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U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

As of June 30, 1965

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WILBUR J. COHEN, *Under Secretary*

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VICTOR CHRISTGAU	*Executive Director.*
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LEONARD M. ELSTAD—*President, Gallaudet College.*
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[1] Resigned as of June 30, 1965.

Letter of Transmittal

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 1, 1965.

DEAR MR. PRESIDENT: I have the honor to submit herewith the annual report of the Department of Health, Education, and Welfare for the fiscal year ending June 30, 1965.

Respectfully,

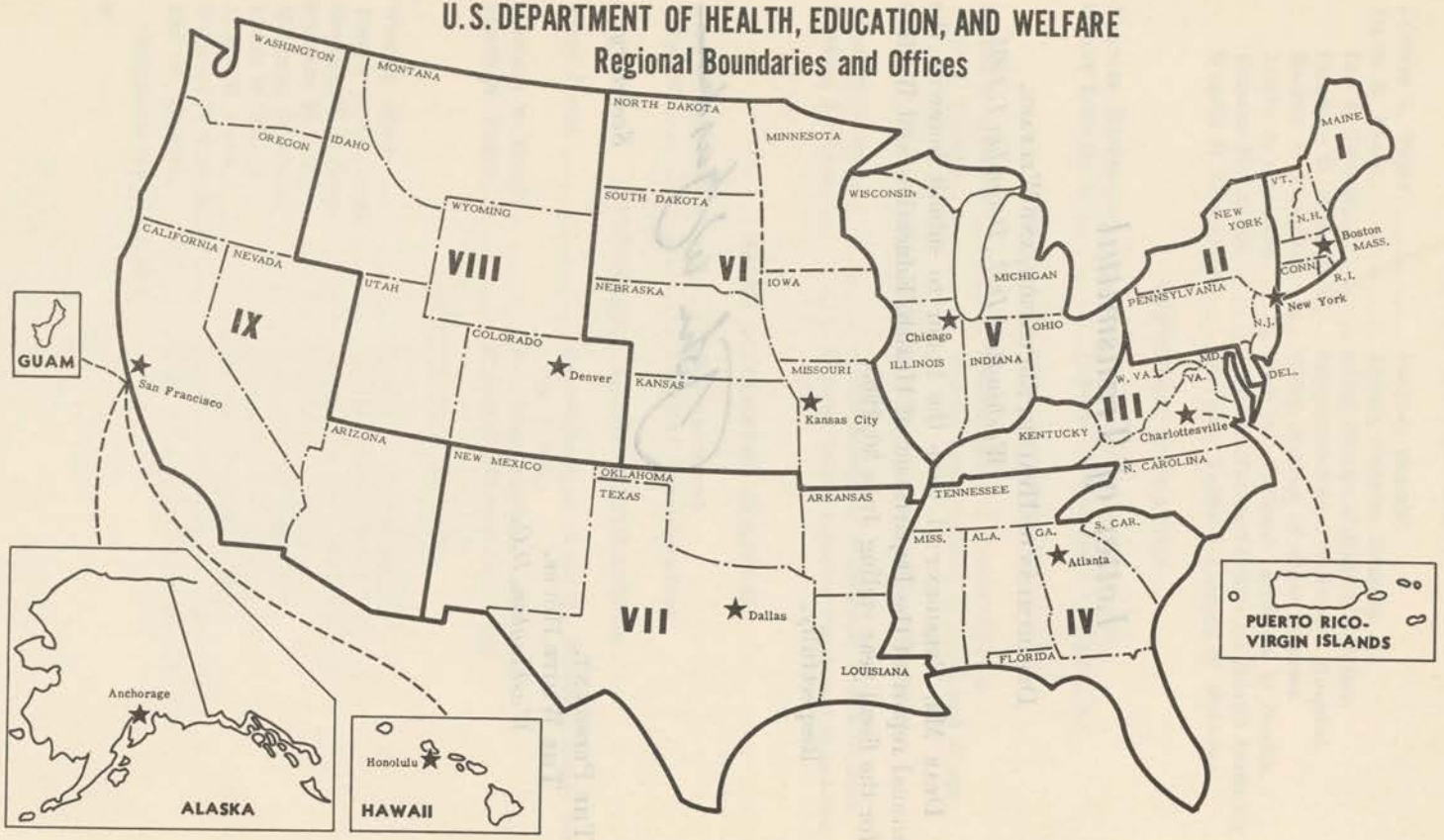
John W. Gardner

Secretary.

THE PRESIDENT,
THE WHITE HOUSE,
Washington, D.C.

285171

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Regional Boundaries and Offices



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A detailed listing of the contents of this report, by topic headings, will be found on pages 427–441

Anthony J. Celebrezze, Secretary of Health, Education, and Welfare during the period covered by this Annual Report, resigned to accept appointment as a Federal judge. He was sworn in as judge of the Sixth Circuit, U.S. Court of Appeals, on September 1, 1965.

John W. Gardner was nominated by the President as the new Secretary of Health, Education, and Welfare on July 27, 1965. He was confirmed by the Senate on August 11, and was sworn in on August 18.

The Secretary's Report

THE MISSION OF the Department of Health, Education, and Welfare is distinctive. We are concerned with the quality of life and equality of opportunity. We are concerned with the whole range of social problems that stand as threats to human fulfillment—poverty, disease, ignorance, the breakdown of family life, the needs of the aged and the handicapped—all the assaults against the human condition.

This record of accomplishments during one 12-month span reflects the continuity of our objectives from year to year. But it also reflects the impact of change. In response to change, the Department was called upon in 1965 for greatly expanded responsibilities to keep pace with economic and social dynamics, with population growth, with neglected needs which have been growing far too long beneath the surface of our abundant society.

An unprecedented series of legislative enactments—35 major acts for the Nation's health, education, and economic well-being—was passed by the Congress during fiscal year 1965 and the first months of fiscal year 1966. Many of these measures moved into the planning or program stage before the end of the fiscal year and are reported in the pages that follow. Others established new programs that take effect in 1966.

Together, these acts provide foundations for building President Johnson's vision of a Great Society into reality. They project these specific objectives:

—that poverty can be sharply reduced by new and concerted efforts in the slums of our cities and deprived rural areas;

—that the education of children in the poorest of our schools can be brought up to the level of the best, and the best made better;

—that higher education is no longer a luxury but a necessity for Americans in our technological age, and that it can be brought within reach of every youth who can profit from it, whatever his economic circumstance;

—that the benefits of medical research, which have extended life and narrowed the number of killing diseases, will be available in every community, and that new research on the three principal killers—cancer, heart disease, and stroke—shall be brought from the laboratory to the potential victims through regional centers across the country;

—that older people, who are so vulnerable to long and costly illnesses, shall receive help in meeting their medical expenses through health insurance under the social security program;

—that medical care and broadened welfare programs shall be at hand for America's needy in all age groups; and

—that disabling conditions will not continue to prevent millions of Americans from enjoying the full benefits of this thriving society.

Throughout the new legislative measures for America's health, education, and welfare run several recurrent themes.

The first theme is an extraordinary rebirth of our national belief in equality of opportunity. The new acts recognize that a potential benefit is valueless if it does not reach those who need it. This applies to the benefits of an affluent society that never reach its impoverished and victimized members. It applies as well to good, new educational ideas that rarely get used in the classroom, and to scientific advances available in great medical centers that are inaccessible to the average physician and his patients. The new legislation calls for us to employ the best our people can devise for the benefit of all our people.

The second theme is innovation and experimentation. Many, if not most, of the new acts provide for research, for pilot projects to test out new approaches, new ideas. Research is especially important to education, where it has been long neglected and underfinanced. The tremendous expansion of education at every level and its central importance to our social advance will require the boldest innovations. The new legislation establishes regional educational research laboratories throughout the country to make the products of sound research readily available to all the Nation's schools.

The third theme is partnership—to extend and expand the partnership of Federal, State, community, and private agencies for the Nation's social gain. The new measures call for highly varied and effective use of cooperative arrangements.

The Department has worked traditionally with all the States and with many of their political subdivisions, with the Nation's 29,000 school districts, with almost all the institutions of higher learning,

with most of the hospitals, and with numerous professional and voluntary agencies. Our objective is to reinforce their work, to put within reach the tools they can use and the resources they can draw upon.

Under the new Federal measures, we shall seek to strengthen the Nation's social institutions so that they can continue to play a leading, creative, and independent role in American life. This may well be the most far reaching of our current objectives—to preserve the pluralism of our society, the independence and freedom of the individual American and his institutions. They are rich resources. Upon them ultimately depends our success in attaining a society worthy of our times and of ourselves.

The signs of increased responsibilities of the Department are evident in the reports of its major agencies, which administer more than 150 diversified programs touching the lives of 196 million Americans. They are also evident by the rise in total obligations of the Department—from $5.7 billion in 1964 to $7.0 billion in 1965. These funds represented about 6.7 percent of the total Federal budget and a little more than 1 percent of the Nation's gross national product for 1965.

Of these Department funds, 92 percent went to State and local governments, institutions, and individuals under various health, education, and welfare programs. Only 8 percent of the Department's total budget was spent directly for special health services, consumer protection, intramural research, and administration.

Building on the accomplishments of 1965, which are reported on the following pages by the Department's operating agencies, we turn to a time of new beginnings. Perhaps no other generation of Americans has faced more perplexing and difficult tasks. The President has called for a total commitment to "victory over the most ancient of mankind's enemies"—among them poverty, ignorance, and disease. The Congress, speaking for the people, has delivered a mandate upon which we can act—and shall act.

Table 1.—*Grants to States: Total grants under all Department of Health, Education, and Welfare programs, fiscal year 1965*

[On checks-issued basis]

States	Total	Welfare Administration	Public Health Service [1]	Office of Education	Vocational Rehabilitation Administration	American Printing House for the Blind [2]	White House Conference on Aging
Total	$4,317,690,027	$3,177,147,252	$437,079,642	$601,197,749	$101,465,991	$800,000	$−607
Alabama	111,286,503	85,280,711	13,835,924	7,959,952	4,195,369	14,547	
Alaska	12,845,886	2,490,396	993,646	9,096,914	264,842	88	
Arizona	36,365,840	21,092,473	3,060,037	11,008,981	1,197,451	6,898	
Arkansas	68,528,025	52,289,385	7,568,829	4,930,257	3,731,330	8,224	
California	567,464,813	464,132,366	25,776,633	71,704,747	5,772,849	78,218	
Colorado	64,577,683	44,375,812	4,018,878	14,733,196	1,440,246	9,551	
Connecticut	43,195,607	33,717,913	2,327,147	6,506,945	626,402	17,200	
Delaware	8,773,929	5,123,811	1,444,402	1,945,478	257,850	2,388	
District of Columbia	22,560,603	14,338,873	3,356,726	4,173,020	690,171	1,813	
Florida	111,430,667	77,599,285	11,313,439	18,967,003	3,527,815	23,125	
Georgia	119,164,618	80,469,261	14,255,805	18,014,473	6,406,022	19,057	
Hawaii	19,518,156	6,453,973	4,332,881	8,276,041	451,856	3,405	
Idaho	16,755,703	10,841,724	1,734,884	3,883,246	294,655	1,194	
Illinois	177,636,207	145,913,748	11,879,292	16,674,012	3,134,269	34,886	
Indiana	48,750,507	30,926,312	8,142,945	8,717,666	947,843	15,741	
Iowa	51,299,218	36,968,374	6,428,868	6,613,545	1,276,979	11,452	
Kansas	48,675,422	32,816,482	3,594,119	11,624,525	624,953	15,343	
Kentucky	98,789,562	77,369,727	11,804,643	7,592,492	2,012,663	10,037	
Louisiana	166,355,284	144,919,205	12,761,167	6,572,639	2,088,168	14,105	
Maine	24,081,734	15,831,601	3,222,970	4,605,701	418,234	3,228	
Maryland	63,606,405	34,172,553	6,242,552	21,862,064	1,311,152	18,084	
Massachusetts	128,184,050	98,344,966	13,608,833	14,300,419	1,902,153	27,679	
Michigan	127,509,502	96,333,017	13,056,315	15,616,689	2,472,043	31,438	
Minnesota	73,332,466	56,825,478	8,535,408	6,128,729	1,829,144	13,707	
Mississippi	60,467,003	45,703,708	7,453,200	5,591,102	1,710,548	8,445	
Missouri	112,890,257	91,941,222	10,068,693	9,175,127	1,693,188	12,027	
Montana	13,530,264	7,139,621	2,110,546	3,854,493	423,039	2,565	
Nebraska	25,617,839	15,530,411	2,858,785	6,625,198	598,714	4,731	
Nevada	8,344,413	3,890,036	731,241	3,459,296	261,983	1,857	
New Hampshire	11,537,734	5,940,812	2,400,081	3,039,656	154,046	3,139	
New Jersey	83,068,285	51,160,749	13,888,263	15,920,268	2,065,136	33,869	
New Mexico	33,688,500	21,723,952	2,889,378	8,657,857	412,184	5,129	
New York	361,493,874	303,061,769	29,999,008	21,230,579	7,124,388	78,130	
North Carolina	109,074,088	75,144,844	15,105,544	14,710,871	4,089,704	23,125	
North Dakota	18,615,064	11,552,942	2,033,234	4,609,214	417,905	1,769	
Ohio	153,534,500	113,973,583	15,647,100	21,161,726	2,715,171	36,920	
Oklahoma	114,029,874	91,464,522	6,312,976	13,958,145	2,287,864	6,367	
Oregon	33,793,794	23,231,364	5,126,465	4,404,270	1,019,933	11,762	
Pennsylvania	209,070,147	144,620,639	35,837,767	20,588,717	7,964,880	58,144	
Rhode Island	28,320,428	17,139,330	6,193,730	4,261,272	721,674	4,422	
South Carolina	47,113,022	28,788,563	6,605,078	9,131,695	2,578,003	9,683	
South Dakota	17,760,477	10,238,536	1,999,994	4,942,513	577,598	2,432	−596
Tennessee	73,208,895	51,595,924	10,472,461	8,749,865	2,376,275	14,370	
Texas	229,469,341	179,132,444	19,993,668	26,675,341	3,637,335	30,553	
Utah	26,012,735	16,065,237	2,927,978	6,438,018	577,434	4,068	
Vermont	11,700,220	7,640,152	2,489,893	1,181,383	387,908	884	
Virginia	67,335,480	27,897,376	9,451,079	27,931,129	2,035,866	20,030	
Washington	88,167,736	62,781,175	6,434,463	17,638,098	1,300,603	13,397	
West Virginia	60,314,355	46,388,150	7,079,343	3,774,549	3,060,552	11,761	
Wisconsin	55,339,993	39,450,229	7,065,188	6,678,273	2,132,994	13,309	
Wyoming	6,546,729	3,480,110	476,721	2,234,126	354,180	1,592	
Canal Zone	44					44	
Guam	1,631,365	264,097	156,344	1,115,241	59,683		
Puerto Rico	27,242,699	11,094,553	9,613,889	4,733,234	1,796,966	4,068	−11
Virgin Islands	1,339,731	483,756	361,189	439,008	55,778		
Wake Island	99,450			99,450			
Undistributed	16,643,301			16,643,301			

[1] Excludes $260,948 paid to water pollution interstate agencies.
[2] Includes permanent annual appropriation of $10,000.

Social Security Administration

Introduction

THE SOCIAL SECURITY Administration administers the Federal old-age, survivors, and disability insurance program, which affects nearly every family in the Nation. The program is the Nation's basic method of providing income to the worker and his family when he retires, becomes disabled, or dies. At the end of June 1965, 94 million workers had worked long enough to be permanently insured for benefits under the program. About 95 percent of the young children and their mothers in the Nation are eligible to receive benefits should the family breadwinner die.

The Federal credit union program is also a responsibility of the Social Security Administration. This program enables groups to contribute to the economic welfare of their membership by securing Federal charters for credit unions and sets up guidelines for the efficient operation of credit unions chartered under the Federal law.

Highlights of 1965

Benefits paid under the old-age, survivors, and disability insurance program during the fiscal year of 1965 totaled more than $16.6 billion, an increase of $788 million over the amount paid in the preceding year. Almost 2.6 million monthly benefits were awarded during fiscal year 1965. At the end of the year almost 20.2 million beneficiaries were receiving benefits at a monthly rate of $1,357 million. A year earlier, monthly benefits were being paid to 19.5 million persons at a monthly rate of $1,296 million.

Expenditures from the Federal old-age and survivors insurance trust fund during fiscal year 1965 totaled more than $15.9 billion.

The trust fund totaled $20.2 billion at the end of the year, including $1.4 billion in cash and the remainder in U.S. Government securities.

Expenditures from the Federal disability insurance trust fund totaled nearly $1.5 billion. At the end of fiscal year 1965, the fund totaled slightly more than $2 billion, including a cash balance of $131 million and the remainder in U.S. Government securities.

During the year just completed, the Social Security Administration prepared itself for the new and expanded programs embodied in legislative proposals before the Congress, and at the same time continued to administer the ongoing social security program with its constantly increasing workloads.

About 3.5 million claims for old-age, survivors, and disability insurance benefits were received and processed during fiscal 1965. More than 15 million inquiries about the program were answered in social security district offices in all parts of the country. Social security accounts were established for more than 5 million people.

Expenses of administering the old-age, survivors, and disability insurance program during fiscal 1965 were about $382.4 million, approximately 2.3 percent of the amount of benefits paid by the program.

A total of 35,897 people were employed by the Social Security Administration at the end of fiscal 1965 to direct its operations and process its workloads.

Constant emphasis on better manpower utilization in the Social Security Administration has enabled it to achieve significant increases in productivity, which went up 3.6 percent in fiscal 1963, another 3.7 percent in fiscal 1964, and another 5.3 percent in fiscal 1965.

Shortly after the close of fiscal year 1965, the Social Security Amendments of 1965 were enacted. These amendments, which added health insurance for the aged to the existing social security program and also made substantial improvements in social security cash benefits, were generally considered the most important social security legislation since the original act of 1935.

Planning for administering the health insurance programs began several months in advance of enactment of the Social Security Amendments of 1965, with the setting up of a small task force staffed with a nucleus of high-caliber personnel. Preparation for implementing the anticipated changes in the basic old-age, survivors, and disability insurance program was undertaken at the same time.

The amendments of 1965 presented unprecedented challenges. To put the Social Security Administration in the best position to meet these challenges, the Administration was reorganized in a manner designed to strengthen its organizational structure and to assure a continuing high level of service to the public.

The year was also notable for three milestone events. It was the 30th year since the signing of the original act by President Franklin D. Roosevelt, and the 25th in which Americans have received monthly social security payments; nearly 2,000 of the "charter" beneficiaries who received benefits for January 1940 were still on benefit rolls as the 300th monthly mailing of benefit checks was carried out. And in May of the year, the program was paying benefits to a new total of 20 million persons.

On January 1, 1965, an Advisory Council on Social Security, provided for by Congress in the 1956 amendments, completed a 1½-year study of the program and issued a report on that study. The report included the Council's findings and recommendations on financing, adequacy of benefits, extensions of coverage, and other aspects of the program.

The Council found the program to be financially sound and recommended a number of major program improvements, many of which were included in the 1965 amendments.

In addition to providing health insurance for the aged, the 1965 amendments assured an increased measure of protection for American workers and their families against the hardships that can result from loss of earnings when the breadwinner retires, becomes disabled, or dies. These amendments are of such great importance that a substantial section of this annual report is devoted to a detailed description of them.

Health Insurance for the Aged

The 1965 amendments add a new title XVIII to the Social Security Act, thereby establishing two related health insurance programs for people 65 and over: (1) a hospital insurance plan, providing protection against the costs of hospital and related care; and (2) a supplementary medical insurance plan helps to pay for physicians' services and certain other medical and health services not covered by the hospital insurance plan.

The provision for health insurance for the aged is a monumental improvement in the social security program. Under this legislation, older people will have much more adequate protection against the high costs associated with old age than they previously had. The two related plans provide protection against the costs of a wide range of health services to the aged.

The hospital insurance plan is financed through a tax and a trust fund separate from the tax and trust funds already established for

old-age, survivors, and disability insurance benefits. Hospital insurance benefits for people who are already 65 or older and who are not insured under the social security or railroad retirement systems are financed out of general Federal revenues.

Enrollment in the supplementary medical insurance plan is voluntary, and the plan is financed by small monthly premiums ($6 per month initially—$3 to be paid by the enrollee and an equal amount to be paid by the Federal Government out of general revenues). The premiums for social security and railroad retirement beneficiaries and civil service retirement annuitants who enroll will be deducted from their monthly benefits. People not receiving cash benefits who enroll will remit the premiums directly to the Government. State welfare programs can arrange for assistance recipients to be covered.

One of the earliest steps in implementation of the new law was to inform the American people just how it would affect virtually every one of them. Nearly 19 million persons age 65 and older needed to be told without delay about the health insurance program and afforded an opportunity to sign up for voluntary medical insurance.

Hospital Insurance

General Description.—The hospital insurance program provides protection against the costs of inpatient hospital services, posthospital extended care, posthospital home health services, and outpatient hospital diagnostic services for essentially all people who are now aged 65, or who will reach age 65 before 1968.

Not protected are people who are covered (or who were covered on February 15, 1965, or who, if they retire after February 15, 1965, could have been covered) under the provisions of the Federal Employees Health Benefits Act of 1959. Others excluded are aliens who have not been residents of the United States for 5 years, aliens who have not been admitted for permanent residence, and certain subversives.

The program will go into effect on July 1, 1966, except for payment for services in extended-care facilities, which will go into effect on January 1, 1967.

Benefits.—The services for which payment will be made under the hospital insurance plan include:

(*a*) Inpatient hospital services for up to 90 days in each spell of illness. The patient will pay the first $40 (known as the deductible) plus a co-insurance payment of $10 for each day in excess of 60 during each spell of illness. The hospital services that are covered include almost all those ordinarily furnished by a hospital to its inpatients; however, payment will not be made for private duty nursing or for the hospital services of physicians,

except for services provided by interns or residents in training under approved teaching programs. Inpatient psychiatric hospital services are covered, but a lifetime limitation of 190 days is imposed. Inpatient services in Christian Science sanatoriums are also covered.

(*b*) Posthospital extended care (in a qualified facility), after the patient is transferred from a hospital after at least a 3-day stay, for up to 100 days in each spell of illness. After the first 20 days of care patients will pay $5 a day for the remaining 80 days. Under a special provision, extended care in Christian Science sanatoriums will be covered for up to 30 days, with the patient paying $5 a day.

(*c*) Outpatient hospital diagnostic services, with the patient paying the first $20 and 20 percent of the remainder for each 20-day period of diagnostic testing.

(*d*) Posthospital home health services, for up to 100 visits, furnished within a 1-year period after discharge from a hospital (after at least a 3-day stay) or an extended care facility during each spell of illness. In order to have such services paid for, the person must be in the care of a physician, must be under a plan established by a physician within 14 days of discharge which calls for such services, and the services must be provided by a qualified home health agency. Covered services will include intermittent nursing care and physical therapy. The patient must be homebound, except that payment can be made for services furnished at a hospital or extended care facility or rehabilitation center and requiring the use of equipment that cannot ordinarily be taken to the patient's home.

No service will be covered as posthospital extended care, outpatient diagnostic, or posthospital home health services, if it is of a kind that would not be covered if it were furnished to a patient in a hospital.

A spell of illness will be considered to begin when the person enters a hospital and to end when he has not been an inpatient of a hospital or extended care facility for 60 consecutive days.

The deductible amounts for inpatient hospital and outpatient hospital diagnostic services will be increased if necessary to keep pace with increases in hospital costs, but no such increase can be made before 1969. For reasons of administrative simplicity, increases in the hospital deductible will be made only when a $4 change is called for, and the outpatient deductible only when a $2 change is called for.

Basis of Reimbursement.—Payment under the hospital insurance plan will be made on the basis of the reasonable cost incurred in providing care for beneficiaries.

792-523—66——2

Administration.—Basic responsibility for administration rests with the Secretary of Health, Education, and Welfare. Within the Department of Health, Education, and Welfare, the Social Security Administration will be the primary administrative agency. State agencies and private organizations (nominated by providers of services) will be used to assist in the administration of the program. Provision is made for the establishment of a Health Insurance Benefits Advisory Council, which will advise the Secretary on policy matters in connection with administration.

Financing.—Contributions to finance the hospital insurance plan, to be paid by employers, employees, and self-employed persons, will be placed in a separate hospital insurance trust fund established in the Treasury. The earnings base—the amount of annual earnings subject to the new tax—is the same as the earnings base for cash benefits—$6,600. The same contribution rates apply to employers, employees, and self-employed persons; they are as follows:

	Percent
1966	0.35
1967 to 1972	.50
1973 to 1975	.55
1976 to 1979	.60
1980 to 1986	.70
1987 and thereafter	.80

The level-cost of the benefits (including administrative expenses) under the hospital insurance plan over the 25-year period 1966–90 is estimated at 1.23 percent of taxable payroll. The level-equivalent of the contribution schedule shown above is also 1.23 percent of taxable payroll. Accordingly, on the basis of these estimates, the hospital insurance program is in actuarial balance.

Medical Insurance

General Description.—A package of benefits supplementing those provided under the hospital insurance plan is available to almost everyone 65 and over. People who enroll initially pay $3 a month (deducted, where possible, from their social security, railroad retirement, or Civil Service retirement benefits). The Government matches this amount with $3 for each enrollee paid from general funds.

Enrollment.—People who attain age 65 before January 1, 1966, can enroll in the first enrollment period, which ends March 31, 1966. A person who attains age 65 after December 31, 1965, will have an enrollment period of 7 months beginning 3 months before he attains age 65. There will be general enrollment periods from October 1 to December 31 of each odd-numbered year; the first such period will be from October 1 to December 31, 1967. No one may enroll more than

3 years after the close of the first enrollment period in which he could have enrolled.

There will be only one chance to re-enroll for people who are in the plan but drop out, and any person who drops out may re-enroll only if he does so within 3 years of the termination of his previous enrollment.

Coverage may be terminated (1) by the individual, if he files notice during a general enrollment period, or (2) by the Government, for nonpayment of premiums.

A State will be able to provide the medical insurance protection for its public assistance recipients who are receiving cash assistance if it chooses to do so.

Benefits will be available beginning July 1, 1966.

Benefits.—The medical insurance plan covers physicians' services, home health services, and numerous other medical and health services in and out of medical institutions.

There is an annual deductible of $50. The plan covers 80 percent of the patient's bill (above the deductible) for the following services:

(*a*) Physicians' and surgeons' services, whether furnished in a hospital, clinic, office, home, or elsewhere.

(*b*) Home health services under an approved plan (with no requirement of prior hospitalization) for up to 100 visits during each calendar year.

(*c*) Diagnostic X-ray and laboratory tests and other diagnostic tests.

(*d*) X-ray, radium, and radioactive isotope therapy.

(*e*) Ambulance services, if medically prescribed.

(*f*) Surgical dressings and splints, casts, and other devices for reduction of fractures and dislocations; rental of durable medical equipment, such as iron lungs, oxygen tents, hospital-type beds, and wheelchairs used in the patient's home; prosthetic devices (other than dental) which replace all or part of an internal body organ; and braces and artificial legs, arms, and eyes.

There is a special limitation on payment for outside-the-hospital treatment of mental, psychoneurotic, and personality disorders. Payment for such treatment during any calendar year is limited, in effect, to $250 or 50 percent of the expenses, whichever is smaller.

Administration by Carriers: Basis for Reimbursement.—The Secretary of Health, Education, and Welfare is required to contract with carriers to carry out the major administrative functions of the medical insurance plan. These include determining rates of payments under the program, holding and disbursing funds for benefit payments, determining compliance, and assisting in utilization review.

No contract can be entered into by the Secretary unless he finds that the carrier will perform its obligations under the contract efficiently and effectively and will meet such requirement as to financial responsibility, legal authority, and other matters as the Secretary finds pertinent. The contract must provide that the carrier take necessary action to see that where payments are on a cost basis, as they would be to institutional providers of services, the cost is reasonable. Correspondingly, where payments are on a charge basis, as they would be to physicians or others furnishing noninstitutional services, the carrier must see that the charge is reasonable and not higher than the charge applicable, for a comparable service and under comparable circumstances, to the other policyholders and subscribers of the carrier.

Payment by the carrier for physicians' services will be made on the basis of a receipted bill, or on the basis of an assignment under the terms of which the reasonable charge will be the full charge for the service. In determining whether charges are reasonable the carriers will consider the customary charges for similar services generally made by the physician or other person or organization furnishing the covered services, and also the prevailing charges in the locality for similar services.

Financing.—People who enroll in the medical insurance plan will pay monthly premiums of $3. The Government will help finance the medical insurance plan through a payment from general revenues of $3 a month per enrollee. The contributions will be placed in a separate trust fund for the medical insurance plan. All benefits and administrative expenses under the medical insurance plan will be paid from this fund.

To provide an operating fund when the medical insurance first becomes effective, and to establish a contingency reserve, a Government appropriation will be available (on a repayable basis) equal to $18 multiplied by the number of people estimated to be eligible in July 1966, when the supplementary plan goes into effect.

The provision in the income tax law that limits medical expense deductions to amounts in excess of 3 percent of adjusted gross income will be reinstituted for people 65 and over. Thus provision is made for partial or full recovery of the Government contribution from enrolled people with income high enough to require them to pay income taxes. A special deduction (for taxpayers who itemize deductions) of one-half of premiums for insurance covering medical care will be added, however. This special deduction, which will be applicable to taxpayers of all ages, cannot exceed $150 per year.

