up at 5 a.m. and in bed, if I am lucky, after midnight. We got in here last night on the 4 o'clock flight, and I was up this morning at 7, and I feel that I have got to make the most of my time for my people, and I realize they are just volunteers, but I don't have time to run them down and ask for their help.

Mr. GOODELL. Well, are the volunteers pretty much in the two counties that you describe?

Mrs. DUNN. Yes, pretty much in Breathitt and Wolfe Counties.

Mr. GOODELL. They are both under a single director, the two counties, or are they——

Mrs. DUNN. Mr. Goodell, I would like to answer you but we have never been able to find these things out.

Mr. GOODELL. Have you tried to contact the director himself, the field man, as you describe him, to see if he could work this out?

Mrs. DUNN. I wish I knew how many times so I could give you an exact time, but I just don't have time to run him down and get him away from the pinball machine.

I am being very blunt, but I think it is time somebody was blunt, and I will probably get hung but——

Mr. GOODELL. Well, I think the committee appreciates your frankness, and it is very important that these facts come before the committee, and be aired. There are areas where VISTA workers are doing a good job, where they are supervised and where they have been assigned specific tasks and there are others areas where they are obviously not doing a good job. Certainly the attitude which you have described is an attitude that will predictably produce failure.

Mrs. DUNN. Oh, you know, we do welcome help, and just to give you an instance, we have 100 youngsters in our county now from the youth encampment for citizenship and when they first came the executive director asked that I meet with them and speak to these youngsters, and I feel a real burden for young people.

I think as adults it is our place to guide these young people any chance we get, so I met on a Sunday night with them and talked to them, and they have seven workshops, and three of those workshops fit in with our program.

Community development, recreation and public health, and I worked closely with the leaders of these workshops, and they live with their services of these young people, and they are now out in our communities working with families.

We have provided the names of these families. We have worked together as groups too, well, again to fix a community center, in one instance, where the people had no place to meet.

We took a group of these young people, a group of the community citizens, a group of the neighborhood youth corps and our staff, and made a community center so we used everybody that comes down, if you come and stay 2 hours, I am liable to work you 1 of those 2 hours.

You ask Mr. Alexander. He has been down there with me.

Chairman PERKINS. Who is Mr. Alexander?

Mrs. DUNN. Mr. Alexander is from the State technical assistance office and he is our analyst for our area. We would be happy to use these young people's services and to work with them, if it could be brought about.

Mr. GOODELL. The program that you describe, with reference to the youngsters who live in the area, sounds very much like what some of us have proposed. It is actually in the administration bill this year, as well as in the substitute bill that is being offered, a hometown VISTA.

You enlist volunteers to help from the area itself, and give them a designation and give them some sort of general directions.

I take it you view that approach favorably, and think it would have some potential.

Mrs. DUNN. With proper supervision. I come back to supervision, because I think it is a very necessary element.

Mr. GOODELL. Well I don't recall what the administration proposal was in this regard, but in the Opportunity Crusade, it would be under the community action agency, and they would organize and direct it.

Does this sound feasible to you?

Mrs. DUNN. If I had some young people that I could get out there under my fieldworkers and tell them what to do, we could do a lot.

Mr. GOODELL. In some ways, I presume that having people who know the area would be an advantage, wouldn't it?

Mrs. DUNN. Very much so; people sell our mountain man short, you know; he is hospitable, because he has been raised that way.

I say raised and I know it is reared, but I still say raised. You come and sit down on the porch, and he will talk to you, and if he has beans and corn bread, he will share it with you. He will talk all day, if you want to talk.

He would not shoo you off, that would not be polite, but when you went down the path, if you had not been sincere with that man, he would know it.

He might say a few things behind your back, or he would say I wonder what that fool wanted, because the mountain man can see right through you, and you must be sincere and this is one of the things that outsiders here very often do not take into account, that when they come into an area, that they must be sincere in their efforts and not just put on a show or go up and whittle all day, because they think that is what the mountain man wants them to do, and rock on the porch.

Now when I went to Europe, I did not wait for them to learn English so I could talk with them. I went to school at night and learned German, so I could talk to people and because I did not again want to waste 3 years over there making sign language, and I think when you come into an area, you should attempt to know the people.

I have done this everywhere I have been. I was on the Mexican border for 6 years, and I attempted—I am sure I did not do a very good job, but I tried—to learn the people's ways, and their superstitions and their religion, so that I could deal with them far more effectively.

Chairman PERKINS. I want to interrupt my colleague to tell him that this girl was raised right at the head of a road in Breathitt County, Ky., and her parents are back there today.

She stated her qualifications. I asked her if she was a trained social worker, and she said no, but she has told about her experience of supervision in hospitals, but she decided to go back home to help.

Mr. GOODELL. Well, I appreciate your testimony. I think it is helpful to the committee to have this lady on the record, because we are going to consider some possible changes in the entire poverty program, ways we can improve it, and redirect it.

There is a difference between helping and meddling, and if you go in the wrong way with voluntary help, particularly from the outside, it can turn into meddling, and do more harm than good.

Thank you for your testimony.

Mrs. DUNN. It becomes my concern when people come to us and ask us, "What can we do?"

And I think if you will just ask the people, I know you can't go out and do it, but any time you send somebody in and just ask the people their version of this thing, what is written in the paper, what is written in the "Vista Volunteer" is a different story and I read an article the other night that they had a quilting company open in Breathitt and Wolfe and Lee and as far as I know and I have tried to check this out there is only one woman out of Lee County that is doing any quilting, but the article reads as if the whole entire county of Lee were included in this, and we have worked very hard in our program but it is becoming evident that we have not tooted our horn.

We were so busy trying to get results we did not have time to get publicity, and we have done many good things that have not been written up but they are there, the results will be seen, I hope, many years from now, when some child is sitting in a classroom free of intestinal parasites, has had all of his shots, and he now knows that you can wash and come to school clean, and you will feel better if you do, and that there is a different way of life from the way they have been accustomed to.

The other day I had the children in the Neighborhood Youth Corps that are assigned to my program, I had them just write me a little story what they had learned since they—had been assigned to us, and it was amazing what those children had grasped about sanitation and education and wanting to go back to school, but I think the most eloquent statement made by any of them was from a girl from a family of 13 children, and she said I have sure got a fine job.

Now I know that girl. She realized that here she had an opportunity, and with her first check, she has got to be helped in the store in selecting her clothing.

The child had never before in her life had money to buy her own clothing and to me this says a lot, Mr. Perkins.

Chairman PERKINS. Well, I am proud that you have brought this grassroots testimony. We have been delighted that you wanted to put in an appearance.

It was so sudden that I did not even have you on the regular schedule, but any other time in the future that I am lucky to hear you, whether I have got you on the regular schedule or not, you will always be welcome, as long as I am the chairman of this committee.

Mrs. DUNN. Thank you, sir.

Chairman PERKINS. I am delighted that we have got such patriotic people in eastern Kentucky, and to my way of thinking you exemplify the true eastern Kentucky, and I am most hopeful that you can expand your poverty program.

I would like to see it expanded. I know in times like these it is going to be real difficult, but above everything else, I am most hopeful that we can continue to have effective community action programs and let me say that the local directors of eastern Kentucky would do well to select a lady like you to put in charge down there.

I want that to remain in the record. I thank you.

Mrs. DUNN. Thank you, sir.

Chairman PERKINS. Mr. Alexander, I understand that you have a statement. Did you want to make a statement? Who are you with, here?

STATEMENT OF LYNN FRAZIER, INFORMATION OFFICER, KENTUCKY OEO, AND ALFRED ALEXANDER, ANALYST, STATE TECHNICAL ASSISTANCE OFFICE, FRANKFORT, KY.

Mr. FRAZIER. Mr. Chairman, I am Lynn Frazier, Mr. Whitehouse's information officer. Our Kentucky OEO director, Albert Whitehouse, was recalled home suddenly last night, due to the serious illness of his wife. We do have Mr. Whitehouse's prepared statement here that can be read.

Chairman PERKINS. Without objection, the prepared statement will be inserted in the record.

(Mr. Whitehouse's prepared statement follows:)

STATEMENT OF ALBERT WHITEHOUSE, DIRECTOR, KENTUCKY OFFICE OF ECONOMIC OPPORTUNITY, FRANKFORT, KY.

Mr. Chairman and members of the committee, my name is Albert Whitehouse. Since January 3, 1965, I have been a special assistant to the Governor of Kentucky, The Honorable Edward T. Breathitt, and director of the Kentucky Office of Economic Opportunity. This office is set up under Section 209 of the Economic Opportunity Act and is located in Frankfort, Kentucky.

For twenty-three years (1942–1965) I was Director of District 25 and International Executive Board Member of the United Steelworkers of America, AFL–CIO. For over four years (December 1955 to March 1960), I was Director of the Industrial Union Department of the AFL–CIO, and, for seventeen years (1941–1958) I was President of the Kentucky State CIO Council.

We in Kentucky fully support the War on Poverty as it was so ably and effusely enunciated by Congress in 1964.

We are dedicated, unalterably to this concept of community action and do categorically oppose attempts to destroy community action by the piece-meal parceling out of these action programs to other agencies. The fight can most effectively be waged under the umbrella of community action.

We in Kentucky feel that many of the very frustrating restrictions Congress has placed upon the Agency should be loosened. Localities must be given more freedom in deciding their priorities, to pick community action representatives; and to give OEO more coordinating powers; especially at the state level.

Quoting from the Courier-Journal Editorial Page of July 23, 1967, I believe I may ably reflect the concensus of feeling across the Commonwealth: ". . . It (War on Poverty) should be continued. Many of its innovations are just beginning to show results; many of its experiments are beginning to be accepted and win local community financing. The saving sparks of imagination and compassion it has introduced into our glum and stagnant attitudes on relief and welfare are well worth what it has cost and what it still might cost."

This endorsement was without qualification or equivocation.

Since the inception of the Economic Opportunity Act of 1964, Kentucky has moved ahead rapidly to mobilize its resources by enlisting the support of its people to fight the War on Poverty.

The State of Kentucky is organized into 30 units, 27 multi-county agencies and three single county agencies. (Map attached) Each of these agencies has a Board of Directors of approximately 25 members—at least 750 citizens from all walks of life in Kentucky who are voluntary serving in the War on Poverty in their communities. These people are giving their time, talent, and energy to implement the Economic Opportunity Act of 1964—an act which called for the total mobilization of the human and financial resources of our nation to eliminate poverty in the United States. In Kentucky we have mobilized the human resources and created a strong foundation from which to launch an all-out attack on the causes and conditions of poverty in our State.

Twenty-five of our CAP Agencies have been funded, have hired their staffs, surveyed the needs of the communities, and developed workable programs and sent them to Washington. Over 30 action programs have been funded and are in operation in the State; many, many others have had to be rejected because of lack of money. In the face of cutbacks in funds, OEO–CAPS have been very innovative in using local resources, volunteers, etcetera, to keep the program going. Much momentum has been engendered, but this interest and enthusiasm cannot be sustained indefinitely especially among the ranks of the poor. Our troops are in the field—but not even the bravest, most willing army in the world can fight a war long without ammunition. Congress must give these Kentucky communities and others like them throughout the nation the money they need. They cannot win a war with BB guns. *It is a time of testing in the Congress of the United States.* There are those *summer soldiers* who are prepared to haul down the banners, fold the tents, and abandon the field of battle. We must not let these voices prevail, lest we leave our one in five poverty-stricken people abandoned on the battlefield of a war which was never really fought.

Community Action Programs are truly democracy in action. Let's keep them that way OEO–CAP, through the innovative Economic Opportunity Act of 1964, gave more opportunity for the development of local initiative and opportunity for self-help than any other single act in the history of Congress.

The Act gives money, *Federal money*, to local communities to spend as *they see fit* for programs specifically designed by them (the Community Action Agency) which develop human resources and affect or eliminate poverty. It is not a welfare or give-away program. It is an investment program which will pay big dividends, it is the American peoples' adventure in opportunity.

This Act is based on the sound theory that when we have all the people—the rich, the just "well-to-do" and the poor—working together, they can eliminate the causes of poverty in their community, but, of course, the people thus banded together *must* have the ammunition—money—to do the job, and this is where Congress has been woefully lacking in its appropriations.

Not to provide the necessary money to bring to fruition this truly noble experiment is in effect to admit a lack of faith in our democratic system and the people themselves. We cannot afford to continue the false economy of wasting people in order to save money. Yes, wasting people, human beings made in the image of God Almighty, and thereby due the dignity of that image.

And, I would emphasize that to my way of thinking there can be no human dignity without the privacy and the sanctity of the home and family life, also without a minimum standard of education for everyone. And no more people in ill health or need of medical treatment without having it—and everyone trained for a job and provided one.

At the very least in Kentucky we must have money to continue the strong base which has been created, and another half-million dollars to fund the other five areas for Program Development thus making Kentucky whole or fully covered for effective Community Action endeavors.

If tomorrow morning or a month from now we could have an end, praise God, to the Viet Nam war, are the American people ready to take the defense budget and put it to work building a truly great society?

What is it that motivates so many of us to accept without question the expenditure of billions upon billions of dollars for destruction, or to get ready to destroy. But to cry caution when it is proposed that money be spent to *provide for poor people the strength and the ability to lift themselves up?*

There are already many visible results of the War on Poverty in Kentucky. Good community action programs are bing operated in Kentucky. In Leslie County, which is eighth from the bottom in per capita income in the United States with a mere $487 per year, a comprehensive health program is in operation reaching the 10,941 residents and treating them for conditions found, such as dental needs, eye examinations, mental retardation, tuberculosis, cancer, diabetes, heart trouble, et cetera. This massive effort to raise the health standards of the area has been a true Community Action program mobilizing the resources of the community, including local hospitals, doctors, various State agencies, and workers from the ranks of the poor.

The Goose Creek Day Care Center at Blackey, in Letcher County, is helping break the cycle of poverty through a combination of Day Care for pre-school children, homemaker services, and casework programs for the culturally and economically deprived. Also, at Blackey is a sewing project conducted by the poor which is turning out clothes for children who otherwise would literally not have clothing to wear to school.

These are just a few examples of communities in action in Kentucky.

Mrs. Mary Jane Dunn, the Director of one of these action components in Breathitt County, Kentucky, is here with me today to explain how it so successfully exemplifies the basic precepts of true community action—that of teaching the poor how to help themselves.

The War on Poverty in Kentucky has many other faces. It is some 50,000 children gaining early schooling and medical check-ups in Head Start programs as a basic beginning toward eliminating poverty.

It is some 900 high school students in Upward Bound Programs attending classes at a college because they show promise of being potential college students, but would not have the funds to go.

It is also some 33,724 young people in Neighborhood Youth Corps projects earning money while gaining full or part-time experience assuring them they can remain in school and increase their chance of a job later on.

And the hundreds of Kentucky boys and girls in Job Corps Centers learning a trade and a new way of life enabling them to get a job upon graduation.

These are some of the reasons, numerically, why the War on Poverty is worth every cent of its costs to date and the justification for the continuation and acceleration of this program. The moral responsibility is just as important, in fact, more important; for until we place the cause for most poverty where it belongs *not on the shoulders of the poor themselves*, but upon our society, we will not have the will to spend the money and do the job necessary to eliminate it from our country.

It is a black enigma of our society that 34 million of our people are barely existing in a land of plenty. It is a sin, not of *commission*, but one of *omission*. We have failed to find a way to bring these Americans into the mainstream of our affluent society—in fact, we have been so blinded by our affluency, we try in many ways to not even admit their existence. Our proud reputation of having the highest standards of affluent living in the world mean very little for the one in five persons who has never tasted the smaller luxuries of life, not to mention many of the necessities.

America is rich enough and powerful enough to take care of its poor—not in the way of charity, but in dynamic programs to change their very style of life. If the War on Poverty succeeds, even in a generation as some believe it will require, there is an enormous potential for far-reaching changes in all of American life. The War on Poverty is an investment program, *not* a relief program.

Too many persons, far too many, have not realized the most basic and most promising part of the entire anti-poverty effort, that is that OEO-CAP represents an entirely new and highly sensible approach to the problems of human development which have persisted, yes, even thrived in our prosperous and expanding economy. The momentum of our economic revolution has dashed aside an entire segment of our society that was the least prepared to cope with this rapidly changing kaleidoscope of progress. OEO-CAP's approach is remedial rather than custodial action for those disadvantaged: rehabilitation instead of relief, dignity and decency rather than dependency and despondency.

The War on Poverty will not be won instantly, not in two or three years, nor by edict. In this age of automation, everybody wants and expects quick action—results now. I call it in instant coffee age—a spoonful of powdered coffee and a dash of hot water and "bingo" its ready! Rebuilding human beings obviously cannot be done so fast.

There are two basic approaches to the problem of poverty. The first is *alleviation* Welfare. The aim of this approach is to make poverty bearable for those who are poor. It keeps the poor alive so that relatively speaking, very few people starve to death in our country. But there are millions suffering from malnutrition. Alleviative programs make it a little easier to be poor by providing recreation, Christmas baskets and other amenities. Alleviative programs do much good. To argue against them is like arguing against Santa Claus! No one of us would want to curtail any phase of alleviation.

The other approach to poverty is *elimination*. This is the OEO approach. It does not seek to make poverty bearable but to do away with it; not to soften it but to cure it! It recognizes that the only way to do away with poverty is to place power in the hands of the powerless. If a man is illiterate, this approach wants to give him the power of being able to read, if he is sick, this approach wants to give him the power of being healthy.

If he cannot obtain justice, this approach wants to give him the power of good legal aid. If he is jobless, this approach wants him to have the power of a job. If he is voiceless, this approach wants him to have political power. If he is exploited, this approach wants him to have bargaining power.

The greatest challenge of all of Community Action is getting and keeping the interested participation of the entire community—the rich, the just well-to-do and the poor—thus making the community whole. A Community Action agency which works and plan *with* and *not* for the poor. And, I add with emphasis, a Community Action Agency which is interested in and works to eliminate the causes of poverty with its attendant evils; not one which only alleviates poverty. There is a tremendous difference.

Yes, that difference is precisely that which separates an old-line bureaucratic agency and a new-line agency in the revolutionary mold of EOA 1964, which is trying to teach the poor to help themselves, and thereby not only eliminate the causes of poverty, but also the OEO Agency and our jobs.

The poor people of America are not revolutionary, (yet). All they want is to be given the opportunity to earn and own a piece of affluent America. They must be made healthy, functionally literate, trained for a job, put on one, and kept on one.

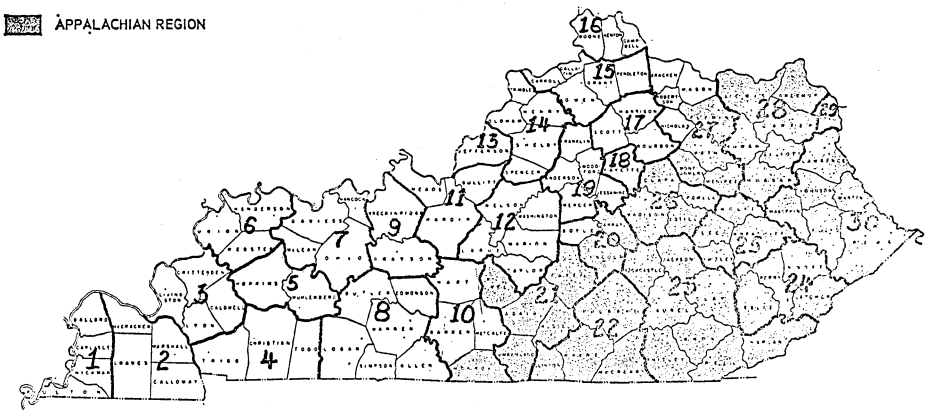
There are no less than 1,000,000 reasons why the War on Poverty in Kentucky should be waged and won. All these reasons have different details and they pose almost that many different approaches! But stretching all the problems to the utmost simplicity, brings forth one word to cover the entire objective: people. At least 1,000,000 people in poverty in Kentucky. They need your help.

I want to thank the Chairman and the Committee for giving me the opportunity to appear and give this testimony on this highly important matter.

KENTUCKY COMMUNITY ACTION AGENCY AREAS

Map Furnished By The Kentucky Office Of Economic Opportunity

213 St. Clair Street, Frankfort, Kentucky, Phone: 564-3325



1. Mississippi River
2. The Purchase
3. Lower Cumberland
4. Pennyrile
5. Hopkins-Muhlenberg
6. H.U.W.
7. Owensboro Area
8. Southern Kentucky
9. Rough River
10. South Central Ky.
*11. Salt River
12. Central Kentucky
13. Lou. & Jefferson Co.
14. HOST
*15. Eden Shale
16. CAC Cincinnati Area
*17. Tri-County
18. CALF
19. Bluegrass Area
*20. Dix River
21. West Lake Cumberland
22. East Lake Cumberland
23. Upper Cumberland
24. L.K.L.P.
25. Middle Ky. River
26. Ky. River Foothills
27. Licking Valley
28. Northeast Ky.
*29. Boyd County Council
30. Big Sandy

*Not funded for program development

Chairman PERKINS. Who is going to talk?

Mr. FRAZIER. Mr. Alexander.

Chairman PERKINS. Identify yourself. Get that microphone. Proceed.

Mr. FRAZIER. He can respond to any questions, any specifics, as far as structure.

Chairman PERKINS. If he has a statement for us, you go ahead.

Mr. ALEXANDER. Well, Mr. Chairman, I guess the testimony doesn't have to be read. Is this correct?

Chairman PERKINS. How long is that testimony?

Mr. ALEXANDER. It is about seven pages.

Chairman PERKINS. Can either of you gentlemen summarize the testimony at this point?

Mr. ALEXANDER. I can summarize it for you, Mr. Chairman.

Chairman PERKINS. Go ahead and summarize. The prepared statement will be inserted in the record, as prepared. Go ahead.

Mr. ALEXANDER. Yes, sir. Since the Kentucky State——

Chairman PERKINS. Give your full name to the committee.

Mr. ALEXANDER. Yes, sir. My name is Alfred Alexander, I am with the Kentucky State Assistance staff, in Frankfort, Ky. I am a field representative working in eastern Kentucky with community action programs.

Since the Kentucky State PA staff was organized in January 1965, we have been able to organize 30 community action programs, all of which have submitted repeated grants for OEO funding under title 204. Twenty-five of the 30 community action agencies have been funded by OEO, and carrying out either grants or conduct administration programs.

We in Kentucky fully support the war on poverty, as it was so ably and effusively enunciated by the Congress in 1964. We are dedicated to the concept of community action, and categorically oppose any attempts to destroy the community action by piecemeal parceling out of these action programs to other agencies. The fight can be most effectively waged under the umbrella of community action.

We in Kentucky feel that many of the very frustrating restrictions Congress has placed on the agency should be loosened. Localities must be given more freedom in deciding their priorities, to pick community action representatives, and to give OEO more coordinating powers, especially at the State level.

Quoting from the Courier-Journal editorial page, July 23, 1967, I believe I may ably reflect the consensus of feeling of the commonwealth:

> The war on poverty should be continued. Many of its innovations are just beginning to show results. Many of its experiments are beginning to be accepted, and win local community financing. The saving sparks of imagination and compassion it has introduced into our glum and stagnant attitudes on relief and welfare are well worth what it has cost and what it still might cost.

Mr. FRAZIER. You might mention short-term funding and special conditions.

Mr. ALEXANDER. Well, to summarize it, Mr. Chairman, I would like to probably speak freely without the notes.

Chairman PERKINS. Go ahead.

Mr. ALEXANDER. One feels that the community action as within the original intent of the Congress was to give programs to be initiated at the local level. Well, it appears that this has just been reversed. Most of the programs have been, so to speak, canned programs, coming down from the national level, handed to the communities, to tell what the communities should use, and superimpose on their people.

This is not real community action. Programs should be developed at the grassroots level, and go up to the top from the local people's ideas, so with the shortage of OEO funds, they came out with priorities, for these priorities don't all necessarily grow with the local people's needs. The priorities in urban areas may not be the priorities of the rural, isolated community in east Kentucky.

So we strongly oppose prescribed programs and canned programs. We feel in eastern Kentucky that the programs should be initiated at the local level, developed at the local level, so that the people themselves feel that they have a part in developing their own destiny. So with the short-term funding that OEO has now begun to use, coupled

with many special conditions, has to my way of thinking lost a lot of the interest of the local people.

They feel that the programs have been dictated to them in a regimented fashion, that they don't have much say-so in them. They would like to see these programs be more loosely developed, the local community level, with more freedom and innovation at the local level, and determine what their needs are.

Some of the community action agencies in Kentucky have expressed great concern on the use of short-term funding now that OEO in the region has been doing now, with three agencies in Kentucky, coupled with many special conditions that they feel that they are unjustifiable, can't live with, and feels that it has been very detrimental to the community action concept.

We at the State level are very concerned with short-term fundings, we are very concerned with special conditions attached to the grant that are unrealistic. We are dealing with volunteer service people, who serve on boards. They have devoted many hours of their free time, serving as representatives in a community action agency, and any form of special conditions and short-term funding that appears to them to be a dictatorial threat, and they oppose this approach to a community action concept.

As far as the VISTA's and AV's operation in Kentucky, it is probably to my way of thinking depends on the individual attitude of the VISTA AV himself.

Some of them are dedicated individuals. There are also those who are down there just for the lark, irresponsible, with no sense of direction and where they are going. To me, this does more damage to the low-income group of east Kentucky than good, although there are VISTA's and AV's who are dedicated, are doing a good job, and working very effectively with some community action agencies. This, again, depends on personalities, but the CAP directors and personalities with the VISTA's and AV's are a good asset, are a good resource in the war on poverty, but we use them as a resource. And we feel that the real main emphasis, or the real effect of winning the war on poverty must come from a community action agency. And we feel that the VISTA's and AV's should come under the umbrella of the supervision of the community action agency to be effective in carrying out the war on poverty.

There are some conflicts. I know there are conflicts between the VISTA's and AV's with CAP agencies in Kentucky. Some of it is based on personalities. Some of it is based on irresponsibility of the youths in the VISTA and AV program that are—to my way of thinking, maybe—down there just for the lark.

Other CAP agencies, they have been doing a very good job working very effectively with the community action agency group.

Chairman PERKINS. One of the most dedicated ladies that I ever ran into happened to be a VISTA worker in the mud creek section of Floyd County. She was an elderly lady. I am hoping somewhere along the line that we can get some others in that category.

Mr. ALEXANDER. Mr. Chairman, I believe this completes our statement. If you have any questions.

Chairman PERKINS. You appear today in behalf of Al Whitehouse, director of the Kentucky Office of Economic Opportunity.

Mr. ALEXANDER. Yes, sir; that is correct.

Chairman PERKINS. Well, I want to thank you for your appearance here this morning.

Come around, Frank. Congressman Stubblefield.

STATEMENT OF HON. FRANK A. STUBBLEFIELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. STUBBLEFIELD. Mr. Chairman, I want to thank you for your kindness in allotting time to Mr. Nace Anderson of Morganfield, Ky., who is here to testify on one facet of the so-called poverty program; namely, the Camp Breckenridge Job Corps.

Mr. Anderson lives in Union County, of which Morganfield is the county seat. This, as you well know, is the home of a very good friend of yours, former Senator Clements, and he is most qualified to testify on the Camp Breckenridge Job Corps Center, due to his proximity to that operation. Further qualifications of Mr. Anderson, include his being president of the largest bank in Morganfield, the Morganfield National Bank.

Chairman PERKINS. Would you talk just a little bit louder?

Mr. STUBBLEFIELD. I was just stating what Mr. Anderson's qualifications were. He is president of the largest bank in Morganfield, Ky. He is also a teacher in the largest Bible class in Morganfield; and he has had an opportunity, due to his proximity to the Breckenridge Job Corps Center, to observe this operation since the beginning. It is a real pleasure to present to the committee, ladies and gentlemen of the committee, Mr. Nace Anderson, of Morganfield, Ky.

Chairman PERKINS. Well, let me first address my colleague by stating that I am delighted to have Mr. Anderson, the president of the Morganfield National Bank, here with you this morning, but I want to bring out from you, in addition, to the questions that I will ask Mr. Anderson, your views on the operation of the Job Corps in Morganfield.

I can recall back in a number of years ago, when there was much criticism of the Job Corps in Morganfield, Ky., in fact the people would prefer that the Job Corps was outside of the city. But if I read all the signs right, there are actually personal witnesses, and after witnessing practically the whole comunity come to the Center to witness a graduation of the Job Corps enrollees, I was convinced that at present, the Job Corps is really doing an effective job, and the lack of support has turned to a 100 percent suport of the program in the community.

Do you care to comment along that line?

Mr. STUBBLEFIELD. Yes, I would, Mr. Chairman. I appreciate this opportunity to do so.

You are correct in that in the early stages of their operation, under the direction of the Southern Illinois University, the results were not too good; and there was a lot of dissatisfaction. I think it goes back to probably the analogy of what the young lady said here, that it was just a lack of direction and know-how, and I think the Southern Illinois University had a contract to operate this Job Corp Center for about a year, the first year of operation, and at the expiration of their contract, the Graflex Corp., a professional management company, took

over the operation of the Breckenridge Job Corps, and they have done a wonderful job down there.

I know of your visit there, your recent visit; and we all appreciated your taking the time to go down and observe this operation.

The attitude of, or at least, it has been the observation of everyone that I have had any contact with in Union County and the surrounding counties, that the attitude is completely changed, that they have a very fine staff there, the instructors are all capable people. They have an intense interest in their work; and, as you mentioned, if you were there on graduation day, why, about 6 months prior to your visit, I spent the day out there, on graduation day; and I think there were about 20 graduates on this occasion. I remember talking to one gentlemen who ran a large nursery in Wisconsin, and they do have a very fine nursery training school there. About a year before my visit there, their nurseryman had come down to seek, look it over, and see if he could use some of these graduates. He took two of them at that time, on a trial basis, and he was down there again 6 months later. This time he took the whole graduating class—that is, the ones who graduated in Nursery, from the nursery school—and said they were the best employees that he had in his whole operation. I also observed that Philco has a contract with the electronics school; and on the occasion of my visit there, I think there were six graduates from the electronics school. The Motorola man was on the Job Corps site the day of graduation; and although Philco had the contract, Motorola took all the electronics graduates, so that speaks for itself, in that industry is seeking these graduates in their representative industries.

Consequently, I am happy to report to you that the operation of this project is a very fine one, and the people of the area who formerly objected to it are now delighted to have it in their community.

Chairman PERKINS. Thank you very much, Mr. Stubblefield.

I appreciate your coming here this morning to introduce Mr. Anderson.

Come around and take a seat by Mr. Stubblefield, Mr. Anderson.

Mr. ANDERSON. Thank you.

STATEMENT OF NACE ANDERSON, PRESIDENT, MORGANFIELD NATIONAL BANK, MORGANFIELD, KY.

Chairman PERKINS. First of all, I want to try to get your background. This is the first time that I have had the pleasure to shake your hand this morning, and what experiences you have had in the community, whether you were reared there, or what about it. Tell us.

Mr. ANDERSON. Thank you, Mr. Chairman.

I want to thank Mr. Stubblefield for taking this time to come around.

As far as my own background is concerned, I am a lifelong resident of Morganfield. I am 53 years old, with three children, and my background is primarily agriculture, and I am a farmer.

I have been in the banking business 8 years. I do make a comfortable living, and pay several thousand dollars income tax, and like to see it spent wisely.

In my position at the bank, I have talked with many of the personnel, and many of the staff that is at Camp Breckenridge, and I think

in talking with the staff and in talking with these people, you do get to know them, and when you talk to a man about his personal money problems, I think you get a fairly good picture, and very often, of the type of character he is.

I was there when Southern Illinois University brought in their people, and I have been there when Graflex brought in their people, and so I have been out to the camp many times, and seen their operation, and sat in their classrooms and eaten at their tables, and been to their meetings, and in this way, I have become somewhat familiar with the operation at Breckenridge, and I understand that I am here primarily to convey the community attitude, which is also my own personal attitude, toward the relationship of Camp Breckenridge and our community, and the impression that they have made upon us.

Chairman PERKINS. I didn't hear that last statement. I am sorry. I was talking to one of my colleagues here on another matter.

Mr. ANDERSON. I understand that the reason I am here——

Chairman PERKINS. What was your background? Will you repeat that for me? We will straighten the record up and only let it appear one time.

Mr. ANDERSON. I see.

Well, I am a lifelong resident of Union County, in Morganfield, Ky., which is adjacent to Camp Breckenridge.

I am 53 years old, married, three children, farm-raised, agricultural background. A farm owner, and still farm, and have been active in the bank for about 8 years.

In my position in the bank, I have opportunities to talk with many of the incoming staff and staff at both Southern Illinois University and the staff that Graflex has.

Chairman PERKINS. I think you want to admit here before this committee when the Job Corps camp first started down there in the area that it was unpopular in the community?

Mr. ANDERSON. Yes, sir; it was.

Chairman PERKINS. Why was it unpopular at that time?

Mr. ANDERSON. Primarily, I think, because Southern Illinois University, maybe, had no blueprint, no guides to go by. They were rushing to put it together. Many mistakes were made. These mistakes were quite evident to the public in the surrounding community.

The type of people they got for personnel were not always, I don't know whether they were undesirable or not, but many of them were unusual-type people that we were not accustomed to seeing in our community. They were the fringe-type people that you might see around universities.

However, in their defense, I will say that they did have some very good people, and these fringe people are now gone, and many of these good people are still there, and I got to know many of them through my association with them, concerning financial matters and their personal money problems which most people have, and I think maybe that this way might be, might not be too bad a way, or it might be one criterion by which you can judge a man's character.

Chairman PERKINS. In other words, the operation under Graflex has been highly approved by the community, and from your experience as a businessman, has the youngster, and particularly since Graflex took over, benefited and received the training that would qualify those

youngsters for, get them in a position where they can obtain employment? Have you observed many of them?

Give us your views along that line.

Mr. ANDERSON. Yes.

I think that during the inception and most of the first period, under Southern Illinois University, it got a black eye, and I think mainly that our people have been glad to see it live.

Chairman PERKINS. Don't you think that that was the situation in a lot of Job Corps camps throughout the country, when we threw a lot of money at Shriver and told him to get busy as soon as he possibly could, and put something together, without any specific instructions, and get these Job Corps camps in operation?

Mr. ANDERSON. I had read that this is so, but I do not know about any other situation than that at Morganfield, Camp Breckinridge. Many newspaper reports bear out what you say.

However, under Graflex, this situation at home, and this is my opinion, and I believe sincerely that it is a great majority of my community's opinion, that this situation has been reversed entirely, and now we can see that the type of people they are getting into their staff members and to do their work is entirely different. These people are interested in their jobs, we see many changes, every day, take place. These are all little things that make for a better run institution. It is run on a businesslike basis, private industry, which I endorse; I think it is doing a good job in this case. I think maybe they learned a lot from the mistakes of the university people, and to their credit, they left a badly bent structure, that needed shoring up in many places, but Graflex didn't have to tear it down. They started with what they had, and they straightened up the rafters, and patched the roof, and they are building a good house, I think, and I think my community thinks so, and it is pretty hard to fool a whole community.

If things are not going good, people know it, and if they are trying, and they are going good, and we see many of these things being corrected, just little things, and I could enumerate those, if I were asked to, the little things that make for a better program.

I think we don't have the same situation as the previous witness. Our community is not, could not claim to be a poverty area. We are a small county, but we are a fairly wealthy county. We raise corn, wheat, cattle, hogs, soy beans, have mining and have oil.

Chairman PERKINS. One of the good farming counties in Kentucky.

Mr. ANDERSON. Yes, sir.

And, so, we are not dependent on Breckenridge. I think the only reason that the Job Corps is in our community is because the facility was already there. We didn't ask for it. We are now proud it is there. It involves a good many of our people, but if it were not there, why, we would b employed anyway. There is very little unemployment in my community. Anybody wants a job can get one, and he probably could get one if Breckenridge wasn't there.

However, there are about 300 people working in various capacities that are from Morganfield, in Union County. There are about 650, maybe, in a radius of—they draw from a radius of 20 to maybe 50 miles. It takes a certain type of person to work out there. I wouldn't want any of the jobs that they have to offer. It takes a person who is

interested, who is dedicated, and I have heard this word used before this morning, and I think it is true for that type of job.

Graflex, they are limited in the people who are not interested. They are retraining the people who are interested.

Chairman PERKINS. That is your observation; the people that are not interested, they are——

Mr. ANDERSON. Are soon gone.

Chairman PERKINS. They are able to screen them and eliminate them?

Mr. ANDERSON. They are soon gone.

Chairman PERKINS. The people that are dedicated, they are staying.

Mr. ANDERSON. That is right. And I feel like I know this.

Chairman PERKINS. You are making that statement as a businessman.

Mr. ANDERSON. I am making that statement as a businessman, from my experience in talking with many of these employees, and many of their staff who come there for jobs, who have stayed there on the jobs, most of which have some sort of financial problem, and I talked with them. I talk about their personal problems, and also, take the opportunity to talk many times about the problems of Job Corps.

Chairman PERKINS. Now another question.

You have a vocational school in your area; don't you?

I want to ask you just as an observation whether, in your judgment, the Job Corps is reaching a type of youngster from the standpoint of basic education, character, and otherwise, that is not now being reached in vocational education. I am just asking you from your observation there, as a businessman on the streets, you know the people throughout the county, know the people that you have got acquainted with in Job Corps, and see those youngsters on the streets there every day. Tell us your observation along that line.

Mr. ANDERSON. Job Corps students are bound to be people whom vocational education is not reaching. I don't know what the reason is they are not reaching. Their own volition, or a person has to go to school until he is 16, and after that, why, he can do what he wants.

I think the previous testimony gives you some inkling of the type of situation where these students come from. Now, this applies to the mountain people, and in this lady's case, but these people come from everywhere. They come from the ghettos, they come from the rural South, they come from rural everywhere, small towns; they are dropouts that are not reached by the vocational program, simply because they are not present. It is there, but they have not taken advantage of it for one reason or another.

In my visits to the camp, we see these people walking across campus, and we see them coming in on the buses. I have attended their graduation, and I don't know how they do as well as they do with a great many of these people. You can see a big change in them. I am not so sure which is the most important; namely, thinking they learn out there.

Maybe how to get along socially, or at least, things that have social effects, are maybe more important than the job that they are training for. The education that they get might also have second importance to this how to go out in the world and get a job, how to do many things.

The people who go out and see this, who are mostly the people in my community, and many of them do, we are free to go anytime, we are also invited, see this thing, and they can't help but be impressed.

I don't like to see my tax dollar wasted, but I am impressed and I am willing to pay for the program that they have at Breckinridge Graflex. I don't know anything about the other programs. I don't know any more than what I have read in the newspaper.

I know if half of it is true, there has been a lot of mistakes, and a lot of waste, but I am sold on Graflex programs.

Chairman PERKINS. You know if we turned our backs on the type of youngster that you see coming into Morganfield, Ky., and your record shows 23 percent of the youngsters received in the Job Corps have already drowned out of vocational school, and to my way of thinking, the primary reason is because one of our great problems is obtaining the information and know-how and the special education training in techniques to deal with this youngster at the bottom of the totem pole.

