

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION,
AND WELFARE SUPPLEMENTAL APPROPRIATION BILL,
1966

AUGUST 19, 1965.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. FOGARTY, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 10586]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966.

The budget estimates forming the primary bases of consideration by the Committee will be found in House Documents 147, 149, 211, and 220. The detailed tabulation at the end of this report reflects each individual request contained in these documents, the corresponding amount recommended in the bill, and the comparison.

The Committee's hearings on the items included in the Bill were concluded June 25 but the reporting of the Bill has been withheld until there was definite information regarding the amount of the regular annual appropriation for some of the same appropriation items that are carried in the Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Bill, 1966 (H.R. 7765). The conference report on that bill passed both the House and the Senate earlier this week. In a few instances the Senate amendments included funds for activities that were quite similar to activities for which funds were requested in connection with this supplemental bill. In all of these instances the Senate receded and the funds were dropped from the regular, annual bill.

Following is a detailed explanation of the accompanying bill:

CHAPTER I—DEPARTMENT OF LABOR

MANPOWER ADMINISTRATION

PROPOSED REORGANIZATION

The Committee reported the regular, annual appropriation bill for the Departments of Labor, and Health, Education, and Welfare on April 29, 1965. On pages 3 and 4 the Committee's report stated as follows:

The 1966 budget had several proposals for reorganization of the Department's activities. It appears that some of these are good and will result in more efficient program management. These have been approved in the accompanying bill.

One of the proposals was to consolidate three major agencies—the Bureau of Employment Security, the Bureau of Apprenticeship and Training, and salaries and expenses of the manpower agency. The first that this Committee heard about this proposal was when people interested in apprenticeship programs and in the programs of the Bureau of Employment Security began lodging violent protests with the Committee. When the Committee immediately investigated the matter, it was told that this was only in the preliminary discussion stage, that no final decisions had been made, and that no proposal had even been submitted to the Secretary. Subsequent to this the President's budget was submitted to Congress, and as is shown starting on page 637 of the appendix to that document, the budget provided for implementation of this reorganization. When the Committee again asked the Department about this matter, it was again given the same answers—that nothing had been decided and that nothing had even been formally submitted to the Secretary.

The Committee now understands that the Department has dropped any plans for consolidating these three activities into one office. The Committee has prepared the bill in such a way that these activities will each receive its separate appropriation. The Committee would be strongly opposed to any proposition to revive the plan for this reorganization.

Many Members, not members of the Committee on Appropriations, also indicated their displeasure concerning this proposal. When the Bill was debated in the House, not one word was said in opposition to the committee's position set forth above. Yet, in the face of this, and in the face of the Department's recommendations that these additional requests be submitted as separate items (pages 279 and 280 of the hearings), the Bureau of the Budget persisted and requested these additional funds on a consolidated basis (H. Doc. 211).

Needless to say, the Bill breaks the appropriation down on the same basis as carried in the regular, annual bill for 1966.

MANPOWER DEVELOPMENT AND TRAINING AND RELATED ADMINISTRATIVE
ACTIVITIES

Amendments to the Manpower Development and Training Act, enacted during the current session of Congress, contained several provisions that liberalize the program. These amendments postponed the requirement for State matching from 1966 to 1967; incorporated in the Act training authority similar to that included in the Area Redevelopment Act; increased training allowances and other trainee benefits; added explicit authority for the conduct of experimental and demonstration, labor mobility, job development, and special trainee placement projects; and increased the authorization for appropriations from \$285,000,000 to \$454,000,000.

The requests considered by the Committee were for the total authorization with the exception that the request for manpower research, and experimental and demonstration programs was approximately \$15 million less than the authorization. The request for additional personnel appeared modest in view of the extent of program expansion provided for. Only 96 additional positions were requested in total for the Office of Manpower Administrator, Bureau of Apprenticeship and Training, Bureau of Employment Security and the Department of Health, Education and Welfare.