Premium rates for enrolled people (and the matching Government contribution) will be increased from time to time in the event that

costs rise, but not more often than once every 2 years. The premium rate for a person who enrolls after the first period when enrollment was open to him will be increased by 10 percent for each full year for which he stayed out of the program.

Cost of the Hospital Insurance and Medical Insurance Plans.—Benefits under both plans become payable for services furnished in July 1966, except for services in extended care facilities, for which benefits will become payable for January 1967. Benefits and administrative expenses under the hospital insurance plan will be about $2.2 billion for the first full year of operations. The costs for the uninsured under the hospital insurance plan, to be paid from general revenues, will be about $290 million a year for the early years, with a substantial offset for public assistance savings. Benefit payments under the medical insurance plan will be about $1.1 billion in the first full year of operations.

Old-Age, Survivors, and Disability Insurance Amendments

Increase in Monthly Cash Benefits

Social security benefits were increased 7 percent across-the-board, effective retroactively to January 1965, with a minimum increase of $4 for retired workers 65 and older. The increased benefit amounts will be payable both to the 20 million social security beneficiaries on the rolls at the time of enactment and to all future beneficiaries. The last previous general benefit increase went into effect in January 1959, and the recent increase will just about restore the purchasing power that has been lost because of increases in prices since 1959.

The minimum monthly benefit for a worker retiring at or after age 65 is increased from $40 to $44; the maximum benefit based on average monthly earnings of $400, the highest possible under the $4,800 contribution and benefit base in effect through 1965, is increased from $127 to $135.90. In the future, higher creditable earnings under the increase in the contribution and benefit base to $6,600 a year, which will be effective in 1966, will make possible a maximum retirement or disability benefit of $168.

The maximum amount of benefits payable to a family—up to now subject to a $254 limit operating over a wide range of average monthly earnings—will be related to the worker's average monthly earnings at all earnings levels, with an ultimate family maximum of $368 per month.

Starting in 1966, the benefits of people on the rolls will be recom-

puted automatically each year to take account of any covered earnings a worker had in the previous year that will increase his benefit amount. Before the amendments, a benefit recomputation was generally not possible unless an application for it was filed. Experience has shown that a large number of people who are eligible for benefit recomputations fail to apply for them; automatic recomputation was not feasible, though, until recently. Automatic recomputation will assure the beneficiary that he will get credit for any additional earnings that would increase his benefit amount. Also, under the amended provisions, a person who applies for benefits at age 65 can be sure that he will get no less in benefits than he would get if he delayed the filing of his application. This was not always true prior to the amendments.

The Contribution and Benefit Base

As mentioned, the contribution and benefit base has been increased from $4,800 to $6,600, effective January 1, 1966. The increase in the base—the first increase provided for since 1958—was very much needed. The major reason why the base must be increased from time to time as earning levels rise is to maintain the basic character of the program as one that provides benefits reasonably related to the individual's previous earnings level. If the base were not increased as earnings levels rise, more and more workers as time goes on would have earnings above the creditable amount. These workers would not have insurance protection related to their full earnings, and eventually the program would become one that pays a flat benefit, unrelated to actual earnings, to nearly everyone who had worked regularly under the program. Thus the values inherent in the wage-related system would be lost. Another important point is that if the earnings base were not increased as earnings levels rise, the financial base of the program—the part of the Nation's payrolls that is subject to tax for its support—would decrease.

Payment of Child's Insurance Benefits to Children Attending School After Age 18 and up to Age 22

Child's insurance benefits are now payable until the child reaches age 22, provided the child is attending a public or accredited school as a full-time student after he reaches age 18. Children of deceased, retired, and disabled workers are included. (A mother, however, cannot be paid mother's or wife's benefits solely on the basis of having in her care a child who has attained age 18 and is in school.) The term "school" is defined broadly to permit payments to students taking either vocational or academic courses. The change is effective for

months after December 1964. About $195 million will be paid during the first 12 months to 295,000 additional children from age 18 to 22 who are attending school and are still unmarried.

Change in the Retirement Test

The retirement test is changed so that, beginning with taxable years ending after 1965, a beneficiary under age 72 may have annual earnings of $1,500 (instead of $1,200) and still get full benefits for the year. If his earnings exceed $1,500, $1 in benefits will be withheld for each $2 of annual earnings between $1,500 and $2,700, and for each $1 of earnings thereafter. (Before the 1965 amendments the $1-for-$2 adjustment applied for earnings between $1,200 and $1,700.) A beneficiary will get benefits, regardless of the amount of his annual earnings, for any month in which he earns $125 or less (rather than $100 or less) in wages and does not render substantial services in self-employment. About 750,000 people who could not otherwise have gotten benefits will start to get them for 1966 or will receive more benefits than they would have received if the law had not been changed.

Changes in the Disability Provisions

Definition of Disability.—The disability provisions, as modified by the 1965 social security legislation, no longer provide benefits only for a worker whose disability is expected to be of long-continued and indefinite duration. Under the present law, an insured worker is eligible for disability benefits if he is under a disability which can be expected to result in death or which has lasted or can be expected to last for a continuous period of 12 months or longer. Benefits payable because of this change in the definition of disability began for September 1965.

The provision under which disability benefits can be paid to workers who are totally disabled for a period of at least 12 months but who may be expected eventually to recover is a much-needed improvement. The economic needs of totally disabled people who may be expected to recover are no less than those of people with permanent disabilities, and this change will be of great help in meeting those needs during the period of extended disability. An additional 60,000 people—workers and their dependents—immediately became eligible for disability insurance benefits as a result of this change in the definition of disability.

Workmen's Compensation Offset.—A person's social security disability benefit for any month in which he is under 62 years of age and is receiving a periodic workmen's compensation benefit will be reduced to the extent that the total benefits payable to him and his dependents

under both programs exceed 80 percent of his average monthly earnings prior to the onset of disability, but with the reduction periodically adjusted to take account of changes in national average earnings levels. Under this provision, the worker's average monthly earnings are defined as the higher of (*a*) his average monthly wage used for purposes of computing his social security disability benefit, or (*b*) his average monthly earnings in employment covered by social security during his highest 5 consecutive years after 1950. This offset provision is applicable with respect to benefits payable for months after December 1965 on the basis of disabilities commencing after June 1, 1965.

Rehabilitation Services.—State vocational rehabilitation agencies are to be reimbursed from social security trust funds for the cost of rehabilitation services furnished to selected individuals who are entitled to disability insurance benefits or to disabled child's benefits. The objective of this provision is to make it possible for more disability insurance beneficiaries to receive vocational rehabilitation services. The total amount of the funds that may be made available from the trust funds for purposes of reimbursing State agencies cannot, in any year, exceed 1 percent of the social security disability benefits paid in the previous year.

Disability Benefits for the Blind.—The definition of disability has been further modified so as to provide that a person will be considered to be under a disability for purposes of entitlement to disability benefits if he has attained age 55, meets the definition of blindness (as defined in the law) and is unable, by reason of such blindness, to engage in substantial gainful activity requiring skills or abilities comparable to those required in his past occupation or occupations. (Under the previous law, a statutorily blind person was able to qualify for disability benefits only if he was unable to engage in any substantial gainful activity). No payment will be made to such a blind person or his dependents, however, for any month in which he actually does engage in substantial gainful activity.

A person who becomes disabled before age 31 by reason of "blindness" (as defined) will be insured for disability insurance benefits if he has quarters of coverage in one-half the quarters elapsing after age 21 and up to the point of disability, or, in the case of those becoming disabled before age 24, in at least one-half of the 12 quarters ending with the quarter in which he becomes disabled.

Entitlement to Disability Benefits After Entitlement to Benefits Payable on Account of Old Age.—A person who is entitled before age 65 to an old-age, wife's, husband's, widow's, or parent's insurance benefit and then becomes disabled before he reaches that age can now be-

come entitled to disability insurance benefits. This was not possible before enactment of the amendments. For example, a person who took reduced old-age insurance benefits at age 62 and who became disabled at, say, age 63, was precluded from getting the higher disability benefits.

Changes in the Coverage Provisions

Physicians and Interns.—Social security coverage was extended to the earnings derived by self-employed doctors from the practice of medicine, effective for taxable years ending on or after December 31, 1965. Approximately 170,000 self-employed physicians will be covered under this provision. Coverage was also extended to the employment of medical interns on the same basis as for other employees working for the same employer, effective on January 1, 1966.

This coverage is important for doctors of medicine, who, particularly in the early years of their practice, may not otherwise have the means to provide adequate disability and survivorship protection for themselves and their families.

Tips Covered as Wages.—The amendments add a provision under which tips are covered as wages for social security purposes, except that employers are not required to pay the social security employer tax on the tips. (Tips of less than $20 a month received by an employee in the course of his employment for one employer are excluded from coverage.)

The employee is required to give his employer a written report of his tips within 10 days after the end of the month in which the tips are received. To the extent that unpaid wages due the employee and in the possession of the employer are insufficient to pay the employee social security tax due on the tips reported, the employee may make available to the employer sufficient funds to pay the tax. If an employee fails to report his tips to his employer as required by law, he is liable not only for the employee social security tax due on the unreported tips but also for an additional amount equal to 50 percent of the employee tax.

The employer is required to withhold the employee social security tax only on tips reported to him within the specified time and for which he has sufficient funds of the employee out of which to pay the tax. The employer is also liable for withholding income tax on tips that are reported to him within the specified time.

These new provisions will result in better social security protection for over a million employees who derive a large part of their work income from tips.

Tax Exemption for Members of Religious Groups Opposed to Insurance.—Members of certain religious sects may now, under specified

conditions, obtain exemption from social security self-employment taxes upon application accompanied by a waiver of benefit rights. To be eligible for exemption the person must be a member of a recognized religious sect (or a division of a sect) and an adherent of the established tenets or teachings of the sect by reason of which he is conscientiously opposed to acceptance of the benefits of any private or public insurance plan making payments in the event of death, disability, old age, or retirement, or making payments toward the cost of, or providing services for, medical care (including the benefits of any insurance system established by the Social Security Act). The sect must have been in existence at all times since December 31, 1950. Also, it must be the practice of members of the sect to make provision for their dependent members which is reasonable in view of their general level of living. The exemption may become effective as early as the first taxable year beginning after December 31, 1950.

Farmers.—The new legislation provides that self-employed farm operators whose annual gross earnings are $2,400 or less (instead of $1,800 or less, as under prior law) may report either their actual net earnings or 66⅔ percent (as under prior law) of their gross earnings. Under the amendments, farmers whose annual gross earnings are over $2,400 are required to report their actual net earnings if $1,600 or more, but if actual net earnings are less than $1,600, they may report either their actual net earnings or $1,600. (Prior law required that farmers whose annual gross earnings were over $1,800 report their actual net earnings if $1,200 or more, but if actual net earnings were less than $1,200, they could report either their actual net earnings or $1,200.) The provision is effective for taxable years beginning after December 31, 1965.

Ministers.—Ministers who have been in the ministry for at least 2 years since 1954 are afforded a reopened period, through April 15, 1966, during which they may file waiver certificates electing social security coverage. In addition, social security credit may be obtained for the past earnings of certain ministers who die or file certificates before April 15, 1966, where such earnings were reported for social security purposes but could not be credited.

Employees of Nonprofit Organizations.—The new legislation permits nonprofit organizations to file a waiver certificate and make it retroactive for up to 5 years (rather than for 1 year as under prior law) before the calendar quarter in which the certificate is filed. Waiver certificates filed before 1966 may be amended during 1965 or 1966 to make coverage effective as early as 5 years before the quarter in which the certificate was amended. Those employees to whom additional retroactive coverage is applicable (as a result of the organiza-

tion's amending its certificate) may individually elect to take or to forego this additional coverage. Employees who were reported erroneously, and who are no longer employed when an organization files its waiver certificate or amends its certificate, may validate such erroneous reportings for periods during which the certificate or amended certificate is in effect. In addition, certain employees whose wages were erroneously reported by a nonprofit organization during the period the organization's waiver certificate was in effect may validate such erroneously reported wages.

District of Columbia Employees.—The amendments provide coverage for employees of the District of Columbia whose employment is not covered under a retirement system. Under this provision, about 750 substitute teachers and a number of temporary and intermittent employees were covered beginning on October 1, 1965.

Employees of State and Local Governments.—The new legislation gives State and local government retirement system members who originally did not choose social security coverage under the divided retirement system provision (under which current employees have an individual choice of coverage) another opportunity, through 1966, for the election of coverage.

Alaska was added to the list of States which may use the divided retirement system provision, and several provisions tailored to situations in specified States were enacted.

Miscellaneous Changes in Dependents' Benefit Provisions

Benefits for Widows at Age 60.—Widows can now elect to get benefits at age 60, with the benefits payable to those who claim them before age 62 reduced to take account of the longer period over which they will be paid. It is estimated that in the first 12 months benefits will be paid to approximately 185,000 widows who would not otherwise have been eligible.

Eligibility of Children not Qualified Under State Law.—A child can now be paid benefits based on his father's earnings without regard to whether he has the status of a child under State inheritance laws if the father was supporting the child or had a legal obligation to do so. Benefits can be paid to a child on the earnings record of his father, even though the child cannot inherit the father's intestate personal property, if the father had acknowledged the child in writing; had been ordered by a court to contribute to the child's support; had been judicially decreed to be the child's father; or is shown by other satisfactory evidence to be the child's father, and was living with or contributing to the support of the child.

Payment of Widow's and Widower's Insurance Benefits After Remarriage.—Benefits will be payable to a widow (or a widower) even though he or she has remarried if the remarriage was after age 60 (age 62 for a widower). The amount of the remarried widow's or widower's benefit is equal to 50 percent of the primary insurance amount of the deceased spouse rather than the 82½ percent of that amount which is payable to widows and widowers who have not remarried, or 50 percent of the primary insurance amount of the new spouse, whichever is greater.

Wife's and Widow's Benefits for Divorced Women.—Payment of wife's or widow's benefits can now be made to the divorced wife of a retired, deceased, or disabled worker if she had been married to the worker for at least 20 years before the date of the divorce and if her divorced husband was making (or was obligated by a court to make) a substantial contribution to her support at the time when he became entitled to benefits, became disabled, or died. Also, a wife's benefits will not terminate when she is divorced if the marriage has been in effect for 20 years. In addition, any benefit rights of a divorced wife, a widow, a surviving divorced mother, or a surviving divorced wife that are lost because of a remarriage may be reestablished if the subsequent marriage ends.

Adoption of a Child by a Retired Worker.—The provisions relating to the payment of benefits to children who are adopted by old-age insurance beneficiaries have been changed to require that, where the adoption occurs after the worker becomes entitled to old-age benefits, (1) the child be living with the worker (or adoption proceedings have begun) in or before the month when application for old-age benefits is filed; (2) the child be receiving one-half of his support from the worker for the year before the worker became entitled to benefits; and (3) the adoption be completed within 2 years after the worker became entitled to benefits.

Adoption by a Brother or Sister.—Brothers and sisters are added to the list of relatives who may adopt a child after the death of the worker on whose earnings record he is getting benefits without causing termination of the child's benefit.

Coordination of Marriage Requirements Under the Social Security Act and the Railroad Retirement Act.—A wife, husband, widow, or widower can now receive benefits without regard to the generally applicable 1-year duration-of-marriage requirement if in the month preceding the marriage he or she was actually or potentially entitled to a widow's, widower's, parent's or (if over age 18) child's annuity under the Railroad Retirement Act. Also, a woman worker's husband or widower who was entitled to one of the specified railroad retirement

annuities prior to marriage to a person insured under social security will get benefits even though she was not currently insured and did not provide at least one-half of her husband's support.

Special Provision for Older People

A "transitional insured status" is established under which people who reached retirement age (age 65 for men and age 62 for women) before 1957 and who worked in covered jobs, but not long enough for a benefit to be paid under the program, can now qualify for benefits. People who reached retirement age in 1955 or 1956 can qualify if they have one quarter of coverage for each year that elapsed after 1950 and up to retirement age—that is, either four or five quarters of coverage, and people who reached retirement age in or before 1954 can qualify if they have three quarters of coverage.

The following table shows the operation of the "transitional insured status" provision for workers:

Men		*Women*	
Age (in 1965)	*Quarters of coverage required*	*Age (in 1965)*	*Quarters of coverage required*
76 or over	3	73 or over	3
75	4	72	4
74	5	71	5

Benefits are not payable under this provision until the person attains age 72.

Wife's benefits are payable at age 72 to a woman whose husband qualifies for benefits under the transitional provision if she attains age 72 before 1969.

Widow's benefits are payable at age 72 to a woman who reaches age 72 before 1969 if her husband is living when the transitional provision becomes effective and if he meets the work requirements of the provision. A widow who reaches age 72 before 1969 but whose husband died before the transitional provision became effective can qualify if her husband attained age 65 or died before 1957 and if he had a specified number of quarters of coverage, as shown in the following table:

Year of husband's death (or attainment of age 65, if earlier)	Quarters of coverage required if the widow attains age 72—		
	In 1966 or before	In 1967	In 1968
1954 or before	3	4	5
1955	4	4	5
1956	5	5	5

Under the provision, benefits of $35 are payable to retired workers and widows; wives of retired workers receive $17.50.

This change in the law provides social security benefits for people who, although they worked in covered jobs, did not work long enough to become insured under the regular insured status provisions of the program. About 355,000 people are eligible immediately for social security benefits under this change.

Administrative and Technical Changes

Life of Applications.—The provision under which the life of an application for benefits was previously restricted to 3 months (9 months for disability benefits) has been eliminated. Under the former provision, an applicant had to meet all of the eligibility requirements for disability insurance benefits as of a date not later than 9 months from the date of application; if he did not, his application expired. The bill extends the life of applications to the date of the final decision thereon by the Secretary.

Disclosure, Under Certain Circumstances, of Whereabouts of Individuals.—The Secretary of Health, Education, and Welfare is required, under the amendments, to furnish, at the request of a State or local welfare agency, the most recent address in the social security records of a person who has children under age 16 who are in destitute or necessitous circumstances and are recipients of or applicants for assistance, provided that there is a court order for the parent to support the children and that the information requested is to be used by the welfare agency or the court on behalf of the children. The conditions under which information will be released to help locate a deserting parent under the new law are essentially the same as those specified in the provisions governing such release of information that previously were included in the Social Security Administration regulations.

Attorneys' Fees in Court Cases.—The amendments contain a new provision under which a court that renders a decision favorable to a claimant for social security benefits is authorized to set a reasonable fee (up to 25 percent of the past-due benefits resulting from the court's decision) for an attorney who represented the claimant before the court. The Secretary is given authority to certify for payment to the attorney, out of the total of the past-due benefits, the amount of the fee set by the court. Any attorney charging or receiving more than the fee set by the court will be subject to a fine of up to $500, imprisonment up to 1 year, or both.

Payments to Two or More Members of the Same Family.—The amendments provide that, under regulations to be issued by the Secretary of the Treasury, the surviving payee or payees of a joint benefit check may cash any such check which was not negotiated before one of the payees died, provided that so much of the amount of the check as exceeds the amount due the surviving payee or payees is recovered. Previously any surviving payee was required to return the joint benefit check and wait for his own benefit until a corrected check was issued.

Underpayments.—The amendments change the procedure under which the Secretary disposes of an amount due a deceased beneficiary. Under the amendments, the Secretary is to dispose of any such amount, where it does not exceed a single monthly benefit, by making the payment to the beneficiary's widow or widower if the latter was living in the same household with the deceased at the time of his death; if there is no such widow or widower, or if the amount due exceeds a single monthly benefit, the payment ordinarily will be made to the legal representative of the deceased beneficiary's estate.

Reimbursement of Trust Funds for the Cost of Noncontributory Military Service Credits.—The provision authorizing reimbursement of the social security trust funds out of general revenue for gratuitous social security wage credits for servicemen is revised so that reimbursement will be spread over the next 50 years.

Financing of the Old-Age, Survivors, and Disability Insurance Amendments

The old-age, survivors, and disability insurance provisions of the bill are financed by (1) an increase in the earnings base from $4,800 to $6,600, effective January 1, 1966, and (2) a revised tax rate schedule.

The revised tax rate schedule provided by the bill for the old-age, survivors, and disability insurance program follows:

Year	Employer-employee rate (each)	Self-employed rate
	Percent	*Percent*
1966	3.85	5.8
1967 to 1968	3.90	5.9
1969 to 1972	4.40	6.6
1973 and after	4.85	7.0

The allocation of contribution income to the disability insurance trust fund is increased from 0.50 percent of taxable wages to 0.70 percent and from 0.375 percent of taxable self-employment income to 0.525 percent, beginning with 1966.

What the Program Is Doing

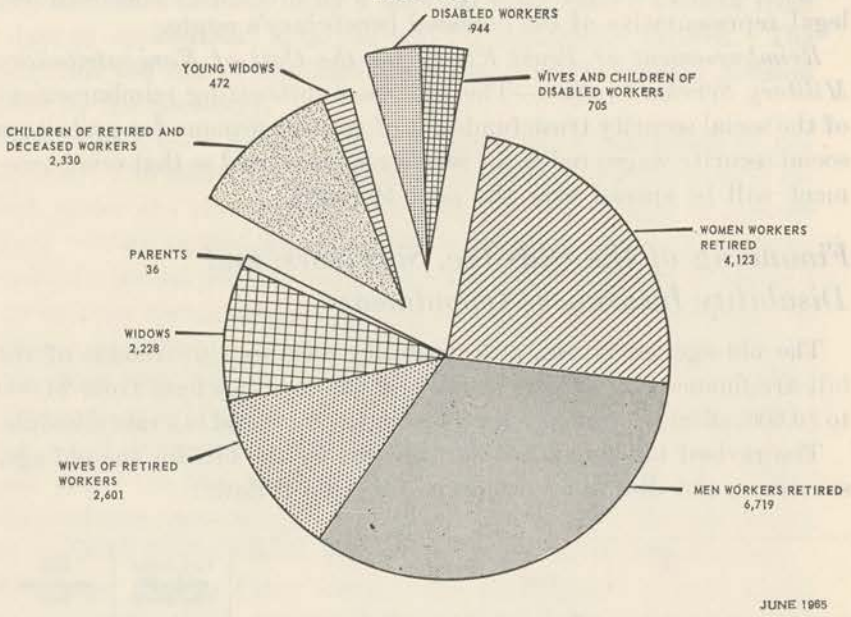
Beneficiaries and Benefit Amounts

During the fiscal year ending June 30, 1965, benefits paid under the old-age, survivors, and disability insurance program totaled $16,618 million—an increase of $788 million over the amount paid in the preceding fiscal year. Total benefit payments to disabled workers and their dependents were 11 percent higher than in fiscal year 1964 and totaled $1,392 million. Old-age and survivors insurance monthly benefits rose 4 percent to $15,008 million and lump-sum death payments amounted to $218 million, about $4 million higher than in the previous fiscal year (chart 1).

CHART 1.—20.2 MILLION BENEFICIARIES

Numbers by type of beneficiary are in thousands.

June 1965

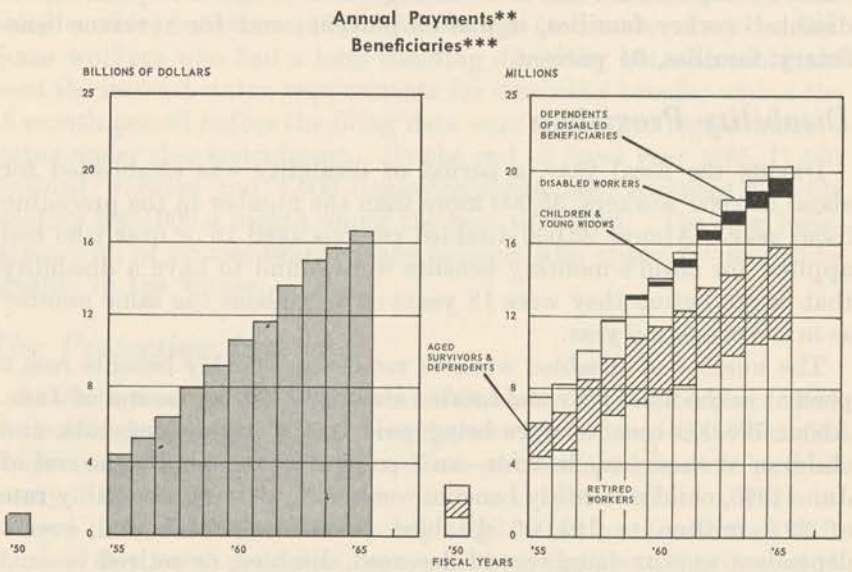


Almost 2.6 million monthly benefits were awarded in fiscal year 1965. Retired-worker benefits (1,022,000) accounted for two-fifths of the awards. Only 3,100 parent's benefits were awarded during the fiscal year—the smallest number awarded in 15 years. Monthly benefit awards to disabled workers and their dependents totaled 455,000—32,000 more than in the preceding year.

About 1,070,000 lump-sum death payments were awarded in fiscal year 1965. Almost 1,011,000 deceased workers were represented in these awards; the average lump-sum payment per worker was $215.73, a record high.

The number and amount of monthly benefits in current-payment status increased steadily during fiscal year 1965. The number of monthly benefits went up 4 percent (687,000) and the monthly rate of payment rose 5 percent ($61 million). The increase was shared by all types of benefits except parent's benefits. At the end of June 1965, almost 20.2 million beneficiaries were receiving benefits at a monthly rate of $1,357 million. A year earlier, monthly benefits totaling $1,296 million were going to 19.5 million beneficiaries (chart 2).

CHART 2.—BOTH OASDI BENEFIT PAYMENTS AND NUMBER OF BENEFICIARIES HAVE INCREASED RAPIDLY SINCE 1950*



*The 1950 amendments made major improvements in the program.
**Payments in fiscal year. Includes lump-sum death payments.
***Beneficiaries on the rolls at the end of the fiscal year.

At the end of June 1965, about 13.9 million persons aged 65 and over were receiving old-age, survivors, and disability insurance monthly benefits—495,000 (4 percent) more than in June 1964. The number of persons under age 65 receiving monthly benefits increased by about 3 percent (203,000) during the fiscal year and totaled 6.3 million at the end of June 1965.

In June 1965, the average benefit being paid to a retired worker who had no dependents also receiving benefits was $74 a month. When the worker and his wife were both receiving benefits, the average family benefit was $131. For families composed of a disabled worker and a wife under age 65 with one or more entitled children in her care, the average was $194; and for families consisting of a widowed mother and two children, the average benefits was $194. The aver-

age monthly benefit for an aged widow alone was $68 in June. Among beneficiaries on the rolls at the end of June 1965 whose benefits were based on earnings after 1950, the average family benefit being paid was $81 for a retired worker with no dependents receiving benefits, $138 for an aged couple, $200 for a disabled worker and a wife under age 65 with one or more entitled children in her care, $212 for a widowed mother and two children, and $78 for an aged widow alone.

At the end of June 1965, the proportion of all retired-worker families receiving benefits based on earnings after 1950 was 78 percent; for disabled-worker families, it was 88 percent; and for survivor-beneficiary families, 64 percent.

Disability Provisions

During the fiscal year, a period of disability was established for about 253,000 workers, 35,000 more than the number in the preceding fiscal year. Almost 22,000 disabled persons aged 18 or over who had applied for child's monthly benefits were found to have a disability that began before they were 18 years of age, about the same number as in the preceding year.

The number of disabled workers receiving monthly benefits rose 9 percent in the fiscal year and totaled almost 944,000 at the end of June. About 705,000 benefits were being paid to the wives, husbands, and children of these beneficiaries—an 8-percent increase. By the end of June 1965, child's monthly benefits were being paid at a monthly rate of $9.2 million to 191,000 disabled persons aged 18 and over—dependent sons or daughters of deceased, disabled, or retired insured workers—whose disability began before age 18. About 23,000 women were receiving wife's or mother's benefits solely because they were the mothers of disabled persons receiving child's benefits.

A preliminary estimate indicates that at the end of June 1965 the old-age benefits of about 244,000 persons had been increased because their earnings records were frozen for periods of no earnings while disabled before reaching retirement age. The increase averaged $9 a month.

About 90,000 wives, husbands, and children of retired workers and about 203,000 widows, widowers, children, and parents of workers who had their records frozen before death were also receiving larger monthly benefits because the worker was determined to have been disabled for a period of time before his death. For the same reason, lump-sum death payments based on the earnings records of 37,000 deceased workers were increased by an average of about $29 per worker in fiscal year 1965.

Public Law 88–650, enacted October 13, 1964, eliminated the restriction on retroactivity of disability applications filed after July 2, 1962. Before this amendment, the beginning of a period of disability could not be established earlier than 18 months before the application was filed. Monthly benefits were increased under the new provision for about 36,000 beneficiaries on the benefit rolls at the end of November 1964. This group included almost 21,000 disabled-worker beneficiaries, about 500 retired-worker beneficiaries who had initially been awarded benefits as disabled workers, and 14,000 dependents. The amount of the average monthly increase was $3.77 for disability (disabled-worker) benefits and $4.15 for old-age (retired-worker) benefits. Some workers who had a long-standing disability but who could not meet the insured-status requirements for disability benefits within the 18-month period before the filing date were enabled to regain insured status under this amendment. By the end of fiscal year 1965, 11,500 disabled workers and 4,500 dependents had been awarded benefits totaling $958,000 a month under the new provision. The new legislation will, of course, benefit many persons who apply for disability benefits in the future.