Don't you think it would be a grave mistake for the Congress to turn their backs on that type of youngster? Because crime costs so much more. Three times more. To keep a youngster—I mean, where a youngster has been convicted of a felony, to keep him in detention for a year.

Don't you think the Congress would make a terrible mistake of turning their backs on this type of youngster, interrupting the operation of the Job Corps?

Mr. ANDERSON. Mr. Chairman, I don't know the answer to that question. This situation has been brought to national attention, and once it is done, why, the country feels inclined that we have to do something about it.

Here it is. This is one way that it is being taken care of. In my own experience, in my own observation, I think it is worth the price of what is being done at Camp Breckinridge. I don't know whether it is worth the price on all these other programs or not. It may be. It certainly needs to be considered.

Chairman PERKINS. The operation of the program, the cost has dropped down to an average annual cost of $5,900 per enrollee in Breckinridge.

Mr. ANDERSON. I have seen those figures.

Chairman PERKINS. And that is about the average throughout the country. That shows that we have been profiting from mistakes that we have made in the past, where the cost was much higher. But it is my point of view, and I would like to know if you agree, that we are obtaining through this period of demonstration or experimentation certain know-how where we can effectively pass it on to other institutions, such as secondary, vocational educational institutions, and residential centers, and even to industry.

It is my point of view if we threw away this past experience, without going on, carrying on for a greater number of years, I would like to see the Job Corps eliminated. I would like to see it work itself out of a job tomorrow. But realistically, that is not going to happen.

Do you agree with me that we should let this program go along in the future without being curtailed until we can come up with answers that can take care of these youngsters?

Mr. ANDERSON. I would say of Breckinridge, and I still go back to that, because it is all I know personally——

Chairman PERKINS. But you do observe that we are gaining information and know-how?

Mr. ANDERSON. Yes; I do. I think the basic idea, you can take a person who otherwise might become a drag on society and put him in a productive capacity where he heads in the right direction. I know we are learning a lot as we go along with all of these programs. And out of it, I believe, maybe it might be worth the price to take a chance on it, because if you do nothing, it is going to deteriorate, and if you do something, it is like many programs that have some proven good and some have proven bad. I believe in this program based on my knowledge of what is going on at Breckinridge. I don't know anything about the others.

Chairman PERKINS. Well, I know that I am speaking to a good, solid, more than likely conservative citizen, and I have appreciated your point of view here about Government this morning.

Mr. ANDERSON. I know private industry.

Chairman PERKINS. Especially the job that is being done at Breckinridge, in giving suitable training for the type of youngster that you have there.

Mr. ANDERSON. Mr. Chairman.

Chairman PERKINS. Yes.

Mr. ANDERSON. Obviously, private industry is interested in this, and I don't believe it is just for the money that is in it for them. I think they are interested for the same reasons that you have stated. I believe that they think they can do it.

Chairman PERKINS. I agree with you, and they have made a statement here to the effect that from a pecuniary viewpoint, it would be much better for them to go in another direction and invest their funds, because they just were in this business because they felt that they could make a contribution to society. I feel they are making that contribution. I feel our educational system is going to benefit from this contribution.

Mr. ANDERSON. Yes, sir, and they are making future customers, too, if they have a productive person who buys services, pays taxes, and so forth.

Chairman PERKINS. Your Graflex man testified, if I recall his testimony—I don't know. I guess we have had maybe 100 witnesses or more before this committee; I know we have had more than 100—that a percentage of these youngsters were juvenile offenders when they came in and they have developed the know-how to keep that youngster under supervision and control 7 days a week. Has that been done effectively?

Mr. ANDERSON. Yes, I think so. I have seen the inventory of their weapons that were taken away from them when they arrived at camp. I have seen the disciplinary measures that are put into effect. I have seen various little things like—after all, they get 16 to 21 is the age spread. When he arrives at camp he is apprehensive usually, he is homesick.

For example, they have just put in a buddy system. A buddy system is self-explanatory. One of the older boys takes over one of the new younger boys and this is effective. This keeps him content. If they

can keep him there long enough, through their little rewards they offer for staying or their rewards they offer for shaping up, or the penalties they put in for infractions, they can reorient this person. It is like this situation we just talked about. Many of these people, and I don't know whether they are right or not, they think that these boys have to be jerked out of their environment from which they came and separated from it entirely before they can ever be eligible to see or they can even develop an appreciation for the way normal people live. And so they go on this basis, and they do many little things. I see more and more of this being put into effect and I think it is more and more successful. And without the type of staff they have, which I keep getting back to—the type of people you have working in any organization has a lot to do with the effectiveness. That applies all the way up to the top of the government.

Chairman PERKINS. Our bill continues the present operation of the Job Corps at a cost of $295 million. Another bill pending before the committee proposes to cut back during the next fiscal year the Job Corps from $295 million to $190 million.

In other words, cut back the operation of the Job Corps $105 million. But to transfer immediately the operation of the Job Corps to the Office of Education, to be operated as our regular vocational school system is being operated at the present time. I think everybody knows that I am a great believer in vocational education. From your experience down there, I think you qualify in one sense of the word, perhaps, as an expert, and a better expert than many educators would qualify, from your experience, do you feel that it would be detrimental to the welfare of the type of youngster that the Job Corps is presently serving if this other bill became effective and we took the operation of the Job Corps away from its present setup and transferred it to the Office of Education to be operated as vocational schools are presently operated?

Go ahead.

Mr. ANDERSON. I can't answer your question because I don't know enough about the administrative experience or program on either one of these sides.

Chairman PERKINS. Well, you feel it would be a great mistake to take it away from Graflex.

Mr. ANDERSON. Yes, I do. I think that Graflex, and I use that as an example, and if Graflex is a fair example to us, I feel that, and I have noticed this training, that the more liberty they have to run their own program and the less they have to make their final decisions dependent upon OEO, the better off they are and the better they are able to administer their program. I can give one small example.

Chairman PERKINS. Go ahead.

Mr. ANDERSON. For example, I know one of the people who is called a resident counselor. He is a neighbor of mine, lives down the road, and I talked with him many times.

Now a resident counselor lives in the dormitory with about 20 of these fellows. Over him, there is an area counselor and so if he has disciplinary problems, and of course, the disciplinary problems that these people have are normal, they don't know how to act when they come. Now they will dismiss a person if he fails certain tests. If he is a habitual criminal or if he can't get along with these people or if he is a

fighter, he won't cooperate in any way, I don't know what all the criteria are, but they will dismiss these people if they won't shape up.

Chairman PERKINS. In other words, you can't keep them.

Mr. ANDERSON. Now, my point is this: That up until recently, before final dismissal could be made, it had to be approved by OEO in Washington. Now, then, the man is dismissed. He can come back to the barracks and stay 24 hours. He has nothing to lose. He might tear up the place, he might beat up somebody, might do many things. That was bad. And I understand just recently that this decision can now be made by Graflex itself. That is good.

It is just one little thing that these people on the spot are able to administer their own program, and the further away they get from the final decision having to be given in Washington, the better off they are.

This was one of the big troubles SIU had.

Chairman PERKINS. Now, I know that, now, you have gone through the school so many times.

Mr. QUIE. Would the gentleman yield on this?

Chairman PERKINS. Yes.

Mr. QUIE. I think it should be pointed out to the witness that under the opportunity crusade, the Job Corps camp would not automatically be taken away from Graflex. This would be up to those in the vocational education administration, just as it is up to OEO right now to determine who would administer these camps. So this was a mistaken impression that was given.

Mr. ANDERSON. I don't know who should administer it. He has an opinion. You have one. I don't know.

Chairman PERKINS. But you are still of the opinion that Graflex should administer it instead of the vocational education people at this point, at this time.

Mr. ANDERSON. Yes, sir. I am sold on their methods and what they are trying to do and the effort they have made. I don't know who they are responsible to. But they are doing a good job.

Chairman PERKINS. That is the point, gentlemen.

Mr. QUIE. Would the gentleman yield?

Chairman PERKINS. Yes, I yield.

Mr. QUIE. I would expect, wouldn't you, that people in the vocational education administration would have equal competence with yourself in making this same determination?

Mr. ANDERSON. I don't know. I only know my own observation. I don't consider myself an expert.

Chairman PERKINS. Let me thank you, Mr. Anderson. I think you have been very helpful to the committee, but I think your testimony is far reaching in many respects because it is typical of what has taken place in the Nation. Job Corps camps, many of them, when they were first set up, many mistakes were made, and that was nothing out of the ordinary. We were trying to get the camp in operation at the earliest possible date and any good administrator would make mistakes, but the real point here involved is the fact that the present director of the Office of Economic Opportunity has taken advantage of those mistakes and the operation is on an efficient basis today. When the mistakes are made today they are being corrected. I think that

is the reason that your testimony is so outstanding. It is typical of just what is taking place in the Job Corps throughout the Nation.

Mr. Quie?

Mr. QUIE. I have no questions.

Chairman PERKINS. Thank you very much, Mr. Anderson, for your appearance here today.

Mr. ANDERSON. Thank you, sir.

Chairman PERKINS. Come forward, Senator Pepper.

STATEMENT OF HON. CLAUDE PEPPER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. PEPPER. Thank you.

Chairman PERKINS. It gives me a great pleasure to welcome my distinguished colleague before this committee.

Mr. PEPPER. Thank you.

Chairman PERKINS. It is always his custom to come here on matters of great importance to the Nation. Naturally you are one of the outstanding students of Government in the Congress. You have demonstrated that in so many different ways. It is a pleasure to welcome the gentleman that has taken so much interest before the House Committee on Rules where we get more measures like this.

Proceed, Senator Pepper, in any way you like.

Mr. PEPPER. Thank you, Mr. Chairman, and members of this distinguished committee. It is a great pleasure for me to have the opportunity to speak here today in favor of H.R. 8311, the Economic Opportunity Amendments of 1967. I have given my continuous support to the programs authorized by this act, and would enthusiastically urge that they be extended and in some cases expanded.

I would like to commend this committee for their diligent efforts in evaluating the poverty program. In a program so new and so innovative in its approach, there is a great danger of improper activities being funded, of mismanagement of funds, and of funds being used for political purposes. We in Congress must constantly be vigilant in watching for this type of criticism, and must make every effort to see to it that such activities are not funded by the Federal Government.

On the whole, however, I think the antipoverty programs have made an impressive record. It may be a period of years before we can evaluate their long-term effectiveness. But as we see individuals being trained so that they may secure permanent employment, as we see little children in Headstart receiving much-needed medical attention, as we see students able to finish high school because they are enrolled in the Neighborhood Youth Corps—we know that the poverty program is having an immensely important impact.

I will give my full support to the 1967 amendments. However, there are several changes which I would like to see made in the legislation. I hope this committee will take the suggestions under consideration before the bill is reported out.

The first amendment I would suggest is one which would amend section 205(a) of the Economic Opportunity Act by inserting a sentence to the effect that title II funds could be used for construction of

night illumination systems for public recreational areas. This amendment would read:

Page 50, at the end of line 12, insert the following: Component programs may also include projects for the construction of night illumination systems for public recreational areas.

Such an addition would serve the purpose of directing OEO to allow funds allocated for summer programs to be spent on erecting the lighting fixtures so that the recreational programs at the swimming pool, playground, or baseball diamond could be continued into the evening hours.

I very much favor the expenditure of funds for summer programs. I have seen how helpful these programs can be in keeping young people occupied and out of trouble. The President, in his message to the Congress requesting the appropriation of $75 million for summer programs, specifically mentioned that the funds would be used "to keep schools, libraries, and playgrounds open, to build swimming pools, and to light basketball courts and baseball diamonds in the evenings." Congress acted with dispatch and passed this appropriation, with the understanding that playground lighting was an integral part of the program.

And yet, when the community action agency in my home district in Miami submitted their application for funds for their summer program, they were told they could not have the money for providing illumination. The policy of the Office of Economic Opportunity was to provide funds for the operation of recreation programs, insofar as this includes the payment of salaries of youth workers to supervise the playground or the swimming pool at night, but not to construct or operate the lights. OEO cited legislative restrictions on construction in its programs. I talked to Mr. Shriver personally about this and, Mr. Chairman, he affirmed this understanding of the limitations against this sort of provision in the law.

Fortunately, in this case our local authorities were able to work out an arrangement to provide part of the lighting needed. But I think we should remove any doubt that, while we prohibit use of OEO funds for general construction, the Congress does not intend that OEO should be prohibited from assisting in the provision of lighting equipment where this is necessary to permit recreation areas to operate at night. We are all too aware this summer of the use of time and energy, for violence, which might be channeled into the playground.

I would strongly urge this committee to consider adding a sentence to the act to specify that it is the intent of Congress that funds may be used for this purpose to encourage wherever possible wholesome recreation and help reduce restless and lawless activity in our crowded urban centers.

The second area of concern to me is the matter of programs for senior citizens. One-third of those persons over the age of 65 do not have enough income to escape from being poor. The number of persons in this category is approximately 5 million. This means that the aged constitute one-seventh of the poor in this country.

A primary emphasis of the programs authorized by the Economic Opportunity Act is to assist young people in gaining the education and training to enable them to break out of the cycle of poverty and become self-supporting adults. The Job Corps, the Neighborhood

Youth Corps, Project Headstart, Upward Bound—all of these focus on children and youth. I would not suggest that these programs assisting young persons are not of prime importance. They must be continued, indeed expanded.

But this concentration on youth tends to let us forget the sizable group of senior citizens who are experiencing want and deprivation.

No one intends to ignore this group. Much has been said about including them in the war on poverty. But the time for talk is over. I think we must come down to some concrete proposals.

Therefore, Mr. Chairman, I am offering three amendments to H.R. 8311 which will encourage greater attention to older Americans and to the role they can and should have in the Economic Opportunity Act programs. My first proposal would earmark a total of $150 million of the funds appropriated for title II of this act to be used for programs to assist senior citizens who are poor. This amendment should read:

Page 76, after line 12, insert the following:

(c) Section 610 of such Act is amended by adding at the end thereof the following: 'Of the funds appropriated to carry out this Act for a fiscal year, not less than $150,000,000 shall be expended on special programs for the elderly poor.'

And redesignate subsections (c), (d), and (e), as (d), (e), and (f) respectively.

This figure has not just been pulled out of the air. My reasoning is this. The aged represent one-seventh of the total number of poor Americans; therefore, they should benefit from one-seventh of the programs. The Office of Economic Opportunity has asked for $1,022 million for urban and rural community action programs under title II. The fair share of this amount that should be allocated to programs for senior citizens is approximately $150 million.

Chairman PERKINS. Just a moment, Mr. Pepper. I want you to summarize the last minute what you have submitted there. You read an amendment to the $150 million being earmarked, but I was busy. What did you say after that? And I will follow you then.

Mr. PEPPER. Just summarize?

Chairman PERKINS. No; just the last paragraph.

Mr. PEPPER. I recommended $150 million. This figure has not just been pulled out of the air. Our reasoning is that the aged represent one-seventh of the total number of poor persons; therefore, they should benefit from one-seventh of the programs for the poor.

The Office of Economic Opportunity has asked for $1,022 million for urban and rural community action programs under title II. The fair share of this amount which should be allocated to programs for senior citizens would be about one-seventh of that amount, about $150 million.

Chairman PERKINS. I see.

Go ahead.

Mr. PEPPER. During these hearings, you have heard how successful the foster grandparent program has been. This program, which provides employment for the aged poor, demonstrates what can be done. As of March of 1966, 21 foster grandparent projects had been funded. This number has increased to a current level of 49 projects. However, this represents an expenditure of only $5.5 million. Ten million dollars is planned for funding for fiscal year 1968. I am sure there are other types of programs which could be designed to give senior citizens a chance for part-time work, a chance to earn much needed

income, and at the same time perform a necessary task to help others who are in need.

Now, this is the second amendment, also in the field of aid to senior citizens. My second amendment reads:

Page 76, after line 16, insert the following:

(d) Part A of Title VI of such Act is amended by adding at the end thereof the following:

Use of Volunteer Services of Senior Citizens

Sec. 610–2. The Administrator shall encourage all persons charged with carrying out programs under this Act to make maximum use in administrative and advisory capacities of the volunteer services of persons who, by reason of having retired from their regular employment, may be considered senior citizens.

And redesignate subsections (d) and (e) as (e) and (f), respectively.

Chairman PERKINS. Senator Pepper, I agree wholeheartedly with this statement. I met with the Commission of Aged in my office resulting from a walk that I took over the holidays and seeing that which is being done for our elderly people had just made me sick. We were supposed to have VISTA workers, Appalachian volunteers, but the people who were unable to get out of their bed were being completely overlooked and were receiving some public assistance.

We have this elderly group that we know these people and it would be the greatest thing that we could possibly do to see that their time and mind was occupied in this direction, especially in areas where we will not have any trained nurses any time in the future. I am speaking now of the rural areas. You are more likely addressing yourself to urban areas.

I, personally, am going to insist on an amendment of this kind. I think that you are so right where we could so wisely spend some money and we must do something along this line.

Mr. PEPPER. Mr. Chairman, you know how gratified I am to hear you say that. I am advised Mr. Shriver when asked the question testified before the Senate that nothing is being done for senior citizens, there was no program designed, as I understand it, for senior citizens.

Mr. Chairman, it is intended to require the maximum use of senior citizens in programs authorized by the Economic Opportunity Act. Section 610 specifies that it is the intent of Congress that whenever feasible the special problems of the elderly poor should be considered in the development, conduct, and administration of programs under this act. I find no fault with this section, but I do have doubts as to whether it has been implemented to the fullest extent possible.

I am sure that in many cities, counties, towns, and villages, many of our senior citizens are vitally interested in the war on poverty. Not only are they interested, but many of them have had special experience which could be effectively utilized in the many programs in operation. They have worked as teachers, social workers, businessmen, and lawyers, thereby possessing skills which are in great demand in such programs as Headstart, community action, neighborhood legal services, and adult education and training.

Chairman PERKINS. Let me interrupt and state in your area that is true but in my particular area here these people who are above 65 years of age in a rural area are just more or less withering on the vine, living on a very little income, so many of them are, and we should put those people to work.

Mr. PEPPER. They are so eager to work.

Chairman PERKINS. They are eager and they want to do it and they are dedicated. They are the type of individuals that are dedicated to that community and we should make arrangements for them to participate as so-called VISTA's or whatever they may be to do something for these elderly people that are being overlooked.

Mr. PEPPER. They will bless you forever, Mr. Chairman, for your wonderful leadership of that.

President Johnson, in his January 23 message to the 90th Congress on aid for the aged, requested that the Office of Economic Opportunity "initiate and expand programs to make a wider range of volunteer activities available to older citizens." He mentioned such fields as tutors, classroom aides in Headstart, and greater participation in VISTA.

My proposal would require that some specific regulations be drawn up to encourage the community action agencies and others administering antipoverty programs to make greater use of senior citizens. I would suggest that when the current contracts come up for renewal and examination, the Office of Economic Opportunity require that the agency show that it has made an effort to hire qualified senior citizens interested in helping in the war against poverty.

By fully utilizing this segment of our population, we will make the war on poverty even more successful, first by securing the services of skilled employees, and second, by involving still another group in the total community effort to eliminate poverty.

My third amendment is related to the second, but focused on another aspect of the poverty program. It reads:

Page 76, after line 12, insert the following:

(c) Section 610 of such Act is amended by adding at the end thereof the following new sentence: "The Director shall take such action as may be necessary to insure that in carrying out programs under this Act maximum use is made of the services of persons who, by reason of having retired from regular employment, may be considered senior citizens.

And redesignate subsections (c), (d), and (e) as (d), (e) and (f).

Chairman PERKINS. Let me interrupt you.

What do you think about some language directing VISTA workers to make special efforts to provide services for senior citizens, particularly in isolated rural areas, and implementing the law to the extent that local senior citizens who are qualified may participate? Do you think that would be a good amendment?

Mr. PEPPER. Yes, I do, Mr. Chairman.

Chairman PERKINS. The reason I say that to you, Mr. Pepper, we have reached the youngsters so well in many areas of my district but when you get out on one of these towns up the creek as I like to go up and down on occasions, many of these elderly people on public assistance will say to me, "Well, we hear all about this poverty program and we are discouraged. You know, we are supposed to get medical treatment" and the red tape is so much that under the medical program as administered by the Economic Opportunity Act they won't even go in and charge the medicine that they must buy. They pay for it out of the old age assistance check.

I ran into three cases of that kind down there in one day and they said to me, "Why can't you help us somewhere along the line?"

It just points up the fact that we need here just what you are talking about and as chairman of this committee if we don't do something about it, I am going to offer an amendment on the floor of the House because this just must be done; we cannot neglect these people up and down these creeks where our local Appalachian volunteers and VISTA's have completely forgotten about them.

It is time for us to put some language in the bill to see that we make special efforts to provide services to senior citizens. I know this particularly in the isolated rural areas, and I think the same is true as you say in your area.

Mr. PEPPER. Mr. Chairman, I don't think you could do a more commendable thing.

Chairman PERKINS. It just burns me up to see people who profess to know the area and make great headlines and never touch the real needs in the area.

Mr. PEPPER. They don't want to be bothered in many instances, Mr. Chairman, with the senior citizens; they just think they don't want to be bothered with them and yet they are the greatest reservoir of untapped resources I believe in the United States.

Chairman PERKINS. I agree wholeheartedly.

Mr. PEPPER. I happen to be 66 years old; maybe I should not boast about it, but if anybody told me that I was living in a community and retired and I could not do something to help in one of these programs, as we crackers say, I would want to fight them about it.

Now, there are two categories. One of them is the group where $200, $250 a month would be a bonanza to them, give them a little income, give them something to do. The other group are people well to do who made a business success, retired from their own business but want to do something because they are good Americans; they want to help their country and they got tired of resting and fishing and doing the recreational things.

I have had many of them come to me, bankers and businessmen. One had me to lunch one day across from the bank. He said, "I am one of the boys at the bank; I want to do something. Can't you get me in this OEO program? I have been a successful businessman; I have been healthy."

He was a handsome fellow, well dressed. He would gladly serve for $200 a month or nothing, for that matter, but we cannot find a place for him.

Chairman PERKINS. One other point that I feel I must press myself to in the rural areas. I have been on housing and I know the Housing Administration, I feel, has done a most worthy job but from the standpoint of rural housing it has been practically nil and these people reside in what we may term huts and just want a little better opportunity to know it is no fault of their own, and I am speaking about these senior citizens.

We should utilize these senior citizens who are living on a meager income in my area, many of them, $40 a month, $45 a month, depth of economic security, never were able to take advantage of the Social Security Act. We should utilize this where they have nowhere to work as a fairly good carpenter and knowing a little something about building, put them under some competent supervisor and get some loans

even though the Government has to subsidize them which would be small, $500 or $1,000, to winterize the home, put a decent roof over their heads.

There is nothing in this District of Columbia that will compare with some of these rural shacks that prevail in my district. I am just hopeful that our Government is not going to forget about these people because they are not rioting and rising up against the Government and all these things.

We have got to recognize the real needs of the people wherever they are, whether they are in a ghetto in the metropolitan area or in a rural area. It has been my point of view and I have found that I have long supported every piece of legislation to come before the Congress, to help the citizens, to promote the general welfare of the people in those areas, but I likewise feel that the time is long past due that we should do something about these poor people.

Mr. PEPPER. Mr. Chairman, I want to offer this caution. I think you are going to have to make the language strong in order to get the administrative people to carry out what we have in mind.

Thank you very much.

Chairman PERKINS. Thank you so much for your appearance. You have been most helpful.

Mr. PEPPER. Mr. Chairman, may I just add this?

The proposal would amend the act to encourage the use of senior citizens as volunteers in administrative and advisory capacities. This would not be a mandatory requirement, but would rather be considered as a guideline for those directing the programs. The focus in this proposal would be on making use of the expertise and knowledge of senior citizens in administering programs.

There is an added benefit which will accrue from the increased use of senior citizens as volunteers. This is in the lowering of the costs of administering the programs. In an effort such as the Economic Opportunity Act which is specifically designed to eliminate poverty, we are especially conscious of the sums allocated to administer the programs.

The ideal is to use as much of the budget as possible for direct assistance to the poor themselves, and not siphon off large amounts for overhead. The use of volunteer help at the administrative level can prove to be of great value by securing talented persons with a commitment to the program, who are willing to contribute their time and energy without compensation.

I urge your consideration of these four amendments. I hope that they can be added to the proposal now before you. They will add to the effectiveness of the Economic Opportunity Act in its efforts to eliminate poverty.

Chairman PERKINS. Mr. Burkhart. Go ahead and identify yourself for the record.

Do you want to introduce the witness here, Mr. Goodell?

I am delighted to welcome you here, Mr. Burkhart.

I notice you are president of the College Life Insurance Co. of America, speaking for the U.S. Chamber of Commerce. We are always glad to have able witnesses like yourself present.

Proceed.

STATEMENT OF JOHN BURKHART, PRESIDENT OF THE COLLEGE LIFE INSURANCE CO. OF AMERICA, APPEARING ON BEHALF OF THE CHAMBER OF COMMERCE OF THE UNITED STATES; ACCOMPANIED BY RICHARD L. BREAULT, MANAGER OF THE NATIONAL CHAMBER'S COMMUNITY AND REGIONAL RESOURCE DEVELOPMENT GROUP

Mr. BURKHART. Thank you.

I have with me, Mr. Richard L. Breault, who is the manager of our national chamber's community and regional resource development group, who is working very closely in this area and who does have a great deal of information that deals with what we are talking about.

For the past three years, the chamber of commerce has been involved in a study of poverty. The major portion of the study, an intensive inquiry into the nature and causes of poverty, has been the responsibility of the task force on economic growth and opportunity. The task force is composed of more than 100 chief executives of the country's largest corporations. It is chaired by Mr. Erwin D. Canham, editor in chief of the Christian Science Monitor.

More than 35 background papers have been commissioned by the task force from authorities on various aspects of poverty. The task force has been advised by at least 150 experts serving on 10 panels. Six field trips have been made to representative parts of the country to get first-hand information. And the task force, through its own staff, has researched the subject.

Three reports on poverty have so far been published. The first, entitled "The Concept of Poverty," attempts to define poverty more clearly, assesses the dimensions of the poverty problem in the United States, and develops general guidelines for public and private policies and programs to alleviate poverty.

The second report, entitled "Poverty: The Sick, Disabled, and Aged," analyzes the relationships between the problem of poverty and conditions of sickness, disability, and old age. It puts forward 28 recommendations aimed at mitigating the economic and social impact of these circumstances and at improving the quality of life for people who are poor because of these reasons.

The third report is entitled "The Disadvantaged Poor: Education and Employment." It analyzes the difficulties faced by those whose contributions to society are minimized because of discrimination, insufficient education, inadequate employment opportunities, or some combination of the three. It makes 28 recommendations aimed at alleviating poverty caused by these factors.

Two reports, one on individual and family security, and one on rural and regional poverty, are now in preparation.

The reports published to date have been praised by responsible public and private individuals of all political persuasions and have been favorably reviewed in leading publications.

OTHER CHAMBER ACTIVITIES

The national chamber's concern for finding solutions to poverty has not been limited to a study of the problem of poverty. Additionally, the national chamber commissioned a study of the actual operation of

three Economic Opportunity Act programs—the Job Corps, the Neighborhood Youth Corps, and Project Headstart. This study, entitled "Youth and the War on Poverty," was recently released and I will refer to it in more detail shortly.

The chamber has also held meetings for local chamber executives to discuss the present and potential involvement of local chambers and businessmen in community action programs aimed at a variety of problems, including poverty.

The national chamber has added staff whose full-time responsibility is to develop programs for business participation in the elimination of poverty.

Further, we have added resources to our traditional interest and concern for the improvement of elementary, secondary, and higher education and, particularly, for vocational education, both the institutional and on-the-job variety.

Through another of its activities—the total community development program—the national chamber is urging businessmen in every community to concern and involve themselves with the broad range of problems—social, economic, political, and cultural—facing most cities and towns, including the problems of low-income people.

The national chamber has also taken recommendations of its independent task force on economic growth and opportunity, evaluated many of them through appropriate committees, and approved a number of them for action and implementation.

I would like to offer the committee a list of recommendations in the first three reports of the task force that have become integral parts of national chamber policy. These are now serving as focal points for the development of action programs.

NATIONAL CHAMBER POVERTY LEGISLATION RECOMMENDATIONS

The national chamber has called for continuation, expansion, and improvement of Economic Opportunity Act programs that our analyses have shown to be successful, and it has offered constructive criticism of programs that it believes are not operating in the best possible manner.

The chamber has adopted, as policy, a number of specific recommendations affecting OEO programs. These recommendations are based in part on the study to which I just referred, namely, Youth and the War on Poverty.

At the outset, the report notes that one of the main obstacles to making any evaluation of the war on poverty programs is the lack of meaningful data from the Office of Economic Opportunity. You will recall, for instance, that OEO itself had to hire the Lou Harris polling firm to "find" the first 60,000 Job Corps enrollees who, for statistical purposes, were lost.

The public receives an abundance of statistics from OEO. However, they are of a general nature and really shed very little light on the poverty program. For example, OEO tells us that the war on poverty has "touched 3 million poor people".

But what does "touched" mean? How many unemployed people have been given training that led to permanent jobs? How many deprived children have been given a head start in education that can

carry them through higher levels of education? How many unemployed parents have been trained for jobs that have taken them and their children off the welfare rolls?

Data on all of these and many more questions are sadly lacking. And, what is available suggests that many of the neediest poor have been bypassed by the war on poverty.

Because data were unavailable from OEO, a sample of Job Corps graduates and their employers was made part of the chamber study of Youth and the War on Poverty. Detailed results of the survey are to be found in the body of that report. In summary, the findings were these:

Although 71 percent of formerly unemployed or underemployed youths have attained employment, entered the military service, or returned to school since leaving the Job Corps, only 28 percent of the graduates are working at jobs for which they were trained.

Seventy-four percent of the enrollees are no longer employed in the job in which the Job Corps indicated they were placed.

Employers rated the majority of graduates as "poor" or "satisfactory" in training, skill level, and work habits.

The Job Corps has been doing very little to aid the graduates in placement.

Although the sampling in the national chamber's survey of the Job Corps was in no way designed or intended to be scientific, the survey results were remarkably similar to the findings of the Lou Harris poll.

The evidence suggests that the Job Corps is failing in its major purpose to lead young people to jobs for which the Job Corps has trained them. This poor implementation unfortunately distorts the concept, raising hopes only to dash them.

The concept of the Job Corps is legitimate and laudable. Despite the fact that graduates have not achieved their employment goals, it is interesting to note that generally the Job Corps graduates surveyed said the Job Corps was the best experience of their lives.

The chamber believes that a redirection of program administration, reinforced by expanded industry participation, can provide the type of training implicit in the Job Corps concept.

The Neighborhood Youth Corps and Headstart are likewise valid in concept and, despite the absence of a significant body of data, there have been some recent studies indicating instances of individual program success.

I could summarize the findings of our study as they pertain to the Neighborhood Youth Corps and the Headstart program. To save time, however, I will let the study, which you now have, speak for itself. Let me, instead, quickly run through the study's recommendations that have been since approved by the national chamber's board of directors. [Reads:]

1. Public schools should be encouraged to improve their ability to teach successfully the culturally deprived. The improvement of elementary and secondary school curricula and teaching for culturally deprived children could obviate the need for the Job Corps and other expensive remedial programs now conducted outside the public school system.

A number of studies of secondary education have pointed out that the school dropout is often the school "force out." Secondary school

curricula, in many cases, has no relation to any meaningful objective for the deprived youth who will have to seek employment as soon as his education is completed. Businessmen can help rectify this, and the national chamber is encouraging its members to do so.

2. Vocational training programs should reflect the needs of and involve as much as possible, private business and industry.

Businessmen are uniquely able to advise school boards and administrators about present and predictable future job opportunities—and about the skills and knowledge required to meet them. Advisory committees of business and professional men can keep vocational and technical courses in tune with the economy, often through cooperative work-study programs. Such business education liaison can help assure realistic vocational educational programs and the placement and success of graduates.

3. Changes should be made in the labor laws, labor union and apprenticeship policies and business hiring practices to permit on-the-job training and hiring of young people now often deprived of work experience by unreasonable limitations due to age requirements.

School and Job Corps dropouts have difficulty finding jobs or even qualifying for vocational training because of these restrictions. Likewise, the minimum wage should be flexible so as to permit the hiring of young people and the training of young people at an economic wage that reasonably reflects their productivity. As now structured the minimum wage can discourage employers from training and hiring young unskilled people.

One of the comments most often volunteered by the Job Corps graduates who responded to the study's survey was that they were too young to obtain employment in the fields for which they were trained. Many child labor laws, based on reaction to unfavorable conditions existing 30 years ago, are now archaic and unduly restrictive. Similarly, labor union and apprenticeship policies with respect to the entrance age of employees often bear little relation to the actual ability of youths to perform the desired work.

4. The Job Corps should be transferred from the Office of Economic Opportunity to the Office of Education to be administered in co-ordination with the Vocational Education Act in order to avoid duplication now existing between the two programs.

The chamber urges the retention of the Job Corps concept. If the program can be converted to residential vocational skill centers, as provided for in the Vocational Educational Act Amendments of 1963, we feel that there will be a more direct relationship between the training of the youth and later employment.

We strongly urge that the provisions of such a transfer continue, and expand, where feasible, the role of industry in training enrollees. The localization of training will afford prospective employers a greater opportunity to see the type of training that is being given and will, therefore, make them more readily accept the graduates.

In addition, localization will facilitate a more direct relationship between the type of training offered and the occupational needs of the community. The enrollees will be able to be responsibly integrated into the community environment. The present setup of the Job Corps segregates and stigmatizes the disadvantaged youth.

Under our recommendation, it could be anticipated that many Job Corps facilities now in use should be continued.

5. The In-School Neighborhood Youth Corps program should be transferred to the Office of Education to be run in accordance with other existing kinds of

work-study programs. This would avoid duplication and promote better coordination of existing programs.

The in-school program has, by the evidence available, reduced the dropout rates by providing underprivileged youths with the extra cash that enables them to stay in school. By operating the program as a direct work-study program, in conjunction with the schools, there will be a closer relationship between the type of occupation the youth is being prepared for and the part-time employment he is able to secure. Examples of programs of this nature which have been successfully implemented with private funds are numerous and show remarkable success.

6. The Out-of-School Neighborhood Youth Corps should be transferred to the Department of Labor where it could be better conducted so as to provide meaningful work experience. Bringing this program closer to existing on-the-job training programs could encourage the development of programs more closely fitted to current job market needs than is now possible.

The present make-work structure of out-of-school programs does little to inculcate good work habits in enrollees, much less job training. The difficulty that many programs have had in recruiting enrollees indicates that more meaningful work-related programs must be devised.

In this connection, we would urge the expansion of the concept of on-the-job training in the Neighborhood Youth Corps.

7. The Head Start Program should be transferred to the Office of Education with the provision that it be integrated in the elementary education system as part of an over-all evolution in education practices. Upon transfer to the Office of Education, special attention should be maintained on the objective of giving supportive health services and other forms of special attention to program enrollees who come from economically and culturally deprived families.

Headstart, according to available evidence, is an initial success. However, the chamber study, as well as some other more recent studies, indicates that the benefits of Headstart can be quickly negated when the program's special attention is not pursued in the regular school system. By transferring the Headstart to the Office of Education, it is anticipated that the benefits of this special program can be followed through in the primary grades and the Office of Education can be infected with the unique aspects that Headstart has introduced.

The report, "Youth and the War on Poverty," and recommendations are concerned chiefly with youth training programs. The chamber federation has done much more than make studies and recommend actions at the national level. Local chambers and business members have been actively engaged in local programs that serve the disadvantaged.

We want to emphasize that our recommendations would not—and I repeat, would not—abolish the Office of Economic Opportunity. That organization would still be responsible for administering the heart of the Economic Opportunity Act; namely, title II(a), the community action programs.

Although we are aware of some of the serious administrative difficulties OEO has encountered in handling the CAP program, we believe that the emphasis of title II(a) on local involvement and decision-making is in the right direction.

In stressing local involvement, including involvement of the poor, OEO must take every precaution to assure that political involvement is not substituted. There are far too many disturbing stories of the prostitution of community action for partisan purposes. To be effective, community action must be removed from the arena of partisan politics. This is an important condition for our recommendation to keep title II(a) under OEO auspices.

We would hope that if OEO can concentrate on the important community action programs in the coming year, these programs can be improved and made more effective. We plan to give these programs a careful evaluation in the coming year.

Chairman PERKINS. Let me compliment you, Mr. Burkhart. I always enjoy hearing the chamber of commerce and to know that we seldom agree on viewpoints.

I take it that you are against the Job Corps, lock, stock and barrel.

Mr. BURKHART. That is not what our testimony was.

Our testimony was that we do feel that it has a very important new concept that has been added to our general programs and that it should be kept alive.

Chairman PERKINS. Kept alive?

Mr. BURKHART. We feel that it could be better handled under a different agency.

Chairman PERKINS. In other words, you are strongly supporting the so-called Opportunity Crusade?

Mr. BURKHART. As a matter of fact, we took this position before the Opportunity Crusade was ever announced.

Chairman PERKINS. Do you realize we are reaching a type of youngster in the Job Corps that has not been reached in our vocational educational institutions today?

Mr. BURKHART. I think that is the reason we feel that the identity or the concept should be continued.

Chairman PERKINS. In other words, the concept of the know-how and the training experience that we are obtaining from the Job Corps at the present time you feel should be continued.

Mr. BURKHART. That is right, sir.

Chairman PERKINS. Now, I think you will agree with me that through the continuation that our school system, all of it, including vocational schools and residential centers will tremendously benefit from the standpoint of knowing how to train and give basic education to the youngster that is dropped from the Job Corps today, that is it from the bottom of the ladder. Do you agree with that statement?

Mr. BURKHART. If I understood it correctly, yes. We certainly think that that youngster deserves the best training we can give him. I don't think we necessarily agree that he is getting that now.

Chairman PERKINS. Don't you think that these centers then should continue for a few years, at least, maybe several years, before the change takes place?

Mr. BURKHART. We feel that the center can be integrated into one unified program under the Office of Education. We feel these things are all related.

Chairman PERKINS. Do you feel that subsequently IBM and Graflex are not doing as good a job as the vocational educators will do today?

Mr. BURKHART. Well, we feel that if they felt that it would be better done by the present program that there is nothing contradictory in our stand for——

Chairman PERKINS. You think it would be better under the present program, but my point of view is there are no results established. We have not reached this youngster except on a real limited degree.

Mr. GOODELL. Mr. Chairman, I am delighted to have you make that statement in the record. It has taken us a long while to persuade you of that.

Chairman PERKINS. Well, I am talking about what we are now reaching in the Job Corps.

Mr. GOODELL. I thought you said we had reached it under the Job Corps.

Chairman PERKINS. I did not say that. I think my statement speaks for itself on that.

Go ahead.

Mr. BURKHART. I think what we do find in the Job Corps is unfortunately what characterizes many Government programs and that is that we really honestly don't know what they are achieving because, as we pointed out in our testimony in more detailed form, which the study would infer, there has really been almost no systematic comprehensive followup of these Job Corps graduates to find out what is happening to them.