The requests submitted in connection with this program totaled \$155,000,000. The Committee has included this full amount in the Bill except for a reduction of \$197,000 made in the salaries and expense accounts. This reduction was made because the budget was prepared on the premise that the new employees would be on the payroll by August 1 and, since hiring cannot begin until the funds are appropriated, it is obvious that there will be additional lapse not contemplated by the budget submission.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES, ACTIVITIES RELATING TO ADMISSION AND
EMPLOYMENT IN AGRICULTURE OF NONIMMIGRANT ALIENS

The legislative authorization for the Mexican Farm Labor Program expired December 31, 1964. In addition new restrictions were placed on the importation of foreign labor under the Immigration and Nationality Act on the assumption that domestic workers can, in most instances, meet that part of the demand for agricultural labor formerly met by foreign laborers.

This transition has, to a large extent, been successful. However, even with some expansion of the Department's Farm Labor Service, there have been instances of severe hardship and crop losses that appear to have resulted from failure of the system to operate as well as it should.

The Department is convinced that this additional special appropriation will make it possible to more quickly and accurately determine the need for temporary entry into the United States of foreign agricultural workers to aid in planting and harvesting crops, and also assure that use of foreign labor does not adversely affect the wages and conditions of workers in this country. The Committee is in complete agreement with the desirability of these objectives and wishes to give the Department every opportunity to achieve them.

The request of \$1,968,000 has been approved in full except for \$245,000 which could not be utilized under the budget submission due

to the fact that it contemplated having personnel on the payroll by August 1 whereas it now is obvious that it will average several weeks later.

CHAPTER II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATIONAL ACTIVITIES

The request of \$1,295,684,000 was composed of:

(a) \$1,070,684,000 for grants to enable local school districts to expand and improve educational programs designed to meet the special educational needs of children from low-income families (title II of the act of September 30, 1950, as amended by title I of the Elementary and Secondary Education Act of 1965—hereafter referred to as the Act);

(b) \$100,000,000 for grants to States for the acquisition of library resources, textbooks, and other instructional materials essential to improve educational quality in the schools of the Nation (title II of the Act).

(c) \$100,000,000 for supplementary educational centers and services to make available to entire communities special personnel (such as counselors, speech therapists, and school social workers), equipment and other educational services including those that can most efficiently serve more than one school (title III of the Act); and

(d) \$25,000,000 to strengthen State departments of education (title V of the Act).

When the President signed the Elementary and Secondary Education Act he said, "As President of the United States, I believe deeply that no law I have signed or will ever sign means more to the future of America." This was after the House had passed the bill by a majority of 100 and the Senate had passed it by a vote of 73 to 18.

A majority of the Committee is in full agreement with the overwhelming majority of Congress, the President and the obvious majority of the American people. The Bill has been so drawn that the full benefits that are authorized by the Act will be realized to the extent possible under existing circumstances.

Just the passage of time is a very significant factor affecting the ability to utilize the funds requested for the main part of the program (described in "(a)" above). Over two months of the fiscal year will be past by the time funds are actually allocated and, with relatively few exceptions there will be weeks of delay after that before actual programs can be approved, people hired, contracts entered into, etc., and the programs actually started. While it is regrettable, factors associated with civil rights will undoubtedly have an effect in reducing the fund requirements somewhat. Also, no school district can receive Federal funds amounting to more than 30% of its total budget. Some savings will result from this provision but the information was not available at the time the budget was prepared to make any calculation of the amount involved so this was not taken into account.

In view of the factors set forth above, the Committee feels confident that not more than \$775,000,000 will be required in fiscal year 1966 and has reduced the request for \$1,070,684,000 to this lesser amount. The law provides that if the appropriation is less than

the total authorization it be prorated to the States on a mathematical basis so that each gets the same percentage reduction. Some areas are, undoubtedly, going to progress much faster than others, and the application of this across-the-board reduction might very well result in some school districts not receiving benefits authorized by the Act. The Committee has therefore included a provision in the Bill that allocations will be made on the basis of the maximum authorization. Thus no school district would be deprived of the maximum amount authorized if it is in a position to utilize that amount. The Committee is convinced that even with this provision not more than \$775,000,000 will be needed, however, it should be pointed out that a supplemental appropriation would be almost mandatory if the Committee has underestimated.

