

Mr. SCHULTZE. What I am saying is we are not reducing it so much, but that we are putting a lot more money and services in per person. It costs a lot more to take the hard-core disadvantaged and do a decent training job than it does with people with higher education and higher skills.

Representative REUSS. A lot more.

Mr. SCHULTZE. A lot more, yes. So with a given funding and a given number of trained personnel available, as you make this shift you find that result.

Representative REUSS. Why didn't we change the given funding to get on with the job of training our unemployed?

Mr. SCHULTZE. Remember, you are talking about a shift from 273,000 to 250,000 from 1966 to 1967. We are going back up again in 1968 to 280,000.

Representative REUSS. I know, but why? Didn't we make an awful mistake, and why are we making it today, and why don't we do something about it?

Mr. SCHULTZE. I just won't admit that 23,000 is an awful mistake.

Representative REUSS. We show a lot of adeptness in bringing in supplemental budgets for war. Why not show equally fancy footwork on bringing up one for a useful purpose.

Mr. SCHULTZE. Well, I guess in terms of the overall situation, we decided not to come up for a supplemental, for this and for many other things. But all I want to point out—

Representative REUSS. Note my dissent, PPB on that one.

Mr. SCHULTZE. I think I have given you the reason, but I am not 100 percent sure.

Representative REUSS. If there is a fuller explanation of what I regard as the sorry dropoff in MDTA programs on page 129 of the current budget,¹ let the administration spread it on the record at this point. And also, why they aren't asking for a supplemental, if there is any excuse for it.

The following was subsequently supplied for the record by the Budget Bureau:

In setting the MDTA program level for 1967, the basic aim was to achieve the greatest return on the Federal training dollar. With the improvement in the economy and the tightening of the labor supply, employers are hiring and training more of those previously assisted under the MDTA. The decision was made, therefore, to concentrate the program on the more severely disadvantaged unemployed who are not readily recruited for training by industry. This major redirection of effort requires more intensive and new types of services resulting in substantially higher unit costs. With MDTA concentrating more heavily on the disadvantaged, and with employers' increasing willingness to train the less disadvantaged, the total number of trainees should increase, even though there is a temporary dip (during FY 1967) in the number directly trained by MDTA.

The MDTA training effort in 1967 was therefore determined by the desirability of concentrating on the real hard core unemployed and the feasibility of achieving this redirection. In 1968, with the program redirection effected, the number of trainees to be provided for under the MDTA will rise to 280,000.

Chairman PROXMIRE. Senator Symington?

Senator SYMINGTON. Mr. Schultze, again my apologies for not being here all the time. Last year the administration criticized the Congress for giving more money to defense than was wanted. It was a

¹ See table on p. 2, reprinted from p. 129 of the Federal Budget.