Chairman PERKINS. You have got to perfect terminology to my two good friends over here and charged to them that we can so ably use. Talking about the followup, don't you think that the Job Corps has benefited tremendously from its mistakes if any were made and our new senior cost outbreak is being lowered and training for the Job Corps enrollees tremendously improved since the operation commenced, getting better every year?

Mr. BURKHART. Yes, I think that is a very fair statement. Not bearing on this particular legislation, I think it is a guide.

I want to make a comment. Yes; it seems to me that looking at this from a sort of citizen viewpoint that we seem to have widespread agreement that the Job Corps initially was much less than outstanding, that it had many administrative breakdowns that were very expensive and so forth.

The others think we are sympathetic with the task that was given to Mr. Shriver and the thing I think that is wrong is that so many of these programs we suddenly decide that something has to be done tomorrow and we start off on such a big scale, there is no testing, there is no research and development as we think in those terms.

Chairman PERKINS. I agree with you, mistakes were made when we inaugurated the program. We just threw money at the Director and said, "Here, get these things started," almost overnight and it is doubtful whether you and I would have done as well. In fact, I know that I could not have started to cope with an undertaking of that kind with no experience.

I am impressed by the fact that we are gaining so much know-how and Sargent Shriver as the Director has so ably taken advantage of that. Do you agree with me on that statement?

Mr. BURKHART. I certainly agree that we have learned a great deal from the early mistakes.

Chairman PERKINS. Don't you agree with me that Sargent Shriver is taking advantage of it and bringing the cost of operation down?

Mr. BURKHART. Yes, I would agree to that.

Chairman PERKINS. And the experimenting and demonstration period that is going on I think you feel should be continued?

Mr. BURKHART. Except that we feel that the program needs to be unified in the sense that I think the OEO in the field of education and things related to it has performed a service in dramatizing and getting publicity.

Chairman PERKINS. It has never been dramatized before. Do you agree with that statement?

Mr. BURKHART. Yes, I agree with that.

Chairman PERKINS. Don't you think that the OEO has just got on its feet and should continue to make further progress without spinning off these various functions?

Mr. BURKHART. No. I think as a practical matter the whole relationship of jobs and education and such that we should as early as possible get it under one agency.

Chairman PERKINS. If I understand you correctly, you are advocating that OEO remain as it is presently constituted without transferring to any other agency?

Mr. BURKHART. We are not proposing transfer of OEO.

Chairman PERKINS. What?

Mr. BURKHART. No; that is right. We are not proposing transfer of OEO.

Chairman PERKINS. What?

Mr. BURKHART. No; that is right. We are not proposing that OEO be transferred to certain agencies. We do think certain programs within OEO should be transferred. We think that these things that deal with youth and education and vocational training logically belong in the Office of Education, many parallel programs.

Chairman PERKINS. In other words, the innovation that Shriver has made under OEO you feel should continue in the future as presently set up in the law?

Mr. BURKHART. I think that in the community action programs there is a great deal of possibility here that has not yet been realized and undoubtedly innovation will continue to take place.

Chairman PERKINS. And with that innovation and with that potential possible in the future you feel that OEO should remain as at present, if I understand your statement correctly.

Mr. BURKHART. As an independent agency.

Chairman PERKINS. As an independent agency?

Mr. BURKHART. That is correct.

Chairman PERKINS. All right.

Mr. QUIE.

Mr. QUIE. Mr. Burkhart, in your testimony you say there are two more reports, one on individual family security and one on rural and regional poverty. When do you believe these will be concluded?

Mr. BURKHART. Within the next 12 months.

Mr. QUIE. I think it would be good if the reports that you list in your testimony were made a part of the record, Mr. Chairman.

In your colloquy with the chairman you talked about Mr. Shriver, general of the command post, reducing the cost of the Job Corps program. I might add here that it was on congressional insistence that

this was done. If we put a limit on what he had with which to administer these camps, I thing the story would have been altogether different this year in terms of the difficult time he had to stay under that limit. So I think Congress can take the credit for putting the pressure on him.

Mr. GOODELL. If the gentleman will yield, it was put on over Mr. Shriver's strenuous objection.

Mr. QUIE. It certainly was.

That is why I think it is necessary for the Congress to look very closely at this program.

You mention in your testimony the chamber is engaged in a total community development program. I am only familiar with your program in Rochester, Minn. Would you elaborate on that and tell us how widespread it is now?

Mr. BURKHART. The last 1 or 2 years, the major interests of the national chamber has been in the field of community programs. We have reorganized our entire committee structure; we have changed many of our past traditional programs in order to give money and staff time and emphasis in the direction that businessmen must assume a direct responsible part in the solution of their own community problems. We don't think that this can be swept under the rug or that it can be left to someone else. We think the people that are at hand who know the problem and who also have the leadership ability and the capacity to mobilize the volunteer resources of the community have got to do that.

Now, I think anyone who has been watching this is bound to be very conscious of almost a revolution in business thinking so that in city after city now we have many of our top business leaders, supported by people from the companies they are associated with, spending many hours and tackling problems of this kind.

So, it is a field that we have not only a passing interest in but I would say it is by far the greatest single major interest at this time.

Mr. BREAULT. I would like to comment, Mr. Quie.

You mentioned Rochester, Minn. This is an outstanding example, we think, of where a program of this kind has taken hold and moved forward with the local chamber of commerce and coordinating efforts of many other groups working together to try to improve the community as a whole. It is one of the examples that we often cite to other cities as a success.

Mr. QUIE. Do you have some reports on the activities of these programs that are available now?

Mr. BREAULT. We are now working on a new program called the community development clearinghouse program where we are developing case studies of communities across the country of all sizes where success stories of this kind can be told to the benefit of other cities that may want to follow in the same footsteps.

We hope that some time this fall we will initiate and publicly launch this community developing clearinghouse program to chambers of commerce across the country providing case study information.

Mr. QUIE. Are these community development programs in any other way tied in with the planning money of the 701 Housing Act?

Mr. BREAULT. Very seldom, Mr. Quie, although in some cases it may well be. We do not as an organization counsel one way or the other. This is entirely up to the local chamber of commerce and their business leadership.

Mr. QUIE. I note that you make a number of recommendations that programs ought to be transferred from the Office of Economic Opportunity to the traditional agency. Going down through the programs of various titles of OEO, you recommend that the Job Corps be transferred to the Office of Education.

Mr. BURKHART. I think we have, as you people know much better than I, a tremendous multiplicity of programs and they have proliferated to the point where we don't know how many we have or who is in charge of what. You have in every community a number of parallel and overlapping and duplicating activities, so that is one reason I think that we ought to start in all these so-called Great Society programs, as nearly as possible, start unifying them under some particular agency. That is one side of it.

The other side, I think, is that on the educational side to the extent that these things can be interrelated and coordinated—take Headstart. If Headstart is an independent operation and it has no direct relation with the school system, I think the evidence already is beginning to be quite clear it is not going to make any very substantial lasting contribution. I think it has to be something that when this Headstart, if you want to call them, graduate at that stage and get into the regular school system, there must be a regular followup to maximize the values that were presumably gained through that early start.

Now, the school system was really completely divorced from it and it seems that this would be a perfect example of something I think in the long run would be a great deal of gain getting it there.

Vocational educational programs. I know the chairman has indicated that the Job Corps does reach a group that is separate from our conditional vocational education and I think in a sense that they may be two different groups but that does not mean they cannot have within the same school system variations which will accommodate these two groups. It seems to me that you are going to have a much more orderly and systematic and effective program when it is all handled under one system rather than having a half dozen different people all operating programs that essentially have the same mission.

Mr. QUIE. Those who make the charge that the transfer of such as the Job Corps or others to traditional agencies would scatter the programs all over the Federal Government could not have been more in error. Actually, the transfer would have consolidated these programs.

Mr. BURKHART. That is right. The problem now is that every department is doing this thing. We get under various names and you have got now the OEO. We do have a number of education department programs. We have Labor Department programs and so on down the line and many others that you have to have systematic research on to find out what they are.

I don't think that they do any ways near a job of maximum effectiveness because they are dissipated over a wide area; it greatly increases the cost. While the economics might be thought to be of less importance in a measure of this kind, I think in the long run it is very important

because these programs just by their duplications, and so forth, become expensive enough that the public feels they are too expensive; we run the risk of having them curtail much too sharply than what they deserve.

I think anything we can do to make them more economical, more effective, we are doing the maximum service then of the people we want to reach.

Mr. QUIE. Going through the other recommendations for transfer to traditional agencies, it seems to me that you recommended the transfer of programs in all titles except title II, and in title II you recommend the transfer of Headstart.

Mr. BURKHART. That is correct.

Mr. QUIE. So that would mean that OEO is to maintain, as you recommend, that you leave only part of it to community action, to Headstart.

Mr. BURKHART. That is true.

Mr. QUIE. What has been your experience with involvement of the poor? What has been the chamber of commerce reaction as well as that of the community? I note that you are in favor of it.

Mr. BURKHART. If I could simply give perhaps an example of my own hometown where I am naturally the most well acquainted, the Indianapolis chamber has had a program now for roughly about 2 years in this field of employment opportunity. We have set up a blue ribbon committee of the local chamber with this responsibility, and I think this illustrates the kind of thing that can be done by local action that really can't be done through governmental action.

I don't think, no matter how much money is spent, we have gotten through the chamber the cooperation of personnel and officers, the employment managers of our corporation. Just as one example, we have a screening program. Many of our biggest companies who have the most qualified personnel staffs may well be in a situation where they can't consider the kind of people that are currently available for a job but we have been able to get their cooperation so that we can send these people to them for detailed interviewing and testing and so forth to determine the type of work that they presumably are best fitted for and then with that information we have been able to go to smaller businesses who could profitably utilize that kind of help who do not have the personnel facilities to seek it out themselves and to test and this sort of thing.

So, here is a case where we are getting very extensive, very valuable help at no cost at all through the involvement of the local chamber of commerce and we are doing many programs of that kind that I think are most important. I think you will find that this is rapidly becoming a kind of a way of life with better chambers of commerce all the way across the country; they are becoming more and more deeply involved in these things which 4 or 5 years ago they were not very conscious of.

Mr. QUIE. Since you accept the concept for the programs that OEO is administering under title II, what about the expansion of the utilization of the community action concept to other programs administered by other agencies to help people who are poor?

Mr. BURKHART. You mean turning other things over to OEO?

Mr. QUIE. Well, at least, locally involving them in the administration at the policy level.

Mr. BURKHART. You mean would we think it would be desirable to have all kinds of Federal programs more and more involved at the local level? Is that what you are saying?

Mr. QUIE. Yes. Through this involvement of the Corps, I know that our program is administered at the local level finally but most of them don't have the involvement feature.

Mr. BURKHART. I think the local involvement is highly important. I must say I think this concept is a little elusive and I am not quite sure that any two people agree on what we mean by involved in the Corps, and it is one of those phrases that it is a very reassuring thing and yet I am sure if you want different communities you would have widely different notions of whether they were actually involving the poor and also a lot of different opinions on how successful it was.

The basic idea of getting local people who are close to the problem and who have a voice in how the money is spent and can tell what they think is wrong with not only their own particular community but their own neighborhood seems to me to be very silent. If we could take a part of the corollary of this, it is one of the defects I think of so many of the Federal programs. They are determined here in Washington what the problem is and the money is so earmarked and the priorities are established at the local level. It is not spent in the way that is most productive there. They abandon their local priorities because they cannot resist the temptation of the matching grant or whatever it may be to do what the Federal Government has been doing that is most important.

So, I think in all of these things the more the money can come down to the local level without guidance of strings attached and to let the local needs determine the priority, that is true whether it is the State level or the city level. I think many of our programs now are terribly wasteful of the resources we have available for this because they are not directed at the thing which is most important in that particular State.

The problem of Indiana is not the same as New York and not the same as your State. We each have things that we need to address ourselves to but the State legislature can't help but match the other funds that are available rather than do what they should do.

Mr. QUIE. Have you read the last report on the CED, the local community and State government?

Mr. BURKHART. Modernizing; yes. I think that the chamber again is taking an active interest in this problem. That business has been, I think, delinquent in not getting at this sooner. I think many of us in business have in times past had a sort of hysteria-type response to proposed Federal actions by saying that this ought to be done at the local level, whether State or community, but we have not faced up to the fact that we didn't provide the kind of governmental machinery at that level that could adequately tackle the problem. It suddenly is now, I think, becoming clear to people that here we have a real opportunity to restructure State governments; most constitutions are outmoded.

The money and the staff we give our legislators and the Government, and so forth, are quite inadequate to the contest that we have been rather glibly saying that they ought to assume. I think this movement is picking up tremendous momentum and I would like over the next 10 years to see a great revitilization of the State government and I think it is an interesting thing. To me, it seems as though both the

right and the left, if you want to use those terms, are more and more beginning to feel that the task and the size of government, the amount of money we are spending is simply beyond the capacity of handling here in Washington; it has got to be done at a local level; but if that is going to be done, we need to have the kind of government that can completely and effectively administer. Certainly, the national chamber is slightly interested in that and is backing it very much.

I think the CED report is characteristic of the very rapid business.

Mr. QUIE. In other words, we expect that the local businessmen and the chambers of commerce will be supporting modernization of State government and local government where in the past there has been a tendency for them to oppose the State constitutional conventions?

Mr. BURKHART. I think there has been a great tendency in the past that we are fearful something might come out of the constitution. They have some vague apprehensions that we are not very happy with the way things are but nobody can tell what we would get if we ever got together in a constitutional convention. I think that has been one side of it.

The other side I think, too, is that most States until we have had this recent reapportionment move have been largely dominated by rural areas so we have had a State government situation which was pretty incompatible with city problems. Under most State constitutions, the cities are creatures of the State, and our State would be a perfect example of that because the city of Indianapolis which has some very massive problems that we all recognize and which we have ideas how they should be solved and how to pay for them, but until recently we could not get the authority from the State legislature to do it.

So, I think these are all things that we are very conscious of the deficiencies. I am hopeful that without too much longer delay all of the country will see the movement. Of course, some States have already had constitutional conventions and I would look for many, many more to have them within the next few years.

Mr. QUIE. I thank you for your excellent testimony. I think it should be very helpful to us in developing this legislation.

I yield to my colleague from New York.

Mr. GOODELL. I want to thank you, also, Mr. Burkhart, not only for your excellent testimony but for the very high quality studies which the chamber has sponsored in this general area and particularly for the study on youth which has become a part of the record here today.

You mentioned earlier as a response to the chairman's question—I am sorry he stepped out for a moment—that the chamber of commerce is not recommending abolition of the Office of Economic Opportunity. It is my understanding, and I would like to hear some comments on it, that the chamber has no official position one way or the other on this particular point; is that correct?

Mr. BURKHART. Yes. I am glad you did bring this up because I think I might have improperly stated our position.

The only thing that we have really adopted a policy on is reflected in the testimony in these recommendations that we make. The things that we have not recommended we simply are without a position on at this time.

In other words, we have never had a policy position established on the whole concept of the OEO or its direction that it should go or things of that kind. We have taken out these specific things, they have grown through committees and have gone through the policy action by the board. So, insofar as the desirability of other OEO programs, we simply have not taken a stand.

Mr. GOODELL. Then if I understand it correctly, you just have no position on this particular point?

Mr. BURKHART. That is correct.

Mr. GOODELL. You have a specific position on transfer of Headstart and Neighborhood Youth Corps and transfer of the Job Corps and with the changes that you have outlined in your statement?

Mr. BURKHART. That is right. The things we have a change in position are outlined under those numbered recommendations, and beyond that we have no position.

Mr. GOODELL. I think a number of us received a letter recently which indicated that the representatives from the variety of the groups mentioned in the letter had unanimously opposed the transfer of OEO. Among the organizations mentioned were representatives in the chamber of commerce. I take it from your answer that this is not an accurate statement.

Mr. BURKHART. No; that was not an accurate statement.

The representative, of course, is not a member of the leadership advisory council, so, in the first place, would not have been qualified to vote. Also, that person was not even present when this vote was taken and I think it was a rather misleading thing to put that down there. I don't know whether it was deliberate or unintentional but in any event I think it has since been made clear by a letter from Mr. Arch Booth who is the staff head of the chamber that we have not in any sense taken a position that might be indicated by this letter.

Mr. GOODELL. Would you just for the record indicate the date and the name?

Mr. BURKHART. Yes. This letter went out under date of June 22, and, as I understand it, perhaps went to most of the Members of Congress. That was sent out by Mr. Ralph Besse, who is the chairman of the Cleveland Electrical Co. It did indicate that the people present had unanimously endorsed the OEO and appended thereto is a long list of people present with their business affiliation, and among those was shown Miss Pat Goldman of the U.S. Chamber of Commerce.

So, there was that implication that the chamber was endorsing this statement since it was presumably unanimous and I am very happy that you have given me the opportunity to clear that up because, certainly, that was not the case.

Mr. GOODELL. Mr. Burkhart, there was some discussion earlier of the Job Corps concept. You indicated that you felt transfer of the job Corps vocational education office to the Office of Education would not necessarily, and should not, prevent the running of this type of an institution by business corporations in the contract. Is that your position?

Mr. BURKHART. Yes. Our position would be that we would imagine that very likely many of the present Job Corps centers as such might well be retained and that it is quite possible that all the present business firms operating might be maintained. I do think that the value of

business management has been rather dramatically exhibited in the Job Corps thing.

I think it is very significant that everybody seems to agree on one thing, that the early months of the Job Corps were almost disgraceful. While we can be sympathetic in the sense that an awful big assignment was given on short notice, too big a one, I think, as I indicated earlier, I think it is almost absurd to start these programs on such a big scale when nobody knows what is really going to happen or how it will work or what they want to do.

In any event, the improvements have largely come, I think, since business firms were brought into it where they had management capacities and experiences that were very helpful which were very difficult to create out of thin air. You would not expect to start a Sears, Roebuck or General Motors over night just by appropriating $500 million. Nobody would think that was possible; everybody would know that was absurd, but we do that all the time in the Government and nobody thinks anything about it. Of course, what we do is actually dump money out and nothing happens.

It seems to me that Congress ought to pay a great deal more attention to testing programs and really find out what is happening.

I think there is a certain degree of enthusiasm for the Job Corps, yet I think we are honest. We don't really know whether it is accomplishing anywheres near what it is to accomplish. We just simply don't have the facts and I think when we spend money on this scale not only from the standpoint that the taxpayer has the right to know what he is getting for his money but the person who has nothing but the society's interest so to speak, would want to know if it was working because if it is not, we ought to try something else.

We therefore evaluate. The ones we have started, the tendency is to just keep on going and if nothing is happening we just double the appropriation. It seems to me this is one of the great defects of the Job Corps. The studies indicate, I think, it is about 78 percent of the people that came through it have jobs but I think the record also shows that 56 or 58 percent had jobs before they ever got in so this is not necessarily any sensational thing—it may be; it may not be. We don't really have any evidence as to the type of jobs or whether it is the job they were trained for or whether they have a job that is directly related to the training they have.

It is honestly not any great feat to get a job today in most areas because most areas have a labor shortage. So, the whole thing is that we really have not adequate evaluation we think, and we think this is a real serious defect of many, many Government programs.

Mr. GOODELL. I think that point is made very strongly in the chamber's study of the Job Corps and Neighborhood Youth Corps and of Head Start.

I think also, however, that, having sponsored and urged the concept of residential training for this type of youngster for some time before the war on poverty, I personally feel somewhat betrayed by the mass production procedure that we went through.

I think the concept in large part was betrayed because it created so many problems subject to the whole concept. Those problems were not necessarily a part of the concept of residential training.

You made a study at the chamber and I think its objectivity is beyond question since among other things the results that you came up with were somewhat more favorable to the Job Corps than the evidence which we have from the Harris Polls and professional polls.

I believe you mentioned 76 percent had jobs. I think the Harris Poll showed 62 percent had jobs and another percentage were in school. This comes pretty close to your total if you add those in school.

Then your study indicated some 58 percent had jobs before they went into the Job Corps. Of course, I am troubled with the fact that in evaluating it we have to rely almost entirely on polls. I think polls are a proper scientific weapon to be used in evaluation, among others, but when the only way we can find out what has happened to the Job Corps graduates is to have a poll done it is a pretty strong indictment of the follow-through procedures.

Mr. BURKHART. If that was a business project, you certainly would want to know what your product was and what happened to it. As a matter of fact, I think the results both of our study and the Harris Poll may be tremendously off base. I think that is probably the most favorable possible interpretation because the people have been able to find—and more aptly the people that are on the job and the more responsible part of the graduates who do respond to inquiry. In other words, I think it would be a fair guess that the segment that we did identify was the cream of the crop, relatively, and that if we really had a true example, a cross section—in other words, I think the Harris Poll on this is not at all comparable to the Harris Poll on a political question where they are able to get a perfectly good cross section of the voting public.

Here, they have to track these people down, and I am sure the ones that are employed are the ones that are easiest to track down. So, I suspect these figures are rather optimistic.

Mr. GOODELL. I agree with that comment.

I might also ask you to comment a little further with reference to the difference of approach between a businessman and an educator in training individuals.

I am very much for more involvement of business in this whole activity. I think there are other ways we can give inducements to business to move more aggressively in this area, and I am very pleased to hear your comments along that line.

Mr. BURKHART. I think this is a very key point and we have not scratched the surface on it.

The responsibility lies both at the governmental or educational end and at the business end. I think that the fact that business has not been consulted more is not entirely other people's fault. To some extent, we have not until relatively recently been concerned enough to maybe be quite active in saying that our services are available.

Mr. GOODELL. I want to compliment the chamber on the directive. I think they have done an effective job.

Mr. BURKHART. Again if I could use an illustration from home, the State chamber spent 2 or 3 years of very active work on this problem of vocational training. I think every time we look at it you realize that unless we get business involved rather closely, we end up training people for jobs that are not available, and this is a very sensitive area. They need changes from time to time, from community to community.

We have some types of jobs that—for example, take two extremes. You take a large company in our area, like we have General Motors that has many large plants. We talk to people like Dr. Ramey. Their needs for people are not for specialized training; they would like to see that the school got them, and they read and write, and they would like to do their own training.

On the other hand, you have an extremely small business, perhaps, where it is just impractical for them to run training programs. Yet, when they get a certain number of people, they may not need any more of that kind for 10 years.

So this need for vocational education is not a simple thing; it is not just a question of money and intent, but it is a matter of total integration, I think, between the school system and the business environment to make sure they are being trained at the right time for the right jobs.

Also, I think the school systems tend by nature to often extend these training programs much longer than they need to be. They are making them more elaborate.

Now that is not only a matter of being more expensive, but it is difficult to get kids to stay in them. We have found that we have many kinds of jobs that, oh, let's say 6 weeks is a very adequate preparation for them, but it gets into the vocational channel and they want to make a 1-year course for it, and this is the kind of thing I think we have to fight.

So it is very important I think that we get business involved in the sense that they can temper the educators' enthusiasm for prolonged training, and to some extent, oftentimes a little too much theoretical training causes these people you are trying to reach, who are not very schoolminded to start with—if they were, they would go through the regular channel without assistance. They tend to be doers and not thinkers, if you want to oversimplify it, and they don't want to take 2 years to learn something.

The very interesting thing in this regard, incidentally I don't know whether the committee has given any thought to this or not, but the thing that impresses me is the tremendous number of vocational or technical schools now, that are privately run, many of them for profit, which are fully enrolled.

Kids go in there and they will pay $500 tuition for a course that they can get for nothing through the public school or through some other vocational program. The reason is that that course has been geared to teaching them something quickly and in terms that they understand, whereas these other programs tend to be again—in other words, a kid would rather pay $500 and get 6 weeks of instruction and get a job than to pay zero and spend 12 months getting it.

These are all things, I think, that are of great significance in laying out these programs and applying where we are going to go.

Mr. GOODELL. You talked about the approach of the Federal Government simply putting a large amount of money in to try to solve a problem which is very complex and difficult, particularly when we don't have a full understanding of the problem.

It is very easy to oversimplify in this area.

There is a great deal of current discussion, for instance, about riots. I have before me the testimony of Mayor Cavanagh of Detroit before

the Senate committee on March 15. It is rather tragic irony to read what he said, and I quote:

> It is a well-known fact that Detroit has avoided civil disorder that has beset our other major cities for the past few summers. This didn't happen by chance. It is the result of careful planning and the implementation of programs made possible through the Economic Opportunity Act. Not only have these programs contributed to an orderly aid in the retention of crime, but they also provided needy teenagers with money for books and clothes so they could return to school.

This whole problem of education and poverty and offering of jobs to those who are less fortunate in our society is a very difficult one. We can differ on the best approaches to solving the problem, but it certainly does not help very much in overpromising in some of these programs. The phrase I use is promising an instant tomorrow.

There is one other aspect I would like you to talk about, because it is the first time I have seen the chamber's position. Maybe you have taken this position before. It is the first time I have seen you take it, and it is one which I think the chamber could be very helpful in correcting. That is the problem of outdated child labor laws in respect to age limitation and unemployment.

A good many of these, of course, are State oriented, and that is why I say the chamber may be very helpful in getting some of these changed.

Mr. BURKHART. Yes. We have found this is a real problem because I think it is primarily a State law problem. I do think that to the extent you could call attention to it, that the Federal agencies could be aware of it and, well, to any degree that you can help, I think it is very important because we have got a situation where many, many kids could go to work, would be willing to go to work, but where the law won't permit them to.

Of course, as was also pointed out in relation to that, I think this minimum wage problem is one that is also directly related which is one the Federal Government can do something about. I say related to that, along with the laws, there is one area of law which you do have the opportunity at the national level, and that is this minimum wage level because there are many of these people that are employable. If you can just take a simple example, many 5-and-10-cent stores used to have teenage clerks, but when the minimum wage gets so high, they simply do away with them and have self-help and go out past the cashier.

I think this is characteristic of many of the problems imposed by legal restrictions.

Mr. GOODELL. I appreciate very much your very knowledgeable and perceptive comments. Mr. Burkhart, I think your testimony, studies and the whole approach of the chamber will be very helpful not only to this committee, but the Congress and the American people. Thank you.

I have no further questions.

Chairman PERKINS. Let me compliment you on your statement. I appreciate it. It is always good to hear from the chamber of commerce.

I notice on pages 47 and 48 of the chamber's circular that there is a statistical breakdown of the opinions of employers who have hired former Job Corpsmen. I see that these employers have felt that 4 out

of 5 Job Corpsmen received from—you go up the column or down the column—from satisfactory to excellent training and that almost 3 out of 4 had satisfactory through excellent work habits and attitudes.

I think that you will agree with me from this survey that the Job Corps is doing a good job with youngsters whom we all acknowledge are extremely difficult to reach. That is you statement, is it not?

Mr. BURKHART. Yes. On page 47 if we take the total across on skills, the six in the excellent category, 36 good, 76 satisfactory, and 27 poor; so that the very substantial majority of course is in the two bottom grades.

Chairman PERKINS. I think that is a remarkable record myself.

Mr. BURKHART. Yes. As I say, I don't think that we would expect that the Job Corps graduate would necessarily be a distinguished early worker.

Mr. GOODELL. Mr. Chairman, I think it should be emphasized, if you will yield at this point.

Chairman PERKINS. Go ahead.

Mr. GOODELL. This statistic, if I understand your study based on Job Corps graduates, is not a figure which should be applied to Job Corps enrollees generally in determination of who have been through and terminated. This is the cream of the crop which you surveyed, it concerns those who went all the way through and were classified by OEO as graduates.

Mr. BURKHART. That is my understanding, yes.

Chairman PERKINS. Now you know we don't have too many figures. There have been a lot of complaints about no followthrough and the lack of interest in the Job Corps centers, placement, and so on.

To me your statement is most significant, but I would like to know when your study was completed. When did these interviews take place on which the survey was made?

Mr. BURKHART. This, I think, was in the fall of 1966.

Chairman PERKINS. The fall of 1966.

Mr. BURKHART. Yes.

Chairman PERKINS. How large a number of corpsmen did you use as your rule? Did you use more than you hired? What was the size?

Mr. BREAULT. We used a list that we obtained from the Office of Economic Opportunity. It was all that they were able to give us, and I believe it was between 200 and 300 graduates if I am not mistaken.

Chairman PERKINS. Well, I am delighted that you gentlemen came. Thank you again for your appearance.

The next witness is Mayor Willie Dawahare, mayor of the city of Hazard, Ky.

I am delighted to welcome Mayor Dawahare before this committee. I am delighted that you are taking time out from a busy schedule down home to put in your appearance here in Washington. I know that you have devoted much of your life seeking to help the poor and that under your leadership as mayor of the city of Hazard many programs of value to the poor people have progressed and that you have been a

mayor that has sponsored community projects all through the years.

It is a great pleasure for me to welcome you here and welcome your city manager, who is sitting with you, Mr. Townes. I appreciate your appearance here today. I just regret that the time schedule is such that we have to have a noon hour without interruption.

We will hear from you at this time, Mayor Dawahare.

STATEMENT OF HON. WILLIAM C. DAWAHARE, MAYOR OF THE CITY OF HAZARD, KY.; ACCOMPANIED BY PAUL T. TOWNES, CITY MANAGER

Mayor DAWAHARE. Thank you, Mr. Chairman.

My name is William C. Dawahare, but I am known, far and wide to all my friends and acquaintances as "Willie" Dawahare. I am mayor of the city of Hazard, Ky. I am also president of Dawahare's, Inc., operators of a chain of eight clothing stores in central and southeastern Kentucky.

Hazard, the county seat of Perry County, Ky., is in the heart of Appalachia. Legendarily, some residents of the then new community served under Commodore Oliver Hazard Perry during the Battle of Lake Erie. Understandably, the city and county names commemorate this notable event.

Known wherever coal is used, Hazard is the centralizing point of the area in southeastern Kentucky known as the Hazard coalfield. This area accounts for a significant per cent of national coal production. On the north fork of the Kentucky River, it is the largest city, population 8,200, of a five-county area—Perry, Knott, Breathitt, Leslie—with an estimated 1967 population of 100,000. Regional financial, retail shopping, railroad, hospital, educational, and cultural centers are in Hazard.

Since coal mining is the chief industry, we have usual problems related to a one-industry area. The Hazard coalfield is currently producing about the same tonnage as was produced during the peak periods of World War II, but as coal mining is now one of the most completely mechanized of all industries, this is being done with 90 percent less labor.

In addition to the large numbers of unemployed workers, eastern Kentucky and the city of Hazard have many other economic and social problems such as narrow, winding roads; high dropout rate among high schoolers; pockets of slum dwellings; inadequate water and sewer services; no first-class airport facilities; and frequent flash floods to mention a few.

To some degree, these problems are being solved or some effort is being made to ease them. Public housing and urban renewal are eliminating slums, new highways are under construction, a decrease in the dropout rate, thanks to aid to education, can be expected.

The Corps of Engineers are building one dam and studying sites for others, so you can see we are on the upward ladder for better life for our citizens. However, for some reason the people at the bottom of the economic ladder had never been reached until some of the programs of the Office of Economic Opportunity and the Labor Department were put into operation.

The Labor Department administers two outstanding programs in our community—the manpower development program and the Neighborhood Youth Corps. The manpower development program is administered on a local level jointly by the division of economic security (unemployment office) and the Hazard Area Vocational School. This program was started in 1962. Currently, the Hazard Area Vocational School has enrolled 600 persons from a four-county area.

Various types of training courses have been offered—everything from a short order cook to a bulldozer operator. Eighty percent of all students are successful in attaining full-time, gainful employment. The mine repair training course had 100 percent placement, and we could have used more. This is a program where an unemployed, head of a household has regained his dignity by becoming a wage earner, and a taxpayer instead of a tax drain. You gentlemen, the members of this committee, are to be congratulated for being the authors of the enabling legislation.

Now, let me relate to you another success story. The Neighborhood Youth Corps is, as you well know, administered also by the Department of Labor, through the local community action council. We have 350 youths between ages of 16 and 21 who are dropouts or who have never attended school. They work 32 hours per week for $1.25 an hour. Most enrollees are required to attend some form of educational class. There are four distinct categories. One is remedial education classes, for those who have not completed the ninth grade.

Second, we have commercial classes for typing and shorthand.

Third, we have G.E.D. classes to prepare enrollees for the G.E.D. high school equivalency test. Fourth, for those who can neither read nor write we have basic elementary classes. We also correct any physical defects found during a physical examination, the first such examination many of the youngsters have ever had.

The enrollment period is for 6 months. If a time extension is indicated, the enrollment is extended for an additional 6 months.

During a 12-month period we have about 800 enrollees. Of these, 10 percent or 80 young people get placed directly into jobs before their 6 months are up; 20 percent or 160 of them continue in some form of training, such as vocational school, nursing, or reenter school; 30 percent or 240 young persons obtain employment afater being in the Neighborhood Youth Corps for 6 or 12 months. The remaining 40 percent, after their enrollment time expires, go to military service, get married, or for various personal reasons do not join the ranks of employed persons.

From the foregoing figures you can easily see that 60 percent of the 800 persons or 480 youths of this county have upgraded their living standards at a cost of about $1,000 each to the Federal Government. This is a sum that will be repaid in a short time in the form in income taxes—a tax they never before paid.

The Neighborhood Youth Corps has a staff of 17 people. Nine of these staff workers were unemployed before the program started. From this it can be seen that we are reaching the target group—adults who were unemployed.

Gentlemen of this committee, I say to you, this is a program where the money is well spent. Multiply our success times the number of projects in the Nation and you have one large success story.

The Office of Economic Opportunity operates 12 different programs through the Leslie, Knott, Letcher, Perry Community Action Council, Inc., commonly referred to as LKLP. It is organized by a board of directors of 40 persons, 10 from each county, more than one-half of whom are members of the poor, or so-called target group.

These 12 programs are carried out by a staff of 685 persons; 67 of these are in the professions, 150 are teachers or clerical, and 368 from the "poor." The 12 projects cost the Federal Government $2.6 million and directly benefit 62,422 persons. This is a cost of $42.50 per person. After you hear a brief description of each of the 12 projects, I think you will agree that the Federal Government is securing a real bargain in cost benefits.

The 12 programs are briefly outlined as follows:

1. Conduct and administration. This component has two separate areas of activity. First, it maintains an administrative staff of professionals who do the management, administrative and program development tasks for the four-county area. Its secondary function is a guidance and referral program. Fifty thousand people are directly benefited from these two areas of activity.

2. Thirteen persons working at the Millstone Sewing Center directly benefit 550 persons by: (1) providing employment for low-income residents; (2) giving useful training in the skills involved in sewing and (3) on a need basis only, providing clothing for many, especially children, who would not have been able to go to school due to lack of clothing.

3. General education and vocational program is designed to work exclusively with out-of-school, NYC enrollees, who function at educational levels ranging from zero through six; 500 youngsters receive direct benefit from two volunteer workers and five staff persons.

4. Headstart. This program provides an educational headstart for children who are preschoolers and members of low-income families; 1,528 preschoolers receive direct benefits; the mothers receive instructions on homemaking and nutrition. This program receives widest acceptance by the general public and has 100-percent approval of the educators. It is my recommendation that Headstart be given expanded funds to accomplish two purposes: (1) Evaluate the results of the current program, as I am sure they will be a pleasant surprise to everyone; and (2) to make Headstart a continuing summer program that carries the children between first and second and between second and third grades. Perhaps the program could even be expanded to higher income groups with such groups paying fees to send their children to Headstart in areas where there is no public or private preschooling available. Gentlemen, I can honestly say to you that I have never heard one derogatory remark about Headstart. It is a fine program.

5. Leslie County health program. A comprehensive effort to upgrade the health standards of a whole county. This is the only intensive rural health project funded by OEA in the entire nation. If you could see this county, you would instantly agree that it is money well spent. Picture in your mind a county population of 15,000 with a family income of $1,836 per year, living either along the main roads or in the small communities extending along innumerable creeks and hollows of narrow, twisting valleys. The rural roads are extremely poor and

and it often takes 30 minutes in a jeep to reach a paved road. This same county also has one of the nation's highest birth rates. This one project has done more for the people of Leslie County than any other.

6. Cultural enrichment is a program for 50 college students to earn money during the summer by participating in community organization, recreation, and cultural activities. These students could not continue their education without the aid of summer earnings.

We have six other programs recently funded, too new to evaluate.

The local unrest so publicized a few years ago has in my opinion been halted by OEO programs. Unemployed and underemployed persons now have something to look forward to—someone cares about their well-being and is aiding them to upgrade their standards of living.

We have no racial problems, we have had none and expect none.

Mr. Chairman, I could elaborate on this if you would want me to.

Chairman PERKINS. Go ahead.

Mayor DAWAHARE. I am a son of an immigrant that came to this country, and my father could not speak English when he came here at all. I was brought up in a minority group, so I think that I understand the feelings of most of the minority people. When I was elected mayor, we did have a few problems with our minority group. Some of our Negro people came to me with their problems.

I asked all the Negroes in our city to meet in city hall, I said:

"I could name your chairman, but I would rather that you named your own spokesman and committee, and when you name this committee, if you have any grievances or any problems, you come to myself and the city commissioners and we will iron them out."

This was 6 years ago. They selected their chairman or chairwoman, one I would not have selected, I would have selected someone else, but they selected their own spokesman, and since, we have had no problems. We have worked out a lot of them, but we have had no problems whatsoever, so we expect none really.

Chairman PERKINS. You have been abiding by community actions on your own initiative for several years?

Mayor DAWAHARE. We certainly have.

Chairman PERKINS. Poor and local people, and letting them do their own selecting.

Mayor DAWAHARE. We certainly have. As you can understand, our school was the first in the South to integrate. We have never had any problems and we only have 8 percent population Negro, but yet 80 percent of our athletic kings have been from the minority groups, and we have about 20 or 30 of our high school graduates that have scholarships that go up into the hundreds of thousands of dollars. Some of the greatest athletes in Kentucky came from Hazard High School, and they were given a chance and we have never had any problem.

Even one of our Negro students was second highest in his class. So we have really had a wonderful relationship. We understand each other's problems and we work together.

Chairman PERKINS. I believe you are in the clothing store business.

Mayor DAWAHARE. Yes, sir. I will come to that in a few minutes.

Chairman PERKINS. Your daddy came over here as an immigrant and could not even speak English?

Mayor DAWAHARE. When my father came to this country—well, I will go ahead.

My father was born in Damascus, and he was one of a few Christians. At that time Damascus was ruled by the Turks, and the Turks were persecuting all the Christians. They were Mohammedans or Moslems. My father and a few other boys escaped to Brazil and then went to Mexico. When my father came to New York, he met my mother, and she was working in one of the shirt factories, sweatshops, and they got married on her money that she earned. She had a brother in Norton, Va., and they went to Norton. My father is one of the original pack peddlers that you heard of in eastern Kentucky.

Chairman PERKINS. Now, all these programs that you make mention of, Neighborhood Youth Corps, the community action, has it been your observation that any one prevented disorder or contributed to the prevention of disorder?

Mayor DAWAHARE. They have prevented it before.

Chairman PERKINS. At this time give the committee an idea.

Mayor DAWAHARE. Before we had the Neighborhood Youth Corps and some of these other programs, we had what we called the roving pickets. We had dynamiting, we had unrest, we had people that were unemployed. As you know, 90 percent of them were unemployed. We gave jobs to the children from these families.

Chairman PERKINS. Are you satisfied with the way that we have reached the bottom of the ladder, the bottom of the totem pole, the youngster that really needs the services that we are attempting to provide in Washington?