The Protection Provided

At the beginning of calendar year 1965, almost 94 million people had worked long enough in covered employment to be insured for benefits under the program. Some 58 million of these people were permanently insured—that is, whether or not they continue to work in covered jobs, either they are already eligible for benefits or they will be when they reach retirement age, and their families are protected if they die. The remainder, over 35 million, were insured but must continue in covered work for an additional period to be permanently insured. About 95 percent of all young children and their mothers would be eligible for monthly benefits if the breadwinner of the family should die.

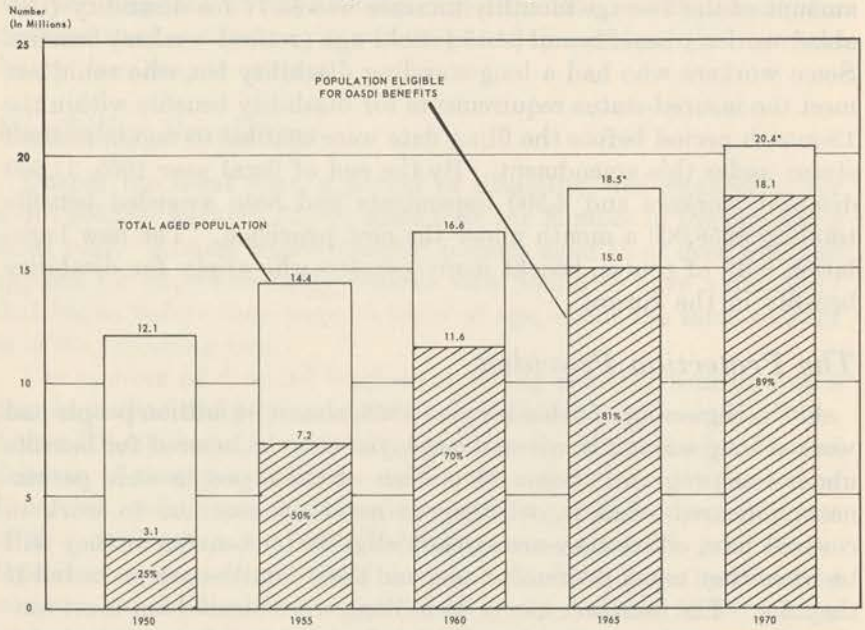
Of the population under age 65, an estimated 83 million were insured. Some 48 million of them were permanently insured, including about 1.9 million men and 1.2 million women aged 62–64 who were already eligible for old-age benefits on a reduced basis. About 54 million of the insured persons under age 65 had worked long enough and recently enough to be protected in the event of long-term and severe disability.

At the beginning of 1965, 5 out of 6 of the 18 million persons aged 65 or over in the United States were eligible for monthly benefits under the program (chart 3). Some 73 percent were actually receiving benefits, and about 8 percent would have received them if they or

their spouses had not been receiving substantial income from work. About 85 percent of all aged persons will be eligible for benefits at the beginning of 1966, including individuals aged 72 and over who qualify under the transitional insured status provision in the 1965 social security amendments. This proportion is expected to rise to 89 percent by the beginning of 1970.

CHART 3.—OF THE POPULATION AGED 65 AND OVER, BOTH THE NUMBER AND PROPORTION ELIGIBLE FOR OASDI BENEFITS CONTINUE TO INCREASE

(Figures as of January 1)



*Includes allowance for underenumeration in the census counts on which population projects are based.

Income and Disbursements

Expenditures from the Federal old-age and survivors insurance trust fund during fiscal year 1965 totaled $15,962 million, of which $15,226 million was for benefit payments, $436 million for transfers to the railroad retirement account, and $300 million for administrative expenses, including Treasury Department costs. Total receipts were $16,443 million including $15,857 million in net contributions and $586 million in interest on investments. Receipts exceeded disbursements by $482 million, the amount of the increase in the trust fund during the year. At the end of June 1965 the fund totaled $20.2 billion.

Total assets of the old-age and survivors insurance trust fund, except for $1.4 billion held in cash, were invested in U.S. Government

securities as required by law; $3.5 billion was invested in public issues (identical to Treasury securities owned by private investors), and $15.3 billion was invested in securities of varying maturities issued solely for purchase by the trust fund. The average interest rate on investments of this fund at the end of the fiscal year was 3.25 percent.

Expenditures from the Federal disability insurance trust fund during fiscal year 1965 totaled $1,495 million, of which $1,392 million was for benefit payments, $24 million for transfers to the railroad retirement account, and $79 million for administrative expenses. Total receipts were $1,237 million, including $1,175 million in net contributions and $62 million in net interest on investments. Disbursements exceeded receipts by $257 million, the amount of decrease in the fund during the year. At the end of June 1965, the fund totaled $2,007 million.

Assets of the disability insurance trust fund consisted of $1,876 million in U.S. Government securities and a cash balance of $131 million. The invested assets consisted of $313 million in public issues and $1,563 million in securities of varying maturities issued solely for purchase by the trust fund. The average interest rate of investments of this fund at the end of the fiscal year was 3.45 percent.

Financing the Old-Age, Survivors, and Disability Insurance Program

The old-age, survivors, and disability insurance system, as modified by Public Law 89–97, has an estimated benefit cost that is very closely in balance with contribution income. In enacting the 1965 amendments, Congress again made clear its intent that the program be self-supporting from contributions of covered workers and employers. Careful review was given to both short-range and long-range actuarial cost estimates prepared for use of the congressional committees in their legislative considerations. These estimates show that the program as amended continues to be financed on an actuarially sound basis both for the next 15 to 20 years and for the distant future.

The difficulties involved in making exact predictions of the actuarial status of a program that reaches into the distant future are widely recognized. If different assumptions as to, say, interest, mortality, retirement, disability, or earnings had been used, different results would have been obtained. Accordingly, no one set of estimates should be looked upon as final, in view of the fact that future experi-

ence may vary from the actuarial assumptions. It is the Department's policy continually to reexamine the cost estimates of the program in the light of the latest information available. Even though absolute precision in long-range cost estimating is not possible, the intent that the system be actuarially sound can be expressed in law by a contribution schedule that, according to the intermediate-cost estimate, results in the system being substantially in balance, and the law has such a contribution schedule.

Old-Age and Survivors Insurance Benefits

The level-cost of old-age and survivors insurance benefits after 1963, assuming earnings at about the levels that prevailed during 1963, is estimated at 8.82 percent of payroll (after adjustments to allow for administrative expenses and interest earnings on the existing trust fund). The level-contribution rate, equivalent to the graduated rates in the law, is estimated at 8.72 percent of payroll, leaving a small actuarial insufficiency of 0.10 percent of payroll, or about 1 percent on a relative basis.

Disability Insurance Benefits

The Social Security Amendments of 1956 established a system for financing disability benefits which is separate from the financing of old-age and survivors insurance benefits. The estimated level-cost of the disability benefits (adjusted to allow for administrative expenses and interest earnings on the existing trust fund) is 0.67 percent of payroll. Contribution income has been specifically allocated to finance these benefits; this income is equivalent to 0.70 percent of payroll, leaving a small favorable actuarial balance of 0.03 percent of payroll, or about 5 percent on a relative basis.

Administering the Social Security Program

During the past year, the Social Security Administration made significant advances in its efforts to improve service, achieve operating economies, and prepare itself for the new and expanded programs embodied in legislative proposals before the Congress. These advances included substantial progress in implementation of a comprehensive integrated data processing system; the setting up of an evaluation and measurement system to insure the continued quality, integrity, and uniformity of the claims process; development of more effective manpower utilization procedures; and the initiation of a nationwide

effort to improve district office facilities for the public, including construction of new offices in a number of locations. A major reorganization of the Social Security Administration was planned to provide for implementation of new programs and to insure continued high quality service to the public in existing programs.

Workloads and Administrative Expenses

In fiscal year 1965 the number of new social security accounts established for individuals exceeded 5 million, a substantial increase over the number established in the preceding year. This was 1 million more than estimated and the increase resulted largely from the Internal Revenue Service program to use social security account numbers for the identification of taxpayers on income tax returns. Duplicate account numbers were issued to over 3 million persons who had lost their original cards or needed new cards for various other reasons. More than 282 million earnings items were received from employers or the self-employed for posting to social security earnings accounts, which are the base upon which future cash benefits are determined.

About 2.8 million old-age and survivors insurance claims were received and processed in fiscal year 1965, and more than 15 million inquiries about the old-age, survivors, and disability insurance program were answered in social security district offices in all parts of the country.

More than 700,000 claims for disability insurance benefits were received during the year. Legislation enacted in September 1964 brought new or higher benefits to some 100,000 totally disabled workers and their dependents by removing the 18-month restriction on the retroactivity of applications for disability insurance benefits. Action was completed on the claims of the 45,000 workers identified as being potentially eligible for higher benefits under the 1964 amendments. In addition, disability determinations were made in claims from the 57,000 persons identified as unable to qualify for benefits prior to passage of the amendments because they were not insured within the 18 months preceding the date on which they filed their applications. Special attention was given to completing action on the claims in both categories to assure that all claimants received the full advantage of the 1964 legislative changes as quickly as possible.

The number of actions necessary to maintain the correct names, addresses, and benefit amounts for over 20 million beneficiaries continues to increase. In fiscal year 1965, over 11 million separate actions were required to keep the benefit rolls up-to-date. These actions included 5.5 million change-of-address notices and notices to cancel benefit checks, and 5.6 million actions for changes in benefit amounts,

reinstatements, terminations of benefits because of death, attainment of age 18, marriage, divorce, etc., and suspensions of benefits because the beneficiary had returned to work and expected to earn more than the retirement test permitted.

Hearings and appeals workloads continued to be heavy, particularly in disability cases. During the year 23,300 requests for hearings were received and 8,800 cases reviewed by the Appeals Council. A total of 1,064 actions were filed in the U.S. courts. Despite continuing heavy workloads, the median processing time for hearings cases was reduced while at the same time the hearings were improved by greater use of medical advisors and vocational consultants for disability hearings.

Expenses for administering the old-age, survivors, and disability insurance program during fiscal year 1965 amounted to approximately $382.4 million. This was about 2.3 percent of the amount of benefits paid to beneficiaries of the program during the year. Of the total administrative expenses, about $53.5 million was incurred by the Treasury Department for the collection of social security taxes, the preparation of checks for beneficiaries, and related activities.

Manpower and Resources

At the end of fiscal year 1965, the Social Security Administration had 35,897 employees. About 16,158 of these were located in the 11 regional and 616 district offices to provide personal service to the public. There were 9,071 employees in the 7 payment centers which review claims for benefits and certify benefit payments. The Division of Accounting Operations, which establishes accounts and maintains earnings records, had 5,784 employees. The Division of Disability Operations, which processes claims for disability benefits, had 1,782 employees. There were 959 employees in the hearings and appeals process. And there were 2,143 employees in central office headquarters positions.

EQUAL EMPLOYMENT OPPORTUNITIES

The Social Security Administration continued to devote considerable effort to insuring that all employees, regardless of race, creed, color, or sex, are aware of and take advantage of the promotion and training opportunities that are available to them. Continuing efforts are being made to assure that high school and college seniors in schools with predominantly minority group enrollments are aware of job opportunities in the Social Security Administration and are informed of the means of qualifying for them. These activities have resulted in a substantial increase in the proportion of Negroes in

Social Security Administration positions, particularly in technical and supervisory positions.

Negro employment has increased steadily in recent years. The following data illustrate this growth:

	1953	1958	1961	1963	1965
Number of Negro employees	1,753	3,039	3,926	4,865	6,023
Proportion of staff (percent)	12.7	13.7	13.2	14.0	16.4

There has been regular and significant progress of Negroes into and through the technical and professional work levels. Their numbers and proportion have increased in each succeeding grade, year by year. As of June 30 of this year, Negroes made up 21.9 percent of the Baltimore headquarters staff.

In addition to normal recruitment and promotion practices carried on continually on the basis of equality for all persons, the Social Security Administration has undertaken several programs of positive action in the "equal opportunity" area, not limited to employment practices. These include: diagnostic testing to identify weaknesses and individual counseling to direct employees to appropriate adult education courses; making study courses available after hours at locations where employees work; appointment of specialists to assist top management in meeting equal employment opportunity objectives; and working closely with Urban League's Skills Banks at both national and local levels.

Expanded staffing to carry out the provisions of the Social Security Amendments of 1965 at headquarters and in the field will provide additional opportunities to further advance the equal employment opportunity program in the Social Security Administration.

Manpower in District Offices

During the fiscal year, the Social Security Administration engaged in a continuing reappraisal of program operations in the field with the objective of further improving service to the public and increasing efficiency and economy.

One specific plan initiated during the year for improving service and reducing costs is expected to achieve tangible savings through reassignment of some district office duties, without sacrificing the Social Security Administration's high standards of service to the public.

Briefly stated, the plan reorganizes the work of district offices and the work assignments of the employees in them, so that employees at all grades, to the extent feasible, perform work geared to their highest

levels of skills and abilities. This requires a restructuring of the work assignments of the staff so that: (1) the simpler elements of the work performed by higher grade employees will be done by lower grade employees; (2) new jobs at lower grades are engineered to handle substantial proportions of work done by higher grade employees; and (3) the workflow is modified to make the changes operate efficiently.

Among the results of this approach has been the shifting to lower graded employees of approximately 15 percent of the less difficult claims work previously performed by claims representatives and field representatives at GS–9 and GS–10, reducing the ratio of professional to clerical positions and, in turn, lowering the average annual salary rate of field employees. An equally important result is that over 1,000 man-years of trained higher grade professional staff will be available to carry out the heavy demands for increased service to the public arising out of the Social Security Amendments of 1965, thus reducing the need to hire and train an equivalent number of professional employees.

Improvements in Data Processing

Fiscal year 1965 was a period of continued development, modification, and improvement in social security electronic and integrated data processing operations. During the year, it became apparent that the Administration's electronic data processing capacity was not sufficient for its ongoing and projected needs and requirements. Accordingly, in August, an RCA–301 system was acquired to facilitate benefit payment operations in the Baltimore Payment Center's disability operations. Since RCA–301 systems were already in operation in the other six Social Security Administration payment centers, the centrally installed system completes a uniform system for all payment center processing of benefit claims.

Also, in February, an IBM–1410 system was installed as a supplement to the three larger, more powerful IBM–7080 systems. The 1410 system was obtained to perform the three major EDP file searches which are undertaken when claims are filed, when a beneficiary record is changed, and when a special effort must be made to locate a wage record for which insufficient identifying information has been supplied. Utilization of the less costly 1410 system has helped to free some of the more expensive time of the previously used 7080 systems. It has also reduced total elapsed processing time for file-search operations.

During the year, new and revised EDP programs and procedures were prepared to: (1) produce lists of cases pending in each hearing examiner's office for verification and followup by the regional hearings

representatives; (2) incorporate ZIP codes into the magnetic tape file of employer names and addresses; (3) produce benefits-in-force statistics for each payment center; (4) facilitate computer processing of disability cessation notices; (5) reduce the review function in change-of-address actions; and (6) accept and process additional claims input data received via the telecommunications system, thereby providing a greater degree of electronic linkage between the claims process and benefit-payment operations.

TOTAL DATA SYSTEMS PLAN

Because of the advances made since the introduction of EDP into the Social Security Administration, the Administration is now prepared to take another stride forward in its quest for a completely integrated data processing system. The next step is to link electronically the earnings record maintenance program and benefit payment operations. Toward this end, the Social Security Administration is now engaged in the implementation of a system which will maximize the use of EDP equipment, minimize manual operations, prevent duplication of effort, reduce the possibility of error, and provide a greatly strengthened system of management control over operations.

The primary goals of the Total Data Systems Plan reflect the Social Security Administration's objective to pay the right amount of benefits to the right person, at the right time, at the correct address, and at the lowest cost commensurate with sound administrative and proper service to the public.

Secondary goals established for the Total Data Systems Plan are: (1) to obtain data for operating controls, management analysis, budget planning, and appropriate social purposes; and (2) to add flexibility to the system for ready response to the changing requirements and conditions of a dynamic program.

MAGNETIC TAPE REPORTING

Since 1956, an increasing number of employers have been filing their quarterly social security earnings reports on magnetic tape. From a start of 18,000 items on the first report, the number went to more than 5,300,000 items for the first reporting period of 1964, and to 6,600,000 items in the corresponding period of 1965. Employers who reported on tape included 142 firms which filed 2,700,000 items; the military services with approximately 3 million items; and 18 States, involving 2,096 entities, which filed almost 900,000 items. Approval has been granted for an additional 130 employers to file their earnings reports in this fashion, which saves time and money for both the Government and employers and helps to insure accurate and up-to-date records.

ACQUISITION OF A MICROFILM PRINTER

As an additional aid to processing the Administration's increasing workload in the most efficient and economical manner, the Administration, during the past year, took steps to obtain an advanced model of a microfilm printer. This electronic device will receive and decode data from magnetic tape prepared on the Administration's large-scale IBM-7080 systems and record it, in a peripheral operation, directly on 16-mm. microfilm. The equipment selected will be the first microfilm printer built to operate at a speed of 90,000 characters per second. With the acquisition of this new model, the Social Security Administration expects to remove from operation an older model which has become uneconomical to operate and too slow for the Administration's increased workloads. The new system will be obtained under a lease, with option to purchase, so that the Social Security Administration will have an opportunity to evaluate its performance before deciding whether to purchase the system at a price of about $200,000.

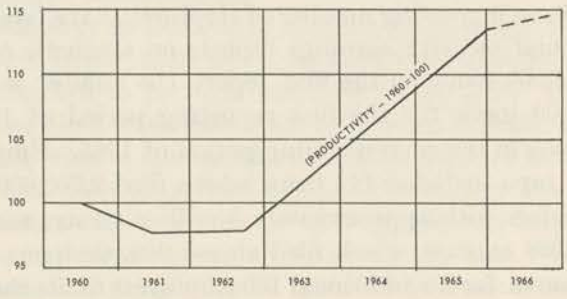
Overall Productivity

In addition to the major efforts and achievements specifically described, many other improvements were made in operating efficiency and manpower utilization. Constant emphasis in the Social Security Administration on better manpower utilization has enabled it to increase productivity by 3.6 percent in fiscal year 1963, another 3.7 percent in fiscal year 1964, and another 5.3 percent in fiscal year 1965. The productivity index shows the ratio of workloads to manpower. (See chart 4.)

CHART 4.—COMPARISON OF MANPOWER WITH WORKLOAD

Productivity Index
FY 1960=100

Indices of Work Output, Manpower and Productivity



Indices of Work Output, Manpower, and Productivity

Year	Work Output	Manpower	Productivity 1/
1960 Actual	100.0	100.0	100.0
1961 Actual	114.1	116.4	98.0
1962 Actual	132.1	134.5	98.2
1963 Actual	137.6	135.3	101.7
1964 Actual	144.8	137.2	105.5
1965 Actual	152.2	137.2	110.9
1966 Estimate	161.8	142.1	113.9

1 Productivity index equals work output index divided by manpower index.

As a further effort to improve productivity in the Social Security Administration, an operations research group was established in July 1964 to study such areas as field staffing, claims distribution problems, quality improvement, and workload prediction and control.

Improvements in Administration and Quality Service to the Public

In addition to those improvement efforts aimed specifically at better manpower utilization and increased productivity, substantial efforts and progress were made in improving the overall effectiveness of program administration and the quality of service to the public. The more significant of these improvement efforts are described below.

EVALUATION AND MEASUREMENT SYSTEM

During the year, the Social Security Administration began operation of a continuous statistical evaluation of its basic claims policies and the way they are implemented. This Evaluation and Measurement System (EMS) involves intensive redevelopment, including reinterviewing the applicant and rechecking all records, in a small sample of recently determined claims. The first phase of operation involved only initial old-age and survivors insurance claims. The first 6 months of operation was on a pilot basis so that ideas for improvement in approach and method may be promptly identified and be built in prior to undertaking the continuing operation.

A small sample (about one-half percent per sample office) is selected each month from recently awarded and disallowed cases (after all action on the initial determination has taken place). Managers, supervisory employees, and field representatives not previously involved in the sample case carry out the redevelopment activities, which are conducted independently of the initial claims development process. The facts and documentary evidence obtained during redevelopment are then compared with the information which had been obtained in the original development, and statistical analyses are prepared as a basis for recommendation.

Following the pilot period, all social security district offices will redevelop a monthly sample of about one-half percent. The Evaluation and Measurement System is providing a statistical evaluation of Social Security Administration claims policies and practices, pinpointing claims development problems and needs, and helping to determine what changes are needed.

Improvements in Field Facilities

As the result of a survey to determine the need for more adequate public service in certain sections of the Nation, three additional Social

Security Administration district offices and four branch offices were opened in fiscal year 1965. This made a total of 616 district offices and 7 branch offices serving the public's social security needs at the end of the fiscal year. It is anticipated that other district offices and additional branch offices may be opened in fiscal year 1966 as a result of increasing workloads and expanding population.

Besides providing personal assistance to the public in district and branch office facilities, Administration representatives continue to visit approximately 3,600 other communities in accordance with publicized schedules. These schedules are being changed to provide more frequent visits to some communities.

Better facilities for the public will also be provided through the Administration's program of constructing district offices in locations where current space is inadequate or unsuitable for district office needs, and where the long-range needs of the office can best be met by direct Federal construction. In fiscal year 1965 Congress approved the use of trust fund monies for construction of 25 district offices, and 13 additional offices have been requested for the fiscal year 1966 program. Sites for the 25 offices already approved are being acquired. The design and construction of these offices will be initiated during fiscal year 1966. The design and construction of the 13 additional offices will be begun as soon as congressional approval has been granted. Selections are being made for additional locations to be proposed for fiscal year 1967.

Improvements in Hearings and Appeals Activities

In fiscal year 1965, hearings and appeals planning and actions placed major emphasis on reducing processing time, achieving higher quality standards, and improving service to the public. Hearing records were strengthened by inclusion of testimony of expert witnesses in medical and vocational fields.

The use of medical advisors as witnesses at hearings was expanded following a pilot project begun late in calendar year 1963 which proved successful from the standpoint of both the participating doctors and the hearing examiners, and which improved the quality of hearing records. The medical advisors who serve at hearings are recognized authorities in their fields; they provide objective medical information without regard to either side of the case. Counseling vocational specialists were also available to testify at hearings and to give expert opinions as to what jobs, if any, the claimant was qualified to perform, taking into account his age, education, experience, and the existence of such jobs in the economy.

During the year, significant improvements in the appeals process included: (1) promotion of better understanding by claimants of the hearings and appeals process by telling them in simple terms what they may expect; (2) better organization of the contents of decisions and expansion of the rationale supporting the final conclusion for the information of claimants; (3) reduction of the time required to handle cases; (4) expanded policies and simplified procedures; and (5) sponsorship of pilot projects in the medical and vocational fields for the purpose of obtaining more comprehensive medical and vocational information about claimants' impairments and residual capacity.

During 1965, other important measures were designed to improve public reaction to the hearings process and to promote better understanding among the public of their hearings and appeals rights. These measures included: (1) more comprehensive decisions and notices to claimants; (2) the enclosure of a pamphlet with the reconsideration disallowance notice explaining to dissatisfied claimants their right to appeal; and (3) the preparation and release to Congress and the public of information on hearings and appeals activities and procedures.

Administration of the Social Security Program Abroad

Major emphasis in fiscal year 1965 in Social Security Administration foreign operations has been on: (1) proceeding with the systematic validation of beneficiary rolls abroad by rechecking the eligibility of beneficiaries on a country-by-country basis; and (2) securing and analyzing data and taking action to bring about the highest possible degree of operational efficiency and administrative control in this program. Validation surveys were completed in France, Ireland, Italy, Yugoslavia, Mexico, and the Cape Verde Islands.

REORGANIZATION OF THE SOCIAL SECURITY ADMINISTRATION

A most significant activity during this period was the intensive coordination and planning designed to strengthen the organizational structure of the Social Security Administration. This was done primarily to assure a high level of service to the public in connection with the added responsibilities arising from the 1965 amendments to the social security program. The reorganization, which was announced on July 26, 1965, divides the Social Security Administration into five staff offices and seven bureaus at the central office, and established Regional Assistant Commissionerships to strengthen the administration of social security programs in the field.

Partly because of the immediate administrative impact of the

amendments, the reorganization generally conserves present procedures and operations, with only a minimum of change in normal workload processes.

Primary accomplishments of the reorganization are:

(1) Accommodating within the overall structure of the Social Security Administration important new units with special responsibility for the hospital and supplementary medical insurance programs.

(2) Modifying existing units to accommodate additional responsibilities because of these health programs.

(3) Providing for greater efficiency and economy and fuller utilization of scarce skills in the new technical areas of electronic data processing and transmission, by centering responsibility for this function in a single headquarters unit.

(4) Strengthening the role of the management unit at the top level of the agency in order to better assure the most effective, efficient, and economical administration of both old and new program responsibilities.

(5) Increasing the technical support for district offices, payment centers, and State agency operations by assigning responsibility for functional supervision of technical work to specialized Bureaus and their representatives.

(6) Strengthening the administration of the social security program in the field by placing responsibility for coordination and leadership of all social security activities in a given geographical area under a Regional Assistant Commissioner reporting directly to the Office of the Commissioner.

Administering the Federal Credit Union Program

The Federal Credit Union program continued to grow in fiscal year 1965, with federally chartered credit unions operating in all 50 States, the District of Columbia, Canal Zone, Guam, Puerto Rico, and the Virgin Islands. There were 11,493 active Federal credit unions on June 30, 1965, a net increase of 248 during the year. Total assets increased 15 percent to $4.8 billion at the fiscal year end, and loans outstanding were up 15½ percent to a new high of $3.6 billion. Members' savings increased 14 percent to $4.2 billion. Average savings per member on June 30, 1965, were estimated at $496 and average loans outstanding approximated $805 as the fiscal year ended.

During fiscal year 1965, the Bureau of Federal Credit Unions completed more than 11,000 regular supervisory examinations. Continuing efforts are being made to further streamline the examination procedures to provide improved examinations at minimum cost to the credit unions. A revised and improved *Accounting Manual for Fed-*

eral Credit Unions was completed during the fiscal year and distributed early in fiscal year 1966 to all Federal credit unions.

Efforts are continuing to establish credit unions among low-income groups, senior citizens, the physically handicapped, and other groups that are not now adequately served by credit unions. Working with the United Planning Organization and other local organizations, the Bureau has assisted in organizing Federal credit unions in Washington, D.C., to operate at community centers in community action programs under United Planning Organization and Office of Economic Opportunity sponsorship. In cooperation with the New York City Housing Authority and other local organizations, the Bureau has assisted in establishing demonstration projects among low-income families in public housing projects in that city.

Several Federal credit unions have been established for physically handicapped persons in Goodwill Industries, and the Bureau is working with national organizations of senior citizens to provide credit union services to these groups. Similarly, efforts are continuing to establish credit unions in church parishes, and among American Indians.

Responsibility for administering the monthly data collection program, formerly administered by the Board of Governors of the Federal Reserve System, was transferred to the Bureau of Federal Credit Unions during the year. The information is used to project trends in credit union activity, and selected data are furnished to the Federal Reserve Board for use in their consumer credit series. Monthly data, on a seasonally adjusted and unadjusted basis, are now being published in a new Statistical Release which began in January 1965.

A program is being developed to collect information on the purposes for which loans are made in Federal and State credit unions. Patterns of borrowing by members in credit unions of various sizes, as well as type-of-membership affiliation, will be developed from this information. Credit unions will be able to use this information in planning their loan programs.

During fiscal year 1965, the Bureau continued to furnish information and training to people in foreign lands who are interested in developing a credit union program. Among the countries seeking information about the Federal credit union program were the British Solomon Islands, Ceylon, France, Ghana, New Caledonia, the Philippines, Tanganyika, Taiwan, and Western Samoa. Visitors were received from Argentina, Ecuador, Indonesia, Honduras, Paraguay, Tanganyika, Trinidad, and Venezuela; and training was provided to representatives of Ecuador and Kenya. The newly developing countries, particularly, seem cognizant of the importance of credit unions in improving the economic stability of their citizens.

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Administrative expenses for the Federal credit union program in fiscal year 1965 amounted to approximately $4,829,000. This money was obtained from fees collected for services performed by the Bureau of Federal Credit Unions. Thus the Bureau of Federal Credit Unions was entirely self-sustaining. At the end of fiscal year 1965 there were 431 employees engaged in Federal credit union activities.

INTERNATIONAL SOCIAL SECURITY ASSOCIATION

The Social Security Administration was host to the XVth General Assembly of the International Social Security Association, which was held in the International Conference Suite, Department of State, from September 26 through October 3, 1964. More than 700 delegates, observers, and other interested persons, from over 60 countries and many international organizations, attended a series of technical and plenary sessions dealing with various aspects of social security. Robert M. Ball, Commissioner of Social Security, was elected Chairman of the XVth General Assembly.

As part of the proceedings opening the Assembly, those in attendance adjourned to Arlington Cemetery for a wreath-laying ceremony at the graveside of the late President John F. Kennedy. On this occasion, Prof. Renato Morelli, President of the International Social Security Association, said President Kennedy "kept his promise, both to his fellow countrymen and to other peoples. . . . He was conscious of both approval and hate, but he followed his path until death, deeply convinced of the truth which he himself expressed: 'A man does what he considers his duty, whatever the consequences to himself, whatever the obstacles, dangers and temptations. It is the basis of all human morality.'"

Numerous seminars were provided both before and after the Assembly for many social security administrators from other countries who were interested in obtaining firsthand knowledge and observation of the U.S. social security system in operation. These seminars were arranged to include extensive visits to the headquarters and field installations of the Social Security Administration.