The Bill includes the full amount of \$100,000,000 for library resources, etc., under Title II of the Act. There appears to be no doubt either as to the need or the ability to effectively utilize the funds during the fiscal year 1966. The request for \$100,000,000 for supplementary educational centers and services has been reduced to \$75,000,000, and the request of \$25,000,000 to strengthen State departments of education has been reduced to \$17,000,000, primarily due to the fact that these programs can only be in effect for a part of the fiscal year.

In total the Committee has allowed \$967,000,000 of the \$1,295,684,000 requested.

RESEARCH AND TRAINING

Title IV of the Elementary and Secondary Education Act of 1965 expanded the authorization for educational research and demonstration grants and contracts previously funded under the appropriation "Cooperative research," and authorized total appropriations of \$100,000,000 for construction of research centers during the period 1966-1970.

The request came to Congress as a budget amendment deleting the request of \$25,000,000 for Cooperative research and requesting \$70,000,000 for Research and training. Since the regular Labor-HEW bill for 1966 contained \$25,000,000 for Cooperative research, the Committee approved \$45,000,000 for the expanded program and provided that the \$25,000,000 appropriation be merged with it, which, of course, accomplishes exactly the same end result.

SALARIES AND EXPENSES

The bill includes \$4,050,000 for the costs of administering the nearly billion dollar Elementary and Secondary Education Program and the expanded program of educational research and training. The reduction of \$450,000 from the request of \$4,500,000 is in recognition of the fact that the positions cannot be filled for as large a part of the fiscal year as anticipated when the request was submitted.

HEART DISEASE, CANCER, AND STROKE PROGRAM

In March 1964 the President appointed an exceptionally distinguished group of doctors and lay persons to develop a realistic program leading to the ultimate conquest of heart disease, cancer, and stroke, which now account for 70 percent of the deaths in this country. As

would be expected, this distinguished Commission, under the able leadership of its chairman, Dr. Michael E. DeBakey, submitted an excellent report that was released last December. It is regrettable that it has taken this long to take the first step—and a small step—in carrying out the recommendations made in that report.

The requests that were submitted for implementing the recommendations that can be implemented under existing law total \$44,120,000. They are listed on page 9 of this report and include all of the items under the headings "Vocational Rehabilitation Administration" and "Public Health Service."

The testimony presented during the hearings held by the Committee left a great deal to be desired. There was no adequate explanation of why only a total of \$44,120,000 was requested when the Commission's recommendations in these categories totaled \$125,000,000. No adequate explanation was given for the breakdown of funds between the Community Health divisions of the Public Health Service and the National Institutes of Health. No adequate explanation was given for assigning program responsibilities to four of the National Institutes and a total of \$20,250,000 but no positions for personnel to carry out these responsibilities. The testimony did make one thing clear, that there are varying opinions within the Department with regard to the adequacy of financing requested for various segments of the program.

The Committee was far from satisfied with the plan and program submitted, but has approved it, except for \$1,200,000 that is not authorized, in order to get the program started; and will expect the Department to present a revised and improved program when the budget request is submitted for funds under the Heart Disease, Cancer, and Stroke legislation now pending.

It will be expected that the National Institutes of Health be allowed sufficient positions, within the funds provided in the bill, to effectively carry out their responsibilities in connection with this program.

ADMINISTRATION ON AGING

After five years of strenuous effort on the part of many people both in Congress and out, this session of Congress enacted the Older Americans Act by the unanimous vote of the Senate and by a vote of 394 to 1 in the House.

The Act provides a modest authorization for a new program of grants for community planning, research, services, and training in the field of aging. It creates a new agency, the Administration on Aging, to be responsible for administering the grant program and for developing solutions to problems of the aged and aging. While very modest in cost it is the first really significant legislative act aimed at the overall problems of older people since the act authorizing the White House Conference on Aging, most of whose recommendations were never seriously acted upon.