Mayor DAWAHARE. That is the only way under this program that we have been able to reach them. I have that in my statement that I will go ahead with.

Chairman PERKINS. Go ahead with it.

Mayor DAWAHARE. In our small city, we also find that when Federal programs are carried out with the full intent of the U.S. Congress, under completely honest circumstances, we have no problem. However, the bureaucratic redtape often stymies a project, the resulting delays cause unrest among the very people the program is intended to benefit. I can give you a firsthand example of this.

We have a grossly substandard Negro neighborhood that was cleared via the urban renewal methods and the land purchased by public housing for redevelopment of 30 units of public housing. Public housing has had the project for over a year and a half, but no construction is yet underway. This has caused concern among our people and they, as well as everyone else, can't understand the delays.

There are even rumors that the 30 units will never be built because the funds for the project are being spent in Vietnam. It is my frank opinion, Mr. Chairman, that public housing could allocate more funds and have the units constructed as they required them to be designed. Such inexcusable, calloused and arbitrary bureaucratic delays may cause unrest among the to-be-benefited people, regardless of race or origin.

I can elaborate on this, that when the bids that come up—we have had bids you know come before that we advertised for the public housing and the engineers would send the specifications in, public housing would send them back. Now urban renewal works real good, and this

is the only criticism I have of public housing. They would send them back and in the meantime the cost of living is going up, the cost of material is going up, and the bids were under the 10 percent, and yet they would refuse or reject them saying it was over what they had allocated in the budget which I think is just a delaying action, I don't know.

Our public housing in Hazard is one of the most successful in the United States. As you can see, we have shown a profit every year. Money has been turned back into the treasury.

Gentlemen, poverty did not happen overnight, within a few months, or a few years; consequently, it will at least be a few years before concrete, long-lasting effects can be felt in the economic structure. But we must give them time and what you have done a chance. To decrease or do away with poverty programs at this stage would only create increased tensions and problems for the poor—Negro and white. These programs are effective and very, very successful in eastern Kentucky.

These programs pump money into the local economy that have effects that perhaps you have not taken into consideration, and this is where my stores and others come in, Mr. Chairman.

Personally, I have employed 20 percent more people in my stores. Other sales and service companies have had similar increases. Again I have firsthand knowledge of this because retail stores in our city buy an occupational license.

Chairman PERKINS. The impact of these programs has already been felt in Hazard, Ky.

Mayor DAWAHARE. Yes. As I say, in my stores we sell even a better grade of clothing, but some other stores and businesses, their employment has increased 50 percent on account of these programs. It has helped. According to our gross sales volume, the city tax amounts to $1 per $1,000 sales. In the past 2 years our city has had a $21,000 increase in occupational licenses.

As I stated before, they are producing more coal with 10 percent of the manpower they used to use.

Chairman PERKINS. You mean 10 percent of the manpower that used to be used in the heyday of the coalfields?

Mayor DAWAHARE. Yes.

Chairman PERKINS. How many miners do you hire? How many miners?

Mayor DAWAHARE. We used to have—I don't know. It is about between 3,000 and 4,000.

Chairman PERKINS. Do you feel like to some degree you have arrested the outward migration now?

Mayor DAWAHARE. Yes, sir. I will tell you we might not have arrested it, but the people who are trained in our vocational school are placed in jobs. They might go to Dayton, Ohio, and get a job or they might go to Detroit or they might go to Cincinnati, but their families still live in Hazard, and money that they make comes back home, and it helps.

They still live at home in the mountains or eastern Kentucky, and that has helped our economy, too. On a holiday you can see more Ohio and Indiana cars in eastern Kentucky than you can Kentucky cars.

Chairman PERKINS. I have witnessed that myself driving in.

Mayor DAWAHARE. Yes, sir.

Chairman PERKINS. Driving in through Maysville, Montgomery County, and Greenup County, through Portsmouth—in all directions.

Mayor DAWAHARE. That is right, and if it had not been for the vocational training that they got in our vocational schools, they would still be a tax burden or on public assistance at home.

Now in our town, it is growing, growing. We are opening a new supermarket that did open up last month—one of the chains—a big supermarket.

Chairman PERKINS. Which one?

Mayor DAWAHARE. Food Fair. We have a Sears, Roebuck store that is going to open in September, and we have a large new hardware and appliance store that will open up.

Continued funding of the poverty program for at least 3 more years is essential if we are to be completely successful in erasing poverty.

In closing, I want to thank you for the opportunity of presenting our story of successfully fighting poverty in eastern Kentucky. I shall be happy to try to answer any questions you desire to ask. Mail or communications in any form, telephone or telegraph, directed to Hazard, Ky., will reach me quickly. On any reasonable notice, I can be available to the committee for further discussion. Thank you.

Chairman PERKINS. I notice you have a statement from Sam L. Luttrell, who I have known since I have been a youngster. What is the purport of that statement?

Mayor DAWAHARE. I would like for my city manager to read this statement.

Mr. TOWNES (reading):

My name is Sam L. Luttrell, but I am known to friends and acquaintances and probably some who may be acquaintances, but not necessarily friends, as "Bud" Luttrell. I am chief of police of Hazard, Perry County, Ky., the town of which Mayor Willie Dawahare, who has just preceded me is mayor. A repetition of the conditions and surroundings of the Hazard area would be redundant.

I am convinced that the poverty programs, now operative in our area, have done more than anything else that has been done to simplify the task of law enforcement. If these programs are discontinued, it is almost certain that there would be a reversion to the troubles so prevalent a few years ago and much of the progress that we are making will be brought to a standstill.

The Neighborhood Youth Corps program and the work in the vocational schools are transferring many of the citizens of our community out of idleness and crime to a self-supporting status. I urge that every means of continuing these activities be taken. We have on our police force and in our fire department several young man who received their early training, notably, through the Neighborhood Youth Crops. An outstanding example started on this program and is now employed as a Kentucky State trooper.

All of the foregoing and much of what Mayor Dawahare has pointed out is verified in our current crime report to our board of commissioners. We have not had a major crime in this community during the first 6 months of this year. This contrasts with the comparable period before the beginning of these programs during one of which we had four murders. Break-ins, in fact all phases of crime and delinquency, are greatly reduced.

It is not generally appreciated, even by our local citizens, that Hazard has a law enforcement problem out of all proportion to its size. While the official population of Hazard is less than 10,000, we are the business and shopping center for a population of about 100,000. Even so, the foregoing figures and our experience verify our opinion that the amazing crime reduction is certainly in a large way attributable to the Federal programs now in operation. This notwithstanding that Perry County is the only wet county in southeastern Kentucky.

Chairman PERKINS. Identify yourself, Mr. Townes.

Mr. TOWNES. My name is Paul Townes. I am city manager of the city of Hazard; a native of the city, born and raised there, educated at the University of Kentucky.

Chairman PERKINS. Mayor Dawahare, do you feel that the way the program is operated—that is, the economic opportunity and the community action programs—as it is presently authorized and presently constituted now, rather than transferring the functions?

Mayor DAWAHARE. Yes, sir; I think the way that it is operated in our city, I think it would be better to keep it as it is.

Chairman PERKINS. Have you ever been able to zero in on the youngster that should have received benefits to the extent that your present community action programs and other youth programs serve the people under the Office of Economic Opportunity?

I mean are they more effective under the present act?

Mayor DAWAHARE. Yes, sir, I think so, but I believe if we could include in this program high school graduates, kids that are still between the ages of 16 and 21 that do want to go to college, that don't have an opportunity, I think they are left out. I don't think they should be penalized because they are high school graduates, and they are being penalized. If they are a high school graduate, they don't high qualify for the program.

Chairman PERKINS. Well, they qualify for the out-of-school program and work-study programs and the loan programs administered by the institutions where they don't have to pay any interest until after they get through college, and then commence to pay interest at the rate of 4 percent. They qualify for those programs, but they do not have—you are talking about a poor youngster that wants to go to college, a graduate of high school. He can now qualify for the out-of-school programs.

Mayor DAWAHARE. He did not qualify at Hazard.

Chairman PERKINS. I cannot understand that.

Mayor DAWAHARE. That is what I could not understand, but Mr. Stafford said that, and he was the director of the Office of Economic Opportunity.

Chairman PERKINS. Maybe it was because of an income limitation or something along that line.

Mayor DAWAHARE. No, sir. No, sir, it was not. These children came from families that were on public assistance.

Chairman PERKINS. Well, if it is a cause, then it may be because of an overlapping regulation. There is nothing in the law where they could take advantage of work-study and various loan programs and a scholarship program. You can take advantage of all three of those programs. That perhaps was the reason. That eliminated that category. The program was really in attendance for dropouts.

Mayor DAWAHARE. Yes, sir.

Chairman PERKINS. We have been trying to legislate to take care of all these various facets of the youngster to make it possible for the youngsters that want to go to college to go to college. That is what we have spent much of our time on in this committee.

Mayor DAWAHARE. I would like to give one other success story.

We had a young kid at home that had been in reform school, in and out, 14 or 15, that nothing would satisfy him. He got on the Neighborhood Youth Corps, we put him in the police department as a radio

operator. He found something that he liked to do, and he loved it, and now he has found himself in society, and I think just saving this one child has been worth the whole program.

Chairman PERKINS. Do you have any other suggestions to offer the committee, Mayor Dawahare?

I personally want to welcome you. We will invite you back on some future occasion.

Mayor DAWAHARE. Yes, sir. On any short notice I will be glad to come back and answer any questions. I am well acquainted with all of our problems, and I certainly do thank you, Mr. Chairman.

Chairman PERKINS. Thank you very much, Mayor, for attending.

I am going to recess the committee for about 8 or 10 minutes to take a long-distance call, and I will be right back.

(A short recess was taken.)

Chairman PERKINS. The committee will come to order. A quorum is present.

Come around, Mr. Dawson.

We have with us this afternoon Commissioner Leslie Dawson of the Department of Economic Security.

I am delighted to welcome you here, Mr. Dawson. To my way of thinking, you are one of the outstanding commissioners in the whole country who has had a great responsibility down there in Kentucky at an early age in life.

I make that observation because the poor people certainly have benefited and all of the people in Kentucky who have made a contribution in making Kentucky a better place to live due to your stand on welfare, not only the people of Kentucky but the Nation.

It is a great pleasure to welcome you here.

I know that you have a prepared statement. Without objection, your prepared statement will be inserted in the record.

I notice you are accompanied by two assistants. What are their names?

Mr. DAWSON. Mr. Crittenden and Mr. Kelsey.

Chairman PERKINS. I am delighted to welcome both of you gentlemen here.

You proceed in any manner that you prefer. Underline the most important portions of your statement. I have some questions I would like to ask.

We seem to be under pressure here at the present time trying to wind up the hearings.

STATEMENT OF COMMISSIONER LESLIE DAWSON, KENTUCKY DEPARTMENT OF ECONOMIC SECURITY; ACCOMPANIED BY ROGER CRITTENDEN AND LEONARD KELSEY

Mr. DAWSON. Thank you, Mr. Chairman, for those kind words.

Naturally, the success that any State administrator can have in any program dealing with poverty today depends largely upon whether it is attacked from a team standpoint or whether or not one attempts to do it on his own. If you try to do it on your own, obviously there is very little that can be accomplished.

Probably the big partner in the team, certainly from my agency standpoint, and my agency is one that has both the employment

service and the public assistance operation under its jurisdiction—the big partner is the Federal Government.

The success that we have had with the programs has come largely from experiences that we have had in Kentucky as well as the benefit of guidance and advice from our counterparts and the experts in the Federal area. I cannot underestimate the fact that, contrary to what popular belief is, the advice and the help that we have received from the Federal Government, the Federal agencies, Department of Health, Education, and Welfare, the Department of Labor specifically, and from the Office of Economic Opportunity, that this help outside of the momentary help has been extremely valuable in setting new courses and developing new ways to attempt to attack the problem of poverty.

I shall devote most of my comments this afternoon to title XIX and title V which is in operation in 19 eastern Kentucky counties and has been for the past two and a half years.

Chairman PERKINS. You are talking about title XIX of the Social Security Act which the State of Kentucky is taking advantage of?

Mr. DAWSON. I am speaking of title V.

Chairman PERKINS. Yes. Go ahead.

Mr. DAWSON. The 1966 amendments to title V bringing together the Department of Labor and the Department of Health, Education, and Welfare in this program didn't become effective until July 1 of this year, so I am not at this time qualified to make any comments on implementation of these 1966 amendments.

Chairman PERKINS. When did it become effective, March or April 1?

Mr. DAWSON. The contract on title V ends in December.

Chairman PERKINS. You will still be carrying on several programs under title V nearing fiscal 1968 during the next fiscal year; won't you?

Mr. DAWSON. Yes, sir; we certainly will.

Chairman PERKINS. I would be terribly disappointed if that were not the case.

Mr. DAWSON. Yes. It is my understanding that those will continue under essentially the same plan and the same jurisdiction.

Chairman PERKINS. Go ahead.

Mr. DAWSON. One of the important aspects, I think, of this program is what kind of success it has. We have shown in several instances that where a family receives approximately $250 per month per family under the title V program, this income paid for family needs such as food, clothing, and other items.

To keep children in school and attending regularly has been a remarkable success.

These people are also eligible to take advantage of the food stamp program which has been a great deal of assistance in the Appalachian area and all over the State of Kentucky.

Chairman PERKINS. I want to agree with that statement.

Mr. DAWSON. The important thing, I think, at the present time relative to food stamps is that there be more education into the use of food stamps and that there be more education in the availability of the program for those who are interested.

Medical care was furnished to the participants in title V under title XIX of the Social Security Act and this has averaged approximately $40 per family per month. In many instances, we feel like the title XIX program could have been taken advantage of to a greater

extent than what it was, but, nonetheless, no one has had to do without medical care since the passage of title XIX, if it was needed.

To reach the ultimate goal in preparing participants for permanent employment, it was long ago determined that more had to be done than merely having a dole system. All men were subject to a program in title V of adult basic education, intensive personal counseling, high school equivalency courses, and a variety of vocational training and public works projects.

It is important, I think, that the public understand that this program is tied at the present time to the services that are available through the employment service. All participants in the program are required to register with the employment service for counseling and job placement upon enrollment in the program.

The Kentucky State Employment Service, which I have previously indicated is under the jurisdiction of the Department, provides a coordinating element between the employer and these participants in W.A. & T. who have successfully completed their training or who find themselves eligible or willing and eligible to take employment.

I think a pertinent question that most people are interested in is, what has happened to those 9,000 participants who have passed through the program? With regard to the 9,000 participants there has been some 33,600 children of these participant families who have received positive benefits. Some 2,000 of the 9,000 have received projected related employment.

About 600 have been referred and transferred to other training programs. About 2,000 became ineligible for reasons such as poor attendance, increase in resources, refusing suitable employment, and the like.

Some 600 voluntarily left the project because of disability, illness, or injury and for other reasons unknown.

The project at the present time has approximately 3,700 participants.

Chairman PERKINS. How many?

Mr. DAWSON. 3,700, Mr. Chairman.

Chairman PERKINS. At the present time?

Mr. DAWSON. At the present time, Mr. Chairman. That is its present status.

Chairman PERKINS. Go ahead.

Mr. DAWSON. This is down from the high point of approximately 6,500 in order to conform with the appropriation which was made available for this administration project.

Chairman PERKINS. Somewhere along the line in your statement, I am interested to know how the difference between 6,500 and the 3,700 are coming along in these other programs today, in the substitute programs.

Do you have any shortcomings anywhere along the line?

I hope you will discuss the whole thing.

Mr. DAWSON. Indeed, there has been some problem. At the time the appropriation cut was made, we received the helpful hand from the Department of Labor as a result of certain conferences and assistance which was given here in Washington to come to the assistance of this group with additional training projects in the MDTA area, in the

area of prevocational training, and, also, in the area of the new Nelsen-Scheuer projects.

We have known for a long time the benefit of MDTA in connection with the title V programs primarily because of the large number of people at the present and in the past who have wanted to participate in MDTA. The projects that were established had to be established on the basis of what the need was of those who are being transferred and had to correspond with the educational level of those who were transferred.

As a result, some projects were set up which required sixth-grade education level, others lower, some higher. We have found in almost every instance where a project was established that we did have some screening problems but by and large the problems could be resolved.

In many instances, not every school district grades children's report cards alike, and not every school district were these men graded alike, so you knew when you got ready to put them in a class what their educational level was.

However, at the present time, it appears, that out of all of those that were transferred into on-going classes that there were only a few that had not proved successful, and in these instances we have put them back into a training situation under title V so that they could continue on with their basic education. The whole problem stems from lack of basic education as well as from lack of jobs.

Chairman PERKINS. You are so right and this, in my judgment, was so hard and so difficult for so many people to understand.

You take one of these men 50 to 55 to 60 years of age, with a lack of basic education and try to give him a course in electricity, he is whipped before he commences because of the lack of education. He just cannot read the charts; he cannot understand. That is why it is difficult for so many people who believe that you can train everybody that has a desire to be trained. They cannot visualize the lack of basic education and the complete handicaps that individual faces in obtaining successful training.

I just take it that you have some of this existing in Kentucky today from the letters that I have received. Many of them switched over under new programs; people who, if they undertook to get them, would be discriminated against and not be able to find them homes away from home and are unable to make it in their classes even though we have competent instructors and they are mixed in with many people, the majority of whom are succeeding in the training.

The whole problem is brought about because of the lack of basic education and in trying to get so many of these successfully through the vocational educational training programs.

Are you experiencing a lot of that now?

Mr. DAWSON. Yes, sir. I think that fairly well sums it up, Mr. Chairman.

There is no question that one educational approach is not the answer.

Chairman PERKINS. Yes.

Mr. DAWSON. There must be a multiple approach and it is pretty obvious that the Nelsen-Scheuer type of project is certainly needed for those who find that they have passed that age limit where they can sum up the vigor to participate in a regular basic education program as such.

Chairman PERKINS. Well, now, I agreed wholeheartedly with you on your approach but what do you feel is the answer before we get too far away from this individual that is just completely unsuitable for training in the vocational institutions because of age or because of lack of ability or because of lack of basic education—leave off the age, because of lack of basic education?

Mr. DAWSON. Well, if we eliminate the age factor, then I think that we must continue on with a title V type of project that gives the basic education.

Now, along with the work experience, one of the marvelous parts about the title V is that is has a dual role. Possibly a fellow is not as keen in academic activities as another fellow is but he sometimes is a little more adaptable on a pure work situation to the extent that he maintains his respect and his status among his peers in the educational group simply because of his abilities on the work end of it.

Chairman PERKINS. People are utilizing more or less Nelsen-Scheuer.

Mr. DAWSON. Yes, sir.

Chairman PERKINS. Is it working out well?

Mr. DAWSON. The Nelsen-Scheuer projects are not under our jurisdiction. However, our contract with them which is continuous indicates that they are working very well and that the community action program boards which are supervising these projects are doing a responsible job.

Chairman PERKINS. Well, now, employment offices along with your department do the screening for Nelsen-Scheuer, do they not?

Mr. DAWSON. Yes, sir.

Chairman PERKINS. Just how do you screen one of those individuals when they have to be laid off?

Mr. DAWSON. Well, of course, all of them are registered with the office.

Chairman PERKINS. With the employment office?

Mr. DAWSON. Yes, sir. all of them are.

One of the devices which we try to use is to determine, first of all, whether or not the individual is qualified to go into the highest level of training which would be the MDTA courses or a specific skills course and also whether he is interested in a skills course, as such.

It has probably already been determined before we get to that point in the public assistance area as to whether the man is physically and mentally capable of getting into it. If he is not, then there is some other public assistance program that he would be brought into because we have found in many instances for health reasons and other reasons there were some men who were just not ready to go into a regular work situation.

But, after that, if it is determined that he is not eligible because of education or age to go into an MDTA course, we generally then take this group and make them available for interview with the directors of the Nelsen-Scheuer projects so that they can then explain to the men and determine from the responses of the men whether they would like to be in the Nelsen-Scheuer project, and it is from that group that a selection is made.

Chairman PERKINS. How do you feel we can better serve this group in title V? For a while, we have not been able to take care of all the deserving ones under Nelsen-Scheuer.

We are trying at present to put them into MDTA and let the MDTA train them. That has not worked out to well.

I am just talking about the unsuitable ones. How do you feel that we should deal with those in the future?

You see what I am driving at?

Mr. DAWSON. Yes. I am not sure, Mr. Chairman, that we don't have the answers already, as such, but I think that it needs to be expanded, which I think is the most important thing.

Chairman PERKINS. Just give me what needs to be expanded.

Mr. DAWSON. I think that increased emphasis in the Nelsen-Scheuer area is important. I believe that we have found and have changed policies in such a manner that we can take care of those adequately who through health reasons or otherwise cannot successfully participate in these programs.

They may very well have been successfully able to sit in a classroom for a little while in order to meet the requirements of the title V area but on both sides of this thing, both on the Federal and state level, we have had to do things to adjust our policies to fit the situation.

I think properly classifying people so that those who have health problems can be put in proper programs, but addition to that I think that the biggest need of all is additional emphasis in the MDTA area.

At the present time, there are some 20,000 applications pending in the State of Kentucky for MDTA with only 3,000 people in training. Now, this laps over and takes into account Appalachia and the rest of them.

Chairman PERKINS. Now, with that brief background from a realistic viewpoint, isn't it going to be a long time before you reach the bottom of the ladder in the cases under title V? Many of them going into MDTA recently have not suitably adjusted themselves. Would it not be a long, long time before we will effectively reach the so-called hard core at the bottom of the ladder under MDTA?

Mr. DAWSON. There is no question about it. However, I am convinced that there are two things that have to be done in MDTA and maybe more, but at least from our standpoint the entrance standards in MDTA have to be lowered in some instances, courses set up at a lower educational level.

Chairman PERKINS. That is one of the problems now in Kentucky, that the courses have not been set up under the MDTA training programs at lower educational levels.

Mr. DAWSON. Yes, sir: that is exactly right.

Chairman PERKINS. That is bringing about a considerable dropout from the people who are taking MDTA courses, the hard core at the vocational schools?

Mr. DAWSON. Yes: it is. Now, of course, part of this can be cured by a continuation of the basic education plans. However, it does not answer the problem for that fellow who is in his middle forties who is rapidly approaching that so-called deadline to age running out on him as to when he is in a competitive situation for a job. For that reason, it is that basic group that the courses need to be geared to at the educational level that they are now at.

Chairman PERKINS. Before they are discriminated against from an employment viewpoint?

Mr. DAWSON. That is right.

Now, one of the things that has to always be kept in mind is the tremendous record of placement that the MDTA courses in the vocational schools have had, and this is one of the reasons that they are reluctant to adjust courses.

Chairman PERKINS. Because it lowers their placement standing and brings that good record up.

Mr. DAWSON. It is understandable.

Chairman PERKINS. It is understandable.

Mr. DAWSON. And they lose contact. In many instances, they fear by doing this with employees who have been there or have had successful client relationships with them on getting employees.

The placement rate in east Kentucky is approximately 70 percent, between 65 and 70 percent, out of MDTA courses.

Chairman PERKINS. That is because they have always selected the cream of the crop?

Mr. DAWSON. Yes, sir.

Chairman PERKINS. Go ahead.

Mr. DAWSON. The placement elsewhere in Kentucky: In Jefferson County, it is closer to 80 percent. This also emphasizes again the fact that even in selecting the cream of the crop you see the picture of the problem in education that had existed in Appalachia. But, nontheless, I think that the combination of trying to find the use of employees, of labor that are trained out of these courses with less stringent requirements as to basic education would be helpful.

Courses such as nurserymen, courses such as maintenance men where there is still a great demand for these types of courses that are needed and can be set up. However, at the present time, in some counties, we run into the problem of facilities being available. We are at that problem right now in several counties in which we have run out of facilities at the present time.

Chairman PERKINS. One more question.

We have got these people in Kentucky and dropped from title V and picked up under Nelsen-Scheuer here for that group for all intents and purposes who will not be employed because of their age. Part of the group that can be successfully trained under MDTA programs of vocational schools elsewhere, we have got a tremendous backlog and are not reaching that group because of the inadequacy of the facilities and because of the inadequacy of the funds.

Furthermore, we have still got a group here that many of them were working under the title V program that are still unemployable by industry for all intents and purposes because of their age.

Now, just what is your recommendation for that group in your experience down there as head of the Department of Economic Security?

Mr. DAWSON. I think in the final analysis, Mr. Chairman, that you will have to fall back in the long run on the regular categorical assistance programs with some modification in it. There comes a time with certain groups that the most that you can expect to do to maintain a family relationship that is stable enough that the children of that family can do better than their forebears did.

Now, it is not every group that we are going to be able to reach with any one of these new programs. The older individual who is not in Nelsen-Scheuer, who is not in W.E. & T., that is the group that we probably have to try to reach as best we can through programs such as food stamps, programs of our regular public assistance activities.

Chairman PERKINS. I am trying to get away from that now, away from public assistance, to give those people hope in life and give them inspiration that they are useful citizens. You know they have been automated out of work and employers presently won't take them because of their age and insurance rates are higher.

Aside from the relief aspect of the categorical assistance, what programs do you feel would be most beneficial for this group to meet?

Mr. DAWSON. I still stand on what I said earlier, Mr. Chairman, that the Nelsen-Scheuer programs plus a combination of MDTA, and revised MDTA is important.

Chairman PERKINS. To lower the standard for this group of people who presently cannot succeed with the high standards that vocational schools are maintaining under MDTA programs to keep up the high placement rate.

Mr. DAWSON. Yes.

Chairman PERKINS. Now, would you recommend that the work experience and training program be expanded in Nelsen-Scheuer?

How do you evaluate those programs for your experience, both of them—the older person who in this day and age is discriminated against?

Mr. DAWSON. Under the present definitions of the title V program, I don't think that for the older individual it really holds out as much opportunity as the Nelsen-Scheuer project does.

Chairman PERKINS. You mean for the older individual?

Mr. DAWSON. For the older individual.

Chairman PERKINS. For the Nelsen-Scheuer group?

Mr. DAWSON. Yes.

Now, that depends on a lot of things. It depends on whether or not he has been exposed to any kind of education or not or whether he has done any kind of work. If the older worker is one who finds himself simply unemployed but has been attached to the work force at various times in the past, he may very well be able to benefit from the title V program in that he has his education brought up to date; he has a work experience record behind him and that either through the title V, the W. E. & T. program or through some reeducation through MDTA.

This is another thing that we have not done much with, reeducation, retrade education, the teaching of a former miner now that he has got older, how he does some other task around the mine other than the one he originally performed.

Basically, I think that the older worker, Nelsen-Scheuer is the one which looks to me the most helpful. On the other hand, again let me emphasize that you cannot talk about any one of these programs individually.

Chairman PERKINS. Go ahead.

Mr. DAWSON. There is no way to talk about title V without talking about the outreach, the OEO programs in east Kentucky and the tremendous job that many of those have done to try to reach some of

these people to come into the employment office and get them to be interested in MDTA.

So, probably the greatest thing that has happened is the addition of the Nelsen-Scheuer think as an adjunct to the title V but it is no substitution of title V under any set of circumstances.

The benefits that are derived from title V are great in more ways than just the benefit to the individual in the amount of money that he receives or the kind of training that he receives. This program is one which for the first time, I think, has given indication to the general population that these people can earn respect for themselves and that they earn it from their labors.

We receive any number of letters from business firms, from bankers, from garage owners, from principal business people who customarily look with askance at the public welfare rolls in east Kentucky, who are now saying with a good deal of serious interest that this program is one which really makes a new picture in the economy in east Kentucky and which really causes an individual to have respect for himself where he did not have it otherwise.

I think the only program that we have found that has been available to us that we have not been able to take the maximum amount of advantage of in Appalachia, although we have used it extensively in urban areas, is the on-the-job training program. The reason that we have not been able to use it extensively is because to use it means that you have to have industry there to take advantage of it.

Chairman PERKINS. That is correct.

Mr. DAWSON. And it just is not there. We have tried there every device that is available to make use of OJT and have found that it is not a suitable program in east Kentucky.

It might be of some interest to the committee of what kind of emphasis and what kind of activity in Appalachia and in a State with the economic problems which have existed in Kentucky as to what advantage a program such as Job Corps has had.

The State employment service has followed through on about 712 participants who have enrolled in the Job Corps and have had some training. We found that about 50 percent of those who were in Job Corps are now working or are in school or in military service. Of the 356 counted, it is not placed.

Some 170 either did not respond to the questionnaires and 31 were not located, et cetera. But I think with the 50 percent placement rate——

Chairman PERKINS. How much?

Mr. DAWSON. Fifty percent of those who were surveyed.

Chairman PERKINS. How many did you survey?

Mr. DAWSON. About 712, Mr. Chairman.

Chairman PERKINS. That had graduated in Kentucky?

Mr. DAWSON. That had come out of Job Corps.

Chairman PERKINS. That has just come out?

Mr. DAWSON. Yes.

Chairman PERKINS. Some of them had not graduated?

Mr. DAWSON. They were considered as finished; they had enrolled and had either achieved their goal or had been considered graduated.

Chairman PERKINS. When did you make this survey, Mr. Dawson?

Mr. DAWSON. This was completed approximately this year, about—do you have the date?

ChairmanPERKINS. Did you make it about a year or so ago? Is this the first evaluation you made?

Mr. DAWSON. Yes, sir; this is about the first one that we have made. We attempt to try to keep a running account of it but it is very difficult. Actually, it takes a long process and following through on it very often.

Chairman PERKINS. You don't know how many are in the armed services in addition to that number, do you?

Mr. DAWSON. No, sir.

There is a percentage—let's see if I have it here.

Chairman PERKINS. Back to school.

Mr. DAWSON. For instance, I will take one particular group here who completed a defined program as such, and this is how it is rated: 157 were placed and 24 went into the military and three went into some other type of school.

So, that is about a ratio of 122 to 24; 122 went in jobs, 24 went in the military out of that particular group.

Chairman PERKINS. That would bring the percentage up of people accounted for usefully. Would that be about 60 percent?

Mr. DAWSON. It would be something like that.

This has been an especially useful tool in eastern Kentucky and particularly in Jefferson County and Fayette where there is a large minority group. I think in looking at whether or not these are successful job placements——

Chairman Perkins. Could the replacement rate be up, considering the ones where the evaluation was made of those that went into industry, that went into jobs and military services, and that would bring the figure up to about 70 percent. Is that correct?

Mr. Dawson. I think that is right. I don't have that right before us.

Chairman Perkins. Give us the total figures again, Mr. Dawson.

Mr. DAWSON. We have approximately 356. It figures out exactly 50 percent of those placed and those not placed because we are including in the 50 percent those 44 approximately who went into the military as such. We consider that as a placement as such in the method of recording that we had.

Chairman PERKINS. Did you find out about the other 50 percent, whether they planned to take useful training or just went home temporarily or what?

Mr. DAWSON. Part of those may very well have had a successful career some place or developed one. The problem is not being able to arrive at any kind of determination on it, so you just count those as ones who were not placed as such. In other words, they are ones you can't locate and can't get any answer from.

Chairman PERKINS. The others you just did not get an answer from?

Mr. DAWSON. That is right. And under our system of counting we just don't consider them. We have no way of knowing.

Chairman PERKINS. They may be out of the State or they could be anyplace.

Mr. DAWSON. Of the 50 percent considered not placed, 177 did not respond to the mail or questionnaire, 31 moved or could not be located

and 56 they found no suitable opening in the area or they felt like they were not ready for employment after they got out.

Some 91 just unknown totally. I mean there was no way of even directing a mail inquiry.

It might be of some interest to state the kind of salaries these people are getting. Those receving jobs, their hourly wage ranged greatly. We found one that even had a job as pipefitter that was drawing some $5 an hour. That goes all the way down to such jobs as a mattress maker at $2.65 an hour, and welder at $2.52 an hour and any number of them drawing $1.50 to $1.60 per hour.

Chairman PERKINS. Go ahead, Mr. Dawson.

Mr. DAWSON. Mr. Chairman, I think that pretty well concludes our presentation.

Chairman PERKINS. I would like to compliment you for coming before this committee.

In connection with medical benefits, will you be able to work that out down there for people who are participating under Nelsen-Scheuer, and I suppose some have been cut off and for people who are presently taking MDTA courses and hiring some of these elderly people.

Do you think you will be able to work that out?

Mr. DAWSON. Yes, sir; I think we have available to us the basic tools that were modifications which can be made and were adequate financing, we feel we can make considerable progress. But without question it is going to take a combination of established programs and a combination of emphasis on poverty as such.

The OEO type of approach is going to be necessary as well as the regularly established program type approach. This means not only title V but the Labor Department projects also.

Chairman PERKINS. Do you feel that your employment offices are in a better position to screen the youngsters for the Job Corps than anyone else?

Mr. DAWSON. I guess it would be a little presumptive for me to say better than anyone else, Mr. Chairman, but I will say better than some. We have found that there is some success and we feel like it is pretty good success in the employment service screening with OEO and the community action groups doing the outreach in trying to encourage these people to come in, with VISTA participating in this aspect of it.

Chairman PERKINS. Is it your observation that the Job Corps is presently reaching a different type of youngster particularly lacking in a basic education and that in many instances are problem youngsters than what the vocational schools are presently reaching?

Mr. DAWSON. Yes, sir.

Chairman PERKINS. Would you describe that to the committee?

Mr. DAWSON. I found some of my information relative to the advantage that the Job Corps has had for the youngsters comes from the youngsters themselves. I think this may give something of a picture as to why the Employment Service seems to be the place if not better for the screening and recruitment.

You can go into many offices in the Employment Service or any youth opportunity centers that are connected with the Employment Service and you will find that these youngsters who are home on leave from Job Corps come back there to talk with people who recruited them or to tell them of their experiences.

Then by talking with the people who recruited them you can get a picture of the tremendous change that has been made, change most usually in attitudes, capabilities for getting along with other people, and so on.

Chairman PERKINS. The training that has taken place in the Job Corps camps at the present time—do you feel it is more suitable than if you were to try to train that same youngster right in the vocational schools or in a residential center?

Mr. DAWSON. Yes, sir, I certainly do. I think he has to have intensive type of approach made to the problems that he faces, where vocational schools are not geared to do that kind of intensive training.

Chairman PERKINS. And we have no residential centers in Kentucky presently to do that type of training?

Mr. DAWSON. Vocational schools are just not geared to do that. They can have a counseling service but not the intensive kind. They do not have people who are capable of reaching some of these boys who need to be reached.

Chairman PERKINS. What was the figure that you used in your evaluation study of the Job Corps people?

Mr. DAWSON. We surveyed a group of about 712.

Chairman PERKINS. If I understood your survey, you had about a 50-percent placement and left of course a 50-percent nonplacement, but considering the nonplacement, using your figures, however, only 56 out of that 356 or 50 percent, I believe you said, were definitely not placed and the rest you simply did not know about so only 14 percent of that nonplacement group was definitely unemployed according to your study. Is that correct? That is according to your study.

Mr. DAWSON. The figures that you have, Mr. Chairman, are just a little bit wrong. Of the 355 that we had we have the 177 that did not respond.

Chairman PERKINS. Those are people that you did not know about and you do not know whether they are employed or unemployed.

Mr. DAWSON. That is right, we do not know what happened to them. Then we have an additional 31.

Chairman PERKINS. And an additional 91 that are unknown that could be employed?

Mr. DAWSON. That is right.

Chairman PERKINS. And only 50 percent that you do not know about?

Mr. DAWSON. Yes, sir.

Chairman PERKINS. Let me compliment you for an outstanding statement. I am delighted you have come up here to help us. You have been most helpful. I will now call on Congressman Quie at this time.

Mr. QUIE. On the survey that you made down there, which I guess you mentioned in the last part of your statement, Mr. Dawson, do I understand that you made the complete survey available for the record?

Mr. DAWSON. Yes; that is correct.

Mr. QUIE. How are you informed by the Job Corps that a particular individual has completed training and is available for followthrough?

Mr. DAWSON. This has generally been handled by a series of reports that come through the regional Department of Labor office.

Congressman, I could not answer you exactly on the form of the report in that I have not seen one, personally, myself. The staff handles

that and it came primarily from information that was gleaned from that.

Mr. QUIE. What do you do in the way of followthrough as soon as you find out a person has left the center?

Mr. DAWSON. Help is put into the regulation machinery of job placement.

Mr. QUIE. Does that mean he has to come see you before he is assisted?

Mr. DAWSON. No; not generally speaking. We follow up on it immediately after he gets out of Job Corps. Very often, in metropolitan areas particularly, you don't have to follow up on them. They are there pretty fast, particularly in the youth opportunity centers. I have found this has been one of the very remarkable devices that have been used in urban centers and certainly they have been in Kentucky and in Louisville and northern Kentucky.

Mr. QUIE. What happened to the 31 that you could not locate. Didn't they come home?

Mr. DAWSON. This category is generally the group that did not answer mail, you could not locate a relative who could tell you where they were or what happened to them. This, incidentally, may not totally reflect everything that is known in that the 91 here have not been screened through one other device that we have to screen them, and that is a world of these boys originally came out of public assistance homes and the 91 names in this instance have not been run back through the social worker group to determine whether they would know where these people would be located.

Mr. QUIE. Also, I was wondering about the 91. Does the "unknown" mean you do not know the reason why they did not take a job?

Mr. DAWSON. The 91 basically is just totally unknown. We could not locate them in any way, shape, or form.

Mr. QUIE. Are they different from the 31?

Mr. DAWSON. The 31 moved or could not be located. This means they moved out of the State and you get caught in a crossfire of information between, for instance, if they moved to Ohio they may have very well found jobs but we have not been able to get the information from the Ohio Employment Service or from the Indiana Employment Service.

Mr. QUIE. What do you think of the placement of these young people from the Job Corps? Either only 50 percent are working or are in military and, obviously, some of those who did not respond might be in the same condition. Should not anyone who has finished training or has had some training in the Job Corps be able to find some kind of a job?

Mr. DAWSON. No, sir; not all the time. They go in with a lot against them. To expect the Job Corps to cure all of the problems that are involved with these is more than you could really expect. I say that from the experience we have had with title V programs in that the placement rate there is good but it is not as spectacular as the MDTA program, where you start with a boy or man who has considerably more behind him.

Jobs Corps participants come from very disadvantaged homes in Kentucky. They have a number of problems to overcome. Sometimes they find that the desire just to go back home after the experience of having been in a Job Corps is more demanding than to go where the

job is, which very often is outside of eastern Kentucky or outside of Appalachia.

Mr. QUIE. It seems to me that from just the little bit of conversation I have had with people, the problems of the people in the title V program are much more severe. You get problems of alcoholism and the defeats are much greater at 45 down and out than they are at 17 or 21.

Mr. DAWSON. Yes, sir; I think that is true but the one thing about them generally is that they have become a good deal more skilled, if that is a good word to use, relative to their predicament and their problem than some of these youngsters have.

The willingness to adjust to the set of circumstances is not as traumatic with this older group, even though it may phrase them in an element it does not cause them to be recalcitrant. With the youth and those going into the Job Corps this very often is the case. Generally the ones I have seen, which I will admit is not a very representative group in that it is not a large number, but you find those who are either extremely shy, those who have a good deal of difficulty in associating either with people their own age and certainly with a prospective employer, and those who are just opposite who are extremely difficult to get along with and find themselves unable to make an approach to an employer or to take supervision.