The success of the XVth General Assembly was due in great part to the efforts of William L. Mitchell, former Commissioner of Social Security, who served as Chairman of the Organizing Committee, and his staff assistants, and to the helpful cooperation and assistance of the Department of State.

Research Activities

The research program of the Social Security Administration, in accordance with title VII of the Social Security Act of 1935, is designed to provide the analytic bases for continuous and forward-looking evaluation of the social security system, its effectiveness in

providing for economic security, and its relation to overall economic and social policy, looking beyond the present to future needs. Population growth, rapidly changing technology, the increasing employment of women, rising levels of national output, expanding urbanization, and other developments have the effect of restructuring both the insecurities of individuals and families and their potential for achieving economic and social security. Research plays an important role in identifying these problems as they emerge, in assessing alternative solutions, and adding to basic social science knowledge.

The Social Security Administration continued its program of long-range research and directly related program research. One of the series of long-range studies was concerned with trends in the distribution of individual and family income over the life-cycle. A further main area of interest was social security financing and the impact of social security on the economy.

In a series of studies on family income, the Social Security Administration developed interim poverty indexes that are more sensitive than any previous ones to the varying needs of families of different types—one based on a low-cost diet plan, the other on a less costly economy plan. The most recent work in the development and refinement of the indexes was reported in the July 1965 issue of the *Social Security Bulletin* in the article "Who's Who Among the Poor: a Demographic View of Poverty." Earlier developments were reported in the January 1965 *Bulletin* ("Counting the Poor: Another Look at the Poverty Profile") and the July 1963 issue ("Children of the Poor"). The Office of Economic Opportunity adopted the poverty index at the economy level as a working tool pending completion of further research.

A monograph on the 1963 Survey of the Aged, the first nationwide survey of a representative sample of all persons aged 62 and over, was nearing completion at the end of the year. It will include findings on health insurance and medical care costs, income and assets, home tenure, living arrangements, housing and food costs, and labor-force participation and work experience. Some of the survey findings were published during the fiscal year in the July, August, November, and December 1964; and May 1965 issues of the *Social Security Bulletin.* Data from the 1963 Survey of the Aged were cited by the Advisory Council on Social Security in its 1965 report as the basis for important recommendations for the improvement of the social security program.

The report of the 1963 National Survey of Widows With Children Receiving Survivor Benefits Under OASDI was readied for publication. Both of these surveys were conducted by the Social Security Administration with the Bureau of Census acting as its agent in collecting and tabulating the data.

Pretests were conducted for the 1966 Survey of Disabled Adults to

determine the validity of methods of identifying the disabled that were to be used in an intensive study of disabled persons in 8,000 households. Studies of disabled and aged persons in long-term institutions were in the planning stage. A survey of all independent health insurance plans was in progress to secure information on enrollment, benefit expense, administrative expense, and net income of the plans by State.

A pilot study was initiated to determine the research potential of linking data from the Bureau of the Census Current Population Survey, Internal Revenue Service records, and Social Security Administration files. The data link was expected to provide additional means for estimating measures of the well-being and self-sufficiency of social security beneficiaries, as well as an improved ability to estimate the effects of such changes in the Social Security Act as those in the earnings base and tax rates, and an increased capacity to solve technical and operating problems.

Special Research Projects

Research grants and contracts for research to social scientists in universities and other nonprofit research organizations supplemented the research capabilities of the Social Security Administration and increased scholarly interest in the study of social security. Forty-eight such research projects were funded during the fiscal year under the cooperative research and demonstration grants program, which was conducted jointly with the Welfare Administration. Of these, 15 projects were of interest directly to the Social Security Administration. Projects completed during the fiscal year included "The Aged, Family and Friends," a study at Western Reserve University of the relative importance of the various interpersonal relationships of the elderly; "Big City Dropouts and Illiteracy: A Study of Educational Barriers to Economic Security," at Columbia University; and "A Study of Early Retirement and Programs of Preparation for Retirement," at Cornell University. Among studies in progress were analyses of poverty and aging as factors in social isolation, the effect of income on expenditures for medical care, changes in income patterns at retirement, use of nonworking time after retirement, and nursing home care.

Research Publications

Four monographs were published in the Research Report series under the following titles:

The Disabled Worker Under OASDI (Research Report No. 6);
Social Security and Social Services in France (Research Report No. 7);

Age and the Income Distribution (Research Report No. 8);
The Retirement Decision: An Exploratory Essay (Research Report No. 9).

Other publications released this year were: *Social Security Programs in the United States; Social Security Household Quarterly Statistics, October–December 1962; Agricultural Crew Leader Statistical Report, 1963; Foreign Subsidiaries Statistical Report, First Quarter, 1964;* and four issues of the *Quarterly Summary of Earnings, Employment and Benefit Data.*

The official professional journal of the Social Security Administration, the *Social Security Bulletin*, published monthly, continued publication of annual articles on social welfare expenditures, employee-benefit plans, wage loss from short-term illness, and consumer medical care expenditures and the extent of health insurance coverage.

International Activities

The program of orientation and training sessions in social security program management methods was continued for individuals and groups from abroad. Two seminars were conducted for officials of foreign government social security institutions: one, on "The Organization of Social Security in the United States," in cooperation with the Agency for International Development of the Department of State; the other, on the same subject, in cooperation with the Bureau of Educational and Cultural Affairs of the Department of State. In two research trips abroad, studies were made of the social security systems of five developing African nations and the "dynamic pensions" system of Germany.

The number of visitors from abroad and the number of countries and areas of the world represented by the visitors again showed an increase. During the fiscal year, 299 international guests from 63 countries were received.

Report of the Advisory Council on Social Security

On January 1, 1965, the Advisory Council on Social Security published its report, based on its study, over the preceding year and a half, of the social security program. The Council, composed of distinguished representatives of employees, self-employed people, and

the general public, was required by law to study all aspects of the social security program, including its financing.

The Council's major recommendation was to extend the program so that workers (and their employers) and the self-employed will make contributions during their working years in order to have protection against the cost of hospital care and related services in old age or in the event of permanent and total disability.

The Council also recommended that the social security cash payments be made more adquate and, particularly, that the system take into account increases in prices and earnings levels that have occurred since the last time major revisions were made in the benefit provisions.

Other major recommendations of the Council related to the way in which the social security program is financed, the maximum amount of annual earnings taxable and creditable toward benefits under the program (the contribution and benefit base) and the level of benefits and extensions of coverage.

Summary and Conclusions

In 1965 the Congress reaffirmed its conviction that social insurance is the best method of providing economic security for those whose income from work has stopped. In establishing health insurance for the aged and strengthening the cash benefit provisions of the social security program, it made the most significant in a series of social security program improvements which date back to 1939.

Commenting on the Social Security Amendments of 1965, President Johnson said:

"In 1935, when Franklin Roosevelt signed the Social Security Act, he said it was 'a cornerstone in a structure which is being built but is by no means complete.' Perhaps no single act in his entire administration did more to win him an illustrious place in our history than the laying of that cornerstone. And those who share this day will also be remembered for making the most important addition to that structure in three decades."

To implement the 1965 amendments, the Social Security Administration has put into effect a reorganization designed to accommodate the adminstration of the new health insurance program and at the same time to enable the staff to continue to maintain its standards of service to the public. As in the past, the objectives of the Social Security Administration in its administration of the social security program include safeguarding the rights of the public, providing the service to which the public is entitled, and to carrying out the program with economy and efficiency.

Table 1.—*Federal credit unions: Assets, liabilities, and capital, Dec. 31, 1963, and Dec. 31, 1964*

Assets, liabilities, and capital	Amount (in thousands)			Percentage distribution	
	Dec. 31, 1964	Dec. 31, 1963	Change during year	Dec. 31, 1964	Dec. 31, 1963
Number of operating Federal credit unions	11,278	10,955	323		
Total assets	$4,559,438	$3,916,541	$642,897	100.0	100.0
Loans to members	3,349,068	2,911,159	437,909	73.5	74.3
Cash	256,392	217,053	39,339	5.6	5.5
U.S. Government obligations	95,075	88,060	7,015	2.1	2.3
Savings and loan shares	740,618	599,230	141,388	16.2	15.3
Loans to other credit unions	66,114	59,331	6,783	1.5	1.5
Federal agency securities [1]	4,868		4,868	.1	
Other assets	47,304	41,708	5,596	1.0	1.1
Total liabilities and capital	4,559,438	3,916,541	642,897	100.0	100.0
Notes payable	78,531	68,062	10,469	1.7	1.7
Accounts payable and other liabilities	28,948	21,194	7,754	.7	.5
Shares	4,017,393	3,452,615	564,778	88.1	88.2
Regular reserve	226,525	191,355	35,170	5.0	4.9
Special reserve for delinquent loans	5,042	4,573	469	.1	.1
Other reserves [2]	14,757	11,976	2,781	.3	.3
Undivided earnings [3]	188,241	166,767	21,474	4.1	4.3

[1] Authorized under the 1964 amendments to the Federal Credit Union Act.
[2] Reserve for contingencies and special reserve for losses.
[3] Before payment of yearend dividend.

Table 2.—*Federal credit unions: Selected data on operations, as of Dec. 31, for each year 1934–64* [1]

[Dollar amounts in thousands]

Year	Number of operating Federal credit unions	Number of members	Assets	Shares	Loans outstanding
1934 [2]	39	3,240	$23	$23	$15
1935	772	119,420	2,372	2,228	1,834
1936	1,751	309,700	9,158	8,511	7,344
1937	2,313	483,920	19,265	17,650	15,695
1938	2,760	632,050	29,629	26,876	23,830
1939	3,182	850,770	47,811	43,327	37,673
1940	3,756	1,127,940	72,530	65,806	55,818
1941	4,228	1,408,880	106,052	97,209	69,485
1942	4,145	1,356,940	119,591	109,822	43,053
1943	3,938	1,311,620	127,329	117,339	35,376
1944	3,815	1,306,000	144,365	133,677	34,438
1945	3,757	1,216,625	153,103	140,614	35,155
1946	3,761	1,302,132	173,166	159,718	56,801
1947	3,845	1,445,915	210,376	192,410	91,372
1948	4,058	1,628,339	258,412	235,008	137,642
1949	4,495	1,819,606	316,363	285,001	186,218
1950	4,984	2,126,823	405,835	361,925	263,736
1951	5,398	2,463,898	504,715	457,402	299,756
1952	5,925	2,853,241	662,409	597,374	415,062
1953	6,578	3,255,422	854,232	767,571	573,974
1954	7,227	3,598,790	1,033,179	931,407	681,970
1955	7,806	4,032,220	1,267,427	1,135,165	863,042
1956	8,350	4,502,210	1,529,202	1,366,258	1,049,189
1957	8,735	4,897,689	1,788,768	1,589,191	1,257,319
1958	9,030	5,209,912	2,034,866	1,812,017	1,379,724
1959	9,447	5,643,248	2,352,813	2,075,055	1,666,526
1960	9,905	6,087,378	2,669,734	2,344,337	2,021,463
1961	10,271	6,542,603	3,028,294	2,673,488	2,245,223
1962	10,632	7,007,630	3,429,805	3,020,274	2,560,722
1963	10,955	7,499,747	3,916,541	3,452,615	2,911,159
1964	11,278	8,092,030	4,559,438	4,017,393	3,349,068

[1] Data for 1934–44 on membership, assets, shares, and loans outstanding are partly estimated.
[2] First charter approved Oct. 1, 1934.

Table 3.—*Federal credit unions: Selected data on operations, by asset size and State, 1964*

Asset size and State	Number of credit unions	Number of members	Total assets (thousands)	Amount of members' shares		Amount of loans to members		
				Total (thousands)	Average per member [1]	Made during 1964		Outstanding as of Dec. 31, 1964 (thousands)
						Total (thousands)	Average [1]	
Total	11,278	8,092,030	$4,559,438	$4,017,393	$496	$4,523,129	$805	$3,349,068
Credit unions with assets of—								
Less than $5,000	522	35,646	1,279	1,193	33	1,243	132	783
$5,000 to $9,999	491	52,136	3,684	3,306	63	4,510	183	2,643
$10,000 to $24,999	1,232	170,638	20,874	18,524	109	26,833	272	15,088
$25,000 to $49,999	1,394	257,089	51,366	45,161	176	66,428	391	38,793
$50,000 to $99,999	1,682	413,935	122,785	106,980	258	151,240	533	92,580
$100,000 to $249,999	2,412	971,272	392,439	343,228	353	404,558	635	290,655
$250,000 to $499,999	1,442	1,025,218	510,808	448,308	437	518,400	763	377,728
$500,000 to $999,999	1,062	1,293,098	756,175	662,707	512	751,388	810	551,605
$1,000,000 to $1,999,999	614	1,369,689	860,923	756,892	553	858,372	894	640,401
$2,000,000 to $4,999,999	348	1,525,458	1,056,047	932,818	612	1,025,310	912	777,708
$5,000,000 and over	79	977,851	783,058	698,277	714	714,846	1,017	561,083
Credit unions located in—								
Alabama	190	114,777	60,139	51,955	453	72,749	731	48,123
Alaska	33	33,208	18,514	16,167	487	20,622	873	14,801
Arizona	86	94,539	56,133	50,329	532	61,871	892	47,768
Arkansas	65	31,696	14,000	12,380	391	21,413	703	11,598
California	1,128	1,102,380	699,250	618,385	561	693,597	863	550,150
Canal Zone	7	14,418	5,149	4,584	318	6,148	332	2,911
Colorado	155	112,924	65,873	58,668	520	64,694	954	50,954
Connecticut	310	242,000	171,234	152,935	632	147,419	872	100,937
Delaware	58	36,367	15,631	13,875	382	16,079	659	12,391
District of Columbia [2]	167	338,071	181,699	163,142	483	164,374	818	137,755
Florida	253	261,108	133,622	117,452	450	145,687	680	106,499
Georgia	207	140,047	65,500	57,779	413	81,411	601	52,319
Guam	2	2,319	459	393	170	658	485	448
Hawaii	169	142,022	116,560	103,751	731	100,498	998	73,001
Idaho	58	34,831	20,469	17,717	509	21,478	905	17,058
Illinois	337	150,131	78,221	69,197	461	72,580	763	53,086
Indiana	415	264,095	164,834	145,300	550	150,640	797	101,803
Iowa	6	5,007	3,677	3,375	674	2,965	907	2,284
Kansas	79	73,336	46,665	41,756	569	42,195	1,019	36,932
Kentucky	85	40,011	15,979	14,060	351	18,003	613	11,869
Louisiana	340	168,997	89,105	77,847	461	85,907	716	63,534
Maine	138	83,941	44,442	39,049	465	46,912	801	33,303
Maryland	158	133,934	58,908	52,804	394	64,799	661	47,132
Massachusetts	312	173,756	85,086	75,899	437	79,080	682	56,981

Michigan	408	529,832	346,619	302,559	571	323,864	1,076	269,211
Minnesota	50	25,727	11,172	9,994	388	9,415	807	8,386
Mississippi	114	62,996	28,769	24,944	396	33,935	619	23,570
Missouri	50	32,027	16,765	15,001	468	15,203	695	11,118
Montana	108	46,294	22,947	20,033	433	19,497	806	17,974
Nebraska	94	64,316	35,344	31,787	494	35,453	919	24,827
Nevada	65	44,146	25,606	22,032	499	28,296	929	22,064
New Hampshire	30	25,499	12,279	10,995	431	12,747	742	9,244
New Jersey	477	286,966	149,146	131,325	458	118,891	682	90,748
New Mexico	59	58,040	38,261	33,370	575	45,185	965	29,871
New York	968	618,882	329,438	291,221	471	292,933	820	227,492
North Carolina	54	50,191	17,908	15,973	318	20,417	530	13,973
North Dakota	32	14,325	6,941	6,315	441	7,028	807	5,419
Ohio	628	402,030	216,502	192,793	480	213,538	863	148,161
Oklahoma	132	79,346	44,377	38,637	487	48,726	899	36,622
Oregon	199	106,096	58,289	51,103	482	61,115	885	46,536
Pennsylvania	1,107	624,429	316,115	274,114	439	316,754	756	210,348
Puerto Rico	38	19,893	8,564	7,475	376	9,930	501	7,180
Rhode Island	24	7,104	3,330	2,979	419	2,385	570	1,675
South Carolina	82	65,401	23,495	20,996	321	32,809	531	20,156
South Dakota	99	38,607	20,115	17,687	458	21,111	949	14,884
Tennessee	192	130,790	81,930	71,994	551	95,542	757	60,278
Texas	840	559,505	310,343	269,180	481	354,746	787	245,193
Utah	99	47,845	30,023	26,373	551	31,990	992	24,715
Vermont	2	1,331	706	579	435	518	448	357
Virgin Islands	3	1,570	251	199	127	225	433	220
Virginia	189	146,338	66,190	57,582	393	67,012	657	49,453
Washington	179	129,723	84,935	74,878	577	79,887	851	64,379
West Virginia	131	51,850	26,975	23,259	449	28,574	722	20,159
Wisconsin	4	1,279	667	602	471	434	596	518
Wyoming	63	25,737	14,292	12,614	490	13,193	944	10,702

[1] Based on unrounded data.
[2] Includes 16 D.C.-chartered credit unions converted to Federal charters in August 1964, resulting from repeal of the District of Columbia Credit Unions Act.

NOTE.—Detail will not necessarily add to totals for columns showing amounts rounded to thousands.

Welfare Administration

THE WELFARE ADMINISTRATION made continued gains in 1965, in cooperation with States and communities throughout the Nation, in developing more comprehensive, coordinated, and effective programs to help the poor and disadvantaged in our society. Major emphasis was given to helping individuals and families maintain self-sufficiency, to rehabilitating persons who had become dependent, and to strengthening family life in order to achieve these objectives.

The passage of landmark legislation by the Congress gave major support to the Administration in carrying forward its mission:

- The Economic Opportunity Act of 1964 created a host of new resources for helping families to escape from the endless cycle of poverty, ignorance, and dependency. Of particular importance was the Economic Opportunity Act's title V program of work experience and training for jobless needy people unable to support themselves and their families, administered by the Welfare Administration with the cooperation of State and local public welfare agencies.
- The Civil Rights Act of 1964 embodied the Nation's determination to end second-class citizenship in every facet of American life. By making illegal the practice of racial discrimination in all programs supported by Federal funds, the act promised to have broad implications in the field of social welfare.
- The 1965 amendments to the Social Security Act were hailed as the most significant social legislation since passage of the original act in 1935. Among the key provisions of the amendments is a broad, new public welfare medical care program, including the extension of the Kerr-Mills (MAA) medical care program to cover other needy adults and medically indigent children. Another major provision is the authorization of a new 5-year program of special project grants to provide comprehensive health care and services for children of school age

or for preschool children, particularly in areas with concentrations of low-income families. Increased public assistance payments, incentives to work, payments for aged in mental institutions and numerous other amendments in welfare and child health areas are included.

During 1965, the Welfare Administration gave special attention to—

- strengthening Federal-State public welfare programs and cooperative relationships;
- encouraging and assisting States to take advantage of all available resources to extend and improve their public welfare programs;
- working with States to bring about the end of any racial discrimination in public welfare programs in compliance with Federal law;
- stimulating public and voluntary agencies in the social welfare field to develop coordinated efforts to combat poverty and dependency, utilizing the broad new resources created by recent legislation;
- sponsoring research and demonstration projects designed to provide new information on social welfare problems and find new approaches to their solution; and
- assisting in the development and support of training and recruitment programs designed to bring new professional personnel into the field of public welfare and to improve the competency of present staff.

The 12-member Advisory Council on Public Welfare held a series of regional meetings throughout the country during the year to hear testimony and make recommendations on the federally-aided child welfare and public assistance programs. One measure which was being considered by the Council would establish a national floor for public assistance payments, a level below which no family or individual should be allowed to fall.

Growing concern was expressed over the fact that many public welfare recipients are unaware of their legal rights and entitlements under public welfare law, particularly the right to a fair hearing. Increased attention was given during fiscal 1965 to extending legal services to the poor. Plans were made for a meeting of Federal, State, and local public welfare officials with representatives of the legal profession to consider proposals for increasing legal services to individuals and families receiving public assistance.

Highlights of 1965

Among the Welfare Administration's major actions and accomplishments in fiscal 1965 were the following:

1. *Improving assistance and services.*—Significant progress was made by the States in extending social services to public assistance recipients. These services are aimed at improving family life and promoting self-sufficiency. Particular attention was given to providing constructive work-training and social group experiences for employable adults receiving AFDC, under the impetus of title V of the Economic Opportunity Act, to the counseling of school dropouts with the aim of encouraging them to continue their education or to begin vocational training, and to extending services for families to help raise their level of living.

Emphasis on the rehabilitation of welfare recipients brought about closer working relationships between public welfare departments and other community agencies, voluntary organizations, citizen groups, and professional disciplines serving the poor. Community planning efforts, for example, focused on such problems as the provision of concerted services to residents of public housing projects and the complex needs of families living in urban areas.

In the expansion of social services' programs, more than half of the States increased salaries for caseworkers and supervisors, and more than two-thirds took steps to improve the competence and effectiveness of these workers.

Increased consultation was given to the States in the area of staff development. Many States took action to upgrade their staff qualifications, expand staff training programs dealing with services, and clarify staff responsibilities under the services' amendments.

The growth in social services was matched by improvements in other areas: raising the levels of assistance payments, permitting exemptions for earned income, extending the scope of medical services, and providing services to people not currently receiving assistance in order to help prevent them from becoming financially dependent.

Administrative policies and procedures of State public welfare agencies were reported to be considerably improved after the first full year of operation of a quality control system designed to assure that eligible applicants are not erroneously denied assistance and that public welfare funds are spent in strict accordance with Federal and State laws. This new quality control system resulted in a significant drop in ineligibility rates, with promise of some further decline in the years ahead.

2. *Serving mothers and children.*—Gains were made in extending public child welfare services to all political subdivisions, in expanding

the range of services, in serving additional children, and in improving the quality of services provided.

Growing concern over the problem of children who are abused by their parents was reflected in unprecedented legislative activity by the States. A total of 25 new laws were passed during the year to encourage or make mandatory the reporting of suspected cases of child abuse, bringing to 46 the number of States which had child abuse reporting statutes at the end of the fiscal year.

Other significant trends and developments in child welfare included the continued expansion of homemaker service programs, the growth of agency-operated group homes, and the extension of social services to mentally retarded children and their families.

In the health field, top priority was given to providing comprehensive health care for pregnant women, particularly in low-income groups, who are at high risk of developing complications associated with childbearing which endanger the health of the mother or her infant. A primary aim of the maternity and infant care projects is the prevention of mental retardation associated with premature birth and other complications of pregnancy.

In the field of mental retardation, progress was made in extending the routine blood-testing of newborn infants for phenylketonuria (PKU); in expanding the number of mental retardation clinics and clinics for the multiply handicapped child; in stimulating the development of laboratory services in cytogenetics and biochemistry; and in extending crippled children's services to retarded children who have physical handicaps.

Changing national attitudes with regard to family planning made it possible for States which already provided birth control services, at the mother's request as an integral part of their maternal and child health programs, to expand their activities and for other States to initiate such services.

3. *Combating juvenile delinquency.*—The establishment of the President's Commission on Law Enforcement and Administration of Justice promised to give substantial support of Welfare Administration programs to combat juvenile delinquency.

During 1965, a new series of grants was initiated to support special short-term demonstration projects focusing on such problems as teenage violence and narcotics addiction among young people. Continued emphasis was given to the training of youth workers and to providing technical assistance and consultation to communities and institutions.

4. *Helping older Americans.*—Prospects for steadily expanding programs for the aged and the aging were bolstered by the passage of the Older Americans Act of 1965. The act establishes a new Adminis-

tration on Aging within the Department and transfers the Office of Aging from the Welfare Administration. The legislation also authorizes grants for research, demonstration, and training projects, as well as Federal support of State programs for the elderly.

The impact of the "war on poverty" on programs for the aged was reflected in the initiation of a new "foster grandparent" program in which needy older people will be hired and trained to give love and companionship to children living in institutions.

The first statewide conference on protective services for the elderly was held in Pennsylvania and promised to set in motion the legal machinery necessary to establish such services in all States.

5. *Resettling Cuban refugees.*—A total of nearly 90,000 refugees from Cuba had been resettled and restored to a self-supporting status by the end of the year. This number represented more than half of all the refugees who had registered at the Cuban Refugee Center in Miami since the program began. Continued progress was made in reducing the financial assistance caseload by providing for the refugees instruction in English, vocational training, and training in institutions of higher learning.

6. *Supporting research.*—The Welfare Administration awarded research, demonstration, and training grants totaling $15,432,000 during fiscal 1965.

The research and demonstration grants were awarded to public welfare and health agencies, nonprofit organizations, and institutions of higher learning. The projects receiving support are designed to lead to new knowledge and methods of solving problems related to a broad range of social problems, to public assistance, child welfare, maternal and child health, crippled and mentally retarded children, juvenile delinquency, and the aging. The projects also seek ways to improve methods of administering health and welfare services and strengthening social services.

The training grants help to finance graduate study in social work and related fields and to support special training projects for personnel in public welfare, child health and welfare, and juvenile delinquency prevention and control.

7. *Working with other countries.*—In the international field, the Welfare Administration continued to support research and training programs. A total of 34 research projects in 6 countries were receiving support at the end of fiscal 1965. During the year, training was provided for 1,216 trainees from 100 different nations—the largest number ever represented in a single fiscal year.

The proclamation of 1965 as International Cooperation Year stimulated an effort throughout the Welfare Administration to survey inter-

national cooperation activities in social welfare. The ICY Committee on Social Welfare, representing several Federal departments, met with the committee representing the private social welfare sector to develop a report on the status of these activities, together with recommendations for improvements. As the year came to a close plans were being made to submit the report to the President at a White House Conference scheduled for November 29–December 1, 1965.

The United Nations Social Commission approved in May a proposal by the Ad Hoc Working Group on Social Welfare to convene a U.N. Conference of Ministers of Social Welfare. The purpose of such a conference would be to develop recommendations for the essential components of a national social welfare program and recommend guidelines for priorities in the social welfare field.

8. *Increasing public understanding.*—At their annual meeting, public information officers from State public welfare agencies and Federal information personnel reviewed areas of urgent importance to States, such as the development of educational materials to inform staff members and the general public about the provisions of the Civil Rights Act relating to health and welfare programs. Special consideration was also given to the need for developing information programs designed to inform client groups about the public welfare resources that are available to them. In addition, the participants discussed recommendations to be submitted to the DHEW Advisory Council on Public Welfare which call for the recognition of public information as a necessary and vital function of State health and welfare agencies. One of the recommendations would require that State agencies submit public information plans in order to be eligible for Federal funds. The effect of this recommendation would be to expand the State information programs. At present, 26 States have information personnel on the staff of the State public welfare agency.

Bureau of Family Services

During 1965, Congress, many Federal agencies, and a vocal majority of private groups and individuals gave unanimous declaration to the need for a massive drive to mitigate the causes of poverty in the Nation.

It was their consensus that no single group should have a monopoly on solving the problem of poverty. They realized that the problems of poverty were so complex, and the skills necessary for solving them so diverse, that many individuals and groups, and many types of individuals and groups, were needed to combine their efforts and determination if the poor were to be directed into the mainstream of American life.

How did the Bureau visualize its role in this national effort? First of all, the Bureau recognized the importance of continuing its work of integrating public assistance programs into the community. The ways to do this were many.

(1) First of all, the Bureau continued to urge States to supplement the money payment made to public assistance recipients with *social services* designed to return them to productive and responsible roles in society. The services program, enacted as part of the 1962 amendments to the Social Security Act, provides increased Federal money to States to help keep families together, to teach individuals to care for and support themselves, to manage their incomes and homes and to retain or secure roles in the life of their communities.

In practical terms, the services program means that the Federal Government is urging States to concentrate on *rehabilitating* public assistance recipients through constructive work, counseling, and group, social and occupational experiences. The program also emphasizes cooperative planning between welfare departments and other community agencies, and the improved training of public assistance workers. Since the passage of the 1962 amendments, the Bureau has been working with States to meet the 1967 deadline for statewide implementation of the social service program.

(2) Bureau staff redoubled their efforts to help States and local agencies develop specialized staff skills so that (*a*) public assistance workers could meet the demands posed by their new roles in helping the poor, and (*b*) so that public assistance staff would have the know-how to work with other professional groups outside of the welfare field.

(3) The Bureau also worked to expand cooperative planning and work arrangements with all agencies and groups helping the poor, including professionals and laymen in such fields as child welfare, medicine, vocational rehabilitation, employment training and counseling, homemaking, education, civil rights, and community planning.

These three principal areas of emphasis determined the direction of the Bureau's other full-time responsibilities: the development of new programs and policies suited to changing needs, and the continuing surveillance and improvement of State and Federal administration.

Program Developments

SOCIAL SERVICES

States' actions during the last fiscal year made it clear that States were committed to the development and expansion of social services programs to attack dependency and related social problems.

By the end of 1964, all States and other jurisdictions except for the State of Arizona were providing some part of the social services pro-

gram designated by the Secretary of Health, Education, and Welfare as prime tools in the reduction of dependency. The States providing these "prescribed" services received a Federal contribution of 75 percent of the cost of administering the services. Prior to 1962, States received only 50 percent in Federal funds for such costs.