The Committee was amazed to learn that the request of the Department to implement this new legislation, while amounting to only \$7,120,000 and 50 positions, was cut by the Bureau of the Budget by \$189,000 and 6 positions. The Committee has included \$7,000,000 in the bill which will be sufficient to provide the full amount requested by the Department for both grants and personnel since the personnel cannot be recruited as soon as contemplated in the original request.

OFFICE OF THE SECRETARY

OFFICES OF AUDIT AND GENERAL COUNSEL

The administration of the Elementary and Secondary Education Act is going to place additional workload on the Office of Audit and the Office of the General Counsel. The requests of \$200,000 and \$95,000, respectively, did not appear excessive and they have been approved except for reductions of \$20,000 and \$9,500 in recognition of the fact that personnel will not be on the payroll as soon as anticipated when the requests were made.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

At the present time Gallaudet College is the only post-secondary facility for the deaf in the United States. It is currently able to accommodate only a small part of the deaf students leaving secondary schools each year. For many years there has been a great need to provide for those hundreds of additional deaf students graduating from secondary schools with the ability and the desire for additional education and training. This is the purpose of Public Law 89-36 which authorizes the National Technical Institute for the Deaf, and which is the culmination of the efforts of many dedicated people.

The Committee has approved the full budget request of \$420,000 and urges that every effort be made to expedite the establishment of this urgently needed facility.

The request and the Bill include \$250,000 for the purchase of land. It is the opinion of the Committee that this may not be needed, for it seems logical to anticipate that land would be donated for the Institute. However, the location will not be decided until the advisory committee is established and a study made; so it is not possible to foresee the need, or lack of need, for such funds. If land is purchased, the Committee will expect a detailed report on the necessity for so doing.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 4 in connection with "Elementary and secondary educational activities":

: Provided, That determinations and payments under such title shall be on the basis of the amount authorized to be appropriated for such title

On page 5 in connection with "Research and training":

: Provided, That funds appropriated in the Department of Health, Education, and Welfare Appropriation Act, 1966, under the heading "Cooperative research", shall be transferred to and merged with this appropriation.

On page 7 in connection with "Administration on Aging":

: Provided, That upon establishment of the Administration on Aging, any funds appropriated in the Department of Health, Education, and Welfare Appropriation Act, 1966, under the head "Salaries and expenses, Office of Aging" shall be transferred to and merged with this appropriation.

MINORITY VIEWS

The Supplemental Appropriation Bill should not be enacted at this time. A motion to recommit this bill to committee will be offered so that the Appropriations Committee will have an opportunity to exercise its responsibility of reviewing at one time all of the many remaining supplemental budgetary requests that will be submitted for the year ending June 30, 1966.

* * *

There can be no question that recent developments in Southeast Asia dictate the necessity for a much more prudent evaluation of the domestic needs of this country.

A supplemental of \$700 million for Vietnam was requested and granted for the fiscal 1965 budget although most of these funds of necessity will be expended in fiscal 1966.

An additional \$1.7 billion for Vietnam has been requested as an amendment to the regular Defense Appropriation bill for fiscal 1966.

This is not the end of the matter. In fact, it is a meagre beginning.

The Administration will be required to come back early next year for an additional supplemental of about \$5 billion to finance our increased activities in Vietnam although Senator Stennis and others have estimated that even more will be required.

In light of these facts, business as usual on the domestic, non-defense front is clearly unrealistic.

* * *

Yet, the supplemental appropriation bill which is the subject of this report contains additional funds for the Departments of Labor and Health, Education and Welfare for the year ending June 30, 1966 in the amount of \$1,223,181,500.

The regular appropriation bill for these activities, enacted into law earlier this week, contained appropriations of \$8,011,331,500 to be financed from the general treasury and some \$24 billion authorized for expenditure from the various trust funds.

This, of course, is not the end of the matter. In the last week of this Session of the 89th Congress, we will again be asked to appropriate additional funds to this area totalling \$3 billion or more for fiscal 1966, in yet another supplemental.

