

(At this point Representative Scheuer assumed the chair.)

Secretary WIRTZ. To answer your question, we are using present day figures of \$400 and I think that has been lower, no doubt, and it would be a lot lower.

Representative SCHEUER. It might be helpful in the committee if you would submit some of the experiences that you have had with the on-the-job program.

(The material below was subsequently submitted for inclusion in the record:)

It is difficult to provide the average illustration. Programs vary from the most expensive, during which 52 weeks of training is provided, to those lasting only 3 weeks.

Some widely varied types of on-the-job training programs, illustrate, however, how they pay for themselves:

Tidewater Oil Company estimated that \$567,000 will be paid in income taxes by 1,080 service station manager trainees while they are earning approximately \$5,400,000 during 44 weeks of training. This program will pay for itself the first year.

Forsyth Memorial Hospital in Winston-Salem, North Carolina, said \$22,353 will be paid in income taxes by 353 health care trainees who will receive a total of \$159,665 in annual wages. Federal funds totalling \$44,611 have been allocated. This is 50 percent repayment the first year.

Leverenz Shoe Company in Sheboygan, Wisconsin, estimated that \$22,477 will be paid in income tax by 70 trainees who will earn \$236,600 in annual wages. Federal costs of the program were \$33,135. The first year's return on this program is about 68 percent.

Winzen Research, Inc., of Mount Vernon, Texas, said \$10,374 will be paid in income tax by 42 trainees who will be paid \$109,200 in annual wages. Federal funds of \$3,970 were approved for the six-week OJT project. This program is making a 260 percent return in its first year.

Sixteen Fiberglass layup trainees at Ramco Manufacturing Company in Gainesville, Texas, will pay \$4,446 in income taxes from their annual earnings of \$46,800. Total Federal cost of the program was \$3,836. The return on this program the first year will be more than 115 percent.

While these illustrations cover only some 1,500 trainees, they also would apply to the more than 63,000 on-the-job trainees approved during 1965.

Representative SCHEUER. It is a million and a quarter we are talking about, and three quarters of a million can probably end up in private sectors, and a half million will end up in the public sector if they get the training, education, and qualifying that you are talking about?

Secretary WIRTZ. Yes: we both realize we are using the best figure available for discussion purposes, and they are not statistically refined at all.

Representative SCHEUER. I am most impressed by the judgement that you gave that these costs would be returned in 2 years from, say, the welfare expenditures and 4 years out of tax revenues that these people would produce.

Secretary WIRTZ. Yes.

Representative SCHEUER. If that is true, and I am sure it is, is there any reason—and I think that is a rate of return that any corporation would feel is an extremely satisfactory rate of return on capital investment on its plant and equipment over the years or even workers.

Is there any reason why we should not gear up to such a national program right now?