All of the 53 jurisdictions qualifying for increased Federal sharing chose to provide services to families and children, under their programs of aid to families with dependent children (AFDC), and 38 of these elected to offer social services to adults under the remaining assistance categories. Furthermore, all jurisdictions now prepare a plan of service coordinated to the needs of each child in the AFDC program. All jurisdictions are also developing plans for utilizing the children's services provided by related agencies within the community.

Among the other indications of the States' determination to implement the social services program were these:

- Laws to facilitate the administration of social services were passed by many State legislatures. They provided: (1) new administrative arrangements, and (2) extension of State responsibility for providing and coordinating services programs.
- More than half the States increased salaries for caseworkers and supervisors, and more than two-thirds moved to improve the competence and effectiveness of their caseworkers by reducing clerical and other nonprofessional aspects of their jobs.
- Many States expanded their services programs by (1) hiring additional staff to provide homemaker services and increasing (by about 50 percent) the number of new homemaker services programs; (2) launching campaigns to promote public understanding of the services programs, and (3) setting up or expanding development units to train specialists in the area of services.
- Forty-six jurisdictions provided day-care services and offered homemaker services to needy people.
- Cooperative arrangements mushroomed between public assistance and related agencies at State and local levels. Community planning efforts focused on such problems as: social needs in urban areas and provision of concerted services to residents of public housing projects.
- Finally, a number of State agencies made considerable progress in improving standards of assistance, expanding eligibility, and simplifying administration.

In many of their new programs, State public assistance agencies worked directly with voluntary agencies and other public bodies outside the welfare field.

Significant accomplishments in terms of results of services, were indicated in the Bureau's first report from localities on the effect of the services program. A sampling of reports from 70 counties in 14 States serving 40,000 public assistance cases (three-fourths were AFDC cases and one-fourth were aged, blind, or disabled persons) showed these results:

2,751 persons found employment.
4,685 persons increased their potentials for self-support.
1,472 persons started vocational training.
6,776 individuals improved their ability for self-care.
18,281 cases showed improved health conditions.
6,040 persons learned better financial management practices.
12,596 families secured better housing.
7,089 individuals were given aid that spared them the necessity of institutionalization.
6,935 persons were helped with transfers out of institutions.

Throughout the year, the Bureau used all its resources to stimulate States to expand and improve their social services programs. Bureau actions included:

- Strengthening and clarifying guides and standards to assure readily understandable requirements that do not make unnecessary demands upon the States.
- Providing consultation to individual States on implementing the services provisions, including completing initial social studies and developing a services plan suited to the needs of each dependent child. The consultation schedule included a team visit to every State by representatives of the Bureau of Family Services, the Children's Bureau, and the Office of Aging; together, they were able to present a coordinated Welfare Administration approach to the provision of services.
- Strengthening liaison activities and serving on work committees with public and private national organizations working in such fields as homemaking, the aging, child welfare, anti-poverty, housing, civil rights, and protective services.
- Coordinating child welfare and family services by issuing joint guides and standards to States, developing coordinated consultation arrangements, and beginning work on procedures for combined field supervision.
- Developing new reporting systems and compiling the first report on the results of social services.
- Helping States improve staff development and personnel practices and policies to meet Federal requirements.

STAFF DEVELOPMENT AND THE SERVICES PROGRAM

By the start of the fiscal year, notable progress had been made under the services program and the staff development program. Some 400 persons were already engaged in staff development and training throughout the country. However, the establishment of programs and the hiring of staff are only the essential first steps and do not alone guarantee successful social services programs in the States. Also needed are training programs that will enable welfare workers to develop the skills to provide services more efficiently and effectively.

Improvement is needed in recruitment, training, and placement policies. Of particular importance is the need to develop more comprehensive orientation and inservice training sessions in States.

Widespread shortages of well-qualified staff in certain key positions, further aggravated by the expansion of the services program and the reduction of caseloads to meet Federal requirements, indicated the need for expanded recruitment policies. The shortage of manpower was hindering some States in fulfilling the services personnel and caseload requirements. To help States in dealing with these and other problems, the following actions were taken by the Bureau:

- Staff development specialists were stationed in seven of the regional offices, and at the fiscal year's end the Bureau was recruiting for specialists for the two remaining regions. This arrangement has resulted in increased availability and greater continuity of staff development consultation to the States.
- Minimal educational requirements were established for the beginning public assistance worker, the supervisor, the program director for public assistance, the director of research, and the director of staff development. All States now have the legal base for meeting these Federal requirements, which will be effective October 1, 1965.
- In order to have sufficient staff available for continued intensive consultation on services, specialists in the various social service methods were added to the central office staff.
- In conjunction with the Children's Bureau, the Bureau of Family Services conducted workshops for newly appointed State and local staff development personnel on planning, organizing, and conducting a formalized training session, with special emphasis on teaching methods. Specialized aspects in the provision of social services were given increased attention in the sessions.
- Bureau staff provided continual consultation and technical assistance to States on various aspects of personnel selection and training.

- The Bureau continued to work with the HEW Task Force on Social Work Education and Manpower to determine the extent of the manpower problems and make recommendations for solving them.
- Work continued with colleges and universities on developing social work emphasis in the undergraduate curriculum.

States have begun to make needed improvements in their technical training programs. Many have taken steps to upgrade their staff qualifications, expand staff training programs dealing with services, and clarify staff responsibilities under the services amendments. A large number have increased compensation to social workers and expanded hiring of training specialists.

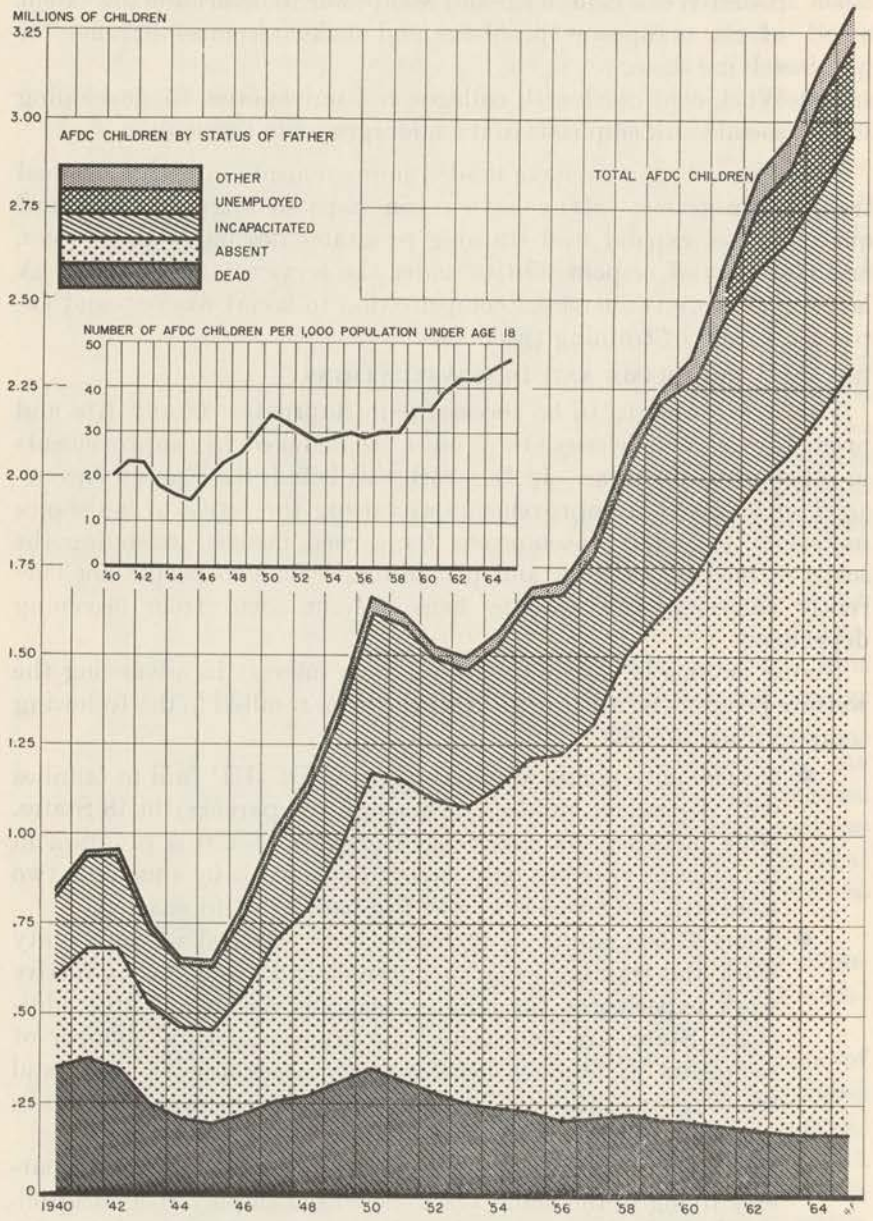
RELATED PROGRAMS AND DEMONSTRATIONS

For social services to be successful in improving family life and promoting self-sufficiency, they must be matched by improvements in other program areas. In line with this belief, the Bureau encouraged such program improvements as raising the levels of assistance payments, permitting exemptions for earned income, extending the scope of medical services, and providing services to people not currently receiving assistance to help prevent them from becoming dependent.

States' actions in 1964-65 reflected their interest in advancing the welfare program on all fronts. Actions taken resulted in the following totals by June 30, 1965:

- 388,000 individuals were receiving AFDC–UP (aid to families with dependent children of unemployed parents) in 18 States. Nine jurisdictions considered legislation for this program in the current year but only two had enacted it by this date, two were still considering it, and five had failed to enact it.
- Some 21,500 adults in 10 States were engaged in community work and training programs designed to provide constructive work experiences for adults receiving AFDC. Three additional States are considering the program. Total number of recipients in families benefiting from community work and training was 122,000. This figure includes the family members of each adult in the training projects.
- Forty-four jurisdictions were providing AFDC for both parents living in the home when one was unemployed or incapacitated, and three other jurisdictions are interested in this program.
- Twenty-four jurisdictions permitted the earnings of an AFDC child to be set aside for future education, and seven others are interested in this program.

CHART 1.—NUMBER OF CHILDREN RECEIVING AID TO FAMILIES WITH DEPENDENT CHILDREN BY STATUS OF FATHER, JUNE OF EACH YEAR, 1940 TO DATE



- Twenty-three States continued AFDC payments to children who are recipients and were placed in foster homes under specified conditions.
- As of June 30, 1964, 13 jurisdictions provided some services, in all or some categories to potential or former recipients of public assistance. Five of the thirteen jurisdictions limited their services to former recipients.

As part of the effort to improve administration of public assistance programs and encourage constructive innovative services, the Bureau approved 28 new demonstration projects and funded 18 other projects for their second year of operation, at a total cost of $998,975 in special Federal project funds. These projects included an experiment with accelerated social work education, a concerted services project in a public housing development, work scholarships to assist AFDC youth to remain in high school, and the employment of consultants in community planning, aging, staff recruitment, and group work services.

In August 1964 the special project funds which permitted 100 percent Federal financing of demonstrations, were temporarily suspended so far as new projects were concerned, unless they fell within the scope of title V of the Economic Opportunity Act. However, the Bureau was authorized to approve projects which involved costs not usually subject to Federal reimbursement or waiver of plan requirements, 2 of the flexible provisions of the demonstration project authority, and 13 projects of this type were carried out during the year.

EXPANDED MEDICAL CARE PROGRAMS

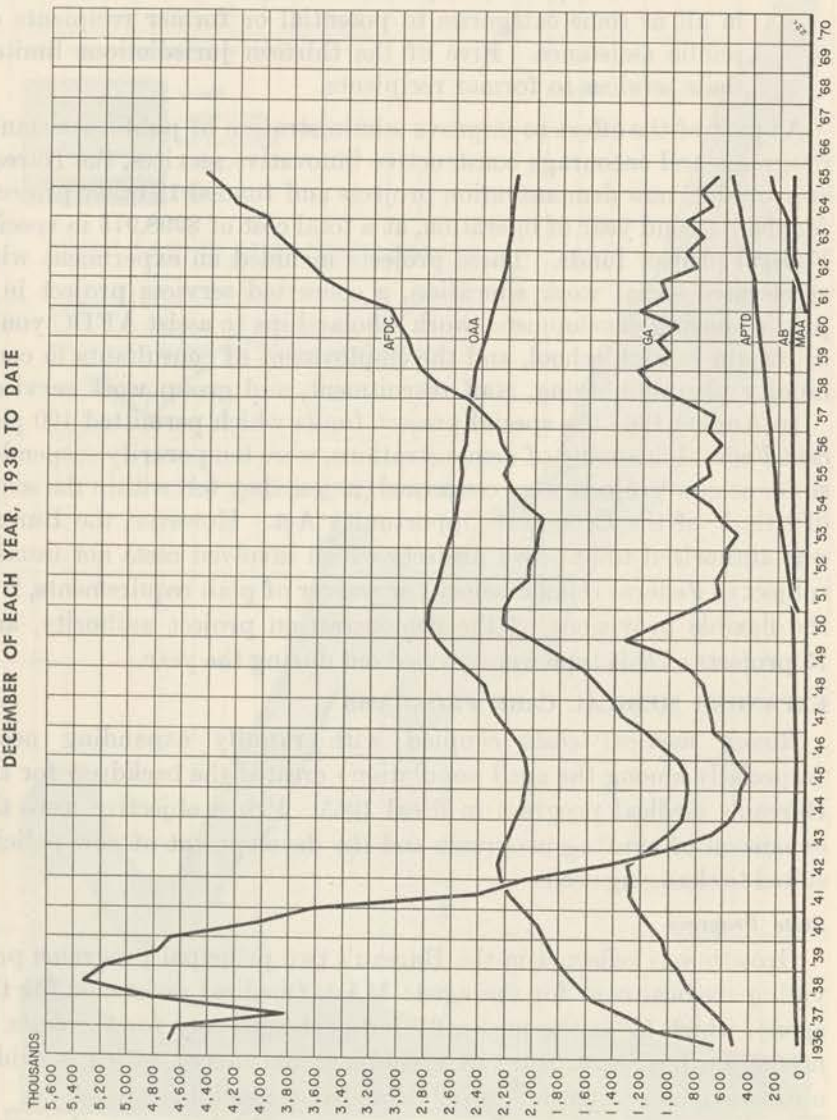
Rising medical costs coupled with rapidly expanding needs (especially among the aged population) created the backdrop for the Bureau's medical program in fiscal 1965. Prime objective were the expansion of existing programs and the development of new policies suited to changing needs.

State Progress

Growth was reflected in the Bureau's two principal programs providing medical care for the aged: MAA (medical assistance for the aged), which helps the medically indigent aged pay for the costs of needed medical care, and OAA (old-age assistance) which provides medical vendor payments to public assistance recipients.

In the last fiscal year, 7 States adopted the MAA program, bringing the yearend total to 44 jurisdictions; 4 other States enacted enabling legislation or an appropriation to begin service early in the next fiscal year. As a result, expenditures on MAA rose almost 36 percent to a total of over $523 million.

CHART 2.—NUMBER OF PUBLIC ASSISTANCE RECIPIENTS BY PROGRAM, JUNE AND DECEMBER OF EACH YEAR, 1936 TO DATE



States also expanded medical care vendor payments under all programs. All 54 jurisdictions were making OAA vendor medical payments by September 1964. Total payments to vendors for medical care under all six programs rose $220 million during the fiscal year to a total of $1,370 million.

As a further improvement, 26 jurisdictions now provide recipients under all programs with medical vendor payments for medical care costs incurred up to 3 months prior to the month of application, and 4 others are interested in the program.

Some 15 jurisdictions have adopted the new combined program of aid to the aged, blind, or disabled. (All but one plan includes MAA.) By adopting this program, States can receive an increased Federal contribution for vendor payments to the blind and disabled to equal the rate of contribution for OAA medical payments. Uniform eligibility requirements and the use of the same standards of assistance for these adult groups are substantial advantages of the program.

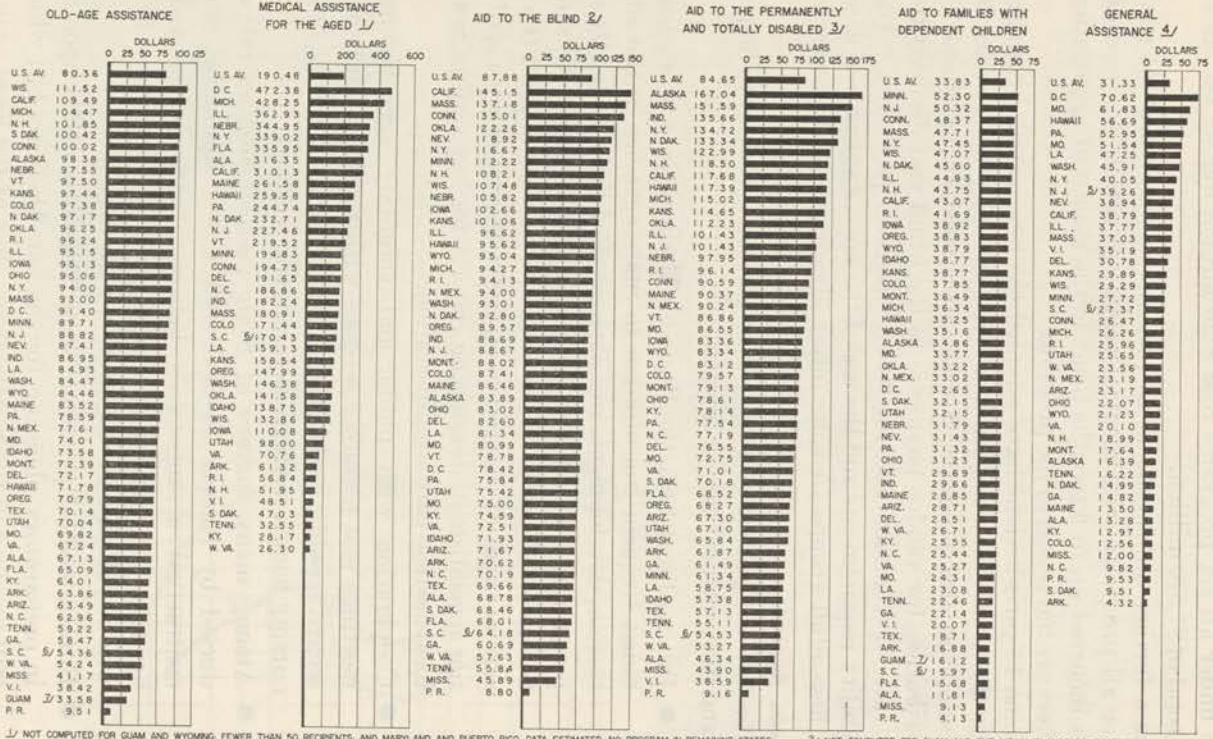
Bureau Support

The following are the highlights of Bureau activities to help States expand their medical care programs:

- During fiscal 1965, the Bureau's Medical Care Specialists provided frequent consultation to State agencies in the administration, development, and expansion of their medically related programs. Examples included: conducting workshops in States on identifying the disability factors in APTD and the service needs of that caseload, and cooperating with staff training specialists in developing criteria for key staff in State and local medical care administration.
- Cooperation with public and voluntary agencies included meetings and planning sessions with representatives of social security, public health, the elderly, veterans, housing, hospitals, nursing homes, medical research, and welfare.
- Among many surveys of State medical administration conducted by Bureau medical staff was a significant study of contractual arrangements between State public assistance agencies and companies insuring medical services. Findings will be valuable in consultation with the States.
- Bureau medical personnel were frequently called upon to help in preparatory planning for the new Medicare bill which was still pending in the Senate at the close of the fiscal year. This work included developing a reporting system to cover the bill's new medical programs for the needy.

CHART 3.—AVERAGE MONTHLY PUBLIC ASSISTANCE PAYMENT PER RECIPIENT, JUNE 1965

(EXCEPT FOR GENERAL ASSISTANCE, INCLUDES VENDOR PAYMENTS FOR MEDICAL CARE)



1/ NOT COMPUTED FOR GUAM AND WYOMING; FEWER THAN 50 RECIPIENTS; AND MARYLAND AND PUERTO RICO, DATA ESTIMATED. NO PROGRAM IN REMAINING STATES. 2/ NOT COMPUTED FOR GUAM AND THE VIRGIN ISLANDS, FEWER THAN 50 RECIPIENTS. 3/ NO PROGRAM FOR NEVADA. NOT COMPUTED FOR GUAM, FEWER THAN 50 RECIPIENTS. 4/ NOT COMPUTED FOR GUAM, FEWER THAN 50 RECIPIENTS; AND FLORIDA, IDAHO, INDIANA, IOWA, NEBRASKA, OKLAHOMA, OREGON, TEXAS, AND VERMONT, DATA NOT AVAILABLE. 5/ BASED ON DATA INCLUDING AN UNKNOWN NUMBER OF CASES RECEIVING MEDICAL CARE, HOSPITALIZATION, AND BURIAL ONLY, AND TOTAL PAYMENTS FOR THESE SERVICES. 6/ MAY DATA; JUNE DATA NOT RECEIVED. 7/ MARCH DATA; LATER DATA NOT AVAILABLE.

EMERGENCY WELFARE SERVICES

Under authority delegated by the Secretary of Health, Education, and Welfare and the Commissioner of Welfare, the Bureau continued its efforts to develop a national standby program of aid and services to provide the necessities of life to the homeless in the event of national disasters, such as enemy attack. Principal developments in the past fiscal year in the emergency welfare services (EWS) area:

- By the close of the year, 20 national voluntary organizations had executed memoranda of understanding with the Bureau. The memoranda provide guides for developing a nationwide emergency welfare services program.
- The Bureau continued to maintain working relationships with Federal, State, and voluntary agencies having responsibilities in the planning and operation of support activities affecting Federal, State, and local emergency welfare services. The work included joint planning with the American National Red Cross for training public welfare staff in natural disaster techniques.
- Local welfare agencies cooperated with the Red Cross and other agencies working to assist communities in State and local disaster areas. The most recent example was in Colorado, where welfare agencies worked with the Red Cross after flooding rivers created disaster conditions.
- EWS staff provided continuing consultation to States and issued guide materials on emergency welfare activities. This included the distribution of guidance manuals, release of "how-to-do-it" materials as rapidly as possible, and the distribution of a guide in both English and Spanish, for the development of emergency welfare services by local public welfare departments.

REPATRIATE PROGRAM

In the past fiscal year there was a 40 percent increase in the number of destitute or ill Americans returned from countries other than Cuba, on State department referral, as authorized by laws passed in 1960 and 1961. The total number aided at the year's end was 258 cases. Assistance to these individuals was provided through State and local welfare departments at major ports of entry, such as New York, Miami, and San Francisco. Aid included meeting repatriates at the dock or airport, arranging for emergency lodging and food, providing needed hospitalization, and transportation back to their home States.

The Welfare Administration staff held a series of meetings with the

Department of State on improving services to the large numbers of American citizens repatriated or in need of repatriation from Mexico.

INTERNATIONAL ACTIVITIES

Three Bureau publications, *Children and Neglect*, *Improving Home and Family Living*, and *Development Plan for Emergency Welfare Services*, were translated into Spanish. The Bureau also expanded its activities with schools of social work to strengthen their educational programs for foreign students.

Legislation for Major New Programs

Major new legislation passed in fiscal 1965 which involved the Bureau included the Economic Opportunity Act, the Civil Rights Act, the Food Stamp Act, and the Welfare Amendments of 1964.

THE ECONOMIC OPPORTUNITY ACT

The Bureau was responsible for the administration of project grants designed to assist nearly 362,000 individuals under the title V work experience programs of the Economic Opportunity Act. This number includes 88,700 unemployed adults and other eligible participants with 273,300 dependents. The 164 approved projects were located in more than 300 cities, counties, and Indian reservations in 43 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

Day-to-day administration was the responsibility of the Bureau's newly created Office of Special Services which assisted in the development and in the operations of projects costing $111,493,000 in Federal funds in the past fiscal year. At the end of the fiscal year 40 additional proposals and amendments totaling about $23 million was pending.

THE CIVIL RIGHTS ACT

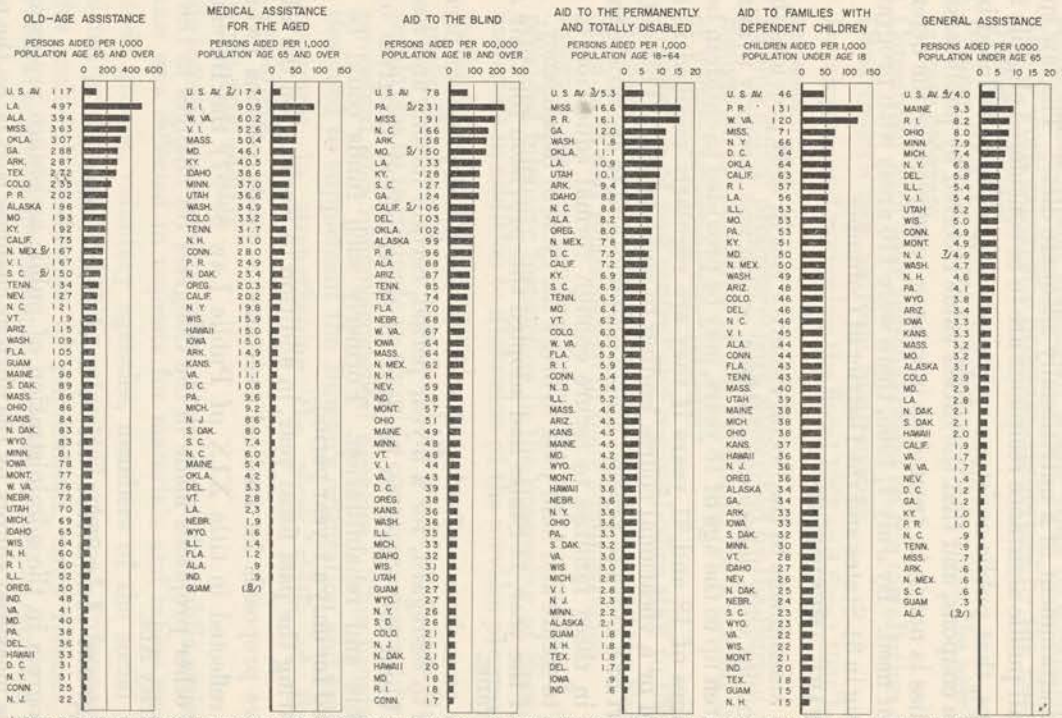
Title VI of the Civil Rights Act provides that no federally aided program or activity can discriminate on grounds of race, color, or national origin.

During the year, the Bureau worked full time with the States to secure statements of compliance with the Department civil rights regulations in the administration of the public assistance programs. By the year's end, all but one State had submitted a statement of compliance relating to its public assistance programs.

To assist States in meeting requirements for compliance, the Bureau, in conjunction with the Children's Bureau, issued policy guides. The Bureau of Family Services also consulted with States on interpreting the policy, implementing it in program planning, and developing acceptable plan material. Much time was also devoted to following up complaints under the provisions of the title VI act.

CHART 4.—PROPORTION OF POPULATION RECEIVING PUBLIC ASSISTANCE (RECIPIENT RATES) IN THE UNITED STATES, JUNE 1965

(EXCEPT FOR GENERAL ASSISTANCE, INCLUDES RECIPIENTS RECEIVING ONLY VENDOR PAYMENTS FOR MEDICAL CARE.
CAUTION SHOULD BE USED IN MAKING COMPARISONS WITH EARLIER RATES BECAUSE OF REVISIONS IN POPULATION ESTIMATES ON WHICH RATES ARE BASED)



1/ BASED ON CIVILIAN POPULATION AS OF JULY 1, 1965 ESTIMATED BY THE BUREAU OF THE CENSUS. 2/ BASED ON DATA FOR 44 STATES LISTED WITH PROGRAMS IN OPERATION RATE INCLUDING STATES NOT HAVING PROGRAMS IN OPERATION IS 14.4 PER 1,000 AGED PERSONS. 3/ NO PROGRAM IN NEVADA. 4/ BASED ON DATA FOR 46 STATES. NUMBER AIDED NOT AVAILABLE FOR FLORIDA, IDAHO, INDIANA, NEBRASKA, OKLAHOMA, OREGON, TEXAS AND VERMONT. 5/ INCLUDES RECIPIENTS OF PAYMENTS MADE WITHOUT FEDERAL PARTICIPATION. RECIPIENT RATES EXCLUDING THESE RECIPIENTS ARE AS FOLLOWS: CALIFORNIA, 106; MISSOURI, 126; AND PENNSYLVANIA, 62.
6/ DATA FOR MAY; JUNE DATA NOT RECEIVED. 7/ INCLUDES UNKNOWN NUMBER OF PERSONS RECEIVING MEDICAL CARE, HOSPITALIZATION, AND BURIAL ONLY. 8/ PROGRAM IN OPERATION, BUT NO PAYMENTS WERE MADE IN JUNE 1965. 9/ LESS THAN 0.05.

THE FOOD STAMP ACT

In 1965 the Bureau continued its liaison with the Department of Agriculture in regard to the food stamp program, enacted into law in late 1964. Under the act, bonus coupons for the purchase of food can be used by families whose "income is a substantially limiting factor in the attainment of a nutritionally adequate diet." The law specifies that all public assistance recipients are to be considered eligible for the stamps, that public assistance payments are not to be reduced because of the coupons, and that the excess value received by public assistance families is not to be treated as income or resources for the determination of need. By July 1, 1965, there were 116 areas with programs operating in 31 States and the District of Columbia.