Mr. QUIE. In your survey did you determine how many were employed in jobs related to the training which they received in the Job Corps?

Mr. DAWSON. No, sir. I do not have any figures on that particular thing.

Mr. QUIE. How about the breakdown of the number working, the number in school, and the number in military service? Do you have that breakdown?

Mr. DAWSON. Our figures do not show specifically if a youth within the Job Corps and took electronics if he got a job in electronics. We do not have any figures that specifically spell that out.

Mr. QUIE. How about a breakdown of those now working in school and those in military service? Do you have a breakdown on them?

Mr. DAWSON. Of the 356 placed, there are 250 in a job, 13 in school, 44 in the military, 58 had gone into some other type of training. This could be some Government training program or it could be an industry-financed program. I would say my best guess would be that the largest portion of that 58 went into some type of Government training program, advanced MDTA course of some kind.

Mr. QUIE. You mentioned one became a pipefitter at $5 an hour, a mattress maker and an arc welder at $2 and some cents. Are these the highest paid? What would be the average?

Mr. DAWSON. The $5 an hour certainly is an exception. As I look through the list here I would say on the average it would run about $1.75 to $1.80 in just looking down the list. There is a good number at $1.40 to $1.75, a number at $1.80. That is pretty representative, I think.

Mr. QUIE. On another subject, have you had any experience in any of your programs with VISTA volunteers or Appalachia volunteers?

Mr. DAWSON. Yes, sir. I think like most groups they have a role in these programs. The role is oftentimes not as clearly defined as it should be for the success of the endeavor that the young person who has decided to go into VISTA needs to have it defined, to the extent

that it very often creates problems that need not be there for him rapidly being able to accomplish what they intended to accomplish. Very often in being properly oriented would be a great help.

Mr. QUIE. Which programs of yours have VISTA volunteers and AV's?

Mr. DAWSON. AV's work with all of our programs. None of them are directly assigned to our agency but they work directly with the agency. They have done a very good job in out-reach relative to Job Corps. They have done ——

Mr. QUIE. Out-reach relative to the Job Corps?

Mr. DAWSON. Yes. For instance, to talk ——

Mr. QUIE. Do you mean in enlisting or enrolling?

Mr. DAWSON. Yes, sir, talking to a person as to whether they would be interested in going into Job Corps.

Mr. QUIE. Serving as recruiters?

Mr. DAWSON. Yes. This has not been able up to now in the employment services as such.

Mr. QUIE. How about the community action agencies. Are they involved in the recruitment or screening?

Mr. DAWSON. Yes, they have been involved with the recruitment. It is my understanding that the screening process may very well be assigned or a portion of the screening process may be assigned to them but I have no knowledge as to whether it has been or not. We are still under the impression in Kentucky that the screening process is an employment service function.

Mr. QUIE. Have the employment service personnel, the VISTA volunteers and community action agencies received any compensation from OEO?

Mr. DAWSON. I am not aware of any compensation over and above what the VISTA volunteer ordinarily receives.

Mr. QUIE. What about community action?

Mr. DAWSON. I could not answer that; I do not know.

Mr. QUIE. That is all, Mr. Chairman.

Chairman PERKINS. Getting back to the breakdown of the figures you used here of 356 that were working in 250 jobs, that figures out to 71 percent, and 44 in school figures out to another 13, and the 58 in the training programs figures out to 16 percent, and 13 military figures out to .1 percent.

I certainly want to thank you for your appearance here, Mr. Dawson. You have been most helpful to the committee. We always appreciate what you have done down there.

I think I should make the statement for the record that Mr. Dawson is a young commissioner of economic security, Mr. Quie. Several years ago President Kennedy was dissatified from the situation in eastern Kentucky as reported in the New York Times, as in other places, and he decided to make a billion dollars available under a certain demonstration section of the Social Security Act before we ever had enacted the Economic Opportunity Act. This was back in 1963. Under this billion dollars, it took a lot of people, such as the unemployed parents, so to speak, put them to doing useful work down there. I think it was the forerunner of title V. When title V came along Mr. Dawson was more conscious of it than any other commissioner of economic security in the United States. He did his darndest to take advantage of the program to do something for an area of Kentucky that had perhaps the

most consistent and worst unemployment of any section of the country.

This not only includes my district in this number but it includes Tim Lee Carter's district. So I just point out that this is not a partisan matter. This legislation benefits his district as much as mine and it has just as much poverty in Carter County.

I am delighted that you could come here today and I thought I should point out the way you took advantage of title V in the first year because of that billion dollars that was made available before we ever enacted a program up here. You perhaps were in a better position than any other commissioner in the Nation to know the good work and take advantage of it. It was a great pleasure for me to welcome you here today and we will certainly have you back some time in the future.

Mr. DAWSON. Thank you, Mr. Chairman. It was an honor to be here.

Chairman PERKINS. Mr. James C. Dean, in connection with his master of science thesis, did an extensive investigation of participants in the work experience and training program, title V of the Economic Opportunity Act. The thesis was specifically directed to the subject "The Developmental Significance of Expenditures of Participants in the Work Experience and Training Program."

I personally feel that this is a vital work and contains much data that will be useful to the committee in the consideration of training programs; and without objection Mr. Dean's letter to me, dated June 15, 1967, and the report of his investigation will be made part of the record at this point.

(The letter and document follow:)

LEXINGTON, KY.,
June 15, 1967.

Hon. CARL PERKINS,
Rayburn Building,
Washington, D.C.

MY DEAR MR. PERKINS: Please find enclosed a copy of my study, "The Developmental Significance of Expenditures of Participants in the Work Experience and Training Program."

I have spent the past year doing this study as a part of my Master's Degree program at the University of Kentucky. I believe you may be interested in this study since it was conducted in Clay, Owsley, and Magoffin Counties, Kentucky, and further, since it deals with the expenditures of participants in the Work Experience and Training Program, Title V of the Economic Opportunity Act, which falls within the jurisdiction of the House Committee on Education and Labor.

I submit this copy of my study for whatever consideration your committee may give it.

Sincerely,

JAMES C. DEAN.

TABLE I.1.—*19 eastern Kentucky counties in the W.E. & T. program—Their quotas, and number of participants, May 20, 1966*

County	Quota	Participants	County	Quota	Participants
Bell	540	528	Jackson	145	149
Breathitt	500	507	Knox	435	430
Floyd	540	547	Magoffin	190	189
Harlan	495	465	Martin	215	218
Knott	495	494	Menifee	75	67
Leslie	335	360	Morgan	180	184
Letcher	365	360	Owsley	150	150
Perry	635	636	Wolfe	180	185
Pike	460	461			
Clay	330	321	Total	6,365	6,348
Elliott	100	97			

NOTE.—The 1st 9 counties entered the program in January 1965, the last 10 in June 1965.

TABLE I.2.—*Basic monthly income requirements for participants in work experience and training*

Type of requirements by age and shelter requirements	Number of persons in family				
	2	3	4 or 5	6 or 7	8 or more
Personal requirements:					
Adult	$37	$36	$35	$33	$31
Child of age:					
12 to 17	40	39	38	35	32
9 to 11	34	33	32	29	26
6 to 8	29	28	27	24	22
3 to 5	22	21	20	19	17
Under 3	18	17	17	15	14
Shelter requirements: [1]					
Rent or mortgage payments:					
Rural unfurnished	19	15	13	13	13
Rural furnished	21	17	15	15	15
Urban unfurnished	25	20	17	17	17
Urban furnished	29	22	19	19	19
No rent or mortgage payments:					
Rural	12	9	8	8	8
Urban	14	10	9	9	9

[1] The allowance for shelter is obtained by multiplying the appropriate amount in the table by the number of members of the assistance group up to a maximum of 4 (if 4 or more members, multiply by 4).

Source: Material supplied by Mr. Ralph Wells.

THE DEVELOPMENTAL SIGNIFICANCE OF EXPENDITURES OF PARTICIPANTS IN THE WORK EXPERIENCE AND TRAINING PROGRAM

(A thesis submitted in partial fulfillment of the requirements for the Degree of Master of Science in Agriculture at the University of Kentucky)

(By James C. Dean)

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The author of this thesis wishes to acknowledge and to express his gratitude to the numerous people who contributed to this project, particularly to Professor Aubrey J. Brown, Chairman, Department of Agricultural Economics, University of Kentucky, for his continued encouragement, enthusiasm, and financial support.

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The Computing Center of the University of Kentucky was most generous with their valuable advice and facilities in the preparation of the regression calculations of this study.

The author is grateful to Miss Mary Lou Wallace for her diligence and perseverance in the preparation of this manuscript.

The author wishes to express his sincere appreciation for the perceptive criticisms and sage counsel of his major advisor and thesis director, Professor Eldon D. Smith, and to congratulate him on his masterful carrot and stick strategies.

The author wishes to express his gratitude to his wife, Margaret McCoy Dean, whose help with the preparation of the manuscript was invaluable and without whose patience, optimism and understanding, this undertaking would never have reached fruition.

Finally, the author wishes to dedicate this thesis to the "Happy Pappies," as they usually, derisively, refer to themselves, the participants in the Work Experience and Training Program, whose candor and cooperation not only made this study possible, but most enjoyable.

CHAPTER I.—INTRODUCTION

POVERTY AND APPALACHIA

"Beauty can be a mask for ugliness. That is what is happening in Appalachia." [1]

The Appalachian Mountain Range stretches northeastward from Alabama to New England. This study was conducted in several counties in the Eastern Kentucky portion of the Appalachian Range, in the western section of the Cumberland Plateau. The colorful historical development of the Southern Appalachian Region—with its famous labor disputes, family feuds, and moonshine whiskey—has been well documented by others and will not be a concern of this study.[2] Recently, however, Appalachia has become well known for a less colorful attribute, poverty. This has been part of an increased national interest in poverty, greatly influenced by Michael Harrington's *The Other America*, and perhaps reaching its apothesis with the enactment into law of the Economic Opportunity Act in the summer of 1964. Harrington opened the eyes of the United States, or at least of some influential people, to the plight of the poor whose existence persists amidst the affluence of contemporary America. Appalachia naturally became a focus of concern, for it had a great concentration of poverty—the only regional commission established to combat poverty was for the Appalachian region.

Harrington quoted an unidentified journalist's description of contemporary Appalachia:

"Whole counties are precariously held together by a flour-and-dried milk paste of surplus foods. The school lunch program provides many children with their only decent meals. Relief has become a way of life for a once proud and aggressively independent mountain people. The men who are no longer needed in the mines and the farmers who cannot compete with the mechanized agriculture of the Midwest have themselves become surplus commodities in the mountains." [3]

Table 1.1 presents the percentage distribution of personal income by various sources for the three counties where this study was conducted, approximately 30 per cent of the personal income in these counties comes from transfer payments, including various forms of government anti-poverty measures.

Conditions have been so extremely bad in the Appalachian Region that hundreds of thousands of men have voted with their feet, and migrated to other, hopefully more promising, places.

Total net migration from Eastern Kentucky from 1950 to 1960 was 269,000 people.[4] The total population in 1950 was 745,000; net migration from the area equalled 36 per cent of the total population.[5]

TABLE 1.1.—*Percentage distribution of personal income by type for 3 counties in Kentucky, 1963*

	Wages and salaries	Proprietor's income		Property income	Transfer payments
		Farm	Nonfarm		
Clay	51.4	6.9	9.2	4.3	28.2
Magoffin	41.1	17.7	9.6	3.4	28.2
Owsley	25.2	30.3	10.6	3.3	30.6
Entire State	64.7	7.9	7.7	10.6	9.2

Source: John Fulmer, "Development Potential for Kentucky Counties with Related Statistics" (Lexington: Bureau of Business Research, University of Kentucky, 1966), pp. 192–195.

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[1] Michael Harrington, *The Other America: Poverty in the United States* (New York: MacMillan Company, 1962), p. 44.

[2] See especially: Harry Caudill, *Night Comes to the Cumberlands* (Boston: Little, Brown and Company, 1962), and Virgil Parrington Jones, *The Hatfields and The McCoys* (Chapel Hill: North Carolina University Press, 1954).

[3] Harrington, *op. cit.*, p. 45.

[4] James S. Brown and George Hillery, Jr., "The Great Migration, 1940–1960," *The Southern Appalachian Region: A Survey*, ed. Thomas R. Ford (Lexington: University of Kentucky Press, 1962), p. 60.

[5] Gordon F. DeJong, *The Population of Kentucky: Changes in the Number of Inhabitants, 1950–1960*, Kentucky Agricultural Experiment Station Bulletin 675, December 1961, p. 25.

Cyrus Johnson's study of 324 families in the Aid to Families with Dependent Children and Unemployed Parents (AFDC–UP) Program provides a good description of the plight of the poor Appalachian family.[6] The study is particularly relevant because the AFDC–UP Program evolved into the Work Experience and Training Program in several counties in Eastern Kentucky.

Johnson found that three fourths of the AFDC–UP families lived in homes rated as either deteriorating or dilapidated. The median family size was six although 25 per cent of the families had more than eight members. Interestingly enough, despite the myth of the extended mountain family, only 10 per cent of the AFDC–UP families reported any extra kin living with them. The median number of years of schooling for heads of households was six, and 2½ per cent had completed high school; none had any higher education, and 46 per cent of the men reported not having any full-time employment during the previous year.

Policy formulations for the poverty problem in Appalachia are difficult. The area does not seem to offer any additional grand potential within the contemporary American economy for the historically important extractive industries, nor for agriculture. Industrialization will proceed slowly, for as Professor Eldon Smith has pointed out:

". . . policy framing is constrained by a presumed threat to the interests of the developed economic mainstream. Political invective notwithstanding, welfare programs seem to be more politically palatable and institutionally feasible than a frontal attack on the roots of the depressed areas problem." [7]

An example of the "welfare programs" to which Professor Smith alluded is the Work Experience and Training Program which evolved from the AFDC–UP Program in Eastern Kentucky. The Work Experience and Training Program represents an attempt to improve upon welfare programs by providing education and training for employment for the heads of impoverished households as well as education, health, and other services to family members. Additionally, a regular monthly income sufficient to meet the family's basic needs is provided. In concept this program represents an investment in "human capital," a term which will be discussed later. The developmental significance of various kinds of expenditures made by participants in the Work Experience and Training Program will be analyzed in this study.

IMPORTANCE OF THIS STUDY

It is assumed that there is general agreement with Professor T. W. Schultz's contention that "People generally prefer a society with fewer rather than more families in this state of poverty, and one can straightaway infer the *social disutility of poverty.*" [8] However, widespread poverty involves more than mere social disutility. The one fifth of the families in the United States living in poverty represents a cost to the economy regardless of ethical, charitable, or welfare considerations. This cost is most readily seen in the public expenditures for aid to the impoverished.

Table 1.2 shows that the total expenditures for Federal, state, and local governments for public aid: that is, public assistance; emergency aid; and value of surplus food; have been increasing in the period from 1955 to 1965, both absolutely and as a percentage of the Gross National Product (G.N.P.). These figures are for direct forms of aid to the impoverished, and do not include public expenditures for the more indirect social welfare programs such as education, employment insurance, old age, survivors, and disability insurance.

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[6] Cyrus M. Johnson, *Mountain Families in Poverty,* Kentucky Agricultural Experiment Station Publication RS–24, May 1965.

[7] Eldon D. Smith, "Restrictions on Policy Alternatives Relating to Underdeveloped Regions of Developed Countries," *Journal of Farm Economics,* XLVIII, No. 5 (December 1966), p. 1231.

[8] T. W. Schultz, "Education and Economic Opportunities in Depressed Rural Areas: Implications for Research," *Problems of Chronically Depressed Rural Areas,* A Special Report sponsored by the Agricultural Policy Institute North Carolina State University in cooperation with the Tennessee Valley Authority (Raleigh: North Carolina State University Press, November 1965), p. 46.

TABLE 1.2.—*Federal, State and local government expenditures on public aid, including public assistance, emergency aid, and value of surplus food to needy families*

Year	Federal expenditures	State and local expenditures	Total expenditures	GNP	Total expenditures as percent of GNP
	Millions	*Millions*	*Millions*	*Billions*	
1955	$1,504	$1,499	$3,003	$398.0	0.76
1960	2,117	1,984	4,101	503.8	.81
1965	3,585	2,674	6,259	[1] 676.3	.93

[1] Estimated.

Source: U.S. Bureau of the Census, A Statistical Abstract of the United States, Washington, D.C., 1966; Federal, State, and local expenditures, p. 280; GNP, p. 322.

The newer Office of Economic Opportunity programs are not included; the expenditures on these are estimated at $1.2 billion in 1966.[9] Thus, it may be reasonably concluded that the social welfare costs of poverty are increasing concomitantly with the "wearing away" of poverty in the United States. The proliferation of recent publications regarding the increasing costs of public welfare costs attest to this topic's importance as a public policy issue.[10]

The Work Experience and Training Program (WE and T) will be studied as an example of a program whose long-range objective is to diminish the costs of poverty by increasing the future earning power of the participants and children in these families. In the short run, the participants are given a sufficient income to meet their basic needs, as well as free medical care and an emphasis on education. This study analyses the short-run expenditure decisions and other behaviors of formerly impoverished families who are participants in the WE and T Program. The focus is on short-run decision responses which have longer run developmental significance in terms of the individual and his family's welfare and productivity.

This study will show the extent to which participants in programs such as WE and T utilized free medical programs, respond to an educational emphasis, as well as how they spend their income and the developmental significance of such expenditures. This is quite important when one considers the various proposals such as a guaranteed annual income or a negative income tax, which are currently under study by the Executive Branch of the Federal Government.[11] The WE and T Program represents an attempt to use "welfare payments" to do more than alleviate deprivation. Its purpose is to motivate toward, and provide means of achieving longer range objectives of economic improvement. Therefore, the program is a laboratory within which to study the effect on economic consumer decisions of these rather unique approaches as compared with pure economic transfers.

THE WORK EXPERIENCE AND TRAINING PROGRAM

Title V of the Economic Opportunity Act of 1964 established the Work Experience and Training Program, a federally supported project whose objective was to retrain workers for jobs and thereby reduce poverty and welfare dependency.[12] The Department of Health, Education, and Welfare (HEW) receives funds to operate WE and T from the Office of Economic Opportunity. HEW delegates the administration of the WE and T program to the respective states, who administer it within HEW's guidelines. In Kentucky, the Department of Economic Security, Division of Public Assistance, administers the Work Experience and Training Program.

There were about 6,000 participants in the Kentucky WE and T Program when this study was conducted. Nineteen counties were included in the program,

[9] U.S. Bureau of the Census, *Statistical Abstract of the U.S.* (Washington, D.C.: U.S. Government Printing Office, 1966), p. 293.

[10] See for example, Edgar May, *The Wasted Americans: The Cost of Our Welfare Dilemma* (New York: New American Library, 1966), or Herbert Krosney, *Beyond Welfare: Poverty in the Supercity* (New York: Holt, Rinehart and Winston, 1966).

[11] U.S. President (Johnson), *Economic Report of the President Together with the Annual Report of the Council of Economic Advisors* (Washington: U.S. Government Printing Office, January 1967), p. 17.

[12] See Appendix I for a complete description of the Work Experience and Training Program.

all of them in Eastern Kentucky. In fiscal 1966, HEW granted $17.5 million to the Kentucky Division of Public Assistance to cover 100 per cent of the costs of the WE and T Program.

Unemployed fathers of children less than 18 years of age may apply for admission to the WE and T Program at the local office of the Department of Economic Security. Once an applicant is accepted, his family's monthly income "needs" are calculated, based upon Division of Public Assistance standards. These income needs vary with the number and ages of children as well as with housing arrangements. After the family's need is determined, any income is subtracted, and the resulting amount is the family's monthly income "grant" from Public Assistance, paid at the beginning of each month.

There is an upper limit of $250 on Public Assistance payments in Kentucky. Therefore, no matter how many children are in a family, the maximum monthly income would be $250. Thus one would expect to find more "discretionary income" among smaller families, especially those with fewer children than needed to qualify for more than the maximum grant. "Discretionary income" refers to the concept of disposable personal income minus what is needed to cover necessities.

Moreover, because of the method employed in calculating Public Assistance grants, it is not economically rational for participants to take any additional employment. Any additional income has to be reported, and the amount of the grant is lowered equally. Therefore, any incentive to increase one's income is minimized. Thus, the concept of opportunity cost in terms of income foregone is effectively eliminated from this discussion. The method of payment for Public Assistance is an important public policy issue. President Johnson has recommended that this "100 per cent tax on the earnings of those on public assistance" be eliminated, and "payment formulas" be enacted which would allow those on public assistance to keep a part of what they earn.[13]

The family's total monthly grant is divided by the prevailing minimum wage $1.25 in 1966, the time of this study), and the resultant number equals the number of hours the participant has to spend in work experience and training.

Work experience is defined as progressive participation in actual work projects, and often takes the form of highway and landscape beautification, road and bridge building, and providing manpower for local government agencies.[14] Training includes basic and vocational education as well as other types of preparation for employment or further training. A participant generally spends six hours per week in training and the remainder of his time in work experience.

Participant families receive virtually unlimited medical and dental care in addition to caseworker and other related social services. School-age children of participants must be enrolled in school and attend regularly. Since income benefits are received with required work experience and training, it will be useful to examine some of the relevant literature on consumer behavior, studies of the impoverished, and the theory of investment in human capital.

STUDIES OF CONSUMER BEHAVIOR

Most of the economic studies of consumer behavior have been concerned with some of the following characteristics of the subject:

1. Theories of spending, or saving behavior;
2. Influence of other than income variable on spending and saving;
3. Asset holding determination;
4. Determination of specific expenditures; and
5. Decision processes.

Robert Ferber's excellent survey of empirical research on consumer or household behavior provides this classification.[15] Ferber's survey, however, specifically excludes "Studies dealing with the purchase behavior of a particular population."[16] Our concern in this study is to analyze the changes in spending pattern associated with the increases in income received by WE and T participants, a very special population. Thus, these studies are not too relevant. Other facts, such as

[13] U.S. President (Johnson), *Economic Report of the President Together with the Annual Report of the Council of Economic Advisors* (Washington: U.S. Government Printing Office, January 1967), p. 17.

[14] *Work Experience and Training Handbook*, A mimeographed publication of the Division of Public Assistance, Department of Economic Security, Commonwealth of Kentucky (Frankfort: Division of Public Assistance, 1966).

[15] Robert Ferber, "Research on Household Behavior," *American Economic Review*, Vol. LII (March 1962), p. 19.

[16] *Ibid.*, p. 19.

the consumers' effect on the economy—both sectorially and aggregatively—have received little attention from professional economists and will not be considered here.

The concern in this study is with the short-run changes in the economic behavior of formerly impoverished consumers who are receiving ostensibly sufficient incomes to meet their economic needs. As is noted above and in the description of the WE and T Program, the participants receive social services as well, including: basic education or vocational training for the head of the household and an emphasis on education for the school-age children; work experience and employment counselling; and free medical care for all family members.

The effects of these nonincome increments upon consumer behavior will be considered, for they bear directly upon two major aspects of economic behavior, consumer expectation and habitual behavior. George Katona characterizes expectations as follows:

"If people believe that depression will come and their incomes will decline, their need to accumulate reserves may then retard spending and may especially impede borrowing for the sake of such large purchases as houses or durable goods. Optimistic expectations, on the other hand, especially if they are held both with respect to the general economic trend and to one's own income, may accelerate spending." [17]

Thus, if the participants think that their participation in the WE and T Program will lead to a better job, they will not save much, if any. Katona hypothesizes that the same thing will occur if consumers think prices will rise; the converse would hold should there be an expectation that prices will decline.[18]

Habitual behavior is probably an important force in influencing consumption when there is a decline in income, but not when there is an increase. As Katona comments: ". . . breaking with past expenditure habits may be difficult when it is necessary to give up habitual satisfactions, but easy when the possibility opens up to satisfy further desires," [19] All WE and T participants probably experience an increase in income. Therefore, we might expect habitual behavior to play a lesser role than price and income expectation. It would seem that almost everyone expects prices to increase, and that participants in the WE and T Program would expect their income to increase as well, if the program were successful. Moreover, a degree of deferred demand probably characterizes the participants in the WE and T Program; that is, the participants have probably foregone some urgent consumption needs such as dental and medical care, essential items of clothing or home repair, because of a lack of funds.

The geographical setting of this study is in Eastern Kentucky, which is part of Appalachia, an area generally regarded as differing culturally from the mainstream of America.[20] The idealized type is impulsive regarding consumption; he

"He is an impulsive spender, often wasting money that he could well use on necessities for his family; perhaps he buys a very expensive TV set or refrigerator just to satisfy his whim of the moment, his need to act. He saves little for a rainy day, or for the education of his children, or for projected goals in the future." [21]

Therefore, (1) if the WE and T participants think they will get better jobs and that prices will increase; (2) if one assigns a lesser role to habitual behavior; (3) if one assumes some degree of deferred demand by participants; and (4) if one accepts the impulsiveness explicit in Weller's analysis of the traditional, low-income mountaineer type, then it seems reasonable to anticipate that the WE and T participants will spend nearly all of their incomes.

RELATED STUDIES OF IMPOVERISHED CONSUMERS

In the past decade, there has been a plethora of material forthcoming on the subject of poverty.[22] Nonetheless, there has been relatively little inquiry into how low-income or poor people spend their money.

Nancy Brode compared the expenditures of families receiving Aid-to-Dependent-Children grants with the prescribed standards of the Tennessee Department of

[17] George Katona, *Psychological Analysis of Economic Behavior* (New York: McGraw-Hill Book Co., Inc., 1963), p. 142.
[18] *Ibid.*, p. 142.
[19] *Ibid.*, p. 143.
[20] Jack Weller, *Yesterday's People* (Lexington: University of Kentucky Press, 1966). is certainly not a saver:
[21] *Ibid.*, p. 40.
[22] See bibliography in Arthur B. Shostak and William Gomberg (eds.), *New Perspectives on Poverty* (Englewood Cliffs, New Jersey: Prentice-Hall, 1965).

Welfare.[23] She found that all but one family had insufficient income to meet the prescribed standards. Amounts greater than the Welfare Department's prescribed standards were spent for housing and nonessentials while not as much was spent for food and clothing as the standards prescribed. There was no apparent improvement in nutritional level of family diets. No analysis was made as to what kinds of expenditures might have had more developmental impact upon the families.

Helen S. Barney studied the food shopping practices of 24 low-income, female headed families, and compared their practices to those of college seniors majoring in Home Economics. She found that the low-income women did a better job of getting their money's worth than the college woman.[24]

Oscar Ornati compiled a rather complete list of the various kinds of budgets and budgetary studies undertaken for social and amelioratory purposes as well as a brief treatment of the historical development of rising standards for poverty.[25] However, no categorization or analysis of types of expenditures were attempted.

Emma G. Holmes took preliminary data from the 1960 Census and described the kinds of expenditures low-income families make.[26] She found that low-income families spend a greater percentage of their incomes on food, shelter, and medical care, and a smaller percentage on clothing, furnishings and equipment, and other kinds of things than people with higher incomes. Holmes stressed the need for better measures of consumption than mere cash incomes, and suggested that the concept of value of consumption be utilized. Value of consumption would include goods produced for home consumption, inventory changes, and other kinds of consumption which are not reflected in a cash income figure. This is a useful concept, but Holmes did not expand it to consider what kinds of consumption might have developmental significance. However Holmes' cross-sectional analysis provides an unreliable basis for predicting the ways in which low-income people will behave in the short run, for under changed economic circumstances low-income people would represent different social and environmental, as well as income, groupings. In this study, a cross-sectional analysis will be utilized; however the two groups analyzed will be fairly comparable.

Cyrus Johnson conducted a survey of 324 families participating in the predecessor to the WE and T Program, that is, the Aid to Dependent Children and Unemployed Parents (AFDC-UP).[27] It was a purely descriptive study economically, and showed that 46 percent of the unemployed fathers had not had a complete month's employment in the preceding two years. More than one-third of the families reported cash incomes of less than $500 annually, while the median was approximately $700 before the advent of the ADFC-UP Program. No value of consumption was calculated, and none of the expenditures of the cash income were analyzed vis-a-vis their developmental significance.

The Pilot Food Stamp Program is administered by the United States Department of Agriculture, and had replaced the Surplus Commodity Program in all 19 counties where the WE and T Program was operating in Eastern Kentucky. The dual objectives of the Food Stamp Program were to increase the demand for agricultural commodities and to improve the diets of low-income people. Only domestically produced food may be purchased with food stamps. A variable scale is used whereby low-income families can exchange the amount of money they generally spend for food stamps with a higher value.[28] The United States Department of Agriculture conducted a survey of participants in the Food Stamp Program in an urban area, Detroit, Michigan, and a rural area, Fayette County, Pennsylvania, in 1962. It was discovered that food consumption and the nutritional quality of diets of participants increased for both urban and rural areas.[29]

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[23] Nancy Brode, "Expenditures of Income of 18 Selected White Families Receiving ADC in Knoxville, Tennessee, April 1960" (unpublished Master's thesis, Department of Home Economics, University of Tennessee, 1963).

[24] Helen S. Barney, "Food Shopping Practices of Selected Low-Income Families, Riley County, Kansas, 1965," (unpublished Master's thesis, Department of Home Economics, Kansas State University, 1965).

[25] Oscar Ornati, *Poverty Amid Affluence* (New York: The Twentieth Century Fund, 1966).

[26] Emma G. Holmes, "Spending Patterns of Low-Income Families (1961)," *Adult Leadership* (May 1965), p. 16.

[27] Johnson, *op. cit.*

[28] For a more complete description of the Food Stamp Program, see Appendix II.

[29] U.S. Department of Agriculture, Economic Research Service, *Food Consumption and Dietary Levels Under the Pilot Food Stamp Program, Detroit, Michigan and Fayette County, Pennsylvania* (Washington, D.C.: U.S. Government Printing Office, 1962).

None of the above studies utilized the conceptual framework of this study. However Holmes' emphasis upon better measures of consumption such as the value of consumption concept is well taken. Brode's finding that families in the ADC Program do not increase the nutritional value of their diets coupled with the United States Department of Agriculture's Food Stamp study showing that participants in the Pilot Food Stamp Program do, indeed, improve the nutritional value of their diets suggests that perhaps the WE and T participants will not improve their diets unless they participate in the Pilot Food Stamp Program as well.

THEORY OF INVESTMENT IN HUMAN CAPITAL

Recently, there has been an increasing interest by economists in the economic aspects of health, welfare, and education.[30] Much of the initial work has been in terms of assessing the current programs from a national point of view, and has been helpful in bringing together a corpus of material not previously subjected to rigorous economic analysis. Noteworthy for its theoretical corruscations as well as its concise and rather complete analysis is T. W. Schultz's work, *The Economic Value of Education.*

In attempting to expand the conventional notions of capital investment, Schultz asserts that human beings may justly be considered as a form of capital investment for ". . . the economic capabilities of man are predominantly a produced means of production and that, except for some pure rent (in earning) for differences in inherited abilities, most of the differences in earnings are a consequence of differences in the amounts which have been invested in people." [31]

Specifically, Schultz maintains that schooling is properly regarded as an investment when it increases the students' future earnings.[32] This concept of human skills as forms of capital is important in this study, for it offers a useful take-off point from which to view programs such as the WE and T Program.

Schultz's work has stimulated some promising contributions to the analysis of the investment in human capital.[33] A major portion of the contributions of increased earnings resulting from education is of a deferred nature and depends upon subsequent educational and experience inputs. In the WE and T Program, only short-run effects can be observed and direct effects on earning capacity are not readily observable because most participants are still in the program.

Although not explicitly indebted to Schultz, Ronald W. Conley's recent work, *The Economics of Vocational Rehabilitation*, presents an analysis of the federal-state rehabilitation program which utilizes the Schultzian framework.[34] Using Public Health Service data for the period 1959–63, the focus of his analysis is the distinction between costs and returns to the rehabilitated individuals and society in general. Only increased earnings are used to approximate social benefits, and dividing by program costs, returns of $10–$17 per dollar spent by governments are estimated. The variation stems from different time periods, methods of estimating increased income, and discount rates. The data are rough, the calculations tentative; the book represents an important pioneering effort in the area of investment in human capital. Vocational rehabilitation is often argued for in terms of human compassion or charity; Conley has tried to demonstrate that on purely objective criteria, it is an economically rational public investment.

Worth Bateman attempted to apply a cost-benefit analysis to the WE and T program.[35] However, insufficient data only permitted a very tentative break-even analysis, that is, an estimate of the point where the costs of the WE and T Program equal the increased earnings of the participants. If one assumes the participants would receive the same amount of income from public assistance, regardless of the WE and T Program, the incremental cost of the WE and T Program is quite low, for it would include only administrative and work related expenses. This is a questionable assumption, for as Professor Richard Cloward has shown, a large per cent of the population who might qualify for public assistance do not

[30] See especially Herbert E. Klarman, *The Economics of Health* (New York: Columbia University Press, 1965); Ruth Gordon, *The Economics of Welfare* (New York: Columbia University Press, 1965); and Theodore William Schultz, *The Economic Value of Education* (New York: Columbia University Press, 1965).

[31] Schultz, *The Economic Value of Education*, p. 64.

[32] *Ibid.*, p. 10.

[33] Gary S. Becker, *Human Capital—A Theoretical and Empirical Analysis with Special Reference to Education* (New York: Columbia University Press, 1964).

[34] Baltimore: Johns Hopkins, 1966.

[35] Worth Bateman, "An Application of Cost-Benefit Analysis to the Work Experience and Training Program," *American Economic Review*, forthcoming.

receive any.[36] However, if one were to assume away incremental public assistance costs, then the WE and T Program would only have to contribute about .5 per cent to the discounted future earnings of the participants to break even.[37]

If all incremental public assistance costs are included, estimated at about $1,000 by Bateman, then the discounted future earnings for a white male, 25 years of age, with 0–7 years of education (approximately $57,000) must only be increased about 2 per cent in order to break even in this context.[38] However, Bateman's entire analysis is severely limited by inadequate data, as he indicates:

"Although these data are suggestive of large potential payoff, the fundamental fact remains that such calculations are pure guesswork and the fragmentary program information which is available permits estimates which are only slightly superior." [39]

Despite the shortcomings in their data, both Conley and Bateman serve to make the important point that probably only a small percentage increase in future earnings is necessary to cover the costs of a program such as vocational rehabilitation or WE and T.

Gerald Somers has done the most comprehensive study of government sponsored pilot retraining programs to date; his primary concern was the employability of trainees as well as the costs and benefits of retraining programs.[40] Among Somers findings were: 75 per cent of the trainees found jobs; men benefitted more than women; age was a handicap for trainees over 55; and men who successfully completed training were more employable, not necessarily in what they were trained in, but because employers used the training program as a screening device. Somers also found that past employment history was a factor in that men who had been unemployed for long periods, or were in unskilled jobs, had a particularly difficult time obtaining jobs. Trainees earned more in their new jobs than previously, and paid their share of the training costs in about four months. Society benefitted from the newly employed workers paying increased taxes as well as in diminished unemployment compensation; this took about a year.

Somers concluded that pilot retraining programs such as those funded by the Manpower Development and Training Act can be successful in eliminating hard core poverty within a limited range, but beyond that the need would be for accompanying liberal fiscal policies.

OBJECTIVES AND GENERAL HYPOTHESES

Central to this study is the concept of developmentally significant expenditures. This concept represents an attempt to amplify such analytical tools as cost-benefit and break-even analysis, and to view programs such as the WE and T Program from a different perspective. As was shown, the paucity of data for the WE and T case renders these more conventional analyses rather fruitless.[41] What is needed is another method of indicating some of the potential benefits, and thus, the concept of developmentally significant expenditures is proffered and discussed in Chapter III.

The analytic framework of this study is concerned with the kinds of current expenditures the WE and T participants could make which will have a longer-run significance vis-a-vis the future development of the family members. Other benefits, such as thhe impact of the WE and T participants' spending upon local or regional economies, are beyond the scope of the analytic framework of this study.

The objectives of this study are: (1) to classify the possible kinds of current expenditures in terms of their potential longer-run developmental significance for all members of the families participating in the WE and T Program; (2) to test hypotheses as to how participants in the WE and T Program spend their incomes within these classes; and (3) to investigate which characteristics, if any, of the participants associated with varying degrees of expenditure within the different classes.

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[36] Richard Cloward, "How Rights Can Be Secured," *The Nation,* XXXIII (March 7, 1966), p. 11.
[37] Bateman, *op. cit.*
[38] *Ibid.*
[39] *Ibid.*
[40] Gerald Somers, *Prospecting in Economics,* A Report on Ford Foundation Grants in Economic Research (New York: Ford Foundation Press, December 1966), p. 15.
[41] Bateman, *op. cit.*

The general hypotheses are: (1) that participants in the WE and T Program will spend more relatively and absolutely than the applicants for the program for the "developmentally significant" class of expenditures; and (2) that participants in the W Eand T Program will spend relatively less than the applicants for the program for the "developmentally related," and "probably not developmentally significant" classes of expenditure.[42]

CHAPTER II.—METHODOLOGY

INTRODUCTION

A cross-sectional approach was utilized, comparing the differences in levels of expenditure among various categories by fifty applicants for, and fifty participants in, the Work Experience and Training Program. Data were needed on monthly expenditures; the survey method which depends upon recall was not sufficiently accurate for gathering such data. The absence of existing data on monthly expenditures of participants prior to their inclusion in the WE and T Program necessitated a cross-sectional approach based upon a comparison of applicants for, and participants in, the WE and T Program.

Expenditures were categorized as either: (1) developmentally significant; (2) developmentally related; or (3) probably not developmentally significant. By utilizing a cross-sectional approach, it was possible to compare expenditures of participants in the WE and T Program with those of the applicants for the WE and T Program within these various expenditure categories.

These categories reflected the author's judgments regarding those items of expenditure which could, on the basis of present knowledge, be classified as contributing, in varying degrees to the future development of the family members to become economically self-sufficient.[1]

Chi square and "t" tests were utilized to test various hypotheses regarding expenditures within these categories. Income elasticities of demand were calulated for various categories of expenditure. Multiple regression analysis was utilized to test if differences in any particular characteristics of the participants were associated with differences in magnitudes of expenditures for various categories.

SAMPLING PROCEDURE

Of the 19 counties in the Work Experience and Training Program in Kentucky in the autumn of 1966, the initial nine entered the program in January 1965, and the latter ten in July 1965.[2] The nine counties initially in the program were not included in the sample in order to concentrate upon the expenditures of participants in their first year in the WE and T Program. Most participants in the latter 10 counties were known to have been in the program less than one year. The program began in the late summer of 1965, and this survey was done in autumn of 1966. Of these remaining 10 counties, Knox County was excluded because the University of Kentucky had committed itself to a substantial research undertaking there. From the remaining nine counties, three were randomly chosen: Clay, Magoffin and Owsley.

A random sampling of 50 applicants for, and fifty participants in, the WE and T Program was made in these three counties. The sample size was determined by the time and resources available for interviewing. These 50 observations were apportioned among the three counties in proportion to their respective quotas for the WE and T Program which were based upon estimates of the degree of unemployment within each county by the Kentucky Department of Economic Security. Clay County had a WE and T quota of 330; Magoffin, 190; and Owsley, 150; therefore, Clay had 25 paired observations; Magoffin, 14; and Owsley, 11.