* * *

A glance at the figures contained in the regular HEW appropriation bill and in the trust fund operations as well as in this report indicates that the Labor-Health, Education and Welfare appropriations for fiscal 1966 are already more than \$33 billion. Funds in this area alone have yet to be appropriated for such programs as the so-called anti-poverty program, the higher education assistance act, and several other items.

When you add the probable \$3 billion plus supplemental, the total bill for fiscal 1966 in the Labor and Health, Education, and Welfare

and related agencies area will be more than \$36.5 billion. (See appendix I for 4-year comparison of appropriations).

* * *

We, the undersigned, repeat that business as usual in the non-defense spending area is not in the best interest of this nation and cannot be justified in light of the rapidly increasing budgetary demands of the war in Vietnam. Competent authorities have predicted that costs engendered by that war could go as high as \$10 or \$12 billion annually. The war in Vietnam has already pushed the federal budget considerably above the so-called \$100 billion ceiling and raised the national debt an alarmingly substantial amount.

It is clear that the Johnson Administration's initial budget last January deliberately underfunded defense needs by several billion dollars in order to pave the way for Great Society spending proposals and to keep the facade of a 100 billion dollar budget.

* * *

In light of these inescapable facts, a hard look should already have been taken at non-defense related projects with an eye toward cutting substantially the dollar-amounts appropriated, where possible, and putting off the implementation of marginal or not-absolutely-necessary domestic welfare programs.

War calls for sacrifices.

This war is no exception.

To postpone the sacrifices can only invite a terrible strain on an already burdened economy. The rising costs of living and the shrinking purchasing power of the dollar in large part are the result of "business as usual" in recent years even without the added strains and stresses of the large scale needs of the present war situation.

Those large-scale needs are now upon us. To attempt to finance them by additional deficit-financing without first bending every effort to tighten the Nation's belt in the non-defense spending area is to court an economic situation that will further erode the value of the dollar, more deeply threaten the economic well-being of low and middle income citizens and the economic health of our nation.

* * *

It is incumbent upon the members of the Appropriations Committees of both Houses of the Congress to discharge their urgent responsibility of reexamining thoroughly those programs that have yet to be funded in this fiscal year.

Wherever possible, dollar amounts for non-defense programs should be cut back or eliminated. A hard decision must be made on programs which may in the short run be desirable but that in the long run can only contribute to the further deterioration of what is essential in time of war—a sound dollar and a sound economy.

In substantial degree, we are entering once again, a period when a choice must be made between guns and butter, between absolutely vital war needs and some desirable domestic programs.

The Congress of the United States is charged with the primary responsibility of determining how large a federal budget our economy can stand. It is within the power of the Congress even yet in this Session of the 89th Congress to make substantial reevaluations of the level of expenditures it would be prudent to impose on the economy at this time.

This bill would appropriate \$1.2 billion in additional funds. Although the tables contained in the Committee report on this bill show reductions of some \$330 million, this does not in fact represent a like reduction in expenditures. These reductions in effect are phony reductions because what amounts to contract authority language is written into the bill.

On the domestic level alone, there are still new programs not yet funded by the appropriations process that could entail additional funds amounting to some \$7 billion and more. (See table, Appendix 1.) The programs contained in Appendix I are by no means all of the programs yet to be funded by this Session of the 89th Congress. They merely represent some of the larger programs which the Congress still has the opportunity and the clear responsibility to reevaluate.

* * *

We, the minority members of the House Appropriations Committee, unanimously subscribe to the additional views contained herein and commend them most strongly to the Congress.

APPENDIX I¹

LABOR—HEW APPROPRIATIONS

	<i>Billion</i>
1963-----	\$5. 6
1964-----	6. 0
1965-----	7. 7
1966 (estimated)-----	12. 2

¹ Four year comparison of HEW related appropriations.

APPENDIX II¹

Public Works & Economic Development Act of 1965-----	\$760, 000, 000
Economic Opportunity Act-----	1, 500, 000, 000 +
Higher Education Assistance Act-----	600, 000, 000
Housing Bill-----	1, 560, 000, 000
Omnibus Rivers & Harbors & Flood Control Act-----	2, 000, 000, 000 +
Total-----	6, 420, 000, 000

¹ Partial list of unfunded major programs for fiscal 1966. Figures are current estimates.