WELFARE AMENDMENTS

An amendment to the Social Security Act in 1964 provides that aid to families with dependent children, which was formerly available to children up to the age of 18 years, may be provided to children between the ages of 18 and 21 years if they are regularly enrolled in a high school or a vocational course leading to employment. This authority is part of a move to prevent school dropouts and to encourage the children in these families to secure enough formal education to enable them to secure and hold jobs, to break the cycle of dependency. At the end of the year, 14 States had adopted this provision for their AFDC programs.

An amendment affecting the aid to the blind program permits a State to disregard, for a 3-year period, certain income and resources of a blind individual to be used in an approved program of self-support and rehabilitation. Formerly such funds could be disregarded for only a 1-year period.

During the past fiscal year, in addition to working on the administrative proposals for medical assistance to needy persons (which are now reflected in title XIX of Public Law 89–97) the Bureau dealt with other proposals made in the Congress for changes in the Social Security Act.

Program Administration and Evaluation

Progress in the administration of public assistance programs cannot be measured simply by the obvious changes, that is, by the passage of new State and Federal laws, and by the decisions of agencies to act under the laws. The actual progress of implementation depends upon the day-to-day efforts of Federal, State, and local agencies to plan how to carry out new programs effectively and how to keep the public informed.

ADMINISTRATIVE POLICIES

The management of the central office is the responsibility of the Division of Administration and of the Office of the Director of the Bureau. Highlights of administrative activities in fiscal 1965 were:

- Reorganization and staffing of a new office to administer the title V work experience program, authorized by the Economic Opportunity Act.
- Planning for the Bureau's responsibilities under the new medical care program.
- Consulting with four regional offices on the installation of the Department's new uniform filing system.
- Developing and reviewing the fiscal 1965 and fiscal 1966 budget requests.
- Issuing a final progress report, prescribed by the Bureau of the Budget at the direction of the President, for a special review of Federal reporting requirements.
- Orientation of new central and regional office staff to the programs of public assistance and related services and the Federal-State roles and relationships in their administration.
- Inservice training sessions for central and regional staff, which provided intensive instruction in the processing of State plan materials in addition to discussion of the services program and methods of program appraisal.
- Implementation of a program which would encourage Bureau employees to participate in training courses sponsored by governmental and nongovernmental agencies. This program is designed to supplement the Bureau's orientation and training programs in strengthening the work skills of Bureau employees.

INFORMING THE PUBLIC

Public interest in receiving information about the public assistance programs was reflected in requests for materials and tables received from civic groups, voluntary agencies, members of the social work and related professions, and other interested groups. Informational activities included production of publications, news releases, fact sheets, and articles for professional journals, as well as replying to an increasing volume of inquiries from news media, the Congress, and the public. Almost 26,500 individual pieces of correspondence were sent to the Bureau during the year. This averages out to a rate of over 2,200 a month (an increase of 500 a month over the previous year). In addition, there were almost 1,900 requests for materials, and visitors averaged almost 30 a month.

Publications covered such subject areas as group services in public welfare, research on social work manpower, and State agency's responsibility for local operations.

SUPERVISION OF STATE PROGRAM ADMINISTRATION

The day-to-day demands of assisting States in the development and administration of the State-Federal programs was one of the most vital concerns of the Bureau in the past year: After the enactment of new Federal and State legislation there remains the difficult task of seeing that the details of the new or expanded program are comprehended and carried out at the State and local levels.

A great deal of the work of advising States on the development of their programs was handled by the regional offices, in accordance with the policy of the Bureau to decentralize its operation by delegating responsibilities to the field staff wherever possible. As one indication of the work handled by the regional offices over 6,300 State plan items were reviewed and approved in the past 12-month period. These included new medical care for the aged plans, several new title XVI (aid to the aged, blind, and disabled, and medical assistance for the aged) plans, and securing compliance statements under the Civil Rights Act from all but one State.

Some of the other areas in which central and regional staff consultation was requested by the States were: improving levels of assistance; streamlining organizational structures, operating procedures, and policies such as simplifying eligibility determination; promoting more efficient use of automatic data processing in State and local offices; protecting rights of recipients; clarifying policies on Federal financial participation in State administrative costs and assistance payments; expanding implementation of the 1962 amendments; and the work experience programs under title V of the Economic Opportunity Act.

The Bureau continued its work on simplifying the "Handbook of Public Assistance Administration" and revising handbook policies to cover new programs. Major accomplishments in this area were issuance of handbook supplements on "The Work Experience Program," and "Nondiscrimination in Federally Assisted Programs," and revision of major handbook sections. Preliminary planning was also done on developing policies under the new Medicare bill.

PROGRAM EVALUATION

A central part of Bureau activity in fiscal 1965 was studying the operation and results of the various programs as part of the Bureau's continuing effort to help the States correct shortcomings in program administration and eligibility determination, and in general, improve the administration of other programs.

Quality Control System

The newest of the Bureau's measures to maximize administrative efficiency is the quality control system, designed to insure that State and local public assistance expenditures conform strictly with Federal and State laws. The system is patterned after the quality control measures that private industry uses to assure high standards in their manufacturing operations.

Under this nationwide system, every State has a quality control program which maintains a continuous review of all eligibility decisions made by local public assistance agencies throughout the State on a sample basis. This system is designed to insure that no eligible person is turned away and that no ineligible person receives assistance. The review consists of a visit to the home of the person involved and a careful doublecheck of living expenses, income, resources, and other factors affecting eligibility.

When the quality control review reveals the existence of frequent errors in local agency decision, necessary administrative changes are initiated to prevent or minimize mistakes in the future.

After an initial period of operation, the quality control system was exhaustively studied and evaluated by Federal and State staff and revised, effective July 1, 1965, on the basis of this study State reports of Quality Control findings covering the period July 1, 1964, through March 31, 1965, were received by the Bureau and were being analyzed as the fiscal year came to a close.

In reporting on their experiences with the system, States generally indicated that it has served as a valuable tool in improving their administrative policies and procedures in such areas as insuring accountability, testing newly approved policies in practice, and focusing attention on problem areas.

Administrative Review

The Federal counterpart to the State quality control system is a continuing review of State agency practice, called the administrative review. Work done in this area during fiscal 1965 includes:

- An administrative review of social services was developed and tested for use in the next fiscal year. This review, is designed to evaluate State progress in the implementation of the 1962 social services amendments to the Social Security Act.
- An administrative review of community work and training programs under AFDC was conducted in eight of the nine States having such programs. A similar review was carried out in Kentucky, where community work and training is administered as a demonstration project.

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- An administrative review of the Cuban refugee assistance program was initiated and is in progress in California, New Jersey, Louisiana, Illinois, and Colorado. Except for Colorado, these are States with heaviest concentration of Cubans who receive public assistance.
- An administrative review program covering the application process in large urban agenices was developed for a special study called "Operation Big City," to be conducted early in fiscal 1966 in Philadelphia, Atlanta, Cleveland, Minneapolis, New Orleans, and Los Angeles. Concerned with the large volume of cases and the complexity of problems brought to big city public welfare agencies, the Bureau developed the review to gain more knowledge about special urban problems in administering public assistance.

Research and Statistics

As part of the Bureau's continuing work in program evaluation and improvement, the Bureau's Statistics and Analysis Division, which has counterparts in regional offices and State agencies, maintained current data on many aspects of the public assistance program.

Principal areas of work were studies of staffing for administration of social services programs, basic research in the nature and causes of poverty, increased output of statistical and analytical data for guidance of programs, and simplification of the States' role in fulfilling report requirements.

The Bureau's regional research analysts met frequently with the central office staff, as part of a Bureau move to build a closer working relationship with State public welfare research units. Among the projects involving State cooperation were initial work on studies of the recipients of old-age assistance and medical care for the aged, the issuance of analyses of information from the recent nationwide social studies of recipients of aid to the blind and aid to the permanently and totally disabled, the study of statistical aspects of the quality control program, and the pretest of a pilot study of family living conditions among public assistance recipients.

In an effort to relieve States of some of the burden of reporting requirements, the Bureau has (1) increased the use of data processing in the central office and expanded staff qualified to do data processing work, and (2) initiated the use of a mail questionnaire, sent directly to old-age assistance recipients, to supplement the case record data in the new old-age assistance study. The use of this latter technique following a thorough pretest to assure its effectiveness, resulted in a substantial saving in time and money for local agency workers. In another action, the Bureau released a report on "The Impact on Public

Assistance Caseloads of Training Programs" (such as community work and training, under the 1962 amendments).

Some of the findings issued during the year from three recipient characteristics studies (aid to families with dependent children, aid to the permanently and totally disabled, and aid to the blind) were these:

- Average income including assistance, of the more than 4 million men, women, and children on AFDC is $1.15 per day.
- Less than half of these AFDC families have any other than assistance income.
- Over the period 1958 to 1961 the national per capita income inincreased 19 cents per person per day, but the per capita income for AFDC families rose only 3 cents per person per day.
- The more than 500,000 APTD recipients follow the general pattern of poverty—little education and low job skill; these disadvantages make rehabilitation to self-support a difficult task.
- The average education of APTD recipients is six grades. Most of these recipients suffer from two or more physical or mental disabilities.
- Sixty-five percent of the APTD recipients had previously held jobs.
- Most of the 95,000 recipients of aid to the blind are seriously handicapped, with little hope of rehabilitation to self-support. Although only 18 percent of the AB recipients are "totally blind," all of them are severely handicapped.
- The median age of AB recipients is 61.
- Approximately 65 percent of all AB recipients have less than an eighth grade education, and only 10 percent were graduated from high school.

Fiscal Year Summary

In fiscal 1965, the Bureau made Federal grant awards of over $3,-170,000,000 to States for public assistance. State and local governments furnished about $2,280,000,000, of the total of $5,460,000,000 spent throughout the Nation during the year. The Bureau continued the regular schedule of checking and processing the States' quarterly estimates expenditure statements, and the quarterly process of making grant awards to States. Under a new letter of credit system introduced during the past fiscal year, the States drew funds needed, from the U.S. Treasury through their commercial banks and the Federal reserve system.

In June 1965, about 8.1 million persons were receiving aid under the public assistance programs—265,000 more than in June 1964. The year's peak of more than 8.3 million was reached in March. Decreases

in April–June, which totaled 178,000 persons, resulted primarily from the Nation's overall improved economic status.

Total expenditures for assistance in the fiscal year, including vendor payments for medical care, amounted to $5,309 million—$420 million more than in the preceding year. By program, total payments rose $11 million (0.6 percent) in old-age assistance, $140 million (36.5 percent) in medical assistance for the aged, $2 million (2.3 percent) in aid to the blind, $71 million (16.1 percent) in aid to the permanently and totally disabled, and $191 million (12.3 percent) in aid to families with dependent children.

Recipients of old-age assistance numbered 2.1 million in June 1965—32,900 fewer than in June 1964. Thirty-eight States reported declines for the year; 11 States had decreases of 5 percent or more. In 2 of the latter States, relatively large numbers of aged persons in nursing homes were transferred to newly established programs of medical assistance for the aged; in most of these 11 States the decrease in old-age assistance was largely offset by increases in medical assistance for the aged. Nationally, the average payment per person was $80 in June—an increase of $2 for the year.

In June, payments of medical assistance for the aged were made in behalf of 264,400 persons in 44 States, 77,400 more than the total a year earlier. Roughly 14,000 of the increase was accounted for by persons in 2 States who resided in nursing homes and were transferred from old-age assistance. The average payment per person was $190 in June. Medical assistance for the aged established during the year in 7 States brought the number of such State programs to 44.

The number of persons receiving aid to the blind decreased by 2,100 to 95,300 in June 1965, with 37 States reporting declines. The average payment per person was $88, compared with $84 a year earlier.

About 555,500 persons were receiving aid to the permanently and totally disabled—54,000 more than in June 1964. Nationally, the average payment per person rose from $79 in June 1964 to $85 in June 1965.

Aid to families with dependent children was paid in behalf of 4.4 million persons, including 3.3 million children—5 percent more in each instance than the number 12 months earlier. Of the totals aided in June 1965, the unemployed-parent segment accounted for 388,200 persons including 261,600 children.

Four-fifths of the States reported increases from June 1964 to June 1965, in the total number of persons receiving aid to families with dependent children. The national average payment per recipient rose from $33 to $34.

General assistance cases (which are not federally aided) totaled 317,000 in June 1965 compared with 325,000 in June 1964; persons

assisted numbered 663,000, in contrast to 708,000 a year earlier. The average payment per recipient was $31 in June 1965—$2 higher than in June 1964.

During the year, State action to raise payments to, or in behalf of, individual recipients was limited. Two States raised the maximums on individual money payments in some programs, and a fourth of the States increased their cost standards in three or more programs. The scope of medical care services was broadened, or higher fees were allowed for certain types of medical care, in a few States.

Children's Bureau

The legal base for the Children's Bureau services to the children of the United States is contained in two acts. Under its basic act of 1912, the Bureau is charged with investigating and reporting "upon all matters pertaining to the welfare of children and child life among all classes of our people." The Bureau studies many types of conditions affecting the lives of children, makes recommendations to improve practices in child health, child welfare, and juvenile delinquency programs, and helps establish standards for the care of children.

Under title V of the Social Security Act, as amended, the Bureau assists the States, through technical and financial aid, in enhancing and protecting the well-being of many children through child health and welfare services.

Stemming from these two acts, but interwoven into one program, are the purposes of the Children's Bureau today:

To assemble facts needed to keep the country informed about children and matters adversely affecting their well-being.

To recommend measures that will help to advance the wholesome development of children and prevent and treat the ill effects of adverse conditions.

To give technical assistance to public and voluntary agencies and to citizens' groups in improving the conditions of childhood.

To administer the grants appropriated each year under title V of the Social Security Act to aid in building the health and welfare of children.

The Bureau's approach to the problems of children proceeds from a concern for the child living with his family or wherever he may live. The interrelationship among the physical, emotional, and social factors in child growth, child health, and child welfare permeates all that this Bureau does and stimulates others to do in research and action for children.

Legislative Developments

CIVIL RIGHTS ACT OF 1964

Implementation of the Civil Rights Act and incorporation of the necessary policies into ongoing Bureau programs was a major effort and involved close coordination and cooperation not only among the divisions of the Bureau but also with the Bureau of Family Services of the Welfare Administration, with the Vocational Rehabilitation Administration, and the Public Health Service.

While the implementing plan materials accompanying statements of compliance were not acceptable for every State by the end of the fiscal year, on the whole the major problems with respect to statements of compliance and implementing plan materials were overcome.

ECONOMIC OPPORTUNITY ACT OF 1964

The impact of new programs launched under the Economic Opportunity Act brought about an increased emphasis on the needs of children in low-income families.

Many of the programs authorized by the Economic Opportunity Act contained provision for day care services. The Children's Bureau worked with the Office of Economic Opportunity and the Bureau of Family Services in developing guidelines on day care, outlining the purpose of these services and the types of situations they were designed to serve.

Cooperative work with the Office of Economic Opportunity on Project Head Start included the preparation of community and program planning materials which emphasized that the health needs of children should receive attention as well as the social problems of the families.

The involvement of the client group in projects brought a new dimension in services to people. The Bureau continued to suggest ways in which these people could be used in helping to provide child welfare services and in staffing child-care facilities—serving, for example, as aids for baby care, child care, teaching, homemaking, recruiting, and transportation.

By administrative policy, the Office of Economic Opportunity required that all women with children who applied for the Jobs Corps be referred to State and local public welfare agencies responsible for child welfare services to determine the adequacy of child-care arrangements during the mothers' absence. The Children's Bureau cooperated in the development of guidelines for State welfare departments.

SOCIAL SECURITY AMENDMENTS OF 1965

The Social Security Act was amended in 1965 to provide for:

Increasing the authorization for annual appropriations for maternal and child health services, crippled children's services, and child welfare services to $45 million for fiscal year 1966, to $50 million for fiscal year 1967, to $55 million for fiscal years 1968 and 1969, and to $60 million for fiscal year 1970 and each fiscal year thereafter.

Progressive extension of maternal and child health services and crippled children's services with a view to making these services available by July 1, 1975, to children in all parts of the State.

A new program of grants to institutions of higher learning for training of professional personnel such as physicians, psychologists, nurses, dentists, and social workers for health and related care of crippled children, particularly mentally retarded children and those with multiple handicaps. Annual appropriations authorized were $5 million for fiscal year 1967, $10 million for fiscal year 1968, and $17.5 million for each fiscal year thereafter.

Payment of the reasonable cost of inpatient hospital services provided under the State plans for maternal and child health services and crippled children's services.

A 5-year program of special project grants to provide comprehensive health care and services for children of school age, or for preschool children, particularly in areas with concentrations of low-income families. Annual appropriations authorized were $15 million for fiscal year 1966, $35 million for fiscal year 1967, $40 million for fiscal year 1968, $45 million for fiscal year 1969, and $50 million for fiscal year 1970.

A full report by the Secretary of Health, Education, and Welfare before July 1, 1969, on the administration of the project grants for the health care of school-age or preschool children with his evaluation and recommendation as to continuation or modification of the program.

Effective January 1, 1966, the deletion of the provision earmarking child welfare service funds for day care services; the deletion of the provision for allotment of day care funds; the plan requirement that day care will be provided only in facilities which are licensed by the State or approved by the State agency responsible for licensing facilities of this type.

These amendments were passed and signed into law on July 30, 1965.

1965 APPROPRIATIONS

The amounts appropriated for the Children's Bureau for fiscal year 1965 were:

Salaries and expenses	$4,398,000
Grants for maternal and child welfare	127,830,000
Maternal and child health services	35,000,000
Crippled children's services	35,000,000
Child welfare services	34,000,000
Special projects for maternity and infant care	15,000,000
Research projects relating to maternal and child health and crippled children's services	3,000,000
Research, training, or demonstration projects in child welfare	5,830,000

Interdepartmental Committee on Children and Youth

The Interdepartmental Committee on Children and Youth is composed of representatives of 37 Federal agencies whose programs affect the well-being of children and youth. The Chief of the Children's Bureau is First Vice Chairman and Acting Chairman by delegation of the Secretary of Health, Education, and Welfare, who is its Chairman. The Bureau also provides the secretariat.

Monthly programs of the Committee and the work of its subcommittees reflected the heavy emphases on (1) implementation of the Civil Rights Act of 1964; (2) action programs of the Economic Opportunity Act of 1964 with particular reference to new training and employment opportunities for youth and improved communication and cooperative effort among persons of all economic classes; (3) taking stock at the midpoint of the decade following the 1960 White House Conference on Children and Youth; and (4) developments in the international scene affecting youth.

The entire Committee participated in the December monthly meeting on "Consultation on Parent and Family-Life Education for Low-Income Families." Forty-two consultants from all parts of the country and from many different professions and fields of practice shared their knowledge and experiences on how to attract and hold the attention of severely disadvantaged parents. A report will be issued as an Interdepartmental Committee publication prepared by the Children's Bureau. The publication will be designed to give practical help to persons undertaking educational programs with low-income families.

Employment of young women was the subject of two monthly meetings—one on the changing life patterns of women in terms of their employment and the resulting impact on children and family life and the other on the work and training opportunities for young

women participating in the Job Corps authorized by the Economic Opportunity Act.

A new subcommittee was established on an ad hoc basis to carry responsibility for the coordination of Federal agency participation in the Youth Activities Committee of International Cooperation Year, 1965. The subcommittee is working in collaboration with a committee of voluntary agencies to develop a report on youth activities for presentation at a White House Conference called by President Johnson for November 29–December 1, 1965.

Programs of the Bureau

RESEARCH IN CHILD LIFE

From many sources, the Children's Bureau gathers facts and figures to inform professional groups and lay citizens about the size of the child population, the extent of conditions adverse to children, and the trends in our society affecting child life. In addition to issuing its own studies and to cooperating in joint studies, the Bureau stimulates other agencies to undertake research in child life by formulating questions needing study, developing research methods, and providing technical assistance. It also helps to support research in child health and welfare services through grants to scientific and service organizations and to institutions of higher learning.

Some Facts and Figures About Children and Parents

In March 1964, there were 28.3 million families with related children under 18 years of age. Of this number, 25.1 million (89 percent) were husband-wife families, 2.8 million (10 percent) were families with a female head, and 400,000 (1 percent) were families with a male head.

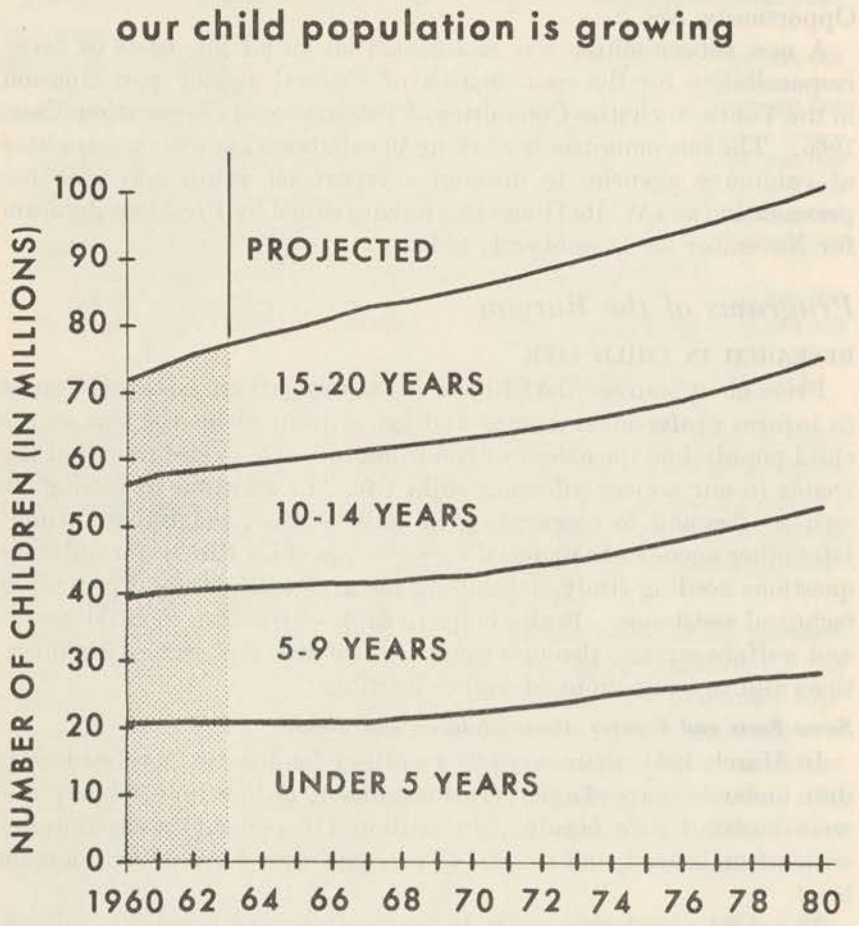
The child population under 18 years of age numbered 70.1 million on July 1, 1964, an increase of 1.4 million (2 percent) over the number 1 year earlier.

The estimated number of orphans under age 18 in January 1963 was 3.1 million, or 4.4 percent of the child population. Of this number, 2.2 million were paternal orphans, 900,000 were maternal orphans, and only 63,000 were full orphans.

The 1964 annual marriage rate of 9.0 per 1,000 population was slightly above the figure of 8.8 per 1,000 for 1963. Over the past 6 years, the divorce rate has remained about 2.2 divorces per 1,000 population. About 60 percent of the divorces involved children.

The infant and neonatal mortality rates for the United States decreased in 1963 from the 1960–62 3-year averages. The infant mortality rate was 25.2 in 1963 (22.2 for whites and 41.5 for nonwhites);

CHART 5.—PROJECTED GROWTH IN THE CHILD POPULATION BY AGE GROUPS

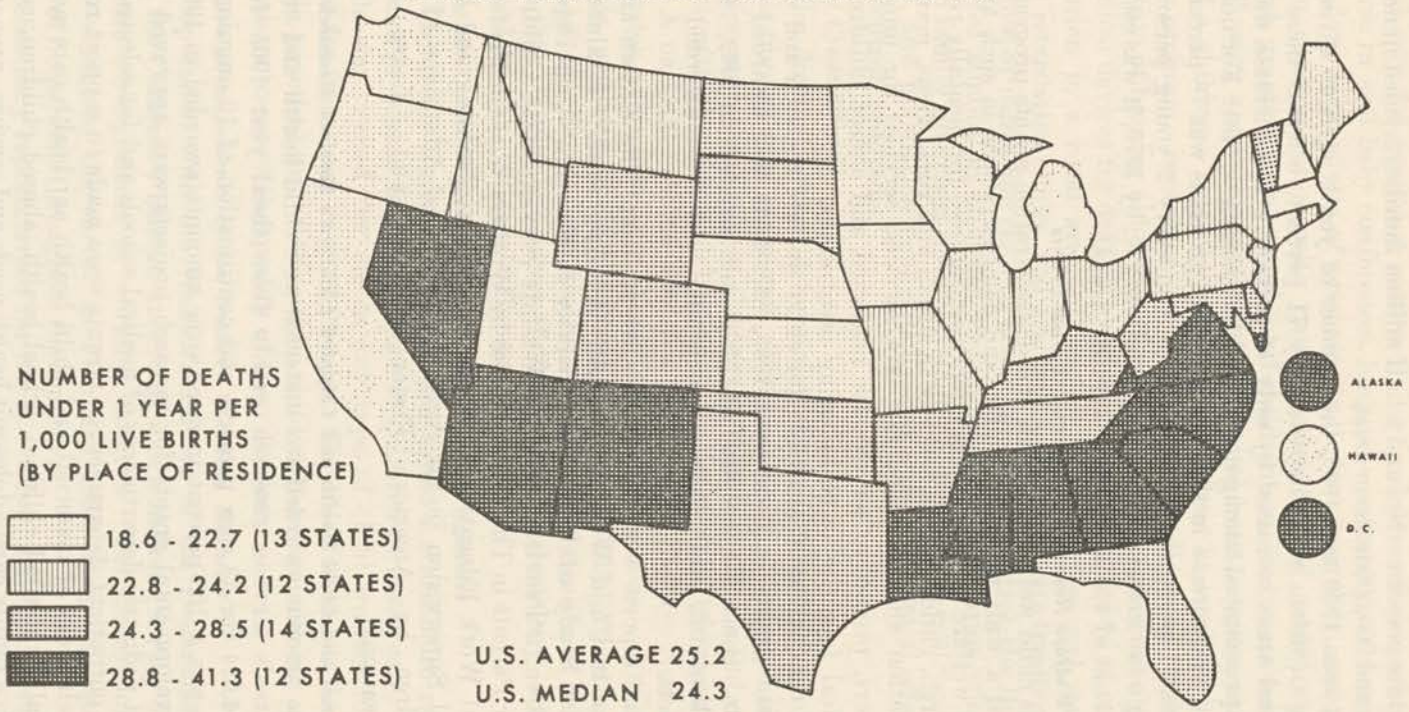


rates by State ranged from 18.6 to 41.3. The neonatal mortality rate was 18.2 deaths per 1,000 live births (16.7 for whites and 26.1 for nonwhites); State rates ranged from 13.1 to 25.3.

The number of births registered in 1964 was 4,054,000, the smallest number any year since 1955. The birth rate, continuing its decline since 1957, was 21.2 per 1,000 population, an 8 percent reduction from the rate of 21.6 for 1963.

According to the poverty index used by the Social Security Administration, which was based upon a food cost-income relationship, there were 15 million children in 7.2 million families living in poverty in March 1963. In this group of 7.2 million families, more than 1.7 million were raising 4 or more children. Two million poor families were headed by women, and about the same number were headed by

CHART 6.—INFANT MORTALITY RATE, UNITED STATES, 1963



nonwhite persons. Six and a half million families resided in nonfarm areas and 700,000 in farm areas.

Between 1950 and 1960, the number of youth aged 10 through 17 living in urban areas increased by 71 percent, whereas those living in rural areas increased by only 11 percent. The increase was even more pronounced among nonwhites than among whites: For nonwhite youth, the increase in those living in urban areas was 78 percent; for whites, 71 percent. In 1950, about 1 in every 2 young persons was living in an urban area; in 1960, 2 of every 3; by 1970, it was estimated that 3 out of 4 will be living in urban areas.

Child Welfare Research and Demonstration Grants

The child welfare research and demonstration grants program supported a wide range of studies and demonstrations in such areas of child welfare as foster care, adoptions, services for mentally retarded children, child welfare services in urban and rural areas, manpower utilization and training, day care services, services for unmarried mothers, protective services for neglected and abused children, and physical facilities in child-caring institutions.

Of the $2,255,000 available for child welfare research and demonstration grants in fiscal year 1965, $2,250,545 was awarded for 54 grants. Since the inception of this grants program in 1962, 147 new, supplemental, and continuation grants have been awarded for 76 projects.

Final reports were received on five studies: "The Known and Unknown in Child Welfare Research: An Appraisal," "Evaluation of a Pilot Study of Homemaker Service to Families With Dependent Children," "Provision of Child Welfare Services With Children and Their Parents in Their Own Homes by Workers Without Professional Social Work Education Who Receive Special Training and Professional Supervision in the Agency," "Study of Adoptions of Greek Children by American Foster Parents," and "Foster Parent Motivation."

Maternal and Child Health and Crippled Children's Services Research Grants

The amount awarded for maternal and child health and crippled children's services research grants from fiscal year 1965 funds—$2,994,634 for 43 new projects and continuation of 10 ongoing projects—was a 100-percent increase over amounts awarded in 1964.