INTERVIEWING TECHNIQUE

Each of the 50 applicants for, and participants in, the WE and T Program was interviewed initially in the latter part of September 1966. They were asked to keep a record of expenses for the month of October. Carefully constructed and tested, but simple forms were provided for this purpose. Each interviewee was given a detailed explanation of the record form and the categories of expenditure. The initial interview averaged about 45 minutes duration. In early November, the

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[42] The various income classifications are defined in Chapter III.

[1] See Chapter III for further discussion of these categories.

[2] See Table I.1 for a listing of counties where the WE and T Program was operating in 1966.

records of expenditures were collected, questionable entries were clarified, and additional inquiries were made. The final interview required about one-half hour on the average.

There was a high degree of cooperation among the interviewees. Perhaps it was obsequiousness on the part of the participants because they wished to remain in the program, or perhaps the applicants did not want to jeopardize any chance they might have had of getting into the WE and T Program. However, the interviewers always informed the respondents that this survey had nothing to do with their status vis-a-vis the WE and T Program. Nonetheless, there were few problems of reticence at answering probing questions about personal finances.

There were 36 applicants and 36 participants who completed the record of expenditures for October. Eight applicants and 12 participants either lost, misplaced, or did not keep their records, and the records of seven applicants and four participants were not complete enough to be included in the final tabulations.[3] There did not seem to be any characteristics which explained why some families kept good records and others did not keep good records. The author believes that the explanation and presentation in the initial interview was probably the most important reason for good records being kept, and that those families who did not keep good records did not probably understand, or were not especially sympathetic with, the purposes of the survey.

SCHEDULE DESCRIPTION

There were three parts to the schedule used in this study. The first part was for collecting basic data on the family: number of children; ages; educational attainment; the employment and earnings history of the head; his attitudes towward the WE and T Program; and an inventory of the family's clothing. The geographical location and the number of visits to various health facilities were recorded also. The main corpus of data was concerned with expenditures. Recall was used for annual medical expenditures and visits to health facilities. The families kept a record of all expenditures for October; this monthly record was the second part of the schedule. The third section dealt with food production for home consumption, the families' credit situation, and contained an inventory of basic consumer durables. (A copy of the schedule is included in Appendix 3.) The amount of food produced for home consumption was ascertained (in the survey) by inquiring as to total quantities preserved in some way for the past year, in addition to the amounts consumed in October of any canned foods, fresh produce, and all livestock and livestock products.[4]

EDUCATIONAL DATA

Data on school attendance and enrollment were collected from the standardized records kept by teachers throughout Kentucky. Data were obtained for the children of both applicants and participants. Data for January through December 1966 were collected to include all possible seasonal variations in weather—particularly in the winter months when attendance could have been affected by a lack of proper clothing.[5]

STATISTICAL TECHNIQUES

Chi Square

For differences in the number of participants and applicants making certain kinds of expenditures, a chi-square test was used.[6] It involves basically a comparison of observed with expected frequencies. If the difference between these frequencies was great enough to rule out occurrences due to chance at the 0.05

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[3] This adds up to 51 applicants and 52 participants which were the totals interviewed because of aggressive interviewers.

[4] Volume measurements were translated into pound measurements with the help of standard equivalents and with the assistance of extension agents. Mr. Wilmer Browning of the University of Kentucky Extension Service was most helpful in this regard, as was Mr. John H. Sanders, Research Assistant at the University of Kentucky who help collect retail prices as well as wholesale produce prices and performed some of the necessary calculations.

[5] The author wishes to recognize the three County School Superintendents: Mrs. Mallie Bledsoe of Clay County; Mr. Creed Arnett of Magoffin County; and Mr. Pleas Turner of Owsley County for their cooperation in securing these data.

[6] George W. Snedecor, *Statistical Methods* (Ames: Iowa State College Press, 1956), p. 30.

level of probability, then the hypothesis that the samples were taken from the same population was rejected. The formulation for calculation is:

$$x^2 = \frac{(F_a - F_p)^2}{F_a} + \frac{(F_a - F_p)^2}{F_p}$$

Where F_a is the frequency for applicants and F_p is the frequency for participants. In cases involving one degree of freedom, a correction was made by subtracting 0.05 from the value of the differences of the frequencies.[7]

STUDENT'S "T" TEST

In comparing some kinds of expenditures, the mean expenditure for the applicant group was compared with the mean expenditure for the participant group. The Student's "t" test was used:

$$t = \frac{\bar{x}_p - x_a}{\frac{S_p^2}{n_p} + \frac{S_a^2}{n_a}}$$

"t" is the quotient of the differences of the mean expenditures divided by the square root of the squared standard deviations of the two samples divided by the sample size.[8] If the value of "t" was large enough, the hypothesis that the difference between the means was due to chance was rejected. The 95 per cent confidence level was used in this study.

Income Elasticity of Demand

The concept of income elasticity of demand was used to measure the effect of changes in income upon the expenditures by participants for certain categories of goods. Income elasticity of demand may be defined as the ratio of the percentage change in expenditure to the percentage change in income, holding everything else constant:

$$E_y = \frac{(E_p - E_a)(Y_p + Y_a)}{(E_p + E_a)(Y_p - Y_a)}$$

where: E_y is income elasticity of demand
E_p is expenditures by participants
E_a is expenditures by applicants
Y_p is monthly income by participants
Y_a is monthly income by applicants

Arc elasticites were calculated since incomes were aggregated for the month of October.[9]

Multiple Regression

Multiple regression will be used in Chapter IV to investigate which characteristics of the participants are associated with changes in expenditures for several categories of expenditures and to what degree they are associated. The participant characteristics were the independent variables, and the categories of expenditure were the dependent variables. The complete specification of all important independent variables and any interaction between them, as well as the indication of any important degree of curvilinearity is necessary prior to quantifying the relationship. Thus the regression equation:

$$x_1 = a + f_2(x_2) + f_3(x_3) + f_4(x_4) + \ldots\ldots$$

indicated that while any one of the independent variables, x_2, x_3, x_4, . . . changed and the remainder were held constant, there would be an accompanying change in x_1, the dependent variable.[10]

CHAPTER III.—DEVELOPMENTALLY SIGNIFICANT EXPENDITURES AND ACTIVITIES

INTRODUCTION

This study was concerned with the developmental significance of certain kinds of expenditures. This is a rather new and unconventional conceptualization of

[7] *Ibid.*, p. 217.
[8] John E. Freund, *Modern Elementary Statistics* (Englewood Cliffs, New Jersey: Prentice-Hall, 1960), p. 268.
[9] George Stigler, *The Theory of Price* (New York: Macmillan Company, 1952), p. 35.
[10] Snedecor, *op. cit.*, p. 413.

consumer expenditures. However, in view of the inadequacy of other modes of anaysis,[1] it seemed relevant to employ this concept.

Since Keynes, economists have divided aggregate income, Y, by source into two components, consumption, C, and investiment, I.[2] Thus,

$$Y=C+I$$

Similarly, aggregate income has been divided by use into consumption and savings, S.

$$Y=C+S$$

Therefore, in this conceptualization savings equal investment. It was not, however, the purpose of this study to dispute this. It is, in fact, a tautology. Rather, as was cited in Schultz and Becker, what is generally classified as consumption may perhaps be better viewed in part as a form of investment.[3]

Thus the conventional concept of investment would be expanded to include certain expenditures usually regarded as consumption. Expanding upon Schultz, these expenditures would include those likely to increase the future earnings of any family member or consumption unit. This unconventional concept of classifying what is normally termed consumption as more properly a probable form of investment was crucial to this undertaking.

A lack of data rendered it impossible to demonstrate that certain expenditures were, in fact, properly termed "developmentally significant." Judgments were made that some categories of expenditures would probably have a beneficial effect upon the future earnings of the participant heads of households, and perhaps more importantly, upon the future earnings of their children. This concept of developmentally significant expenditures was especially useful in considering the alternative purchases which could have been made by a low-income family as a result of participation in a program such as the Work Experience and Training Program. Such a family was receiving a higher, steady income as well as: (1) an emphasis on education; (2) free health services; and (3) various caseworker services. It was postulated in this study that, at low levels of income, the initial acquisition of, or the substitution of, a more serviceable automobile, television set, or any of the items falling within the categories indicated below, would have the greatest impact upon the future earnings of the WE and T participant family members, and would therefore have the greatest developmental significance. The basis of the judgments of the various expenditures' developmental significance is discussed below for each category of expenditure.

In addition to "developmentally significant," two other classifications of expenditures were made: "developmentaly related," and "probably not developmentally significant" expenditures. Some developmentally related expenditures were complementary with developmentally significant expenditures, but were not necessarily developmentally significant in themselves. Other kinds of expenditures were classified as developmentally related on somewhat tenuous grounds. That is to say, there did not seem to be any reason to classify them as either developmentally significant, or probably not developmentally significant, and they were not obviously complementary to the developmentally significant class of expenditures.

Expenditures termed probably not developmentally significant were those for which the money could have been spent in either of the first two classes with more developmental significance. A more complete explanation of activity and expenditure classifications is included in the detailed analysis of each. However, for the purposes of general perspective on the analysis to follow, the various categories of activity and expenditure included in each of the three classifications are presented below in Table 3.1.

The "developmentally significant" class of expenditures will be considered in this chapter; the "developmentally related" and probably not developmentally significant" classes will be considered in Chapters IV and V, respectively.

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[1] Bateman, *op. cit.*

[2] Maurice W. Lee, *MacroEconomics; Fluctuations, Growth and Stability* (Homewood, Illinois: Richard D. Irwin, 1963), p. 295.

[3] Above, Chapter I.

TABLE 3.1.—*Activity and expenditure classifications for applicant and participant families*

Category	Indicated by
Developmentally significant expenditures and activities:	
Health	Number of visits to physicians and dentists in past year; number of days spent in hospitals in past 6 months.
Education	Percentage of school-age children enrolled in 1966; average number of days present in 1966.
Consumer durables	Average expenditures under developmentally significant upper limits in past year; average monthly repayment of debts for such expenditures.
Autos	Average expenditures in past year; average monthly repayment of debts for such expenditures.
Housing	Average expenditures for new housing in past year; average monthly repayment of debts for such expenditures; average expenditures for housing improvements in past year; average monthly expenditure for housing improvements.
Savings and life insurance	Average savings; number of families buying life insurance in past year.
Clothing	Average inventories; average monthly expenditures.
Food stamps	Average monthly cost.
Cleaning supplies	Average monthly expenditure.
Developmentally related expenditures:	
School lunches	Do.
School supplies	Do.
Rent and utilities	Do.
Meals eaten away from home	Do.
Food expenditures less than the cost of food stamps.	Do.
Transportation	Do.
Personal expenses	Do.
Medicine and drugs	Do.
Probably not developmentally significant expenditures:	
Coffee, tea, cocoa, and tobacco	Do.
Candy and sweets	Do.
Food expenditures in excess of food stamp allotment.	Do.
Consumer durables in excess of developmentally significant upper limits.	Average monthly repayment of debts for such.

COMPARING APPLICANTS AND PARTICIPANTS

In order for a comparison of the expenditures and activities of the applicants and participants to be valid, the significant differences between the two groups, which could affect their behavior, should be explicit. Since only applicants who were judged by their respective caseworkers as likely candidates for the WE and T program were included in the sample, one could reasonably expect the two groups to be identical in terms of the qualifications for participation. Nonetheless there are degrees within the qualifications for the WE and T Program. For example, a participant must be a father of at least one child less than eighteen years of age, however he may have one child or ten children. Six such aspects: the number and ages of children; total and unpaved mileage to town; and age and educational attainment of the heads of the households were examined. Any significant differences in any of these characteristics would indicate an element of selectivity in the administration of the WE and T Program.

The mean number of children per family was 3.8 for the applicants and 4.1 for the participants. This was not a significant difference at the 95 per cent confidence level using the "t" test. Similarly, the mean age for children was 8.7 years for the applicants and 8.1 years for the participants. This was not a significant difference at the 95 per cent confidence level according to the "t" test performed.

The mean total mileage to town for both applicants and participants was 9.05 miles; the mean number of unpaved miles to town was 2.0 for the applicants and 2.3 for the participants. The latter difference was not significant using the "t" test.

The mean number of years schooling completed was 5.1 for applicants, and 4.3 for participants at the beginning of the WE and T Program, and 5.6 years at the time of the survey. This latter figure reflected the WE and T Program's requirement that participant heads of households attend school had they not completed

eighth grade.[4] The difference of the first two figures, 0.8, was not significant at the 95 per cent confidence level using the "t" test. The mean age for heads of households was 36.9 for the applicants, and 42.4 for the participants. The difference, 6.5 years, was found to be significant at the 95 per cent confidence level using the "t" test.

Thus it appeared that the WE and T Program was selective with respect to age, and tended to include the older heads of households. It could be conjectured that jobs would be more difficult to obtain for these older men. Moreover, this difference in age might have indicated that some of the public assistance criteria such as alleviation of poverty and deprivation may have spilled over into the administration of the WE and T Program whose slated objective was to provide opportunities for training and work experience. Thus this difference in age may result in an underperformance of the WE and T Program, and therefore in an understatement of its contributions, if analyzed cross-sectionally, as was done in this study, and if indeed contributions are related to age.

Table 3.2 lists the average cash and noncash sources of income for both applicants and participants for October 1966. The average monthly income from all sources was $242 for the participants and $146 for the applicants; therefore the participants received an average income 66 per cent greater than did the applicants.

In Chapter IV, the degree of association between such important participant characteristics as age, size of family, employment and earnings history, attitudes, and income and the varying levels of expenditure among the developmentally significant classifications will be analyzed.

DEVELOPMENTALLY SIGNIFICANT EXPENDITURES AND ACTIVITIES

Introduction

The general hypothesis was that expenditures for the developmentally significant categories of expenditure and activity would be proportionately greater for the participants than for the applicants. This meant that there would be a larger percentage of participants reporting such kinds of expenditures and activities, and that the mean expenditure per participant family would be higher, both absolutely and proportionately. Of course this implied that the income elasticity of demand would have been greater than one; arc income elasticities of demand were calculated for the entire class of developmentally significant expenditures as well as for the two largest categories, consumer durables and automobiles.

TABLE 3.2.—*Sources of average monthly income for applicants and participants, October 1966*

Source	Applicants	Participants
Cash:		
W. E. & T. grant	0	$208.38
Earnings	$71.58	3.43
Pensions	6.78	6.08
Other	5.58	1.62
Subtotal	83.94	219.51
Noncash:		
Free housing and food	4.14	.81
Food stamps	39.11	15.38
Food production for home consumption	18.47	6.43
Subtotal	61.72	22.62
Total	145.66	242.13

There were basically two kinds of data utilized in this study, monthly and annual data on expenditures. Annual data was used for testing the hypotheses regarding health and education. A combination of annual and monthly data was used to test the hypotheses concerning: consumer durables; automobiles; housing improvements; and savings and life insurance. Monthly data were used to test hypotheses for clothing, food stamps, and cleaning supplies.

[4] The figures for the number of years of schooling completed are equivalent to what are commonly called grades for children; thus a participant who had completed eight years of schooling would have completed elementary school; 12 years would have completed high school, etc.

Health

Expenditures for health services were essentially nonmonetary for WE and T participants. Undoubtedly there were some costs associated with utilizing free medical and dental services; however, from the description of the WE and T Program above, it was inferred that there were no opportunity costs, or income foregone therefrom. It was assumed that visits to the various kinds of health facilities would have a long-run developmental significance for the participants. This was predicted upon Weller's observation that impoverished people in Appalachia see little value in preventive medicine or dentistry. Therefore, if the participants made more visits to physicians and dentists than did applicants, it was assumed that they were at least expressing a desire to improve their health, and that this would have a long-run developmental significance. The hypothesis was that the number of visits to physicians and dentists per participant family would increase as would the number of days spent in the hospital. If this were not the case, then it would seem that there were other barriers to health care than merely the financial ones.

Table 3.3 displays the data on family visits to physicians and dentists, and days spent in hospitals. Of the total of 51 applicant and 52 participant families reporting, 41 applicant and 47 participant families indicated that someone in the family had been to a physician in the previous 12 months. Similarly, 21 applicant and 36 participant families reported having some family member visit a dentist in the past year. Sixteen applicant and 27 participant families reported that some member had been admitted to a hospital in the past six months. A chi square analysis showed all these differences to be significant at the 5 per cent probability level. Thus it appeared that the participant families were visiting these various kinds of health facilities more than the applicant families. Despite Caudill's contention,[5] that the quality of medicine is low in the Appalachian region, it seemed reasonable to assume that this increased contact with some form of medicine or dentistry would have a desirable impact upon the future development of the recipients.

There appeared to be some people who still would not go to a physician or dentist out of fear, habit or due to good health, but the number was less among the participants than among the applicants. Ten applicant and five participant families reported not having anyone visit a physician in the past year. Similarly, 30 applicant families had not sent anyone to the dentist, while only 15 participant families had not. Thus twice as many applicant as participant families had not been to a dentist in the past year.

TABLE 3.3.—*Utilization of health services by applicants and participants, September 1965 to September 1966*

	Number of families reporting at least 1 visit	Total number of calls	Number of visits per family (days for hospital)	Number of families reporting no visits
APPLICANTS				
Physicians	41	422	10.3	10
Dentists	21	71	3.4	30
Hospitals [1] (last 6 months)	16	169	10.6	35
PARTICIPANTS				
Physicians	47	793	16.9	5
Dentists	36	179	4.9	15
Hospitals [1] (last 6 months)	27	211	7.9	25

[1] Data for hospitals are for number of days spent in hospitals from April to September 1966 and do not include outpatient services.

The number of families who had no member of the household admitted to the hospital in the last six months was 35 in the applicant group and 25 in the participant group. Of course this was more difficult to analyze, for many families did not send anyone to a hospital in a six-month period. The number of days per stay in the hospital was higher (10.6 versus 7.9) among the applicants. This was probably due to the fact that the applicants were not hospitalized unless their condition was fairly serious, and also, several applicants qualified for free medi-

[5] Caudill, *op. cit.*, p. 295.

cal care from the Veteran's Administration. The nearest Veteran's Administration Hospital was in Lexington, approximately 100 miles from most of the families interviewed, and one man alone reported a visit of 60 days—more than one third of the total of 169 for the entire group. Three women in the applicant group reported giving birth at home, and two of them reported no prenatal care.

Some reticence at appearing to be "taking advantage of the Program" was noted. One family reported going into debt $260 for a hospital bill rather than collecting such a large amount from the WE and T Program, and another family was paying over $150 per year for hospitalization insurance in order not to have to appear as excessively exploiting medical care benefits.

A sizable minority of both the applicants and participants seemed to be in fairly bad health, as is summarized in Table 3.4. At least five children and one head of a household were reported as epileptic. Four applicants and for participants were receiving disability pensions from the Veterans' Administration for injuries sustained while in the Armed Forces. Three active cases of tuberculosis were reported, two by applicants and one by the wife of an applicant. Seven applicants and eight participants reported other forms of disabilities mostly back injuries and lung troubles and several hernias. It was not possible for the interviewers to rate the seriousness of these ailments. However, the over-all picture is one of some fairly infirm individuals; 36 per cent of the applicant and 36 per cent of the participant heads of households were disabled in some substantial manner.

The hypothesis that participants would make more visits to the various health facilities was accepted, although as with education, the increased number of visits per family not as significant as the increased number of families who made visits.

TABLE 3.4.—*Summary of various infirmities reported by applicants and participants*

Infirmity	Applicants	Participants
Epilepsy	2 children	3 children; 1 head of household.
Tuberculosis	2 heads of households; 1 wife.	
Disability arising from injury sustained while in the Armed Forces.	4 heads of households	4 heads of households.
Back and lung troubles; hernias	7 heads of households	8 heads of households.

Education

Expenditures for education were somewhat similar to those for health, for while the school system was ostensibly free, there were costs associated with attendance. Such costs would include: school supplies and lunches, clothing, and incidental expenses. As was the case with health expenditures, the WE and T Program's method of calculating a participant family's income needs served to eliminate opportunity costs for income foregone. Thus, one had to disregard much of the Schultzian reasoning concerning the costs of education.[6]

Jack Weller emphasized that many mountain families were lax in encouraging their children to attend school for a number of noneconomic reasons, such as fear of, and lack of experience with, education, per se.[7] Heads of households of families participating in the WE and T Program, and in some cases, their wives, received six hours of instruction per week. Therefore, they would probably have increased contact with educational institutions. In addition, the regulations of the WE and T Program stipulated that all school-age children of participant families had to be enrolled in school. It was assumed in this study that increased school attendance would have a long-run developmental significance.[8] The hypothesis was that both school enrollment and attendance would increase for the eligible children of the participant families. Attendance records for the calendar year 1966 were examined to test this. If the hypothesis were accepted, it probably would suggest that the heads of the participant families were receiving sufficient income to cover the costs associated with attending school and therefore were complying with the WE and T Program's regulations. Otherwise, it would

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[6] Schultz, *The Economic Value of Education*, p. 27.

[7] Weller, *op. cit.*, p. 111.

[8] Harry Schwartweller and James S. Brown stated that education was a major integrating link between Eastern Kentucky and the mainstream of American society in "Education as a Cultural Bridge between Eastern Kentucky and the Great Society," *Rural Sociology*, LIV (December 1962), p. 373.

appear that income levels were still insufficient to cover the costs of education, that fear of education was still a real issue, or that education was not valued or recognized as a route for economic improvement. The expenditures for clothing, school supplies and lunches are discussed below.

The data on school enrollment and attendance are presented in Table 3.5. Since the regulations of the WE and T Program stipulate that participant families have to enroll all school-age children, it was not suprising that the number of children enrolled for the participant families, 96.8 per cent, was indeed higher than for the applicant families, 84.7 per cent. Chi square analysis showed this to be a significant difference at the 5 per cent probability level. Only four children of participant families were not enrolled, and they were older children, aged 14 to 16, and had only completed three or four years of schooling. It seemed that there would have been great social pressures placed upon these children were they forced to enroll at the appropriate grade level. In the absence of any special remedial programs for these older but undereducated students, the future for their education and subsequent employment appears bleak indeed. The children of the applicants who were not enrolled were not quite as old, aged 12 to 16, but the same problem would exist for them, and on a significantly greater scale.

TABLE 3.5.—*School enrollment and attendance data for applicants and participants, calendar year 1966*

	Applicants		Participants	
	Number	Percentage of total	Number	Percentage of total
Enrollment:				
Enrolled	105	84.7	121	96.8
Not enrolled	19	18.3	4	3.2
Total	124	100.0	125	100.0
Attendance:				
Number of school days	16,667		19,380	
Number of days absent	1,101	6.6	988	5.1

The difference in the rate of absenteeism, 6.6 percent for the applicant children, and 5.1 percent for the participant children was significant using the "t" test. However, in a typical school year of 170 days, the difference 1.5 percent, would be about two days, and it seems improbable that two days would make a significant difference pedagogically. While it does indicate that the children of the WE and T participants attend school significantly more statistically than the children of applicants, whether the difference is significant pedagogically is another matter. The small difference could suggest that the truancy laws were being fairly rigorously enforced for all enrolled students. This would have been a reasonable thing for local education administrators to do in order to minimize losses of state aid due to absences. This aid is allocated on the basis of average daily attendance, but capital outlays have to be made on the basis of enrollments. Thus a dichotomous situation may have existed; students who were enrolled may have been vigorously encouraged to attend while students who were not enrolled may not have been strongly encouraged to enroll in order to keep the absentee rate low.

The fact that attendance for the children of the applicant families was not greatly different from that of the participant families seemed to indicate that the costs associated with attending schoool were not very great. Additionally, applicants for the WE and T Program might have been trying to make a good impression upon local officials in order not to hurt their chances of admission to the WE and T Program. The hypothesis that school attendance would increase was accepted, due to both increased enrollment and attendance. However, the pedagogically and developmentally significant effect is predominantly one of increased enrollment.

Consumer Durables

Consumer durables for this study included: television sets; refrigerators and freezers; stoves; washing machines; radios and phonographs; sewing machines; and all kinds of furniture and household furnishings. The hypothesis was that participants would spend more than applicants for consumer durables and that the difference would be relatively greater than the difference in income. No hypotheses were made for the different kinds of durables, however, for it was

anticipated that the data would be insufficient to note significant differences among the various kinds. Therefore the total purchases for consumer durables of all kinds were hypothesized to increase, and the mean expenditure for participants was hypothesized to be higher than for applicants and proportionately greater than the income difference. Data for the preceding twelve months were used to test this hypothesis. Additionally, all monthly payments for debts for purchases of consumer durables were included in an analysis of expenditures by applicants and participants for the month of October 1966.

While, in general, these expenditures for consumer durables were considered developmentally significant, a developmentally significant upper limit was placed upon several kinds of durables. That is, while the acquisition of a particular durable was considered as developmentally significant, expenditures in excess of an upper price limit were not considered as contributing to the future development of the family making the purchase. Therefore, a developmentally significant upper limit was set for each of several kinds of consumer durables, based upon an assessment of the prevailing prices (including interest charges for credit sales) in three counties where this study was undertaken. These upper limits represented an attempt to set certain functional minimal requirements for various consumer durables, and to exclude any frivolous or unnecessary payments beyond this level. The amounts spent in excess of these developmentally significant upper limits was subtracted from the total amount spent for consumer durables by both applicants and participants in order to test the hypothesis that the participants' mean expenditure would be higher than the applicants' mean expenditures for consumer durables. This excess was included as a "probably not developmentally significant" expenditure in the analysis of monthly expenditures.

The various kinds of consumer durables, and the developmentally significant upper limits which were established are discussed below.

Table 3.6 displays the data on consumer durable inventories at the time of the survey as well as purchases in the preceding year. Table 3.7 presents the total and mean prices paid, including debt service charges, and the total indebtedness and monthly payment obligations for various kinds of consumer durables.

TABLE 3.6.—*Consumer durables inventories and purchases—Data for applicants and participants*

Item	Applicants	Participants
Total reporting	36	36
Television:		
Didn't own [1]	25	10
Own	11	26
Purchased in past year [2]	6	13
Spent over $200	1	1
Refrigerator:		
Didn't own	10	0
Own	26	36
Purchased in past year	2	15
Spent over $200	0	4
Freezers:		
Didn't own	35	32
Own	1	4
Purchased in past year	0	3
Spent over $200	0	1
Washing machines:		
Didn't own	16	7
Own	20	29
Purchased in past year	0	7
Spent over $200	0	1
Radio:		
Didn't own	2	2
Own	34	34
Purchased in past year	0	2
Phonograph:		
Didn't own	36	32
Own	0	4
Purchased in past year	0	2
Sewing machines:		
Didn't own	30	26
Own	6	10
Purchased in past year	0	2
Stoves:		
Purchases in past year	8	23
Spent over $180	0	0

[1] Inventory as of Oct. 1, 1966.
[2] Number of purchases in previous year.

There were insufficient data for each kind of consumer durable to use either chi square or Student's "t" tests extensively. However, after brief examination of the expenditures upon each of the various kinds of consumer durables, the total and mean expenditures by both applicants and particpants were analyzed in the summary which follows:

Television Sets

The purchase of a television set was viewed as a developmentally significant expenditure in this study. Although it is elusive and difficult to measure the impact of television viewing upon members of impoverished families is probably beneficial in the long run. Despite some "intellectual's" concern over the "wasteland" panorama, it is maintained herein that television viewing could help mitigate some of the cultural barriers to economic development which Messrs. Weller and Caudill, in particular, have described as characterizing the impoverished in Appalachia. If one accepts Weller or Harrington's contention that low-income people are not part of the cultural mainstream of America, then one of the easiest and most available ways of bringing a vibrant part of the mainstream of American Society into Appalachian homes would appear to be via television receivers. For an isolated family, a television offers the opportunity to view what is happening in other parts of the Commonwealth, the Nation, and even, the world. It offers a basis of communication with members of the middle class, and at the minimum, it affords the opportunity to hear noncolloquial English pronunciation and construction. Ideally perhaps, it would show some of the advantages of the nontraditional life outside the mountains, and stimulate the desire to incorporate the better aspects thereof.

TABLE 3.7.—*Summary of consumer durables expenditures—Data for applicants and participants*

Durable	Total prices paid		Mean price paid by those purchasing		Total indebtedness		Payments per month		Total over the developmentally significant upper limit	
	Applicants	Participants	Applicants	Participants	Applicants	Participants	Applicants	Participants	Applicants	Participants
Television	$1,983	$1,480	$164	$114	$542	$703	$63	$64	$150	$150
Refrigerator	90	2,142	45	126	25	1,035	10	128	0	298
Washing machine	0	1,133	0	162	0	470	0	66	0	10
Stoves	811	2,103	(1)	(1)	590	836	15	105	0	139
Others	393	447	(1)	(1)	393	88	0	32	(1)	(1)
Furniture:										
Living room	0	1,316	0	146	0	592	0	47	0	308
Kitchen	0	646	0	72	0	82	0	16	0	86
Bedroom	93	1,150	93	1,196	0	566	0	77	0	125
Miscellaneous	500	817	(1)	(1)	486	120	26	26	(1)	(1)
Total	2,870	11,234	(1)	(1)	2,036	4,492	114	561	150	1,116

[1] Not available.

The developmentally significant upper limit was $200 which was a fair price for a new portable model television set capable of good reception in the mountains. Thus color television and the larger console models with prices over $200 were not considered any more developmentally significant than less expensive portable models.

Twenty-six participant families reported owning television sets at the time of the survey while only 11 applicant families did: 13 of the participants and six of the applicants had purchased television sets in the previous 12 months. Only one applicant and one participant spent more than the arbitrary $200 developmentally significant upper limit. The mean price paid was $114 by participants and $164 by applicants. Thus, while more than twice as many participants as applicants had purchased television sets, their purchases seemed to have been more "prudent" investments in used or lower priced television sets than the applicants. "Prudent" in this context could have meant either cautious and deliberate expenditures, that is, rational behavior, or purchases made with the anticipation of possible loss of WE and T Program benefits, that is, minimizing future liabilities.

Refrigerators and Freezers

Perhaps the acquisition of a refrigerator or a freezer is easier to justify economically than a television set, for its benefits are easier to see and measure. The purchase of a fairly modern and capacious refrigerator or freezer could allow an isolated family to buy perishable foods in town at lower prices and less frequent intervals, and thus save on food expenditures and transportation, if sufficiently large purchases were made. It would also allow for the easy and tasty preservation of home produced foods. An upper limit of $200 was established for both refrigerators and freezers.

All of the participants reported owning a refrigerator while 10 of the applicants did not. Several, 15, of the participants had purchased a refrigerator in the past year, while only two of the applicants had. The participants paid an average price of $126 and the applicants $45. These low averages represent the purchase of used refrigerators: both of the applicants and nine of the participants purchased used refrigerators. Four of the participants exceeded the $200 upper limit.

Not many applicants or participants had freezers; only one applicant and four participants reported owning freezers. Three of the participants had purchased freezers in the past year, and one of the freezers exceeded the $200 upper limit.

Washing Machines

A washing machine could facilitate the maintenance of a neat and clean appearance, and would probably not wear out clothing as readily as hand washing. Thus expenditures on washing machines were regarded as developmentally significant up to $200, the upper limit placed upon such purchases.

Twenty applicants and 29 participants reported owning washing machines. None of the applicants had purchased a washing machine in the past year while seven of the participants had; one of these was in excess of the $200 developmentally significant upper limit.

Cooking and Heating Stoves

Expenditures for heating stoves were considered developmentally significant for even if the expenditures were for coal stoves, the participant's home would at least have been more comfortable. Even more significant in terms of the future effect upon health would have been the replacement of a coal stove with an automatically regulated system of heating. Similarly with cooking stoves, a new wood burning stove would have been more efficient than an older one, but a gas or electric cooking stove would have been even more efficient. Thus, any kind of expenditure for heating stoves was considered as developmentally significant, for the variety of alternative purchases was so great. However, $180 was estimated as the developmentally significant upper limit for cooking stoves.

Sewing Machines

The purchase of a sewing machine was regarded as a developmentally significant expenditure, for the potential savings attainable by sewing clothing for a family were judged to be considerable. No upper limit was placed on sewing machines, for the variety of available models was too great.

Six applicants, and 10 participants reported owning sewing machines. None of the applicants and two of the participants had purchased them in the previous twelve months.

Radios and Phonographs

Almost everybody reported owning a table or console radio; only two applicants and two participants did not. Two participant families had purchased radios in the past twelve months. Conversely, not many people reported having a phonograph; one of the applicants and only four of the participants. Two of these four phonographs had been purchased in the past twelve months.

Radios and phonographs were judged to be quite similar to television sets in terms of bringing contemporary American culture to impoverished Appalachian families. There was no upper limit placed on such purchases.

Furniture and Home Furnishings

Cyrus Johnson found that among families with a median size of six, the median number of dining room or kitchen chairs was four, and he further states, "The median number of beds per family is three, which presents a possibly even more

serious problem." [9] Thus it is apparent that there is a good chance that families may not be able to eat together, but most probably will have to sleep together. Since furniture is not typically the kind of item one trades in or replaces, but rather accumulates, it seems likely that expenditures for both kitchen and bedroom furniture could have a longer-run developmental significance. The upper limit for a kitchen set, consisting of a table and four chairs is $100 while it is $150 for a bedroom suite.

Living room furniture is perhaps not as easy to justify, but from the point of view of improving the comfort and morale of the home, living room furniture was considered developmentally significant. The upper limit is $200 for a couch and chair.

Home furnishings included rugs, curtains, and those incidentals necessary to make a house more liveable. No upper limits were set, and any expenditure on such was regarded as developmentally significant.

Table 3.8 presents the data on the number of families purchasing various kinds of furniture, and the number of those who exceeded the developmentally significant upper limits.

TABLE 3.8.—*Expenditures on various kinds of furniture by applicants and participants*

Kind of furniture	Applicants	Participants
Total reporting	36	36
Living room:		
Purchased in the previous 12 months	0	9
Expended more than $200	0	2
Kitchen:		
Purchased in the last 12 months	0	9
Expended more than $100	0	2
Bedroom:		
Purchased in the previous 12 months	1	12
Expended more than $150	0	1
Miscellaneous: Purchased in the previous 12 months	2	16

The applicant families reported very little expenditure on furniture. Only one reported buying a bedroom suite while two others reported purchases of miscellaneous items for the entire house. The total of the expenditures reported was only $593. However, participants reported total expenditures for furniture of $3,824. Nine participant families reported purchasing living room suites, and two were in excess of the $200 upper limit. Nine participant families purchased kitchen sets, consisting of a table and four chairs, and two of these were in excess of the adjudicated $100 upper limit.

Twelve participants reported buying bedroom suites, and only one was over the $150 upper limits. Sixteen participants reported buying some kind of miscellaneous item of furniture, usually rugs or a cabinet.

Twenty-four of the participant families reported purchases of either a bedroom or living room suite, or a kitchen set. Seven additional participant families reported buying at least some miscellaneous furniture. Thus, 31 of the participants reported buying some furniture while only three applicants did. The author observed that families usually did not trade in old furniture, and that this new furniture was probably added to the low inventory levels which were cited previously. Therefore, these expenditures on furniture neither appeared frivolous nor impulsive. In fact, they seemed most developmentally significant, for the direct increment in the family furniture inventory would probably improve upon the situation where the mountain family in the poverty class was forced to sleep together, but could not sit down and eat together.[10] Although data are not available with which to test this proposition, the author's observations confirm the impression that this was the case for many of the families applying for the WE and T Program, and was presumably true for the participants prior to their inclusion in the program.

[9] Johnson, *op. cit.*, p. 9.
[10] Johnson, *op. cit.*, p. 9.

Summary of Expenditures for Consumer Durables

The data were summarized above in Table 3.7. The total expenditures for consumer durables minus the amounts spent in excess of the developmentally significant upper limits were $10,118 for participants and $2,720 for applicants. The mean expenditures were $281 for participants and $16 for applicants. While all 36 of the participants reported some kind of expenditure for consumer durables, only 29 of the applicants did. The hypothesis that participants would spend more than applicants was accepted, for a "t" test showed that the difference of the mean expenditures for consumer durables was indeed significant at the 95 per cent confidence level. Moreover, the income eleasticity of demand was 2.33 for participants, and this reflected more than proportional income differential purchasing of consumer durables.

Additionally, of the $10,118 total expenditures below the developmentally significant upper limits, the participants owed only $4,492, or about 45 per cent of this adjusted total. The total monthly repayment of this indebtedness was $561, or about $16 per month. Thus, it appeared that the participants, as a group, were fairly cautious consumers who were not extending their indebtedness over a period of time greater than the useful life of the items they were purchasing, in the case of consumer durables.

Automobiles

In the Appalachian region, an impoverished family living more than walking distance from town is almost completely dependent upon private transportation. Public transportation, besides the ubiquitous school bus, is virtually nonexistent; perhaps this is explained by the relatively great distances and sparsely located population. Therefore a man seeking employment would be quite dependent upon the opportunities only in his own local area were he not to own an automobile. Moreover, this man and his family would be entirely dependent upon the local country store, which is typically a very expensive source of groceries, for all purchases. Thus the case can be made for considering a car as a developmentally significant expenditure.

In the absence of public transportation, and without dependable transportation arrangements with other individuals, a man would have to own a car not only to look for work, but in order to take advantage of employment opportunities in areas outside his immediate community. Even to apply for pensions, welfare and food stamps, or for participation in the WE and T Program, a man must go to town, and usually more than once a month in order to comply with bureaucratic rulings. Economically, a family could probably get more for its dollar by purchasing food and consumer durables in town rather than locally.

Perhaps it seems anomalous that the poor should have to have cars; this is part of the paradox of poverty in America, for even the Joads in *The Grapes of Wrath* drove their old Hudson to California.

No upper limits were placed upon automobile purchases, for the market was too complex, and the variability of quality too great. The hypothesis was that the number of participants buying automobiles would be greater than the number of applicants making such purchases, and that the average price paid by participants would be higher, also. Data for the previous year were utilized to test this. Monthly payments for automobiles were included in the analysis of expenditures for the month of October.

Table 3.9 summarized the data on automobile ownership, purchases, indebtedness, and monthly payments. Eleven applicants and 30 participants reported purchases of autos in the 12 months preceding the survey; at the time of the survey, 20 applicants and 33 participants owned cars. All automobile purchases were used, varying in age from fairly new pick-up trucks to a few, rare vintage models. Prices varied from $1,500 to $25, respectively. The applicants' mean price paid was $320, and the participants' $614. This difference, $287, was significant at the 95 per cent confidence level using the "t" test, and therefore the hypothesis that the participants would spend more was accepted. The income elasticity for participants was 2.75, and this reflected an increase in purchases even greater than the income differential between applicants and participants.

The participants incurred more indebtedness for auto purchases than did the applicants. At the time of the survey, 22 participants reported an average indebt-

edness of $513 while only eight applicants reported an average indebtedness of $380. The total monthly payments for participants were $881, and $140 for applicants, and the average monthly payment for all participants was therefore $24, while it was only $4 for applicants.