MELVIN R. LAIRD (Wis.).
 ROBERT H. MICHEL (Ill.).
 GARNER E. SHRIVER (Kans.).
 FRANK T. BOW (Ohio).
 CHARLES R. JONAS (N.C.).
 E. A. CEDERBERG (Mich.).
 GLENARD P. LIPSCOMB (Calif.).
 JOHN J. RHODES (Ariz.).
 WILLIAM E. MINSHALL (Ohio).
 SILVIO O. CONTE (Mass.).
 ODIN LANGEN (Minn.).
 BEN REIFEL (S. Dak.).
 GLENN R. DAVIS (Wis.).
 HOWARD W. ROBISON (N.Y.).
 JOSEPH M. McDADE (Pa.).
 MARK ANDREWS (N. Dak.).

**COMPARATIVE STATEMENT OF AMOUNTS OF THE BUDGET ESTIMATES AND OF AMOUNTS RECOMMENDED
TO BE APPROPRIATED IN THE BILL**

H. Doc. No.	Department or agency	Estimates	Recommended in the bill	Bill compared with estimates
	DEPARTMENT OF LABOR			
	MANPOWER ADMINISTRATION			
211	Manpower development and training activities-----	\$126, 070, 000	\$126, 070, 000	-----
211	Salaries and expenses-----	28, 930, 000	-----	-\$28, 930, 000
	Office of Manpower Administrator, salaries and expenses-----	-----	27, 535, 800	+ 27, 535, 800
	Bureau of Apprenticeship and Training, salaries and expenses-----	-----	353, 000	+ 353, 000
	Bureau of Employment Security, salaries and expenses-----	-----	844, 200	+ 844, 200
	OFFICE OF THE SECRETARY			
211	Activities relating to admission and employment in agriculture of nonimmigrant aliens, salaries and expenses-----	1, 968, 000	1, 723, 000	- 245, 000
	Total, Department of Labor-----	156, 968, 000	156, 526, 000	- 442, 000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
	OFFICE OF EDUCATION			
149	Elementary and secondary educational activities-----	1, 295, 684, 000	967, 000, 000	- 328, 684, 000
149	Cooperative research-----	- 25, 000, 000	-----	+ 25, 000, 000
149	Research and training-----	70, 000, 000	45, 000, 000	- 25, 000, 000
149	Salaries and expenses-----	4, 500, 000	4, 050, 000	- 450, 000

VOCATIONAL REHABILITATION ADMINISTRATION				
147	Research and training.....	6, 100, 000	6, 100, 000	-----
147	Salaries and expenses.....	70, 000	70, 000	-----
PUBLIC HEALTH SERVICE				
147	Chronic diseases and health of the aged.....	14, 000, 000	12, 800, 000	-1, 200, 000
147	Communicable disease activities.....	1, 000, 000	1, 000, 000	-----
147	Community health practice and research.....	2, 700, 000	2, 700, 000	-----
147	National Institute of General Medical Sciences.....	2, 200, 000	2, 200, 000	-----
147	National Cancer Institute.....	4, 000, 000	4, 000, 000	-----
147	National Heart Institute.....	9, 800, 000	9, 800, 000	-----
147	National Institute of Neurological Diseases and Blindness.....	4, 250, 000	4, 250, 000	-----
ADMINISTRATION ON AGING				
220	Salaries and expenses.....	6, 931, 000	7, 000, 000	+69, 000
OFFICE OF THE SECRETARY				
149	Office of Audit, salaries and expenses.....	200, 000	180, 000	-20, 000
149	Office of the General Counsel, salaries and expenses.....	95, 000	85, 500	-9, 500
220	National Technical Institute for the Deaf.....	420, 000	420, 000	-----
Total, Department of Health, Education, and Welfare.....		1, 396, 950, 000	1, 066, 655, 500	-330, 294, 500
Total of the bill.....		1, 553, 918, 000	1, 223, 181, 500	-330, 736, 500