Developmental grants for research projects were approved for selected pediatric departments of medical schools and for selected pediatric outpatient departments. Grants were made to support research in such areas of maternal and child health as: health care needs of mentally retarded children, school health, abused children, comprehensive family care, adolescent health needs and services, prenatal and

hospital care for pregnant women living in depressed areas, role of the nurse in well baby conferences, hospital-community service interaction, long-term effects of prematurity, infant mortality, and problems in communication with patients with limited verbal ability. Research grants relating to crippled children's services were made in the following areas: evaluation of congenital heart surgery, evaluation of a children's amputee center, cost analysis in a crippled children's program, recreation resources for handicapped children, evaluation of hearing aid devices for children, development of electromechanical devices for deaf children, epidemiological study of mental retardation in a rural area, utilization of nonprofessional staff in mental retardation clinics, and evaluation of cleft palate treatment.

Because of increasing concern about population control, the Bureau supported studies on attitudes toward fertility, motivation with regard to family planning, differential use of intrauterine contraceptive devices, and population projections based upon differential effect of birth control programs.

Study of Cystic Fibrosis

Studies directed toward determining the incidence and prevalence of cystic fibrosis were completed. The research was conducted in collaboration with the National Center for Health Statistics and under contract with the National Institute of Allergy and Infectious Diseases. A national hospital survey, a pilot survey in three New England States, and a survey of about 8,000 medical sources (physicians, hospitals, and clinics) in the New England, Middle Atlantic, and South Atlantic States were conducted as part of the series of studies. A complete report on survey findings and methodology will be published by the Children's Bureau.

Assessing the Intake Process in Public Child Welfare Agencies

The Children's Bureau developed and tested a schedule to review the intake process in first admissions of children to foster care. The schedule was revised for use in any type of child welfare intake, whether for foster care or other services. The objective was to develop a simple, practical tool which public child welfare agencies can use in case reviews to assess the quality of their services.

Child Care Arrangements of the Nation's Working Mothers

In cooperation with the Women's Bureau of the Department of Labor, the Children's Bureau undertook a new national survey of the child care arrangements of working mothers. The Bureau of the Census conducted the survey in February 1965, using its national sample of households throughout the country.

A preliminary report, issued for use at the National Conference on Day Care Services, pointed out that over 12 million children under

14 years of age had mothers who worked 27 weeks or more in 1964, either full or part time. Of these, 3.6 million were under 6 years of age. Almost half of these children were cared for in their own homes, usually by a relative. A sizable minority—about 1 in 12 children—were left to care for themselves, and about 1 in 8 were cared for by the mother. Very few (only about 2 percent) were cared for in day care centers.

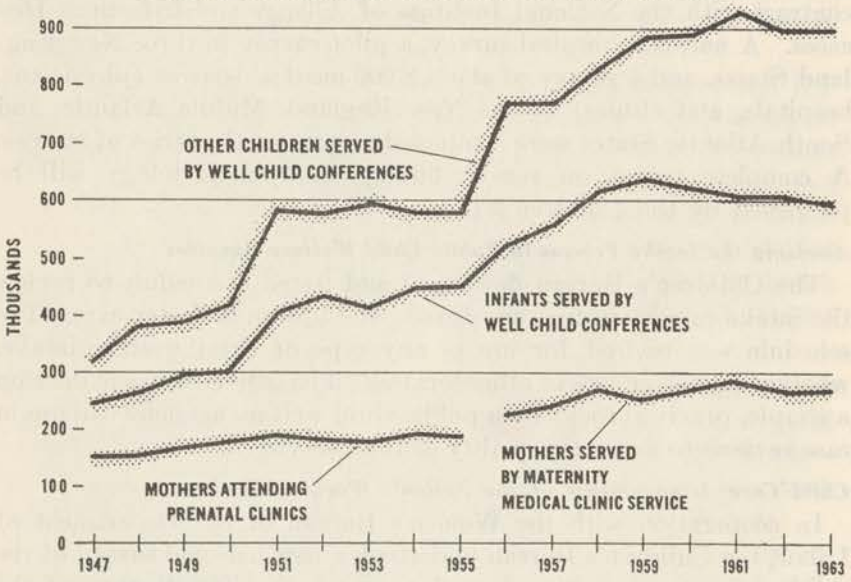
America's Children and Youth in Institutions

A demographic analysis of the many types of institutions which serve America's children and youth was prepared. The analysis of institutional care described, quantitatively, the size and characteristics of the population of children and youth residing in institutions and examined recent trends as well as future prospects for the institutional care of children.

Statistical Reports

During the year, the Bureau compiled and published current statistical data on crippled children's services, infant and childhood mortality, maternal and child health services, institutions for delinquent children, and juvenile courts.

CHART 7.—MATERNAL AND CHILD HEALTH SERVICES, 1947–63



HEALTH SERVICES

All States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam received Federal maternal and child health services funds in fiscal year 1965, and all (except Arizona) received Federal crippled children's services funds.

Fiscal year 1965 was characterized by increasing services and programs for mothers and children.

Approximately 287,000 mothers received antepartum supervision, diagnosis, treatment, or followup care in maternity clinics during calendar year 1964. Over half the mothers resided in metropolitan counties. Public health nursing services were provided to 484,000 maternity cases in 1964, about 12 percent of all mothers. More than 37,000 mothers received hospital inpatient care in connection with the maternity cycle for an average of about 3.6 days in the hospital.

Large numbers of children were screened under school health programs: More than 8,284,000 children (17 percent of all children aged 5 through 17) were screened for visual defects; 5,332,000 (9 percent) were screened for hearing defects; and 3,023,000 (6 percent) were screened for dental defects. In addition, 2,437,000 school children were examined by physicians.

About 1,485,000 children attended child health conferences, over 600,000 of them under 1 year of age. Public health nursing service was provided to some 2,700,000 children.

Immunizations for diphtheria increased to reach 4,306,000 children in 1964. Other immunizations, all showing increases, totaled 2,996,000 for smallpox, 3,064,000 for whooping cough, and 4,683,000 for tetanus. Programs for poliomyelitis immunizations experienced a period of transition. Inoculations for Salk vaccine decreased, but the difference seemed to have been made up by the mass oral vaccine immunization programs.

Some 396,000 children received crippled children's services in 1963 (the latest year for which data were available), 3 percent more than the number served in 1962. Thirty-six percent received services for the first time. Nearly three-fourths of the children served were provided diagnosis, treatment, and followup care in medical clinics. These 291,000 children averaged 2 visits. As in previous years, congenital malformations represented the largest single diagnostic category of children served by crippled children's agencies. About 113,000 (or about 29 percent of the total number of children served) had congenital malformations.

State and local public health agencies spent an estimated $120.4 million in fiscal year 1964 for maternal and child health services. This included expenditures of $92.2 million from State and local funds (76.6 percent of the total) and $28.2 million from Federal funds (23.4 percent).

State and local crippled children's programs spent an estimated $89.4 million in fiscal year 1964 for crippled children's services. This amount included expenditures of $59.8 million from State and local

funds (67.0 percent of the total) and $29.6 million from Federal funds (33.1 percent).

Implementation of the Maternal and Child Health and Mental Retardation Planning Amendments of 1963

State health departments and crippled children's agencies continued to increase their services to mentally retarded children in a variety of ways, including the establishment of new mental retardation clinics, the broadening of services available in clinics, the extension of crippled children's services to children in institutions for the mentally retarded, the participation in training of professional persons, and the extension of programs for detection and treatment of children with phenylketonuria.

Maternity and Infant Care Projects

Top priority was given to the development of projects to provide comprehensive health services for high-risk pregnant women in low-income population groups and for high-risk infants.

The major objective of this maternity and infant care program was to reduce the incidence of mental retardation which could be caused by premature birth and other complications associated with childbearing. To accomplish this aim, the number of prenatal clinics was being increased in neighborhoods where they would be more accessible to pregnant women. Hospital care of good quality was being provided for women with complications of pregnancy and for their infants. Professional counseling on family planning was available in most projects for those mothers who wished it.

By the end of fiscal year 1965, 25 maternity and infant care projects had been approved, for which a total of $14.2 million in Federal funds had been obligated. Projects had been approved for 8 of the Nation's 10 largest cities—for New York, Chicago, Detroit, Philadelphia, Cleveland, Washington, Baltimore, and St. Louis. Eight other projects were located in Atlanta, Buffalo, Denver, Minneapolis, Newark, Portland (Oreg.), San Francisco, and San Juan. Two projects served metropolitan counties—Dade County, Fla., and Tri County, Colo. Six States and Puerto Rico had projects to serve predominantly rural areas. At the end of the year, 12 projects were in operation and giving care to patients; 13 were in the process of recruiting staff, arranging for physical facilities, and making agreements with hospitals or agencies to provide patient services.

The urban projects had as one of their major objectives the more equitable distribution of maternity patients among the larger hospitals with approved maternity services. Such plans had the effect of reducing the overcrowding of public hospitals and of increasing

professional staff time per patient, thereby improving the quality of care provided.

In all maternity and infant care projects, the initial and major effort was the development of services for the mother; a slower and later development was work on a program of comprehensive services for high-risk infants.

Hospital services for infants of mothers with risk-producing conditions were provided. All projects accepted for hospital care high-risk infants of non-high-risk mothers. While projects varied, most infants received quality care in special nurseries located in teaching hospitals associated with schools of medicine; these nurseries were directed by board-qualified pediatricians. Many projects set up "high-risk infant clinics" where all project infants were followed periodically during their first year.

Family Planning

A marked change in attitude toward family planning in recent years made it possible for States which already provided such services as an integral part of their maternal and child health programs to expand their activities and for the other States to initiate family planning programs.

Twenty-six States spent $1,835,000 of maternal and child health funds in fiscal year 1965 for family planning services. Usually these services were provided at the time of the 4–6 week postpartum examination.

Mental Retardation Services in Maternal and Child Health and Crippled Children's Programs

Improvement and expansion of mental retardation clinical programs continued. The number of special clinics for mentally retarded children increased from 110 in 1963 (80 of which were supported in whole or in part by Children's Bureau funds) to 139 at the end of 1964 (94 of which were supported in whole or in part by Children's Bureau funds). The 139 clinics served approximately 45,000 children during calendar year 1964 (29,000 children were served by the 94 clinics supported by Children's Bureau funds). There continued to be large numbers of children on waiting lists.

Interest in the prevention of mental retardation stimulated State legislative activity. At the end of fiscal year 1965, 22 States had enacted laws which either permitted or made mandatory the screening of newborn infants for phenylketonuria (PKU).

The Children's Bureau continued to encourage States to set up programs to detect PKU by blood screening of newborn infants. As of March 1965, more than 2,600 hospitals were routinely blood testing newborns for PKU.

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Procedures for the multiple screening of inborn errors of metabolism, including PKU, were developed and tested. One such procedure, an extension of the bacterial inhibition assay, which allowed for the detection of phenylketonuria, galactosemia, maple syrup urine disease, and histidinemia, was developed and tested by Dr. Robert Guthrie of the Children's Hospital in Buffalo. A paper chromatographic procedure was field tested by Dr. Mary Efron of the Massachusetts General Hospital in Boston.

"Genetic" Laboratories

Because of progressive, rapid advances in biochemistry and cytogenetics, requests for laboratory services (as a part of the total evaluation of a child) increased.

Thirteen "genetic" laboratories received special project grants totaling more than $600,000 from the Children's Bureau in 1965. All of these laboratories were in medical centers and were closely affiliated with clinical services for mentally retarded or handicapped children.

Rubella

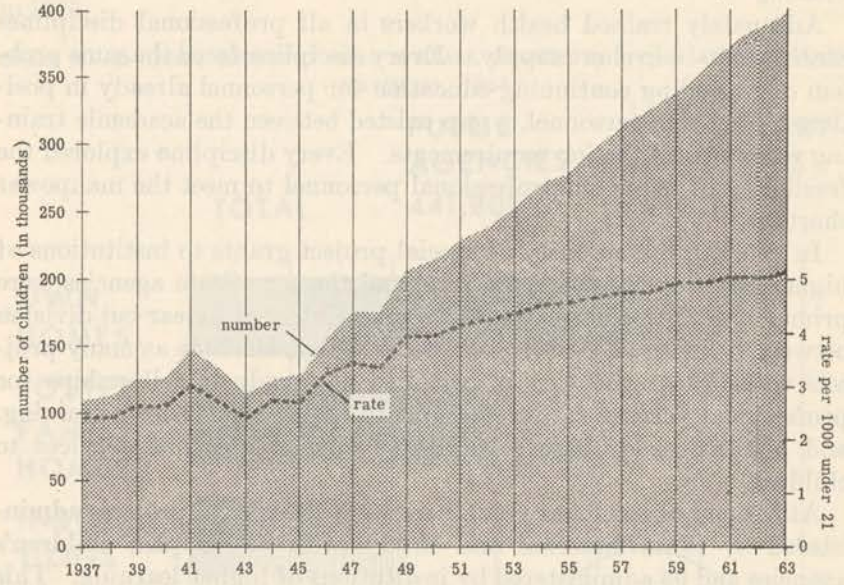
Beginning in the East in 1963 and spreading to the South and finally to the Far West in the spring of 1965, a German measles epidemic—one of the worst in our Nation's history—left in its wake a large number of babies with defects. An informal survey, made in May 1965, grew out of the concern about the increase in the number of infants whose mothers had rubella in early pregnancy and about infants who may as a result have multiple or unrecognized handicaps and who may not be receiving the services they need.

According to the survey, at least 18 States had epidemiologic evidence that an increase in rubella had occurred. Five States reported special studies for the followup of affected infants. Two States were planning, probably as a result of the epidemic, to increase their epidemiologic staff to monitor such occurrences in the future. Five States reported an increase in congenital malformations recorded on birth certificates. Six States reported an increased use of gamma globulin for pregnant women. Twelve States communicated in some way with physicians and/or the public to alert them to the problem.

Occupational Therapy for the Multiply Handicapped Child

A national conference on "Occupational Therapy for the Multiply Handicapped Child," the first national conference for occupational therapists to focus exclusively on the child, was held at the University of Illinois. The purpose of the conference was to present to occupational therapists an overview of concepts and of advanced clinical practice and to chart guidelines for future professional growth and service functions. The papers presented at the conference will be published.

CHART 8.—CHILDREN SERVED IN THE CRIPPLED CHILDREN'S PROGRAM, 1937–63



Speech and Hearing Services

While most of the speech and hearing programs were conducted for school-age children, an increasing emphasis was given to the testing of preschool children and infants. States expanded the scope of their programs or employed professionally qualified persons to develop programs for speech and hearing.

The Bureau provided support to the Iowa Crippled Children's Service for a pilot, nonacademic, clinical training program to upgrade the competence of professional speech and hearing staffs. The program included conferences focusing on research needs in the area of the deaf; the development of guidelines for infant hearing-screening programs; the development of guidelines for the calibration of audiometers; speech and hearing in relation to mental retardation; and home training programs for language development. A conference of professional leaders to consider the subject of training aides and assistants in the field of speech and hearing was planned.

Dental Services

The Bureau encouraged the inclusion of dental services in comprehensive health care programs.

A conference on dental care for the mentally retarded child was held at the University of Tennessee. The purpose was to bring together leaders in the dental profession, particularly those providing dental care for handicapped children, to recommend to the Children's Bureau guidelines for the dental care of mentally retarded children. The proceedings will be published by the Children's Bureau.

Training

Adequately trained health workers in all professional disciplines continued to be in short supply. Every discipline faced the same problem of providing continuing education for personnel already in positions. For new personnel, a gap existed between the academic training received and the job requirements. Every discipline explored the feasibility of using subprofessional personnel to meet the manpower shortage.

In general, the majority of special project grants to institutions of higher learning were for training, and those to State agencies were primarily for demonstration of services. However, a clear-cut division between training and service could not always be made as many projects under State sponsorship provided postgraduate fellowships for professional personnel, nearly all contributed to short-term training, and institutions of higher learning provided optimum services to children.

At the end of the fiscal year, there were 109 special projects administered by State maternal and child health or crippled children's agencies and 95 administered by institutions of higher learning. This was an increase of about 55 percent in total projects over 1964.

In fiscal year 1965, the Children's Bureau awarded funds for 243 fellowships, an 80 percent increase over 1964 in the number of persons who received stipends in training programs. Forty-eight fellowships were related to State projects, and 195 to institutions of higher learning.

In addition, funds were provided for short-term training of approximately 167 physicians, nurses, and technicians. A number of special projects supported short-term training through institutes, seminars, and workshops.

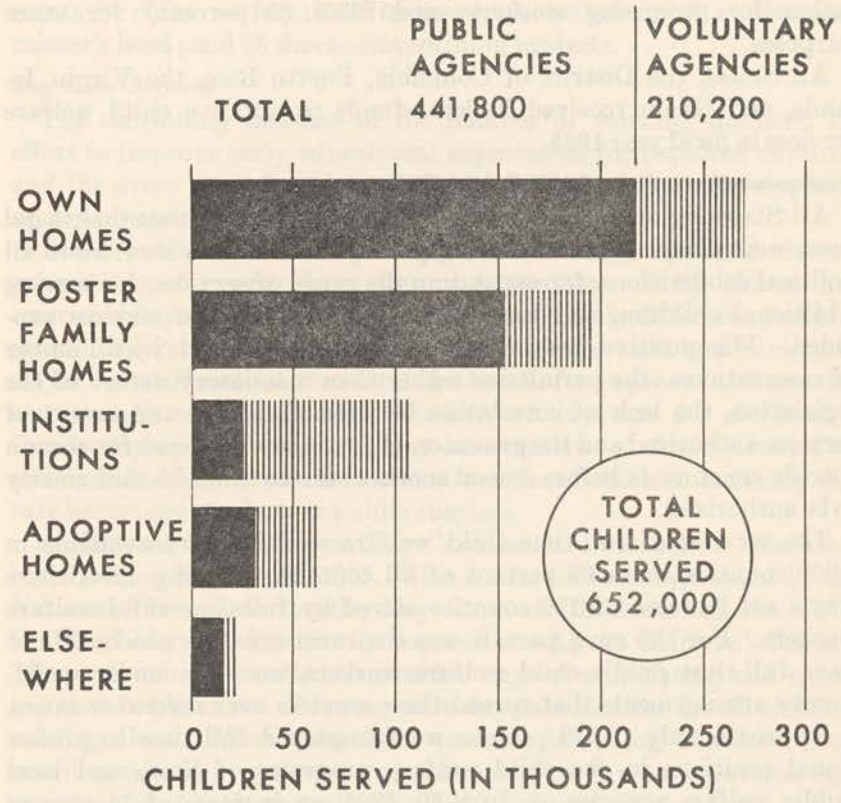
CHILD WELFARE SERVICES

New Federal programs in 1964 and 1965 provided the opportunity for tremendous gains in advancing the welfare of children. These programs created new remedies for the elimination and prevention of four basic social ills: denial of civil rights, poverty, ignorance, and poor health. At the same time, the strengthening and extending of basic child welfare services continued under the 1962 amendments to the Social Security Act.

About 652,000 children were receiving services from public and voluntary child welfare agencies and institutions in the United States on March 31, 1964, or 5 percent more than were being served on March 31, 1963. Of this total, 441,800 (68 percent) were served primarily by public agencies and institutions, and 210,200 (32 percent) primarily by voluntary agencies and institutions. The rate was 83 children

served per 10,000 in the population as compared with 81 per 10,000 in 1963.

CHART 9.—CHILDREN RECEIVING CHILD WELFARE SERVICES BY LIVING ARRANGEMENTS, MARCH 31, 1964



Two-fifths of all children served lived with parents or relatives or, in the case of older teenagers, maintained living arrangements on their own; nearly one-third were in foster family homes; one-sixth in institutions; and one-tenth in adoptive homes. This distribution was about the same as in 1963.

The 1964 statistics showed a continuation of the same trends seen for a number of years—an increase in both the number and rate of children served and a growing proportion of children served by public rather than voluntary agencies.

State and local public welfare agencies spent an estimated $313 million in fiscal year 1964 for public child welfare services, a 17-percent rise over 1963. This amount included expenditures of $156 million from State funds (50 percent of the total), $128.2 million from local funds (41 percent), and $28.8 million from Federal funds (9 percent).

An estimated $204.3 million (65 percent of the national total) was used to pay for foster care of children; $8.4 million (3 percent) for provision of day care; $82.5 million (26 percent) for personnel; $3 million (1 percent) for educational leave to provide professional education for promising workers; and $14.8 (5 percent) for other purposes.

All States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam received Federal funds to improve child welfare services in fiscal year 1965.

Implementation of the 1962 Public Welfare Amendments

All States reported in their 1964 child welfare plans that their legal bases were adequate for extending public child welfare services to all political subdivisions, for expanding the range of services, for serving additional children, and for improving the quality of services provided. This positive assessment was qualified, however, by a number of reservations—the permissive rather than mandatory nature of the legislation, the lack of correlation between the scope and extent of services authorized and the provision of funds, and the need for certain specific enactments before one or another service could be said clearly to be authorized.

The services of full-time child welfare workers were available in 2,000 counties, or in 62 percent of all counties. During 1964, there was a net increase of 126 counties served by full-time child welfare workers. For the most part, it was the rural counties which did not have full-time public child welfare workers, not even under multicounty arrangements that spread these services over several counties.

Approximately 10,379 persons were employed full time in professional positions in the child welfare programs of State and local public welfare agencies on June 30, 1964, an increase of 11 percent over the number employed 1 year earlier.

Extension of services in the two dimensions of serving additional children and increasing the range of services was in a transitional stage. There was movement toward concern with the problems of children in their own homes expressed through assumption of protective service responsibility, provision of more homemaker and day care services, more licensing of proprietary day care facilities, and the beginnings of concern for parents and children who had inherent or culturally caused mental retardation. A byproduct of these concerns and trends seemed to be the development of new organizational patterns and administrative structures, such as specialists at the State level to develop and guide protective services, day care operations and licensing, or homemaker services and units at local levels to provide these services on a specialized basis.

Child Welfare Training Grants

A total of $3,578,579 in child welfare training grants provided for 87 field instruction units and 26 other faculty to strengthen the school program in relation to child welfare and to develop new field placements in child welfare; 563 traineeships, including 28 at the post-master's level; and 26 short-term training projects.

Day Care Services

The continuing increase in the number of working mothers, the effort to improve early educational experiences for deprived children, and the drive to eliminate poverty have all affected the development of day care services during the fiscal year.

State public welfare departments increasingly assumed the responsibility for providing day care services. Fifty States had approved day care services plans in contrast to only 46 for the previous year. Federal funds for day care services were used in a variety of ways: for staff and for the training of staff, for expenses of State day care committees, and for the purchase of day care for children in family day care homes and in day care centers. A few States set up and operated day care centers, and a few placed children in family day care homes operated under public auspices.

A National Conference on Day Care Services was held in Washington, D.C., on May 13–15, 1965. This conference was sponsored by the National Committee for the Day Care of Children and the Child Welfare League of America in cooperation with the Children's Bureau. The conference was called to consider ways of stimulating and speeding the establishment of appropriate day care services for all children needing them. More than 1,000 persons, including administrators, board members, proprietors and consumers of day care services, representatives of business and organized labor, and members of a variety of professional disciplines in health, welfare, and educational fields, attended the conference. Work groups stressed coordination of services, increased parent participation, improved community interpretation, inservice and professional training, broadened representation on agency boards, use of volunteers and other kinds of auxiliary personnel, and the formation of day care councils.

In March 1964, there were 9.5 million working mothers in the United States, a rise of 3 percent above the number reported 1 year earlier; this was about one-third of all mothers in the population with children under 18 years of age. There were 3.6 million working mothers with children under 6 and 5.9 million with children 6 through 17 years of age. About three of every four mothers who worked in March 1964 had full-time jobs. Mothers were much more likely to be working if there were no husband in the home: Among mothers with

children under 6, one-fourth of those living with their husbands were in the labor force; among women with other marital status, one-half were in the labor force. Of those with children ages 6 through 17, 4 of every 10 mothers in husband-wife families were in the labor force as compared with 7 of 10 other mothers.

There were about 6,300 licensed or approved day care centers in the United States in September 1964 with an estimated aggregate capacity for 213,000 children. There were also about 13,800 licensed family day care homes with an aggregate capacity estimated at 48,000 children. Of the licensed centers, 340 were public, 1,500 were voluntary, and 4,460 were independent. Of the licensed homes, 7,800 were supervised by public agencies, 300 by voluntary agencies, and 5,700 were independent.

Mental Retardation Services in Child Welfare Programs

The extension of child welfare services under the 1962 amendments, the earmarked funds for day care services, and the training grants in the field of child welfare continued to contribute to the development of special services for mentally retarded children. The National Conference on Day Care Services, in particular, emphasized the value of day care services as a resource for the mentally retarded.

Two child welfare training grants were approved for projects relating specifically to the field of mental retardation: one was for the development of social work field instruction at the St. Louis State School and Hospital under auspices of the St. Louis School of Social Work, and the other was for the development of field instruction in social group work with mentally retarded children at Bronx River Houses Neighborhood Center under auspices of Hunter College of Social Work.

State welfare agencies began to be involved in comprehensive planning for the mentally retarded. Several States developed day care programs for mentally retarded children. Some cooperated in providing a variety of social services to these children and their families.

Nearly all States provided some social services to mentally retarded children in their own homes and in foster care. About 34,000 mentally retarded children received services from public welfare agencies in fiscal year 1964; over 5,500 received services from voluntary agencies.

Physically Abused Children

National attention and focus on problems of the physically abused child continued. During the 1965 sessions, 29 State legislatures passed laws with regard to the reporting of cases of child abuse. Twenty-five States enacted such laws for the first time. Four other States revised or amended their statutes. As of June 1965, a total of 46 States had child abuse reporting statutes. Legislation for the Dis-

trict of Columbia was pending in Congress at the end of the fiscal year.

Homemaker Service

The value of homemaker service in the maintenance or strengthening of family life for children received increased recognition. Approximately 100 new homemaker service programs were developed in fiscal year 1965; over half of them were programs sponsored by public child welfare agencies. The growth of the new programs represented the extension of homemaker service to broader geographic areas, particularly in the sparsely populated regions. The number of employed homemakers in existing programs also increased.

Foster Family Care

Despite the recognition that, potentially, foster care can be helpful for most children who cannot remain in their own homes for temporary or extended periods of time, there was a growing tendency to question whether foster family care was meeting the needs of children who must live away from their families. Questions arose from the number of replacements from one foster family to another, the increasing problems in finding and retaining foster families, and the difficult problems of children in foster family care.

The increased need for foster family service was not accompanied by a comparable increase in trained child welfare staff. This resulted in children being placed in foster care too late or with families not able to meet their special needs.

A study of children in foster care in Georgia revealed that the average stay in foster care was about 2 years; that 15 percent of children were retarded to the extent that adoption did not seem feasible or was not planned; that complicated legal termination-of-rights procedures prevented some children from moving into a permanent adoption setting; that a child may rarely expect to remain in the same temporary foster home over extended periods; that treatment facilities for disturbed children were practically nonexistent.

Group Care of Children

Agency-operated group homes increased very rapidly, probably at the rate of one new group home every few weeks. Both public and voluntary agencies discovered the potentials of this community residential resource for homeless adolescents, unmarried adolescent mothers, delinquent children who must leave home but cannot or should not be in foster homes or training schools, and other groups of children.

Resident group care for preschool dependent children, especially for Negro children and those from other minority groups, expanded

in several eastern cities—New York, Philadelphia, and Washington—under public welfare auspices. The major reason for this trend was the increasing difficulty in finding foster family homes for these children (1) because of low payment for care of foster children and (2) because of lack of relief services and supervision for foster families.

Unmarried Mothers

Although the rate varied slightly, the number of births out of wedlock rose from 240,200 in 1961 to 259,400 in 1963. About 2 out of 5 births out of wedlock were to women under 20 years of age, and about 1 out of 5 to those under 18 years. About 6.3 percent of all live births in 1963 were out of wedlock. The rate for births out of wedlock was 22.5 per 1,000 unmarried women aged 15 through 44 years (the rate was 49 per 1,000 unmarried women aged 25 through 29, and the rate was 15 per 1,000 unmarried teenage girls aged 15 through 19).

Efforts were made to find ways of serving unmarried mothers in the lower socioeconomic group. Outpatient programs were developed by maternity homes. Some States used grant-in-aid funds for services to unmarried mothers. A number of States emphasized staff training for child welfare workers providing services to unmarried mothers and adoption services.

Adoption Services

The number of children adopted increased, rising from about 121,000 children in 1962 to 127,000 in 1963. It was estimated that 67,300 (53 percent) of the children were adopted by nonrelatives and 59,700 (47 percent) by relatives. In two-thirds of the adoptions, the children were placed in adoptive homes by social agencies.

Four-fifths of all nonrelative adoptions and one-third of all relative adoptions were children born out of wedlock.

Ninety percent of all children adopted were white, about 8 percent were Negro, and about 2 percent were other nonwhite children such as American Indian, Japanese, or Korean.

There was an increase in legislative proposals concerning adoption. Some States considered legislation regarding termination of parental rights and responsibilities. The rights of the putative father were highlighted in several court decisions and may affect adoption procedures.