TABLE 3.9.—*Applicant and participant automobile ownership, purchases, indebtedness and monthly payments*

	Applicants	Participants
Total reporting	36	36
Reported now owning a car	16	3
Reported owning a car	20	33
Purchased in past year	11	30
Total price paid	$3,520	$18,438
Average price paid [1]	320	614
Total indebtedness	3,044	11,306
Average indebtedness	380	513
Payments per month [2]	140	881
Average payments per month	13	29

[1] All averages are based on those reporting purchases, in debt, or making payments.
[2] 2 applicants and 2 participants reported a total of $250 indebtedness which they were going to repay at the end of the year, and 1 applicant reported no regular repayment schedule.

Housing

Table 3.10 shows that 11 applicants and 19 participants owned their homes at the time of this survey. Only one applicant and five participants had purchased homes in the previous year. Thus before the inclusion of the participants in the program, there were 10 applicants and 14 participants owning homes; this difference might be understandable in terms of the difference in ages between the two groups, or could have resulted by chance in sampling.

People who rent homes are usually not expected to maintain them, and this was the general rule among the families surveyed. However, since rents are so low, about $17 per month for the participants, the landlords did not make many improvements in the rented houses, nor even maintain them very well. As indicated in Table 3.10, 14 applicants and 14 participants rented their homes, and 11 applicants and three participants received their homes rent free. The author observed that many of the applicants not paying rent at the time of the survey intended to pay rent should they obtain some additional income. That is, the landlords were giving them free rent, but there was an understanding that if they obtained employment or entered the WE and T Program, they would remain in the house, but pay rent. Once again, as with school lunches and supplies, there were informal institutional arrangements which served to diminish the change in participant's real income when he entered the WE and T Program.

TABLE 3.10.—*Applicant and participant homeownership, rental arrangement, and improvements*

	Applicants	Participants
Ownership:		
Own present residence (number)	11	19
Total value owned residences	$12,300	$19,950
Average value [1]	$1,118	$1,050
Number purchased in past year	1	5
Total value	$500	$4,950
Average value	$500	$990
Total indebtedness	$60	$2,240
Average indebtedness	$60	$448
Rental:		
Rent (number)	14	14
Average rent per month	$14.60	$16.90
Rent free (number)	11	3
Home improvements:		
Number doing none	34	16
Number doing some	2	20
Total value	$270	$2,642
Average value	$135	$132

[1] All average values are for only those owning, purchasing, renting, or making some improvements, respectively.

Improvements in housing consisted of new roofs, walls, rooms, porches, and general painting, maintenance, and repair. Such improvements could make a house warmer in the winter, and cleaner and more comfortable generally. Therefore, such improvements were considered as developmentally significant. No upper limits were utilized, for the variability of possible improvements was too great. The hypothesis was that more participants than applicants would make proportionately more improvements on their houses. Monthly expenditures for housing improvements were included in the analysis of expenditures for October 1966.

As has been indicated above, 19 participants owned houses at the time of this survey. All 19 participants, plus another one who was getting his house free from his family, made some form of improvement in their homes in the 12 months preceding this survey. The total expenditure was $2,642, and the average for those making improvements was $132. The mean expenditure for the entire participant group was $73. Only two applicants reported a total of $270 for home improvements in the 12 months preceding this survey, and the mean expenditure for the applicant group was only $8. The applicants reported a total of $25.52, or an average of $.70 per family in October 1966, while the participants reported a total of $196.56, or an average of $5.46 per family for home improvements. Thus, the hypothesis that more participants than applicants would make home improvements was accepted.

The five participants who purchased homes paid a total of $4,950, or an average of $990 per home.[11] Only one applicant reported buying a home; it cost $500. The average monthly repayments for the indebtedness of these purchases, $0 for the applicants and $2.46 for the participants, are included in the analysis of monthly expenditures.

Savings and Life Insurance

As the description of the WE and T Program in Appendix I indicates, there was an administratively determined upper limit of $1,000 for savings of WE and T participants. It was hypothesized in this study that some of the WE and T participants would save some of their income. Savings were classified as developmentally significant, for they represented an attempt by impoverished people to develop contingency funds. However, at the low levels of income which the participants received, and if the hypotheses of this study were correct and the propensity to consume was high, it seemed reasonable to hypothesize that few of the participants would save and their savings would be little. That was the hypothesis. Data on the total savings and rate of savings per month by applicants and participants were analyzed.

Life insurance premiums were similarly classified as developmentally significant, for they represented an attempt to care for a family in an emergency situation. It could also have indicated that life insurance salesmen were actively contacting the consumers. The hypothesis was that the number of participants buying life insurance policies in that past year would be more than the number of applicants. Data on the number of life insurance policies contracted in the preceding year was used to test the hypothesis.

As indicated in Table 3.11 below, only one applicant family reported any savings, and its total savings was $100 which was deposited in a savings account. Ten participants reported having total savings of $1,435, or an average of $143.50 for those with savings. Two of the participants had bank accounts: one had a checking and one had a savings account. The average monthly rate of savings was reported as about $3 per month per participant family, and nothing by applicants. The one applicant with savings had not saved anything in the previous year.

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[11] The participants averaged $990 expenditure for a house. If this were capitalized by dividing the prevailing interest rate, say 12 per cent, into the return from the investment, rent at $15 per month or $180 per year, the result would be $1,500. Therefore, the purchase of a house appears to be a good investment.

TABLE 3.11.—*Total and average savings by participants and applicants*

	Applicants	Participants
Total reporting	36	36
Reported savings	1	10
Savings or checking account	1	2
Total savings	$100	$1,435
Average saving per month	0	3

The data on life insurance are presented in Table 3.12 below. Only two applicants and seven participants had any form of life insurance in effect at the time of this survey. Four of the participants had purchased life insurance in the last year while none of the applicants had. Total monthly premiums were $12 for applicants and $28 for participants.

TABLE 3.12.—*Life insurance coverage and policies purchased in previous year by participants and applicants*

	Applicants	Participants
Number reporting	36	36
Did not own any life insurance	34	29
Did own a life insurance policy	2	7
Purchased in last year	0	4
Total premiums per month	$12	$28

The hypothesis that there would be more WE and T participants with some form of savings was accepted as was the hypothesis that participants would have bought more life insurance policies in the past year.

Clothing

As has been indicated, expenditures for clothing for children in school are one of the costs associated with educating children. Thus the purchases of children's school clothing was considered as developmentally significant. Similarly, the heads of households in the WE and T Program must attend weekly education and training classes, in addition to working on work experience projects. Appropriate clothing for attending such activities would therefore be properly regarded as developmentally significant. The wives' expenditures on clothing would be necessary in order to make a good appearance, or at least an acceptable one, to go to town, to the doctor or dentist, or to go shopping. Thus wives' expenditures on clothing were classified as developmentally significant. No upper limits were established for items of clothing, for the data revealed that there were no extreme instances which could have been regarded as at, or near, the range of frivolity (fur coats, great numbers of dress-up shoes, etc.).

The hypothesis was that expenditures for clothing for all members of participant families would be absolutely greater than such expenditures by applicants families, and proportionately greater than the income differential between the two groups.

Table 3.13 presents the data on various kinds of clothing reported by husbands, wives, and school-age children. All men in both groups reported having at least one change of work clothes, and on the average, the participants reported owning at least one more change than the applicants. Five participants, however, reported not owning a winter coat as did nine applicants.

Thirty applicants and 21 participants reported not having a "dress-up" suit or sports coat and trousers combination. This is understandable, for many of the men interviewed reported that they just couldn't bear the thought of wearing a coat and tie. It's difficult to judge whether or not a man should wear a suit when applying for a semi-skilled job. There could exist among supervisors a reluctance to hire anyone dressed too well. On the other hand, it might well make a good impression to wear a conventional suit.

All women reported owning at least several everyday dresses, but the women in the WE and T Program reported an average of eight such dresses as compared to five for women in the applicant group. Four women in each group indicated not having any "Sunday" dresses, but the participant women indicated an average of 4.1 Sunday dresses as opposed to 2.3 for the women in the applicant group. Many of the women respondents indicated that they were concentrating their purchases on clothing for their children.

TABLE 3.13.—*Applicant and participant family member's clothing inventory, October 1966*

	Number reporting none		Number reporting at least 1		Total number reporting		Average number of items reported	
	Applicants	Participants	Applicants	Participants	Applicants	Participants	Applicants	Participants
Men:								
Winter coat	9	5	27	31	36	36	0.9	1.5
Changes of work clothing	0	0	36	36	36	36	3.0	4.2
Dressup suits	30	21	6	15	36	36	.2	.9
Women:								
Everyday dresses	0	0	34	35	34	35	5.1	8.1
Sunday dresses	4	4	30	31	34	35	2.3	4.1
School age girls:								
School outfits	2	0	54	41	56	41	5.3	8.0
School shoes	2	0	54	41	56	41	1.2	1.7
School age boys:								
School shirts	0	0	48	49	48	49	3.0	5.4
School pants	0	0	48	49	48	49	2.5	4.5
School shoes	2	0	46	49	48	49	1.1	1.3

School-age girls in the participant group were reported, usually by their mothers, as having about eight school outfits on the average, and 1.7 pairs of shoes which they could wear to school. The applicant families' school-age girls indicated fewer school outfits, on the average, 5.3, and 1.2 pairs of school shoes. One applicant family, however, reported that two of its girls did not have either clothes or shoes to wear to school. All school-age boys of participant families were reported as having at least one pair of school shoes as well as at least two shirts and pairs of trousers which could be worn to school. One applicant family reported that two of its boys had neither clothes nor shoes to wear to school. The school-age boys of participant families reported greater quantities of school clothing than those of applicant families; they averaged 5.4 versus 3.0 shirts; 4.5 versus 2.5 trousers; and 1.3 versus 1.1 pairs of shoes, respectively.

It is impossible to take any one item of clothing and make a definitive case for or against its potential developmental significance. The over-all picture, however, of the clothing possessions for both groups gave the strong impression that the participant families had more kinds of basic clothing needed to go to school, work and town. At least a few children could not attend school for a lack of clothing, but this seems to be a minor explanation of the 15 per cent of the applicant children not enrolled in school.

TABLE 3.14.—*Clothing expenditures of applicant and participant families, October 1966*

	Father		Mother		Children		All family members combined	
	Applicants	Participants	Applicants	Participants	Applicants	Participants	Applicants	Participants
Total families reporting	36	36	36	36	36	36	36	36
Number of families reporting some expenditure	7	28	7	32	16	32	18	36
Total expenditures	$81	$238	$37	$212	$232	$482	$350	$932
Average of those reporting some expenditure	11.50	8.50	5.30	6.60	14.50	13.80	(1)	(1)
Average expenditure for entire group	2.25	6.62	1.03	5.89	6.44	13.39	9.72	25.90

[1] Not available.

Table 3.14 shows the expenditures in the month of October for both groups for clothing. October was a month when school had begun and winter was approaching; therefore, clothing purchases would not have been at a minimum. All 36 of the participant families reported buying some clothing; 28 bought men's clothing; 32 bought women's clothing and 35 bought some children's clothing. Only 18 of

the applicant families reported any clothing purchases: 7 for both men and women's clothing, and 16 reported purchases of children's clothing. Actually there was not a great deal of difference between the average expenditures of those applicants and participants who reported any kind of expenditure. However, all of the participants reported some kind of expenditure, while only 18, or one-half of the applicants reported some kind of expenditure. Thus, the mean expenditure for all kinds of clothing by participants was approximately $26, while it was only about $10 for applicants. The hypothesis that participants would spend more than applicants for clothing was therefore accepted, for the participants spent more than 250 per cent for clothing than did the applicants. The income differential was only 66 per cent.

Food Stamps

While considerably less than optimum nutritive intake level probably characterized impoverished families, it has been shown that merely increasing the income level has little effect upon the nutritive value of food consumption.[12] However, the USDA study of the Pilot Food Stamp Program indicated that nutritive levels for families buying food stamps did, indeed, increase.[13] Therefore, it was reasoned in this study that receiving a higher, regular income by virtue of participation in the WE and T Program would not necessarily mean that a family would improve the nutritive level of its diet. On the other hand, buying food stamps, has the effect of increasing real income, and probably indicates an improvement in the nutritive level of the family also.

There were no data available on the extent of participation in the Food Stamp Program by WE and T participants. However, the WE and T Program encouraged participants to buy food stamps. Thus a comparison of food stamp purchase by applicants and participants was made.[14] The hypothesis was that more participants than applicants would buy food stamps. The purchase of food stamps was classified as a developmentally significant expenditure, for it appeared that the family buying food stamps would increase both its real income and nutritive level. However, any expenditures beyond the value of the food stamps received by families buying food stamps was classified as "probably not developmentally significant." For families not buying food stamps, the expenditures on food up to the cost of food stamps (had they bought them) were classified as "developmentally related" expenditures, and any expenditures beyond the cost of food stamps were classified as "probably not developmentally significant."

TABLE 3.15.—*Food stamp expenditures by applicants and participants, October 1966*

	Applicants	Participants
Total reporting	36	36
Number who purchased food stamps	28	20
Number who did not purchase food stamps	8	16
Total paid in cash	$639	$1,679
Average [1]	$23	$80
Total received in food stamps	$2,047	$2,248
Average	$73	$107
Incremental income in food stamps	$1,408	$569
Average	$50	$27

[1] All averages were based only on those buying food stamps.

Table 3.15 displays the information on participation in the Pilot Food Stamp Program. As indicated, 28 applicants and 20 participants reported buying food stamps. Thus the hypothesis that more WE and T participants would buy food stamps was rejected. However chi-square analysis revealed that, at the 5 percent probability level, the reverse hypothesis, that less WE and T participants buy food stamps, could not be accepted. Thus while rejecting the initial hypothesis, its converse was not accepted. There appeared to be no real difference.

The reason most often given to interviewers for why participants do not buy food stamps is that they do not spend "that much" on food. Some confusion appeared to exist; for example, a family of six receiving a monthly grant of $200 from WE and T would have had to pay $68 in cash for $98 in food stamps. The

[12] Brode, *loc. cit.*
[13] USDA, *loc. cit.*
[14] For a brief discussion of the Food Stamp Program, see Appendix II.

family would have therefore received an incremental income in food stamps of $30, and the relevant consideration would be whether or not the family spent $68 on food in a month. However, most of the respondents not buying food stamps said that they did not spend $98 (the "that much" to which they referred) on food, and therefore did not pay the $68 (the "that much" which is relevant) for food stamps. From a purely economic point of view, such behavior is not rational and does not serve to maximize their incomes.

If a family spent as little as $68 on food per month, it would have been rational to buy the food stamps and utilize them the next month, and not buy food stamps the following month. However, it seemed that most respondents did not fully comprehend the workings of the Food Stamp Program. This is a serious problem with the Food Stamp Program, and has been the subject of much recent controversy.[15] Moreover, not buying food stamps seemed to depend upon local administration of the program, for of the eight applicants and 16 participants not buying food stamps, the great majority, six applicants and 12 participants, lived in one of the three counties wherein this study was conducted. The county was Clay.

Cleaning Supplies

Laundry and dish detergents, face soap, floor wax, and other such items were included in this category. Cleaning supplies were probably a minor item in the total monthly budgets of applicant and participant families; however, since they could not be purchased with food stamps, they could represent a more than proportional amount of family's cash expenditures. It was reasoned that expenditures on cleaning supplies indicated a desire to improve both the appearance and cleanliness of homes and family members, and therefore such expenditures were properly regarded as developmentally significant. The hypothesis was that participants would spend slightly more on the average than applicants; data on monthly expenditures were used to test this.

Thirty-one applicants and 36 participants reported purchases of cleaning supplies in October; the total expenditures were $116 and $128, and the average expenditures were $3.22 and $3.56, respectively. Thus it appeared that the difference, if any, in expenditures for cleaning supplies was in the number of families reporting, so there seemed to be no significance which can be attached to this item of expenditure.

SUMMARY

The participants appeared to be a group of rather thrifty individuals. They took advantage of the free health services offered them, and they sent a significantly higher percentage of their children to school a significantly greater percentage of the time. The income elasticity of demand for participants for consumer durables was 2.33. Less than 10 percent of their total expenditures for consumer durables was in excess of the adjudged developmentally significant upper limits, and they seemed to buy, usually, used, rather than new, television sets or appliances. The participants bought a great deal more furniture than did the applicants. The income elasticity of demand for participants for cars was 2.75. While neither developmentally significant limits were placed nor a rating of quality possible, the possession of an automibile probably enabled the participant families to utilize health services, to go shopping in the lower-priced stores in town, and in general, to break down the traditional isolation of the Appalachian family.

Table 3.16 depicts the data on the average monthly expenditures by applicants and participants for the various developmentally significant categories. The participants' average expenditure in October 1966 for the entire class of developmentally significant expenditures was $123.50 versus $38.51 by the applicants. The participants thus spent 51 percent of their monthly income ($242 from Table 3.2) for the developmentally significant categories of expenditure while the applicants spent only 26 percent. A "t" test showed that both of these differences were significant at the 95 percent confidence level, and therefore the hypothesis that the participants would spend more than the applicants, both absolutely and proportionately, was accepted. The participants' income elasticity of demand for the total average expenditures for the developmentally significant categories was 2.10, and this reinforced the impression of the participant group as one that was expending most of its current income for items which were properly considered as investments in themselves and their children.

[15] *Louisville Courier Journal,* March 13, 1967, Editorial entitled, "Difficulties with Food Stamps Suggest a Fresh Approach," p. 8.

TABLE 3.16.—*Average* [1] *developmentally significant expenditures by applicants and participants by category, October 1966*

Category	Applicants	Participants
Consumer durables, payments	$2.90	$14.03
Automobiles, payments	3.89	24.47
Housing:		
Payments for purchases	0	2.84
Improvements	.70	5.46
Savings and life insurance	.33	3.51
Clothing	9.72	25.90
Food stamps	17.75	43.73
Cleaning supplies	3.22	3.56
Total	38.51	123.50

[1] These averages are for the entire groups of 36 applicants and 36 participants.

CHAPTER IV.—DEVELOPMENTALLY RELATED EXPENDITURES

INTRODUCTION

Developmentally related expenditures included: school lunches; school supplies; rent and utilities; meals eaten away from home; food expenditures less than the cost of food stamps; transportation; personal expenses; and medicine and drugs. These categories were related, often complementarily, to the developmentally significant categories of expenditure. However, expenditures within these categories were oftern greater for participants while the benefits received were not proportionately greater; this was sometimes the case for school lunches, school supplies, and rent. Nonetheless, these expenditures were related in some fashion to the long-run development of the participant family members, and were thus included in the developmentally related classification.

The general hypothesis was that expenditures by participants would be greater than those by applicants for all categories except medicine and drugs. As was the case for consumer durables, it was not possible to test hypotheses for each category. Therefore the average expenditures within each category for October, 1966 were summed, and the total average expenditures by participants was hypothesized to be greater absolutely but not proportionately than that by applicants. The category of medicine and drugs was considered separately, for it was hypothesized to be less for participants than applicants.

DEVELOPMENTALLY RELATED EXPENDITURES

School Lunches

One might reasonably expect that if the hypothesis that both school enrollment and attendance would increase were accepted, the expenditures on school lunches would increase proportionately. This would be true were it not for the method of operation of the school lunch program in many counties in Eastern Kentucky. County school systems generally collect 20 or 25 cents for a fairly substantial noon meal. In theory, every child has to pay for his lunch. However, the author has observed that families without much income are often given free lunches for their children, or each pays some small fraction of the cost. Thus, an impoverished family with five children in school might pay nothing, or for one child's lunch, 20 cents per day rather than the one dollar or one dollar and twenty-five cents it was supposed to have paid.

Moreover, the author has observed a tendency for schools to require all participants in the WE and T Program to pay for school lunches for all of their children enrolled in school. Therefore, even if the number of children enrolled in school were the same for both applicants and the participants, one would reasonably expect the participants to pay more for school lunches totally.

For these reasons, it was hypothesized that participants would spend more than applicants on school lunches. Since this seemed to represent a shifting of the cost of school lunches from the county school board to the WE and T participants, it was not considered a developmentally significant expenditure. However, this expenditure for school lunches was probably a developmentally related expenditure, for it was an inexpensive price for a fairly good meal and WE and T participants could possibly benefit from the intangible elements of pride, by avoiding the stigma and effects upon morale of obvious welfare recipients.

The data on monthly expenditures on school lunches and school supplies are summarized below in Table 4.1.

TABLE 4.1.—*School lunch expenditures by applicants and participants, October 1966*

	Applicants	Participants
Number reporting expenditures	19	30
Total expenditures reported	$172	$319
Average for entire group (36)	$4.78	$8.87

The applicants reported spending a total of $172, or a mean of $4.78, for school lunches. Thirteen applicants in all had at least one child enrolled in school and reported that they did not have to pay for their lunches. Eight applicants reported that they only had to pay for one lunch although they had more than one child enrolled. However, all participant families with children in school, a total of 30 families, reported that they had to pay for lunches. The total paid was $319; the mean was $8.87 for school lunches in October.

Thus, the previous conjecture about expenditures for school lunches seemed correct; that is, the participants in the Work Experience and Training Program had to assume the costs of school lunches which otherwise would have been free to them were they not receiving higher incomes as a result of participation in the Work Experience and Training Program. This had the effect of shifting some of the costs of the school lunch program from the local administration to the federally subsidized WE and T Program, and of diminishing the purchasing power differential between applicants and participants.

School supplies

School supplies were not a great expenditure in dollar values, for most purchases were for a nickel or a dime. Moreover, as with school lunches, school supplies are often offered for sale in the schools, and children from poor families were often given supplies which children from more affluent families had to buy. Once again, children from WE and T families were considered in the latter group, and thus it was hypothesized that expenditures for school supplies would increase.

TABLE 4.2.—*Expenditures for school supplies by applicants and participants, October 1966*

	Applicants	Participants
Number reporting expenditures	4	13
Total expenditures reported	$4	$62
Average for entire group (36)	$0.11	$1.72

The data in Table 4.2 indicate that four applicants and 13 participants reported spending $4 and $62 on school supplies in October 1966, an average of $0.11 and $1.72 for the 36 families included in each group. Obviously more participants than applicants reported expenditures. The chance that reporting errors occurred seemed quite likely, since many of the expenditures for school supplies would have been of the order of $.05 for a pencil, or $.10 for a pad of paper. However, these expenditures seemed to represent expenditures analogous to school lunch costs, and another instance of shifting local costs to a federally subsidized program.

Rent and Utilities

As with school lunches and supplies, the author has observed that many very poor families receive their housing free either because they are sharecroppers or they have a relative or kindly disposed landlord who gives them use of a house gratis. However, when they obtain employment or a regular income, they are expected, and often do, pay rent for the same house that they previously lived in free. If this were true for the participants in the WE and T Program, then one would expect that while the payments for rent increased, the quality of housing would not improve concomitantly. Therefore, the hypothesis was that expenditures for rent by participants would be greater than those by applicants. Once again, the intangible satisfactions accruing to paying one's own way are probably involved here, but this expenditure could only be termed developmentally related.

Utilities included monthly expenditures for electricity, gas (usually bottled), and coal and wood for heating and cooking. If the hypotheses that participants would buy more consumer durables were accepted, then one might reasonably expect that expenditures for utilities by participants would be greater than by applicants. That is the hypothesis. However, the amount of utilities used would not be a perfect indicator of the use of the various durables, for one would expect the newer durables to operate more efficiently. Thus, expenditures for utilities were difficult to categorize; the classification as developmentally related seemed more apropos than to include it in either of the other two general classes.

Table 4.3 displays the data on the monthly expenditures for rent and utilities by applicants and participants.

From Table 4.3 it was observed that the average expenditure for rent in October 1966 was $5.67 for applicants and $6.86 for participants, and the average expenditure for utilities was $11.41 for applicants and $16.33 for participants. Thus, the total average expenditure for October 1966, for rent and utilities by applicants was $17.08 and $23.19 by participants; this was in accord with the hypothesis.

TABLE 4.3.—*Expenditures for rent and utilities by applicants and participants October 1966*

	Applicants		Participants	
	Total	Average	Total	Average
Rent	$204	$5.67	$247	$6.86
Utilities:				
Electricity	155	4.30	191	5.30
Gas	44	1.22	104	2.89
Coal and stove wood	212	5.89	293	8.14
Subtotal, utilities	411	11.41	588	16.33
Total	615	17.08	835	23.19

Meals eaten away from home

Although meals eaten away from home would usually be defined as an expenditure for food, they were considered as a separate category in this study. It was assumed that low-income families would eat most of their meals at home, and as has been indicated, the Food Stamp Program provided a gauge of the development significance of food expenditures. However, if a man were participating in the WE and T Program, he might not have time to return home for all meals. Thus meals eaten away from home were adjudged to be developmentally related expenditures, and it was hypothesized that the participants would spend more than the applicants for such.

Only one applicant reported eating any meals away from home, and the total reported was only $1. However, three participants' families reported that the head of the household regularly ate the noon meal away from home, and their total expenditures for October 1966 were $28. Thus the average expenditure for meals eaten away from home was $.03 for the applicants and $.78 for the participants. It was likely that there was some underreporting in this category, but it is, at best, a minor item which is not of great significance for the purposes of this study.

Food expenditures less than the cost of food stamps

As was noted in Chapter III, expenditures on food stamps were classified as developmentally significant. However, for those families who did not buy food stamps, the expenditure for food, up to the cost of food stamps had they bought them, was classified as developmentally related. The judgment rendered here was that expenditures on food, regardless of food stamp considerations, were properly considered as related in some way to the long-run development of the family members, but the cost of food stamps was the upper limit for inclusion in the developmentally related category. The amount spent for food above the cost of food stamps was classified as probably not developmentally significant, and is discussed below in Chapter V.

There were not significantly more participants than applicants buying food stamps.[1] Thus it was hypothesized that the remaining participants' food expenditures, less than the cost of food stamps, would be greater than those of remaining applicants, since the participant with his higher income level, would probably spend more for food. The total expenditures for October 1966 for "food were calculated.

"Food" expenditures included all food-type items obtainable with food stamps. These expenditures were compared with the cost of food stamps which was calculated utilizing the criteria of the Food Stamp Program.

Table 4.4 shows the data for the applicants and participants who did not buy food stamps. There were essentially two types of families under consideration: those who spent less for food than the cost of food stamps and those who spent more for food than the cost of food stamps. As indicated in Table 4.4, there were no applicants and three participants whose monthly expenditures for food in October 1966, were less than the cost of food stamps; the three participant families spent a total of $126 for food. Additionally, there were 8 applicants and 13 participants who spent more on food in October 1966 than they would have had to spend for food stamps. The applicants could have bought food stamps for $334, and the participants for $874, totally. Hence, the total expenditure for food, less than the cost of food stamps was $334 for applicants and $1,000 for participants, or an average of $9.28 and $27.28, respectively. Thus the average participant spent about three times as much as the average applicant for food less than the cost of food stamps.

TABLE 4.4.—*Developmentally related expenditures on food by applicants and participants not buying food stamps, October 1966*

	Applicants	Participants
Number of families not buying food stamps	8	16
Number of families spending less than the cost of food stamps for food	0	3
Total spent	0	$126.00
Number of families spending more than the cost of food stamps for food	8	13
Cost of food stamps had they bought them	$334	$874
Total	$334	$1,000
Average	$9.28	$27.28

Transportation

Expenditures on transportation included the operating expenses of automobiles, gasoline, oil, and repairs, in addition to any fares paid for taxis or buses.

It was hypothesized that participants would buy more automobiles and the data indicated they did. Since participants have to attend school, and report regularly for work experience, it was logical to expect that their expenditures for transportation would increase. This was the hypothesis. However, no distinction was made between transportation for educational, recreational or work experience and training purposes. Many trips involve a multiplicity of purposes (joint costs) and allocation of such travel to each purpose would, at best, be arbitrary. In collecting the data no such breakdown was attempted. Thus, one cannot infer with impunity that all transportation expenses were developmentally significant. Therefore, since the proportions of expenditures for these purposes are unknown, transportation expenditures are categorized as related to development.

The information on transportation expenditures by applicants and participants is summarized below in Table 4.5.

TABLE 4.5.—*Transportation expenditures for applicants and participants, October 1966*

	Applicants	Participants
Gas, oil and repairs:		
Total	$269.00	$770.40
Average	7.47	21.40
Taxis and rides:		
Total	36.00	11.00
Average	1.00	.30
Total average	8.47	21.70

[1] Above, Chapter III.

Thus, the mean expenditure for gas, oil and repairs was $21.40 by participants and only $7.47 by applicants. This is somewhat understandable in view of the previous finding that 33 participants owned cars as compared to only 20 applicants, which meant that about one and one half as many participants as applicants were driving cars. Since there was no difference in distance to town,[2] the increased expenditures probably represented increased utilization of autos by the participants in fulfilling their obligations to the WE and T Program.[3]

Personal Expenses

Personal expenses included expenditures for: cosmetics, shaving supplies, tooth brushes and tooth paste, sewing supplies, other personal expenses, and miscellaneous nonfood nondurables. This was rather a "catch-all" category for assorted personal expenses such as lipsticks, drivers' licenses, shotgun shells, and shoe polish. The great potential variety of expenditures, and the anticipated small magnitude mitigated against further categorization or classification. These kinds of expenditures were termed developmentally related, for the increased integration of participant families in educational and training activities necessitated more of this kind of expenditures.

The information on personal expenditures is incorporated in Table 4.6 below.

TABLE 4.6.—*Personal expenditures by applicants and participants, October 1966*

	Applicants		Participants	
	Total	Average	Total	Average
Cosmetics	$30	$0.83	$64	$1.78
Sewing supplies	0	0	18	.49
Recreation	13	.36	13	.36
Miscellaneous nonfood nondurables	24	.67	14	.38
Other personal expenses	9	.25	29	.84
Total	76	2.11	138	3.84

The average personal expenditure by participants, $3.84, was greater than that of applicants, $2.11. Participants reported average expenditures for cosmetics of $1.78 while applicants reported a mean of only $0.83. Since cosmetics included shaving and dental care supplies, the conjecture that participants had to make more social appearances would probably explain their increased expenditure for this category.

Very small amounts were reported for sewing supplies, and this was perhaps not as underreported as it might seem. Very few sewing machines reported in the consumer durable inventory,[4] and it was observed by the author that wives of the applicant and participant families did not do very much sewing. This was not necessarily economically irrational, for there has been a recent proliferation of secondhand clothing stores in the Appalacian area. These stores sell servicable clothing at quite low prices: $.25 for a boy or a man's shirt; $.50 for a lady's dress. Thus it seemed that one could not buy the material to sew such items for less, and the lady of an impoverished household would not be sacrificing any income by buying rather than making her family's clothing.

Recreation expenses were reported as the same for both groups, $.36 per family for the month of October 1966; all expenditures were for movies. Average miscellaneous nonfood nondurables expenditures were higher for applicants, $.67, than for participants, $.38, because some of the applicants reported some items as miscellaneous which should have been included as cosmetics or sewing supplies.

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[2] Above, Chapter III.

[3] A tentative calculation of the average mileage driven reveals not much excessive motoring by participants. If one assumed operating costs of $.05 per mile (gasoline at $.35 per gallon; 10 miles to the gallon yields a cost of $.035 per mile; and another $.015 per mile for oil, tires, and repairs), then the average expenditure per month by participants, $21.40/$.05 yields 434 miles driven. The average participant lived about nine miles from town; thus 20 miles per round trip would yield about the equivalent of 22 trips to town per month. When one considers the obligations of the participants to the WE and T Program, it does not seem that the participants were using their cars for much more than the rather necessary mileage.

[4] Above, Chapter III.

The average personal expenditure by applicants was $.25 and by participants, $.84. Such diverse, yet probably developmentally related items such as: hunting licenses, drivers' license learning permit for a wife; dog licenses; and parakeet seed, were included in this subcategory.

Medicine and Drugs

Monthly expenditures for medicines and drugs should be lower for participants since the WE and T Program will pay for any medicine or drug prescribed by a physician. Therefore, the only expenditures remaining within this category for participants were for patent medicines or first-aid supplies. If the participants visited physicians more than applicants, as was hypothesized, it seemed logical to hypothesize that expenditures by participants for medicines and drugs would be lower than such expenditures by applicant. Data for the month of October were used to test this hypothesis.

For October 1966 the applicants reported a mean expenditure of $3 on medicine and drugs while the participants reported a mean expenditure of $1. It appeared that the participants were only buying the minimally required patent medicines either not available, or inconveniently obtained, through the free health services component of the WE and T Program.

SUMMARY

The average developmentally related expenditures by applicants and participants for the month of October, 1966 are summarized in Table 4.7 below.

The average expenditure for developmentally related categories was $44.86 by the applicants and $88.88 by the participants. Using the "t" test, the difference, $44.02, was significant at the 95 per cent confidence level, and thus it seemed that the participants spent more, absolutely, than the applicants for the developmentally related categories. The participants spent 36.8 per cent, and the applicants, 30.8 per cent, of their total monthly income for these developmentally related categories, and this difference 6. per cent, was not significant at the 95 per cent confidence level, using the "t" test. Therefore, the participants did not seem to spend more, proportionately, than the applicants, for the developmentally related categories of expenditure. The hypothesis that the participants would spend more absolutely, but not proportionately, was therefore accepted. The income elasticity of demand for the participants was 1.43 for these developmentally related categories.

TABLE 4.7.—*Summary of average developmentally related expenditures by applicants and participants, October 1966*

Category	Applicants	Participants
School lunches	$4.78	$8.87
School supplies	.11	1.72
Rent and utilities	17.08	23.19
Meals eaten away from home	.03	.78
Food expenditures less than the cost of food stamps	9.28	27.28
Transportation	8.47	21.70
Personal expenses	2.11	3.84
Medicine and drugs	3.00	1.00
Total	44.86	88.88

CHAPTER V.—PROBABLY NOT DEVELOPMENTALLY SIGNIFICANT EXPENDITURES AND SOME OTHER CATEGORIES

INTRODUCTION

While not wishing to appear puritanical, this study did endeavor to distinguish between forms of expenditure which were likely to have a long-run developmental significance, those that were related to the developmental process, and those expenditures which probably did not have any developmental significance. The following four categories of expenditure were included in the probably not developmentally significant class: Coffee, tea, cocoa, and tobacco; Candy and sweets; Food expenditures in excess of food stamp allotments; and Consumer

durables in excess of the developmentally significant upper limits. The reasons for their inclusion as probably not developmentally significant are outlined in the discussion of each.

There were no hypotheses for the individual categories, but the hypothesis was the average expenditure for the sum of these categories would be greater for participants than applicants. However, the hypothesis was also that the participants would not spend proportionately more than the applicants for these categories of probably not developmentally significant expenditures.

PROBABLY NOT DEVELOPMENTALLY RELATED EXPENDITURES

Coffee, Tea, Cocoa and Tobacco

Purchases of coffee, tea, cocoa and tobacco could not be made with food stamps, and thus, these items, often called "groceries," had to be purchased with cash. This study was not concerned with the respective nutritional or medical merits of these items. These expenditures were regarded as essentially matters of taste, but were classified as probably not developmentally significant because it was not possible to establish any relation between them and the long-run development of the participant family members.

Table 5.1 below present the data on expenditures for coffee, tea, cocoa and tobacco for October 1966.

TABLE 5.1.—*Expenditures for coffee, tea, cocoa, and tobacco by applicants and participants, October 1966*

	Applicants		Participants	
	Total	Average	Total	Average
Coffee, tea, and cocoa	$67	$1.86	$95	$2.65
Tobacco	146	4.06	193	5.35
Total	213	5.92	288	8.00

The average expenditure for coffee, tea, cocoa and tobacco by applicants was $5.92 and by participants was $8.00. There was probably some underreporting, for not all of the applicants and participants reported for coffee. However, the author consumed, or refused invitations to, coffee at almost all of the homes of the families keeping records. Nonetheless, the proportionate differences between the average expenditures by applicants and participants for these categories was small, and probably reflected differences in quality as much as in quantity.

Candy and Sweets

Candy and sweets included candy, soft drinks, and other assorted "sweets." Such items were obtainable with food stamps. If purchased with food stamps, expenditures for candy and sweets would have been included under the expenditures for food stamps, and therefore classified as a developmentally significant expenditure. However, expenditures for candy and sweets were considered separately in this section to see their magnitude. Such expenditures were classified rather arbitrarily as probably not developmentally significant, for it seemed that the money expended for such could have been better utilized in other ways.

Table 5.2 below summarized the data on applicant and participant expenditures on candy and sweets in October 1966.

All but four of the applicants and two of the participants reported some expenditure for soft drinks in October. The applicants reported an average expenditure of $2.74, and the participants, $4.03, for soft drinks. Two applicants and two participants reported not spending anything for candy and other sweets; the average expenditure by applicants was $2.22, and by participants, $3.01. Thus, the average expenditure for the category of candy and other sweets was $4.96 by applicants and $7.04 by participants; as with expenditures on coffee, tea, cocoa and tobacco, the difference in expenditures between applicants and participants was quite small and probably not significant. It appeared that the participants certainly did not spend very much more than the applicants for candy and sweets.

TABLE 5.2.—*Expenditures on candy and sweets by applicants and participants, October 1966*

	Applicants		Participants	
	Total	Average	Total	Average
Soft drinks	$99	$2.74	$145	$4.03
Candy and other sweets	80	2.22	108	3.01
Total	179	4.96	253	7.04

Food Expenditures in Excess of Food Stamp Allotments

Expenditures for food stamps were categorized as developmentally significant; however, any expenditures by families buying food stamps, in excess of the value of food stamps received, were categorized as probably not developmentally significant. By doing such, this study implicitly accepted the Food Stamp Program's allotments as fairly good indicators of the total expenditures for food necessary to provide a family with an adequate diet. For families not buying food stamps, the total expenditure for food up to the cost of food stamps was classified as a developmentally related expenditure. However, any expenditure in excess of the cost of food stamps was classified as probably not developmentally significant, for all of the families were eligible for food stamps. Therefore, any expenditures for food, in excess of the cost of food stamps, would have been made with money which could have been used for other, ostensibly more developmentally significant, types of expenditures.

Table 5.3 summarizes that data on food expenditures in excess of food stamp allotments.

TABLE 5.3—*Food expenditures in excess of food stamp allotments by applicants and participants, October 1966*

	Applicants		Participants	
	Total	Average	Total	Average
Families buying food stamps: Expenditures greater than value of food stamps received	$9	$0.25	$194	$5.39
Families not buying food stamps: Expenditures greater than the cost of food stamps, had they bought them	215	5.97	243	6.75
Total	224	6.22	437	12.14

Thus the applicant families buying food stamps spent a total of $9 more for food than the total value of food stamps received, and the participant families buying food stamps spent a total of $194 in a similar fashion; the averages were $.25 and $5.39, respectively. The applicant families not buying food stamps spent a total of $215, or an average of $5.97, more than the cost of food stamps, for food, in October 1966. Likewise, the participants not buying food stamps spent a total of $243, or an average of $6.75, more than the cost of food for food in October 1966. Therefore, the participants appeared to have spent more than the applicants for food expenditures in excess of the food stamp allotment. An interesting observation was that the 16 participant families not buying food stamps spent a total of $243 more than the cost of food stamps for food. If they had bought food stamps, they would have saved $15.19 on the average on their monthly food expenditures.

Consumer durables in excess of the developmentally significant upper limits

As was explained in Chapter III, developmentally significant upper limits were set for consumer durables. The repayment of indebtedness for the portion of consumer durable purchases above the upper limits was classified as probably not developmentally significant. In October 1966, the applicants made payments totalling $15, or averaging, $.42, for indebtedness for consumer durable pur-

chases above the developmentally significant upper limits; the comparable figures for participants were $56, totally, and $1.56 on the average.

SUMMARY

Table 5.4 displays the data on the probably not developmentally related categories of expenditure by applicants and participants in October 1966.

TABLE 5.4—*Average expenditures for probably not developmentally significant categories by applicants and participants, October 1966*

Category	Applicants	Participants
Coffee, tea, cocoa, and tobacco	$5.92	$8.00
Candy and sweets	4.96	7.04
Food expenditures in excess of food stamp allotments	6.22	12.14
Consumer durables in excess of developmentally significant upper limits	.42	1.56
Total	17.52	28.74

The average expenditure for the probably not developmentally significant categories was $17.52 for the applicants, and $28.74 for the participants. The difference, $11.22, was significant at the 95 per cent confidence level using the "t" test. Therefore, the first part of the hypothesis, that participants would spend more than applicants, was accepted. However, expenditures for these probably not developmentally significant categories represented 12 per cent of the total monthly income of the applicants, and 11.88 per cent of the total monthly income of the participants. Thus the participants did not spend proportionately more than the applicants for the probably not developmentally significant categories, The second part of the hypothesis, that the participants would not spend proportionately more than the applicants for the probably not developmentally significant categories, was therefore accepted. The income elasticity of demand for the participants was .99 for the probably not developmentally significant categories.

OTHER CATEGORIES

Food production for home consumption

The foregoing analysis of expenditures did not include the amount of food produced for home consumption. This element could have been useful in explaining possible reasons that there was not increased participation in the Food Stamp Program. It was hypothesized that the participants would produce less food for home consumption than the applicants. If this hypothesis were accepted, it could have reflected a combination of things, that is, a high marginal preference for leisure relative to income, conflict between WE and T Program obligations and home food production, or limited opportunities for home food production.

Table 5.5 presents the data on food production for home consumption, and shows that 28 applicants and 21 participants reported raising a home vegetable garden while eight applicants and 16 participants reported not raising a garden. Chi square analysis showed this was not a significant difference at the 5 per cent probability level. Moreover, 23 applicants and 12 participants reported that they had canned, frozen, or in some way preserved food while 13 applicants and 25 participants reported that they had not. This was a significant difference at the 5 per cent probability level according to a chi square analysis. Therefore, it appeared that while there was not any significant difference in the number of applicants and participants raising gardens, there was, indeed, a significantly greater number of applicants than of participants who had preserved food in some way.

The total value of the preserved food was $1,240 for applicants and $706 for participants, for the entire year.[1] It was interesting that the mean value of preserved foods, for those engaged in preserving, was not significantly different, the mean was $54 for applicants and $59 for participants. The important variable was the number of families engaged in food preservation, and as noted, there were significantly more applicants than participants who preserved some kind of food.

[1] Valuation procedure explained in Chapter II.

TABLE 5.5.—*Food production for home consumption by applicants and participants, 1966*

	Applicants	Participants
Had a home vegetable garden	28	21
Did not have a home vegetable garden	8	16
Preserved food in some way	23	12
Did not preserve food in any way	13	25
Total annual value of preserved food	$1,240	$706
Mean value of preserved food	[1] 54	59
Total value of October consumption of preserved food	336	121
Mean value of October consumption of preserved food	15	13
Produced and consumed some milk, meat, or eggs in October	18	9
Did not produce and consume any milk, meat, or eggs in October	18	28
Total value of milk, meat, and eggs produced and consumed in October	$376	$238
Mean value of milk, meat, and eggs produced and consumed in October	21	26
Total gross value of food production for home consumption in October	712	359
Reported expenditures for feed	47	121
Total net value of food produced for home consumption in October	665	238
Mean value for entire group	18	6

[1] Mean values were calculated for those preserving or consuming; that is, the total value was not divided by the total number in the group, but only those reporting such activity, except for the mean for total food production for home consumption for the entire group.

Eighteen applicants and nine participants reported producing milk, meat, or eggs in October while 18 applicants and 28 participants reported not producing any. Chi square analysis revealed this to be a significant difference at the 95 per cent probability level. Thus significantly more applicants reported any kind of milk, meat, or egg production for home consumption in October. The total value of such production was $376 for applicants and $238 for participants, and the mean values for those producing any were $21, and $26, respectively. There was not a significant difference at the 95 per cent confidence level according to the "t" test. Once again, it seemed that the number of people engaged in production was the important aspect of milk, meat and egg production.

From the gross values of food production for home consumption in October, $712 for applicants, and $359 for participants, the reported expenditures for feed were subtracted, $47 and $121, respectively. The total net value of food produced for home consumption for October was $665 for the applicants and $238 for the participants. The mean values for the entire group were $18 for the applicants and $6 for the participants. This was a significant difference at the 95 per cent confidence level using the "t" test. It was concluded that there was indeed more food produced for home consumption by the applicants than by the participants. Therefore, the hypothesis was accepted.

Expenditures for food

Expenditures for food were complexly interwoven throughout the foregoing analysis; and were classified all three possible ways: (1) developmentally significant; (2) developmentally related; and (3) probably not developmentally significant. Total expenditures for food, regardless of food stamp considerations, were analyzed by the major categorizations utilized in important consumption studies.[2] The hypothesis was that participant would spend more than applicants, absolutely, but not proportionately, for total food expenditures. Data for the month of October 1966 were utilized to test this hypothesis.

The mean expenditures for food by applicants and participants are summarized by major categories and important subcategories in Table 5.6. Participants generally reported higher mean expenditures; some interesting exceptions were that applicants spent more for "Fats and Oils" and "Flour and Meal." This would probably help explain why the participants had spent so much more than applicants for "Bakery Goods" and "Mixes" and probably indicated that participants had a preference for prepared bakery goods and mixes and prepared fewer bakery goods at home.

[2] G. G. Quackenbush and J. D. Shaffer, *Collecting Food Purchase Data by Consumer Panel,* Michigan Agricultural Experiment Station Technical Bulletin 279, August 1960, p. 37.

Participants also spent considerably more on "Fresh Meat," and "Canned Fruits and Vegetables." This is likely explained by the greater quantity of livestock production and food production for home consumption reported previously by the applicants.

The participants' mean expenditure for food, $96.46 was $17.48 greater than the applicants', $78.98, and this difference was significant at the 95 per cent confidence level using the "t" test. Therefore, the hypothesis that participants would spend more for food, absolutely, was accepted. The participants' average expenditure, $96.46 represented 39.9 per cent of their average total income while the applicants' average expenditure, $78.98, represented 54.1 per cent of their average total income. Once again, the hypothesis that the participants would not spend proportionately more than the applicants, in this case for total food expenditures, was accepted.

TABLE 5.6.—*Mean expenditures for food by applicants and participants, October 1966*

	Applicants	Participants
Milk, cream, ice cream, and cheese	$11.30	$13.53
Fats and oils	8.56	7.59
Flour, cereal, and bakery products	14.18	17.87
Flour and meal	9.32	8.91
Bakery goods	3.55	6.86
Mixes	.54	1.27
Cereals and noodles	.77	.83
Meat, fish, and poultry	20.47	25.64
Fresh	17.50	21.96
Canned	1.78	2.52
Frozen	1.19	1.16
Eggs	3.11	3.09
Sugar and sweets	4.62	5.32
Sugar	2.40	2.31
Candy, cookies, potato chips, and popcorn	2.22	3.01
Fruits and vegetables	12.77	15.36
Canned	3.70	6.35
Frozen	.94	.99
Fresh	7.25	6.73
Other (dried)	.88	1.29
Beverages (soft drinks)	2.74	4.03
Cooking aids	.67	.79
Miscellaneous	.56	3.24
Mean expenditure per family	78.98	96.46
Difference		17.48

Indebtedness

The total indebtedness of applicants and participants was examined. It was hypothesized that the participants would have more indebtedness than the applicants, absolutely, but no more indebtedness, proportionately, to their incomes, than the applicants. It was further hypothesized that the participants would have incurred a greater percentage of their total indebtedness for the developmentally significant categories of expenditure than the applicants, and a smaller percentage of their total indebtedness for the developmentally related and probably not developmentally significant categories of expenditure.

Table 5.7 summarizes the total mean indebtedness for applicants and participants. The total mean indebtedness for the applicants was $339.70 which was 2.3 times the total monthly income of $146 reported in October 1966. The total mean indebtedness of the participants was $584.54 which was 2.4 times the total monthly income of $242 reported in October 1966. The difference, .1, was not significant using the "t" test, and therefore the initial hypothesis that the participants would have more indebtedness, absolutely but not proportionately to income, than the applicants, was accepted.

TABLE 5.7.—*Mean indebtedness of applicants and participants by developmentally significant classes, Oct. 1, 1966*

Category	Applicants		Participants	
	Mean indebtedness	Percent of total indebtedness	Mean indebtedness	Percent of total indebtedness
Developmentally significant:				
Consumer durables	$56.56		$121.41	
Automobiles	84.56		305.56	
Housing	1.66		60.54	
Clothing	15.27		16.11	
Hospitals and medical	36.70		33.51	
Subtotal	194.75	57	537.13	92
Developmentally related:				
Gasoline for autos	6.03		2.70	
Coal	2.64		1.73	
Subtotal	8.67	3	4.43	1
Probably not developmentally significant: Groceries and store bills	77.58	23	19.06	3
Other:				
Finance companies	7.59		24.81	
Relatives and former employers	51.11		0.00	
Subtotal	58.70	17	24.81	4
Total	339.70	100	585.43	100

For developmentally significant categories, the participants reported $537, or 92 per cent of their total indebtedness; the applicants reported $195, or 57 per cent of their indebtedness. This of course, reflected the over-all consumption pattern; that is, the participants spend far more in proportion to their income than the applicants on the developmentally significant categories of expenditures. However, within this, the participants reported a total of $487, or 83 per cent of the mean indebtedness per participant family, for the three categories: consumer durables; automobiles; and houses. For these same categories, the applicants' mean indebtedness was only $143, or 42 per cent of the mean indebtedness per family. This was an important distinction, for it indicated that the participants were not only incurring debts for developmentally significant purposes, but that their sources of credit were probably of the less expensive kind. Moreover, it was difficult to interpret much about the indebtedness for the clothing and medical categories. The applicants and participants had about the same amount of indebtedness for clothing and medical bills, absolutely, but proportionately the participants had less than the applicants. Nonetheless, the participants' indebtedness for the developmentally significant categories was 92 per cent of their total indebtedness; the applicants' indebtedness was 57 per cent. The difference, 35 per cent was significant at the 95 per cent confidence level, and therefore the hypothesis that the patricipants would incur a greater percentage of their total indebtedness for the developmentally significant categories was accepted.

There was not much indebtedness for the developmentally related categories reported by either applicants or participants. The applicants did report that three per cent of their total indebtedness was for coal and gas while the participants reported only one per cent of their total indebtedness for such items.

Groceries and store bills both referred to purchases from local general stores, and probably indicated the payment of higher prices than would have been obtained in local towns. Applicants reported substantially more indebtedness of this kind, a mean of $77.58 or 23 per cent of their total debts, than did participants, who reported a mean of only $19.06 or 3 per cent of their total debts. These expenditures were classified as probably not developmentally significant, for they probably represented food not bought with food stamps primarily, or items bought for higher prices than they would have been purchased elsewhere. The author observed that, in many cases, one of the first things a participant did when he entered the WE and T Program was to pay off his debts at the local grocery or general store. These data seemed to confirm this.

Loans from finance companies and from relatives and former employers were not classified according to their developmental significance, for it was impossible to ascertain the use to which the borrowed money was put. The participants had over three times the mean indebtedness to finance companies than did the applicants, $24.81 and $7.59, respectively. Most of the respondents stated that they borrowed money from finance companies to pay off accumulated bills. The much greater indebtedness of the participants probably indicated their improved credit ratings by virtue of having a regular income. None of the participants reported any outstanding debts to relatives or former employers while the applicants reported a mean debt of $51.11. From this, it appeared that the participants were not only paying off loans from local stores, but to relatives and former employers as well.

From this small cross section, there appeared the distinct impression that the participants in the WE and T Program were going into debt for developmentally significant purposes primarily, and that their sources of credit were shifting from local general stores to merchants and banks in towns. The ramifications of these shifts could be great. In addition to the potential impact upon the participant families from having the developmentally significant items such as automobiles, television sets, and better clothing, the change in orientation from the local, geographic neighborhood to the nearby town could have great repercussions, not only upon the neighborhood or town, but probably more important, upon the individual participant family members.

CHAPTER VI.—CHARACTERISTICS OF PARTICIPANTS ASSOCIATED WITH VARIOUS EXPENDITURES AND ACTIVITIES

INTRODUCTION

Thirteen characteristics were tested using multiple regression analysis to see which ones were associated with expenditures among the three classes of expenditure: (1) developmentally significant, (2) developmentally related, and (3) probably not developmentally significant. The amounts spent in October 1966 within these classes were the dependent variables in the analysis, in addition to the number of visits to physicians and dentists for the year preceding the survey. Thus, there were four regression equations obtained; two for the developmentally significant class, and one for each of the remaining classes.

The independent variables were selected characteristics of the participant heads of households, and their families. These characteristics were judged as likely to be associated with varying levels of expenditure among the different expenditure classifications. The characteristics were:

Participants:

- X_1—age in years
- X_2—Education; number of years of schooling completed before entering the WE and T Program
- X_3—Education; number of years of schooling completed at the time of the survey
- X_4—Number of months in the WE and T Program
- X_5—Attitude toward the WE and T Program; as indicated by one for the least, two for a more, and three for the most positive attitude [1]
- X_6—Employment history; as indicated by a zero for no regular job for one year out of the last ten, and one for a regular job for at least one year out of the last ten.
- X_7—Earnings history; the highest annual income in the last ten years

Family:

- X_8—Number of children eight years old or less
- X_9—Number of children between the ages of nine and 17
- X_{10}—Total number of family members
- X_{11}—Total distance to town in miles
- X_{12}—Total unpaved mileage to town
- X_{13}—Total cash income for October

With the assistance of the Computing Center of the University of Kentucky, a step-wise multiple regression analysis was undertaken.[2] The following results were obtained at the 90 per cent confidence level for the various classes of expenditures. The rather low level of the r squares indicated that there were perhaps exogenous

[1] See Appendix III for the wording of the schedule.

[2] *Statistical Library for the 7040 Programs and Subroutines* (Lexington: University of Kentucky Computing Center, June 1966), p. 59.

variables unidentified in this analysis or errors in the reporting of the levels of expenditure within each category.

DEVELOPMENTALLY SIGNIFICANT EXPENDITURES AND ACTIVITIES

Using the total number of visits per family to physicians and dentists in the year preceding the survey as the dependent variable, Y_1, the following regression equation was obtained:

$$Y = 21.584 - 0.619X_1 + 2.390X_2 - 0.572X_{11} + 0.070X_{13}$$
$$(0.245) \quad (0.829) \quad (0.323) \quad (0.050)$$
$$r^2 = 0.41$$
$$\text{Total } F = 5.58$$
$$n = 36$$

The standard errors of the regression coefficients are presented in parentheses throughout this chapter. X_1, the age of the head of the participant household, was negatively associated with the total number of visits to physicians and dentists per participant family in the year preceding the survey. Therefore, the younger participant heads of households and their families went to physicians and dentists more than the families of older participant heads of households. Participants' level of education before entering the WE and T Program, X_2, was positively associated with the total number of visits to physicians and dentists per participant family; and thus the families of participants with more education before entering the WE and T Program went to physicians and dentists more than the families of participants with less education before they entered the WE and T Program. It was interesting that X_8, the number of children less than eight years of age, apparently was not significantly associated with the number of visits to physicians and dentists. It seemed from this analysis that the demand for medical services for themselves and their families was greater among the younger adults participating in the WE and T Program, especially those with more education, or at least more exposure to education. Once again, the value of education was suggested here, for it seemed to help people more fully utilize opportunities for enhanced health for themselves and their families.

Total mileage to town, X_{11}, was negatively associated with the total number of visits per family to physicians and dentists; the participant families living closer to town went to physicians and dentists more than those living farther from town. Perhaps this was due to the difficulties of transportation from the more participant family dwellings; however, 33 of the 36 participants had autos, and one would expect that transportation problems would be somewhat minimized. Quite possibly the total mileage to town was a rough index of the isolation of the families, and possibly this isolation has been the cause of their lack of interest in, knowledge of, or skills in acquiring health services.

X_{13}, total cash income per family per month was positively associated with the number of visits to physicians and dentists per family. However, since the monthly income grant for WE and T participants was determined approximately in proportion to the number of children in the family, there was high intercorrelation with X_{13} and X_{10}, total family members. Thus, the positive association with X_{13} was probably in some way correlated with the total family size, and logically one would expect that the more members there were in a family, the more visits to physicians and dentists would be made. The independent variable Y_2, in the following equation was the total expenditures in October by participant families for the developmentally significant categories of expenditure minus anything spent beyond the developmentally significant upper limit.

$$Y = 191.658 - 0.243X_1 + 17.197X_6$$
$$(0.856) \quad (5.689)$$
$$r^2 = 0.28$$
$$\text{Total } F = 6.611$$
$$n = 36$$

There was a negative association with X_1, age of the head of the participant household, and Y_2, developmentally significant expenditures in October. Thus the younger participants spend more than the older participants for the categories of developmentally significant expenditures. This indicated that the younger adults apparently tended to make more expenditures of the kind regarded in this study as investments in themselves and their children. This was understandable in light of the fact that the older participants tended to be more disabled and infirm, and therefore might not have had as affirmative a view of the future for themselves and their children as did the younger participants.

There was a positive association between Y_2 and X_6, the number of children aged nine to 17 per participant family; this meant that participant families with more children aged nine to 17 spent more money within the developmentally significant categories than those participants with less children in this age bracket relative to their income level. Thus, the participants seemed to be spending the money needed for the development of their children at the more critical, older ages when the needs for clothing and an acceptable appearance are most important.

DEVELOPMENTALLY RELATED EXPENDITURES

With Y_3, the total expenditures in October 1966, by participants, for the developmentally related categories of expenditure, as the dependent variable, the following regression equation was obtained:

$$Y_3 = -1.856 + 0.438\ X_{13}$$
$$(0.178)$$
$$r^2 = 0.15$$
$$\text{Total } F = 6.075$$
$$n = 36$$

There was a positive association with X_{13}, cash income per month; those participants with higher cash incomes spent more for the developmentally related categories of expenditure than did participants with less cash income per month. Thus, it would seem that the participants with more cash income had more "discretionary income," in the sense of having more money left over after making all necessary expenditures. Since the participants did not buy more food stamps than the applicants, and since their expenditures for food up to the cost of food stamps were included as developmentally related expenditures, there probably was an association between cash income per month, X_{13}, and expenditures for developmentally related categories, Y_3.

PROBABLY NOT DEVELOPMENTALLY SIGNIFICANT EXPENDITURES

Using expenditures by participants in October 1966 for the probably not developmentally significant categories of expenditure, Y_4, as the dependent variable, the following regression equation was obtained:

$$Y_4 = 115.530 - 1.930\ X_2 - 4.089\ X_4 - 13.006\ X_5$$
$$(1.042) \quad (1.205) \quad (3.994)$$
$$r^2 = 0.54$$
$$\text{Total } F = 12.448$$
$$n = 36$$

The participants' educational level before entering the WE and T Program, X_2, was negatively associated with Y_4; thus the participants with less education before entering the WE and T Program apparently spent more for the probably not developmentally significant categories than did the participants with more education. This tends to reinforce the impression received from the Y_1 regression equation that the participants with more education before entering the program utilize the free health services component of the WE and T Program.

The number of months the participants had been in the WE and T Programs, X_4, was negatively associated with Y_4, and this suggested that the participants who had been in the program for shorter periods of time spent more for the probably not developmentally significant categories than did the participants who had been in the program longer. Thus, it would seem that the participants make more developmentally significant expenditures the longer they are in the WE and T Program. However, this is somewhat confusing, for X_4 was not significantly associated with Y_2, the developmentally significant categories.

There was a negative association between X_8, the number of children eight years old and less, and Y_4; the participants with more children less than eight years of age apparently spent less for the probably not developmentally significant categories. This probably suggested that the participant families with younger children did not spend as much on candy and sweets as did the participant families with older children.

CHAPTER VII.—SUMMARY, LIMITATIONS AND CONCLUSIONS

SUMMARY

The participants in the Work Experience and Training Program received 66 percent more total monthly income from all sources than did the applicants for

the program. The participants received most of their income from their WE and T grants; 90 percent of their monthly income was in cash. However, the applicants received only 57.8 percent of their total income in cash. The other 42.2 percent of the applicants' income was from buying food stamps, food production for home consumption, free rent, and gifts. These sources of income were all markedly lower for the participants, and helped explain why the income level of the participants was only 66 percent higher than that of the applicants. Additionally the participants were expected to pay for more school lunches and supplies than applicants. Moreover, the participants apparently had to spend more for clothing, transportation, and personal items by virtue of participation in the WE and T Program. Therefore, their actual real income advantage over the applicants was not great, and was somewhat overstated by this computation since it reflected inaccurately the difference in consumer purchasing power.

The participants spent a significantly greater percentage of their monthly incomes for the developmentally significant categories than did the applicants, but they did not spend significantly more, or less, than the applicants, for the developmentally related, or probably not developmentally significant categories.

The participants' income elasticities were 2.10 for the developmentally significant categories, 1.43 for the developmentally related categories, and .98 for the probably not developmentally significant categories.

The participants seemed to be fairly rational in their expenditures. They took advantage of the free health services component of the program and sent their children to school more than did the applicants. The participants spent much more money than applicants on consumer and lower-priced goods. Their income elasticity was 2.33 for consumer durables; less than ten per cent of their total consumer durables expenditure was judged not to be developmentally significant.

More participants than applicants bought autos and the income elasticity was 2.75. The participants spent more than applicants for clothing and cleaning supplies. The over-all impression was that of a group of people utilizing an increased income as an opportunity to invest not only in themselves but in the future development of their children.

The total indebtedness of participants was 1.7 times that of the applicants, but since the participants' total income was 1.66 times greater than the applicants, there was no significant difference, proportionately to income, between the total indebtedness of applicant and participants. An important difference within the total indebtedness was that the participants had 20 per cent of their total indebtedness for the developmentally significant categories as opposed to 57 per cent of the applicants' indebtedness. The applicants had 23 per cent of their total indebtedness with local stores while the participants had only 3 per cent. Thus, there seemed to be a shifting of credit by participants from the local and higher priced general stories to the more specialized, often less expensive, stores in town.

The participants spent more for food than applicants and the participants' elasticity of demand was 0.40. However, there were not significantly more participants than applicants buying food stamps.

VALIDITY OF HYPOTHESES

The general hypothesis that participants would spend more than applicants for the developmentally significant categories was accepted, for the participants: went to various health services more than applicants; had more children enrolled and attending school than applicants; spent more than applicants on consumer durables, automobiles, housing improvements, clothing, and cleaning supplies. The participants also had more savings and life insurance than applicants. The only specific hypothesis which could not be accepted was that more participants than applicants would buy food stamps.

The hypothesis that the participants would spend more than the applicants, proportionately to their income differentials, for the developmentally significant categories was accepted. The hypothesis that the participants would not spend more, porportionately to their income differentials, than the applicants for the developmentally related, and probably not developmentally significant, categories, was accepted also. One category of expenditures, medicine and drugs, was hypothesized to represent a smaller expenditure by participants than applicants, and the hypothesis was accepted. The subsidiary hypotheses were that participants would: spend more than the applicants on food; have the same indebtedness as the applicants relative to income; and produce less food for home consumption than the applicants. All were accepted.

LIMITATIONS

The most obvious limitation of this study was the small sample size; only 36 applicants and 36 participants completed the monthly record of expenses. The quality of the data for these 72 families was judged by the author to be fairly good; the applicants accounted for 106 per cent of their cash incomes plus the value of food stamps received while the participants accounted for 99 per cent of their cash incomes plus the value of food stamps received. Another limitation was that while the WE and T Program was administered to a considerable extent at the local level, this study's sample only included three counties, or administrative units. A good example of the variation in local administrations was food stamp utilization; while only 50 per cent of the sample was from Clay County, 90 per cent of the participants and applicants not buying food stamps lived in Clay County.

Another limitation of this study was the time of the year when it was conducted, that is, October. As was indicated, the income data for applicants was only for this month, which may or may not have been representative for the entire year. The author adjudged the data to be representative; however, this was only a judgment. Also, the data on food production for home consumption only included food which was preserved in some way for future consumption. Therefore, the applicants and participants might have had proportionately different amounts of income from food production for fresh consumption and this effect was not included in this study.

A cross-sectional method was utilized in this study, and this could have seriously limited the findings if there were any significant differences between the participants in, and applicants for, the WE and T Program at the time of this study. As was indicated, the participants were significantly older than the applicants, and this probably indicated an element of selectivity in the administration of the program. As was shown in Chapter IV, the younger participants apparently made more expenditures for the developmentally significant categories.

CONCLUSIONS AND IMPLICATIONS

This study has shown that participants in the WE and T Program tend to make developmentally significant uses of the income and opportunities for health services and education provided by the WE and T Program. It was further shown that the younger participants probably made more of the developmentally significant expenditures as well as making more use of the opportunities for free health care, and that the participants with more education before entering the Program made less porobably not developmentally significant expenditures. The participants had high income elasticities for the total category called developmentally significant; their income elasticities for consumer durables was 2.33 and 2.75 for autos.

Thus, the incremental income received by participants seemed to be spent for the kinds of goods bought in towns, and the structure of their indebtedness verified this. This would suggest that, if anyone besides the participant families benefits from the WE and T Program, it is the merchants in the towns where the participants trade.

The actual difference in monthly income between applicants and participants was $96, and this did not include such items as school lunches and supplies which the applicants received free, but for which the participants had to pay. These school lunches and supplies represented in effect, an interagency transfer of funds from the federally supported WE and T Program and the county school boards. However, the county school boards had to cover the additional costs of the children enrolled as a result of participants enrolling 97 per cent of their eligible children while the applicants enrolled only 85 per cent.

It was concluded in this study that the participants in the WE and T Program were thrifty consumers who invested much of their income in themselves and the future development of their children. One might find it difficult to reconcile these conclusions with Jack Weller's observation that the ideal-type, low-income, mountaineer:

> . . . is an impulsive spender, often wasting money that he could well use on necessities for his family; perhaps he buys a very expensive TV set or refrigerator just to satisfy his whim of the moment, his need to act. He saves little for a rainy day, or for the education of his children, or for projected goals in the future.[1]

[1] Weller, *op. cit.*, p. 42.

However, Weller was talking about the mountaineer's need for action; he stated that the mountaineer used purchases as an outlet for such need for action. Perhaps the WE and T Program has channelled the mountaineer's need for action into the activities of the Program; if this were true, it would be consistent with the findings of this study, and the WE and T Program would seem well adapted to the cultural setting of Appalachia.

While this study has made some promising findings regarding the participants in the WE and T Program, it would be quite difficult to extrapolate and apply these findings to all welfare-type income supplement programs. The WE and T Program evolved as a practical solution to some of the problems encountered with the Aid-to-Fathers-with-Dependent-Children Program in Eastern Kentucky. The WE and T Program endeavored not only to provide a regular, and ostensibly sufficient, income for impoverished families, but also to encourage the participants to educate and upgrade the health of their children. The author felt that the strategy of requiring the father to attend school or training, and to work at the work experience component of the Program was especially helpful in changing parental attitudes toward their children and their future. However, whether such a policy would be correct for a family without a male head of household is a completely different matter. Also left unanswered by this study is the question of expenditures by participants in an urban setting, for all the participants in this study lived in a rural setting.

Since there was no control population, the rather encouraging findings of this study cannot, with confidence, be attributed to the WE and T Program. A population with increased income, but without the WE and T Program's regulations, would provide a useful comparative basis for evaluating the contributions associated with the structure of the WE and T Program and that of simple economic transfers.

SUGGESTIONS FOR FURTHER RESEARCH

This study has raised some important questions; a few of them beyond the traditional purview of agricultural economics. The methodology of this study developed three classifications of expenditures for participants in the Work Experience and Training Program: (1) developmentally significant; (2) developmentally related; and (3) probably not developmentally significant. It would be interesting to see some studies on the economic implications of the possession of basic consumer durables and automobiles on the economic aspiration of children in impoverished families.

The Pilot Food Stamp Program was one of the considerations in this study, and it was shown that participants did not increase their utilization of food stamps. Research on barriers to buying food stamps would be most helpful for policy formulation.

This study touched upon the shifting of the WE and T participants' expenditures from local, rural, to more urban sources. A useful research undertaking would be an analysis of some of the Appalachian regional economies, and the multiplier effect therein of the WE and T participants' expenditures.

Although it is probably still too early in the chronological development of the WE and T Program, some long-range research on the earnings of the WE and T participants and their children would be most helpful in evaluating the tentative short-run conclusions of this study.

APPENDIXES

APPENDIX I

WORK EXPERIENCE AND TRAINING PROGRAM

OBJECTIVES AND PURPOSES

The objective of the Economic Opportunity Act of 1964 is, "to mobilize the human and financial resources of the Nation to combat poverty in the United States".[1]

Title V of the Economic Opportunity Act empowers the Director of the Office of Economic Opportunity to transfer funds to the Department of Health, Educa-

[1] U.S. Congress, *An Act to Mobilize the Human and Financial Resources of the Nation to Combat Poverty in the United States,* Public Law 88–452, 88th Congress, 2nd Session, 1964, p. 1.

tion, and Welfare (HEW) to operate experimental or demonstration work-experience programs, "to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Educational Act of 1963." [2]

ADMINISTRATION

HEW delegates the administration of the Work Experience and Training Program (WE and T) to the respective states who administer it within HEW's guidelines. In Kentucky, the Department of Economic Security, Division of Public Assistance, administers the WE and T Program. The administrative hierarchy is composed of, one program supervisor, several regional supervisors, at least one program supervisor in each county, a case supervisor for each five caseworkers and a caseworker for every 60 participants.[3]

There were about 6,000 participants in the Kentucky WE and T Program in the autmun of 1966 when this study was conducted. Nineteen counties were included in the program, all in Eastern Kentucky. Each county had a quota or number of participants which was based on the percentage of unemployment in that county according to the Department of Economic Security's records. The WE and T Program began initially in nine counties in January 1965, in May 1965 it was expanded to include ten additional counties, as indicated in Table I.1. In fiscal 1966, HEW granted $17.5 million to the Kentucky Division of Public Assistance to cover 100 per cent of the costs of the WE and T Program.[4]

INDIVIDUAL QUALIFICATIONS

To qualify for the WE and T Program, an individual must meet certain eligibility requirements of the Division of Public Assistance. These include that the applicant must:

A. Be the parent of a child or children under 18 years of age.
B. Enroll his school-age child or children in school,
C. Be under 65 years of age.
D. Meet the definition of unemployed parent, ie., be the father or step-father of a needy child or the male household member occupying a paternal role in the family. Furthermore, he must:
   1. Have been without regular full-time employment for 90 days prior to the date of application;
   2. Be ineligible and not receiving unemployment insurance benefits;
   3. Have not been determined to be physically incapacitated;
   4. Not have a job lined up for the future; and
   5. Have not refused to accept employment or suitable training.
E. Be a resident of a county covered by the Program,
F. Be ineligible for, and not receiving, any form of public assistance, except food stamps,
G. Be able to benefit from participation in the Program, and
H. Be in need, that is, in addition to meeting the above unemployment criteria, the applicant must not have cash on hand, stocks, bonds, savings, or land noncontigous to his homestead whose total value exceeds $1,000.

APPLICATION PROCEDURE

In order to apply, an individual must submit relevant information about himself and his family to the local office of the Department of Economic Security. This information is verified through a check with other agencies and a home visit by a caseworker. In addition, he must enter his name on the list of those seeking employment, he must do this every 60 days to remain eligible for, and in, the WE and T program.

A chronological listing of the applicants for the WE and T Program is maintained in each local (county) office. Applicants are processed in this order.

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[2] *Ibid.*, p. 20.
[3] Descriptive details of the Kentucky Program are mainly from conversations, correspondence, and informational materials supplied by Mr. Ralph Wells, supervisor, WE and T Program, Division of Public Assistance, Department of Economic Security, Commonwealth of Kentucky.
[4] *Ibid.*, Mr. Ralph Wells.

CALCULATION OF MONTHLY GRANTS

The participants monthly income is determined by his need, as indicated by summing the personal and shelter requirements of the participant and his family members minus any income the family might have. The WE and T Program uses the standards set by the Division of Public Assistance for the Aid to Dependent Children Program. Personal and shelter requirements vary with the number and age of children, shelter requirements are based on the number of family members as well as rental arrangement and location. The basic monthly requirements, Table I.2, follows. Several examples will carify this. The smallest possible family in the WE and T Program would be a father and one child under three years of age. From Table I.2, we could calculate the family's minimum basic monthly income requirements which follow.

Personal Requirements

Father	$37
Child	18
Total	55

Shelter Requirements

[Assuming the minimum, rural unfurnished, we would have $19 for each of the two family members, for a total of $38]

Two family members	$38
Personal requirements	55
Total	93

Thus, $93 would be the family's basic monthly income requirements. If there were any income, it would be subtracted, the balance equals the monthly grant which is paid at the beginning of every month. Farm income is averaged over 12 months, and equals total receipts minus all expenses for which there are receipts.

The average monthly grant for WE and T families was about $200 in fiscal 1966. An example of a possible family situation which would approximate this level of need would be: a two-parent family with three children, ages nine, six and two. From Table I.2 of monthly income requirements, we have:

Personal expense

Father	$35
Mother	35
Children:	
Nine	32
Six	27
Two	20
Total	149

SHELTER EXPENSE

Assuming that the family must pay rent or mortgage payments for a rural unfurnished dwelling, there is $13 for each family member. However, as the table indicates, for four or more members, multiply by four only. Therefore total shelter requirements are $52. Total basic monthly income requirement is $149 and $52 or $201.

We can observe from the table that income requirements increase as the ages and number of children increase. However, there is an upper limit of $250 on Public Assistance payments in Kentucky. Thus, no matter how many children were in the family, the maximum monthly income they would receive from WE and T would be $250.

One may expect that there will exist among smaller families more "discretionary income," especially those with fewer children than needed to qualify for maximum income benefits than among larger families who qualify for more than the maximum. By discretionary income, we refer to the concept of disposable personal income minus what is needed to cover necessities.

Moreover, because of the method employed in calculating Public Assistance grants, it will not be economically rational for participants to take any extra, part-time job. Any additional income must be reported and the amount of the monthly grant lowered equally. There, any incentive to increase one's income

is effectively removed. President Johnson has proposed that this "100 percent on tax on the earnings of those on public assistance" be eliminated, and "payment formulas" be enacted which would allow those on public assistance to keep part of what they earn.[5]

CALCULATION OF HOURS SPENT IN WORK EXPERIENCE AND TRAINING

Work experience is defined for program purposes as progressive participation in actual work projects which will contribute to the participant's employability.[6] When work projects are supervised by local government agencies, they are intended to benefit the public. Such projects include highway or landscape beautification programs, road and bridge building, and providing manpower to local government agencies.

Training encompasses: basic adult education; high school equivalency; vocational training; and on-the-job training with private employers. Basic adult education is required of all participants who have not completed the eighth grade, and classes are operated in all counties in the WE and T Program. Local school boards receive funds from Title II–B of the EOA for this purpose. Participants may elect to go on to high school equivalency or regular high school classes, or they may attend vocational or special training such as Manpower Development and Training Act classes. Vocational and on-the-job training are full-time activities; however, participants enrolled in such activities may receive time off to attend any educational classes in which they may wish to enroll. Each individual's situation is considered within the context of available training facilities in his county, and assignments made accordingly.

Once the participant's grant is calculated, the number of hours he must put into work experience and training combined is obtained by dividing the total monthly grant (basic requirements minus any income) by the prevailing minimum wage. The applicable minimum wage at the time of this study was $1.25 per hour. Thus, the minimum $93 per month grantee would be required to spend 74 hours per month at work experience and training; the maximum hours required, regardless of the size of the monthly grant, is eight hours five days per week. Participants receive all state holidays, but no vacation time. Most educational classes require six hours per week of his time, the remainder is spent in work experience, vocational, or on-the-job training.

HEALTH BENEFITS

All WE and T participant family members are entitled to the following health coverage without charge:

A. Physicians' services, no limit,

B. Hospitalization, 14 days maximum per admission for almost any reason including maternity care, with the possibility of an extension to 21 days per admission,

C. Dental care, x-rays, extractions, restorations, stannous fluoride, any other treatments for pain, infection or hemorrhage,

D. Drugs, as prescribed by physicians and dentists,

E. Ophthalmological or optometrical services as necessary for the father.

Coverage beyond this limit is obtainable upon special request.

SOCIAL SERVICES

Caseworkers coordinate the participants work experience and training components in order to best prepare for future employment. A participant may not refuse a bona fide offer of employment at any time. Every effort is made to coordinate the WE and T Program with similar programs such as, Head Start, Job Corps, Vocational Rehabilitation and the Food Stamp Program. The participant is appraised of his rights, privileges, opportunities and responsibilities under these programs. He is encouraged to participate fully in all of them.

APPENDIX II

THE PILOT FOOD STAMP PROGRAM

The Pilot Food Stamp Program was inaugurated in 1961, and has been expanded subsequently. It is administered by the United States Department of

[5] U.S. President (Johnson), *op. cit.*, p. 17.
[6] *Work Experience and Training Handbook*, Section 1010.

Agriculture (USDA). The objectives are to expand the market for agricultural products and to increase the ability of low-income families to buy greater quantities of better quality food. All nineteen counties included n the WE and T Program were also participating in the Food Stamp Program at the time of this study; all applicants and participants were eligible to buy food stamps.

A variable scale is used by which low-income families can exchange the amount of money they supposedly spend on food for food stamps of a higher value in purchasing power. The lower the monetary income, the higher the value of the food stamps received. No distinction is made for ages of family members, only the total number is considered. This is illustrated in Chart 1, which shows the relationship between how much a family must pay for food stamps in cash, and the value of the food stamps received (both on the vertical axis), as it varies with monthly income, the horizontal axis. The relationship is shown for a family of six members.

From Chart 1, it is apparent that there is an economic incentive to buy food stamps at very low levels of income. However, as income rises, the incentive is dampened. Therefore, one might suspect that, as people entered the WE and T Program and increased their monthly incomes, their economic incentive to buy food stamps would decrease. However, this must be coupled with the stated policy of the WE and T Program to appraise all participants of their opportunities to participate in the Food Stamp Program.

Food stamps can be used to purchase almost any kind of food. However, several kinds of items commonly regarded as "groceries" are excluded, including soaps and cleaning materials; tobacco; and alcoholic beverages. Any imported food items are excluded as well.

CHART 1

FOOD STAMPS: COST AND VALUE RECEIVED, AT VARIOUS INCOME LEVELS