Cuban Refugee Children

The Federal program of child welfare services for unaccompanied Cuban refugee children entered its fifth year. The program has declined from a peak of 4,100 children in October 1962 to the low point of 1,845 children on June 30, 1965. These children have been placed in 105 communities in 37 States, the District of Columbia, and Puerto

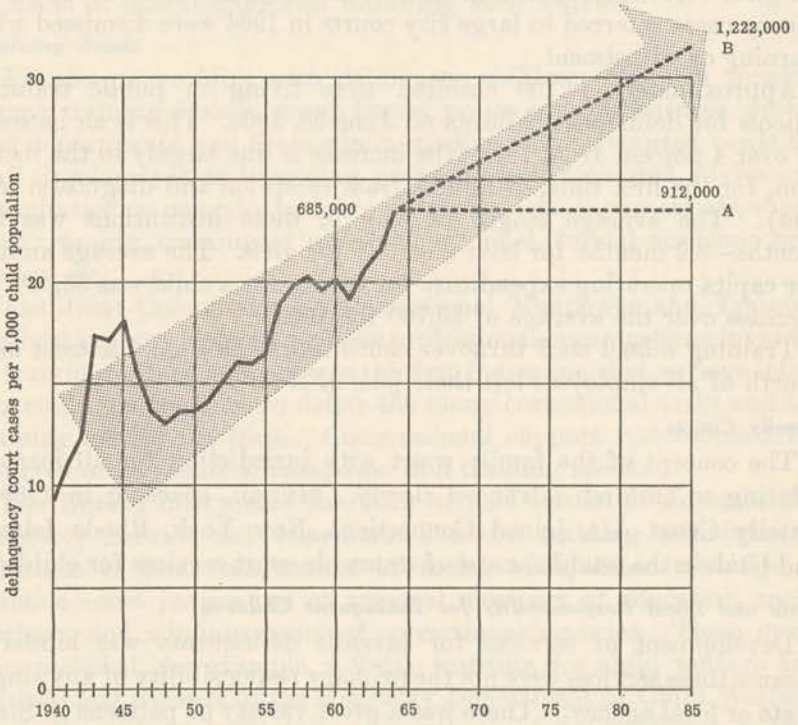
Rico. Of the total of 7,879 children who have received care, 76 percent have been discharged, the majority to parents or other close relatives.

JUVENILE DELINQUENCY SERVICES

The growing national interest in and concern about the multifaceted problem of juvenile delinquency was reflected at the Presidential level with the establishment of the President's Commission on Law Enforcement and Administration of Justice.

In the past decade, juvenile delinquency cases in the United States have more than doubled, while the child population aged 10 through 17 has increased by less than 50 percent. In 1964, the courts handled 686,000 delinquency cases, excluding traffic violations. These juvenile delinquency cases involved 2 percent of all children aged 10 through 17 in the United States.

CHART 10.—JUVENILE DELINQUENCY IS STILL INCREASING



A projection—If the 1964 juvenile delinquency court case rate remains unchanged until 1985, this Nation will have 912,000 delinquency cases in 1985, excluding traffic offenses.

B projection—If the juvenile delinquency court case rate continues to increase as it has since 1940, 1,222,000 delinquency cases are projected for 1985.

The 1964 court statistics showed an increase of 14 percent in juvenile delinquency cases, excluding traffic offenses, over 1963.

The rate of delinquency cases per 1,000 child population aged 10 through 17 was about three times higher in predominantly urban areas than in predominantly rural areas.

Most of the offenses for which juveniles were referred to courts were those committed against property. Relatively few were those committed against persons.

Boys were referred to courts in 1964 more than four times as often as girls. Boys were referred to large city courts for considerably different reasons than girls. More than one-half of the girls were referred for conduct that characterized juvenile misbehavior but was not ordinarily considered a crime (runaway, truancy, curfew violations, ungovernable behavior, etc.) ; one-fifth of the boys were involved in offenses of this nature. On the other hand, almost one-half of the boys were referred to large city courts for offenses against property (larceny, auto theft, vandalism, robbery, and burglary) ; about one-sixth of the girls were involved in such cases. More than one-third of the delinquency cases referred to large city courts in 1964 were dismissed with warning or adjustment.

Approximately 44,100 children were living in public training schools for delinquent children on June 30, 1964. This is an increase of over 4 percent from 1963 (the increase is due largely to the inclusion, for the first time, of figures from reception and diagnostic centers). The average length of stay in these institutions was 9.3 months—8.2 months for boys and 10.7 for girls. The average annual per capita operating expenditure for caring for a child was $3,020, an increase over the average of $2,760 for 1963.

Training school staff turnover continued to be high. Almost one-fourth of all employees left their jobs in 1964.

Family Courts

The concept of the family court with jurisdiction for all matters relating to children advanced slowly. Hawaii, enacting in 1965 a Family Court Act, joined Connecticut, New York, Rhode Island, and Utah in the establishment of statewide court services for children.

State and Local Responsibility for Delinquent Children

Development of services for juvenile delinquents was hindered because these services were not the primary responsibility of any single State or local agency. There was a great variety of patterns in State structures.

Training schools for delinquent children were administered at the State level. In less than one-third of the States, the training schools were administered by the welfare departments; in the balance of the States, they were administered by independent boards, departments

of institutions, departments of education, departments of corrections, and, in some, so-called youth authority agencies. An even greater diffusion of responsibility existed with respect to aftercare supervision (parole), which may be carried out by several agencies, both State and local, in a given State.

Most of the other services and facilities for delinquent children were under local administration. Law enforcement agencies were another important group dealing with delinquent children; responsibility for administration in this area was diffused also.

Age of Jurisdiction

There was increased action in a number of communities to lower the age of jurisdiction in juvenile courts and/or to waive more cases to adult courts. The Children's Bureau developed and sent a questionnaire to a number of cities to determine what actually happened to children whose cases were waived to adult courts. A study will be made of case dispositions following such waivers.

Training Needs

All groups working with delinquent children—those in forestry camps, training schools, group homes, police juvenile bureaus, probation departments, and State administrative units—reported needs for staff development and training programs and requested advice and consultation on inservice training programs, training materials, short-term training, training of research personnel, formal academic programs, etc.

The Joint Commission on Correctional Manpower and Training received support from most of the professional organizations involved in training. Such support was the first indication that various interests could get together to define the many correctional tasks and the training needed for them. Congressional support was received for a survey of correctional manpower and training needs.

The Bureau interpreted the work of its Division of Juvenile Delinquency Service and demonstrated useful training techniques at institutes at State conferences of social work, State meetings of juvenile court judges and at regional meetings of educators, social workers, and administrators of correctional agencies. These meetings included, for example, a 2-day institute for child welfare and institutional workers of the Kentucky Department of Child Welfare, the Indiana State Institute for Juvenile and Criminal Court Judges, the southeastern regional meeting of the American Public Welfare Association, and the Middle Atlantic States Conference of Correction.

Position papers on juvenile delinquency were prepared for the Third United Nations Congress on the Prevention of Crime and Treatment of Offenders in Stockholm, Sweden, in August 1965.

Office of Aging

At the close of the fiscal year, the Older Americans Act of 1965 had been passed by the Congress, although the President did not sign it until July 14, 1965. The act establishes an Administration on Aging within the U.S. Department of Health, Education, and Welfare. The legislation authorizes allotments to the States for programs for the elderly and provides for grants to be administered by the Administration for research, demonstration, and training projects. During the 1966 fiscal year, the Office of Aging will be transferred to the new Administration.

The Older Americans Act describes eight duties and functions to be performed by the new Administration. The Office of Aging, within the limits of available funds and staff time, has been performing four of these functions for the past several years. It stimulates more effective use of existing resources and available services for the aged and aging; provides technical assistance and consultation to States and political subdivisions thereof with respect to programs for the aged and aging; prepares, publishes, and disseminates educational materials dealing with the welfare of older persons; and serves as a clearinghouse for information related to problems of the aged and aging.

Stimulating the Use of Resources and Services

Much of the Office's effort has been directed to stimulating other agencies or organizations to conduct programs and provide needed services for elderly people. In the Washington office, the staff is constantly working with other Federal agenices and with national voluntary organizations on programs for the elderly. The regional representatives on aging in the nine departmental regional offices devote the majority of their time to working with State agencies on aging, State and local voluntary organizations, and universities within their regions with the same motivation. In order to use all available resources for the elderly, the Office staff must assume responsibility for a detailed knowledge of Federal, State, and local programs for older people throughout the Nation, as well as of all programs which might provide resources or services for the elderly.

WORKING WITH OTHER FEDERAL AGENCIES

During the year, staff members of the Office of Aging met regularly with the President's Council on Aging and served on most of its major committees. The Director of the Office served as a member of the Executive Committee of the President's Council and met monthly with this Committee. In addition, the Office assisted the Council in the preparation of several of its publications.

At least half of the central Office staff and all of the regional representatives served as chairmen, secretaries, or members of departmental or interdepartmental committees or special task groups concerned with aging. A member of the Office staff was assigned to work on the rural elderly task force. The Office participated in the task force of the Welfare Administration to evolve a philosophy of welfare, and the Deputy Director developed a staff paper on "National Policy and the Public Welfare Program for Older People."

The Departmental Committee on Aging, under the chairmanship of the Director of the Office, planned and conducted a professional development program in aging consisting of a series of lectures, to which staff members throughout the Department were invited.

The Office worked closely with the Bureau of Family Services to plan professional inservice training in the field of aging for public welfare staff members on Federal and State staffs. In June, the Office played a major role in planning and conducting a 2-week inservice institute for State and county public welfare specialists and related personnel in aging in Cleveland, Ohio. The Deputy Director acted as director of the institute. Results of the institute are being evaluated for use in conducting similar training institutes in the future.

The Office participated in the Conference on Extension of Legal Services to the Poor, conducted by the Office of Juvenile Delinquency, and submitted suggestions for a method for distribution of the proceedings to insure their being of greatest value to the elderly poor.

The Food and Drug Administration was provided with data and suggestions for use in developing a long-term education program aimed at older persons. In region VIII, the Office participated with the Utah Council on Aging, the Utah Medical Association, the State health and welfare departments, the State Nutrition Council, and the Food and Drug Administration in sponsoring a traveling workshop on medical frauds and quackery in Utah.

Staff members worked on projects to benefit older people with a number of the components of the Public Health Service, including the Bureau of Environmental Health, the National Institute of Child Health and Human Development, the National Institute of Mental Health, the Division of Accident Prevention, and the Division of Chronic Diseases.

Staff provided consultation and assistance to the Veterans Administration, the Farm Population Branch of the U.S. Department of Agriculture, and the U.S. Department of Labor.

The Office continued to work closely with the Housing and Home Finance Agency on plans for congregate housing and on concerted services projects. The regional representative on aging in Atlanta, Ga., was assigned regional-level leadership in the HEW–HHFA Joint

Task Force on Concerted Services in Housing, with special emphasis on the Miami, Fla., concerted services project for the elderly in public housing. Departmental staff from the Bureau of Family Services, the Public Health Service, the Vocational Rehabilitation Administration, and the Office of Aging, along with staff from the Public Housing Administration, in cooperation with local cosponsors of the Miami project, conducted a workship for local leaders, to provide current data on which future programs and activities could be based.

The principle of concerted services was also utilized by the Regional Committee on Services to the Elderly, in cooperation with officials of State health, welfare, rehabilitation, aging, employment, economic opportunity, and other related agencies in planning and conducting a 2-day concerted services workshop in Georgia for teams of representatives from 10 communities.

A research conference on housing was sponsored by the National Institute of Child Health and Human Development in cooperation with the Office of Aging, the Division of Chronic Diseases, Public Health Service, and the Housing and Home Finance Agency. The theme was "Patterns of Living and Housing of Middle-Aged and Older People." It was attended by gerontologists, sociologists, psychologists, architects, and Government officials, including two representatives from Western Europe.

From the inception of the war on poverty, the Office worked closely with departmental task forces planning programs for needy individuals. Staff members developed analyses and recommendations on the use of title V of the act for programs for the aging. Materials were prepared for implementing title II and proposals developed for involving older people. Staff participated in the community action task force and worked with the Maryland State Commission on Aging, the Baltimore Commission on Aging, and the Baltimore Health and Welfare Council in preparation of a proposal for a community action program for older people in Baltimore. Office members also worked with the Office of Education on plans for adult education programs under the act.

On June 30, 1965, the Office signed a contract with the Office of Economic Opportunity under which the Office of Aging will develop and supervise projects initiated under a new "foster grandparent" program. The contract came as a culmination of several months of discussion between the two agencies. Under the terms of the contract, needy older people will be hired and trained to give love and companionship to very young children in selected institutions across the country.

As part of the efforts to stimulate the utilization of Federal funds for programs and projects for the aging, two additional brochures in

the series on "Federal Assistance for Projects in Aging" were published during the year—one on the "Research Project Grants Program of the National Institute of Child Health and Human Development, Public Health Service," and another on "Training Programs of the National Institute of Child Health and Human Development, Public Health Service."

WORKING WITH STATES

Each regional representative on aging maintains almost weekly contacts with the State agencies on aging within his region, stimulating them to initiate new programs in the field and assisting them with ongoing programs.

For example, as a result of the work of the regional representative on aging in Dallas, Tex., in cooperation with the Texas Coordinator of Aging Services, Gov. John Connally and President Earl Rudder of Texas A. & M. University signed an agreement in January to utilize the resources of the University's Agriculture Extension Service to organize a committee or program for the aging in every community and county of the State. By June 30, 1965, a total of 153 committees were in some stage of organization in Texas. The committees will provide channels for communication, education, and program development for the aging people of the State.

The regional representative on aging in New York City stimulated State and voluntary organization development of the first statewide conference on protective services for the elderly in the Nation. The conference, held in Pennsylvania, spurred the State to investigate legal measures which might be invoked to make protective services a reality in the State.

Three conferences for State leaders in aging were held in regional offices during the year to enable leaders to exchange ideas and experiences among themselves and with representatives of Federal agencies.

The central office staff also maintained close working relationships with many of the State executives on aging. A short training session was conducted in Washington, D.C., for some of the more recently appointed State executives. The National Association of State Units on Aging was assisted in firming up plans for an executive training session to be conducted at the University of Southern California at Los Angeles during the fall of 1965. The Association again scheduled its annual meeting to coincide with the dates of the annual National Conference of State Executives on Aging in Washington, D.C., in May.

This major conference is planned and conducted each year in large part to provide stimulation and information for State executives in

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aging from across the country. This year's conference was attended by more than 200 persons, including representatives of national voluntary and religious organizations, as well as State executives. Vice President Hubert H. Humphrey, Senator Robert F. Kennedy of New York, Federal officials, a researcher in aging, an educator, a psychiatrist, a geriatrician, a sociologist, and two older retired people addressed the conferees.

WORKING WITH VOLUNTARY ORGANIZATIONS

The Office worked with representatives of the National Council of Jewish Women on plans for their Senior Citizens Volunteer Corps and with the American Legion on plans for programs for older people in Legion posts. The Office also provided consultation to the American Craftsmen's Council, the American Nursing Home Association, the American Association of Retired Persons, the Hotel Corporation of America, the New York Community Council, and the Chamber of Commerce, among others. A member of the staff was invited to work on the Committee on Aging of the American Public Welfare Association.

The Office participated with the National Council on the Aging and the President's Council on Aging in preparing a survey of senior citizens centers. At the end of the year, a directory had been compiled for future publication.

The Gerontological Society, Inc., initiated work on the development of a handbook on training in social gerontology, to which the Office of Aging is contributing. A staff member was also asked to participate on the Society's research committee. Office staff assisted in the organization of, and participated in, the Society's annual scientific meeting.

The Office also participated in making plans for the Seventh International Congress on Gerontology to be held in Vienna in 1966.

WORKING WITH RELIGIOUS ORGANIZATIONS

Since, for most older people, religion is a valuable resource, and church programs and pastoral guidance are a means of living a more meaningful life, the Office has given special attention to developing seminars and workshops for religious organizations and the clergy.

During the year, the staff worked with the National Council of the Protestant Episcopal Church to plan and conduct a conference on aging for the Episcopal clergy of the Los Angeles province. A conference was held with representatives of the Unitarian-Universalist Association regarding a denominational workshop on the role of the church in aging. The Deputy Director of the Office lectured at the week-long Ministries of Aging Conference of the American Baptist Assembly, and a staff member made the keynote address before the

First National Conference on the Ministry to the Aging of the Episcopal Church Council in Milwaukee, Wis.

A manuscript was completed for a case study to be published in the "Patterns for Progress in Aging" series, which describes the development and operation of four successful church programs for the aging.

WORKING WITH UNIVERSITIES

Leaders in aging throughout the country are emphasizing the growing need for more trained professionals in the field. The Office of Aging continued its efforts to stimulate universities to offer courses in aging at all levels and to establish institutes and councils on aging, as well as to conduct needed research.

During its 1965 legislative session, the Michigan Legislature passed a bill establishing an Institute of Gerontology jointly at the University of Michigan and Wayne State University.

In June, the president of the University of Georgia established a Council on Gerontology at the University and assigned to it a full-time staff member to serve as chairman. The Council will focus its attention on training persons already in the field of aging, preparing persons entering the field, and providing consultation in gerontology and research. The Office of Aging's regional representative in Atlanta, Ga., was instrumental in stimulating this development.

Staff also worked with Hofstra University's select committee on the development of a center for social gerontology, at the request of the university's president.

Consultations were held with St. Mary's College, Cornell University, Duke University, Tuskegee Institute, and Pennsylvania State University on matters such as considering the use of retired or retiring teachers, establishment of a conference center on preparation for the later years, exploration of potentials for the development of new courses, and possible sources for funding projects. A staff member met with representatives of Notre Dame University to plan the first of a series of seminars on poverty among the aged.

To assist universities develop courses and curricula in the field, the Office published "Training in Social Gerontology and Its Application: A Suggested University Curriculum."

Office staff members gave consultation to the University of Michigan Division of Gerontology on their 18th Annual Ann Arbor Conference on Aging, and staff participated in the conference.

For several years, the regional representative on aging in Kansas City, Mo., has been working closely with the Midwest Council for Social Research in Aging, an organization composed of college teachers and researchers from more than a dozen Midwest colleges. During

the year, the Council published a book of studies entitled "Older People and Their Social World."

TECHNICAL ASSISTANCE AND CONSULTATION

In working to provide adequate programs, services, and activities for older people in the communities where they live, both the Washington staff of the Office and the nine regional representatives on aging provide technical assistance to legislative bodies, State units in aging, and other public agencies on projects, demonstrations, and other programs for the aging.

During the fiscal year, new State agencies on aging were established in Nebraska, North Dakota, and Iowa primarily as a result of the consultation that the regional representative on aging in Kansas City, Mo., provided to the executive and legislative branches of the State governments involved.

Consultation was given to the Michigan Commission on Aging regarding Federal financial support programs to the Commissioner of Aging for Pennsylvania on rates paid to nursing homes for care of recipients of old-age assistance and medical aid for the aged, and to the Maryland State Commission on development of health services for the elderly. The Office worked with the Indiana Commission on Aging and the Aged on plans for introducing the subject of aging into elementary and secondary school studies in the State.

Consultation was provided to community leaders in Cincinnati, Ohio, on the development of a long-range project to organize a central service for activity centers for older persons. The regional representative on aging in Chicago and Washington staff have been working closely with the Chicago Mayor's Commission for Senior Citizens on plans for an extensive retirement planning program involving educational television and other visual aids, contacts with business, and a series of training publications. The regional representative on aging in New York City met with staff of the New York Community Council on the development of a volunteer bureau for older persons.

For State leaders in aging, the Office prepared a draft of "Guide Specifications for Positions in Aging at State and Local Levels." As a special service to States, an analysis of State agencies and their activities was prepared and published under the title "Aging in the States: A Handbook of State Organization and Action."

EDUCATIONAL MATERIALS

During the past 4 years, several series of educational and informational publications have been initiated by the Office. The "Patterns for Progress in Aging," for example, consist of case studies on successful projects or programs in aging. The demand for these studies was such that 4 of the 17 already completed were reprinted during the year.

"The Older Farm Population" and "Recent National Population Trends, Mid-1964" were published in the "Facts on Aging" series; "Traffic and the Senior Citizen," in the "Selected References on Aging" series; and "Federal Legislation Affecting Older Persons, 88th Congress, Second Session," in the "Highlights of Legislation on Aging" series.

Two new series were initiated. The first, addressed directly to older people, was introduced by "You—the Law—and Retirement." This was given special promotional treatment by the U.S. Government Printing Office and was very widely distributed. The second series, which will include addresses delivered by Office staff, was initiated with the publication of "Meeting the Needs of Older People at the Community Level," an address delivered by the Director of the Office at the 1965 conference of the Indiana State Commission on the Aging and Aged.

Selected papers from the Fourth Annual Conference of State Executives on Aging were printed under the title "Creating Opportunities for Older People"—the theme of the conference.

A CLEARINGHOUSE OF INFORMATION

As one of its most important functions, the Office acts as a clearinghouse of information on the entire field of aging. Many of the addresses delivered at meetings and conferences provide up-to-date information on new developments in the field. The Office replies to an average of more than 800 requests for information and publications each month, and publishes the official monthly news magazine, "Aging," and "Futures and Features," a special news sheet designed for distribution to the news media.

Among the Office's responsibilities is that of conferring with foreign visitors who are interested in aging. Visitors this year included a social worker superintendent from China, a Japanese sociologist, and the Secretary of the National Old People's Welfare Committee from the United Kingdom.

Office of Juvenile Delinquency and Youth Development

The Office of Juvenile Delinquency and Youth Development administers the Juvenile Delinquency and Youth Offenses Control Act of 1961. The legislation authorizes grants for demonstration and training projects and provides for technical assistance services.

The Juvenile Delinquency and Youth Offenses Control Act was extended through June 30, 1967, by Public Law 88–368 signed into

law July 9, 1964, and Public Law 89–69 signed into law July 8, 1965.

The Office of Juvenile Delinquency and Youth Development is concerned with innovative projects which may offer new solutions to the problem of delinquency prevention and control. The Office also helps develop experimental training methods and material for personnel who work with delinquent youth.

Demonstration Projects

Beginning in 1962, the Office of Juvenile Delinquency and Youth Development awarded grants to 16 communities to develop and/or carry out comprehensive projects which could provide impoverished, alienated children and youth with greater social, academic, and vocational opportunities and with greater skills to take advantage of opportunities that already exist. Programs were established to provide preschool activities, job training and placement, updated curricula, extended welfare services, consumer education, legal aid, neighborhood organization, and recreation.

During 1964, an arrangement was worked out whereby the Office of Economic Opportunity will fund most of these projects when juvenile delinquency grants terminate. A few of the projects were retained by the Office of Juvenile Delinquency so that data on successful and unsuccessful activities could be gathered, analyzed, and disseminated for use in other communities.

During 1965, the Office of Juvenile Delinquency and Youth Development initiated a new series of special short-term demonstration grants on particular facets of the juvenile delinquency problem, such as teenage violence, delinquency among American Indians, narcotics addiction, delinquency among girls, and reintegration of delinquents into the community from training schools.

Training Projects

The training program is seeking to help meet the shortages of trained personnel by providing short-term training for the orientation of new workers serving youth and for upgrading and modernizing skills of veteran personnel. The training program is also striving to develop new knowledge and to communicate more effectively the knowledge that is currently available.

During the year, the Office of Juvenile Delinquency supported 11 university-based training centers across the country. Curriculum development projects have been or are being carried out by 28 organizations. Workshops, institutes, seminars, and related training activities have been conducted by 42 institutions and agencies. To date, some 19,000 persons from such areas as law enforcement, corrections, education, welfare, and recreation have been trained in youth work.

Technical Assistance

Technical assistance services provided by the Office of Juvenile Delinquency and Youth Development have been geared to helping communities and institutions design and carry out demonstration and training programs. The Office has supplied intensive consultation to all communities which have received grants, as well as to numerous other communities which have requested assistance.

Conferences

The Office of Juvenile Delinquency sponsored a Conference on the Extension of Legal Services to the Poor, mainly for lawyers and social workers. The conference proceedings were published immediately following the conference.

Cuban Refugee Program

By the close of the fifth fiscal year of the Cuban refugee program, a total of nearly 90,000 refugees had been resettled and restored to a self-supporting status. This was more than 50 percent of the 177,500 refugees who had registered at the Cuban Refugee Center in Miami, Fla., since the Program began. During fiscal year 1965, 5,162 refugees registered for the first time, and 10,435 were resettled.

There was a steady decline in the number of refugees in Miami who required Federal financial assistance; at the close of the year, 15,983 persons, or 9,215 cases, were receiving such assistance.

Federal obligations for the Cuban refugee program decreased from $46,012,000 in fiscal 1964 to $32,531,598 in fiscal 1965.

The greatest expenditure continued to be the financial assistance caseload. Following the usual pattern of refugee programs, the caseload was made up primarily of elderly persons and those with medical problems. At the fiscal year's close, refugees eligible for financial assistance could be classified as follows: nearly half were aged 56 or older; another 20 percent had medical problems; nearly 20 percent were from broken families, most often one parent with minor children; and 1 percent had other serious hindrances to resettlement. The remaining 8 percent are in the group for which resettlement opportunities continue to be sought.

"Training for Independence" Reduces Caseload

A "training for independence" project was begun during 1965 aimed primarily at helping 3,800 Cuban women become self-supporting.

These women were classified as heads of families, many with children, but without their husbands, due to detainment in Cuba or other reasons. Despite earlier availability of English classes and vocational training, provided through the Dade County (Miami) Board of Public Instruction with Federal funds, these women, and other persons receiving financial assistance, had not made the effort to develop facility in English nor had they gained a skill qualifying them for the labor market.

Courses designed to meet the special needs of the women were set up, with the cooperation of the Dade County school system. A building known as the English Center became the hub of an intensive effort to produce English-speaking persons with enough basic training to enable them to earn a living. These courses included training in power machine sewing, commercial housekeeping, IBM punch card operating, and clerk-receptionist work.

As a result of the project, 2,103 women, or 55 percent of the number originally identified as heads of families, had become self-supporting by June 1965.

Men and women in the 56 to 64 age group were also invited to participate in the "training for independence" project. By June 1965, nearly 20 percent of this group had become self-supporting.

In both groups, public assistance was ceased for the following reasons: acceptance of resettlement, obtaining local employment, a voluntary decision not to continue receiving assistance; or, in some instances, refusal to accept opportunities to resettle and become self-supporting.

The "training for independence" project had its beginnings in 1963, after plane flights from Havana that had previously been bringing in 1,500 to 2,000 weekly ceased late in 1962. Staff time became available for a review of the records of those refugees who had not been resettled. Installation of data processing equipment at the Cuban Refugee Center made possible the analysis of the number of refugees with problems which hindered their resettlement. Improved methods of case analysis were developed, including interviews with individuals and families needing special attention.

Training of Professionals Continues

A continued effort was made during fiscal 1965 to help Cuban refugees qualify for job opportunities in the professional fields. Two new college summer courses were developed, which, together with continuing training in 6 other institutions, accounted for nearly 400 summer enrollments in the colleges. Officials of these colleges made their selections of trainees in Miami. Opportunities nationwide have been opened to the Cuban trainees as the need for teachers of

Spanish in public schools has been expanded. Some 500 trainees have already taken positions.

Today nearly 1,000 Cuban physicians, after taking refresher courses financed by the program and passing examinations, are rendering prefessional service in more than 40 States. Special training has also been provided for Cuban optometrists, dentists, lawyers, social workers, and pharmacists in their professions or in related fields.

A Medical Rating System Aids Resettlement

The "Medical Resettleability Index," devised by the Cuban Refugee Center's medical dispensary, was used successfully by the four voluntary resettlement agencies that operate at the Center under coordination of the Federal Government. Under the index system, refugees seeking employment are given an index number. The number serves as a guide to the resettlement agencies in interpreting an applicant's qualification for a particular resettlement opportunity. For example, the index provides a guide to a refugee's physical capabilities for work; this proves especially valuable in the case of older refugees about whom there might otherwise be doubt as to their capabilities because of their age. By June 1965, 5,000 refugees had been evaluated using the index system.

The index was developed from evaluation systems used in earlier refugee programs and in other projects involving physically and mentally impaired groups. It is particularly valuable now that more opportunities must be found for refugees, especially those in the upper age brackets, who have physical impairments.

The index number is based on findings in a medical history form filled out by the refugee, an examination by a physician, a review of the patient's chart, and determinations of physical and mental capacity. The result is a numerical rating ranging from 1 to 10. Refugees with a rating of less than 6 are usually found readily acceptable without any special planning required for their medical problems. With a rating of 6, some special planning is often advisable. For those rated above 6, remedial training, medical care, or social welfare arrangements are indicated.

Self-Help Organization of Fishermen

It is estimated that nearly 75,000 Cuban refugees have chosen to remain in Miami without financial assistance. The climate, proximity to the homeland, and prevalence of the Spanish language have been factors inducing many to seek employment in the city or to start businesses of their own.

While the program does not help refugees find jobs in Miami, one group—Cuban fishermen—has received special attention because of their unique plight. The fishermen attempted resettlement to fishing opportunities away from the Miami area, but found they could not adapt to heavier seas and greater fishing depths than they knew in their homeland. They returned to Miami because of the favorable fishing conditions in the south Florida area. Few of them, however, were able to make enough to sustain their families. Most were without schooling and lacked the capacity for readily gaining other skills. Recognizing this special situation, the Cuban refugee program encouraged the fishermen to form an organization for self-help. It is now incorporated as the Free Fishermen's Association of Florida. While it can expect no Government funds, it has won financial support from religious organizations sympathetic to the fishermen's problems. There is hope that this self-help effort will eventually alleviate the need for these refugee families to receive public assistance.

Outlook for the Future

The continuing escape of Cubans from their homeland by small boats (959 men, women, and children arrived in this manner and registered at the Center in fiscal 1965) and arrivals via Mexico and Spain emphasize the still-present emergency activities of the program. In postemergency action, besides training and resettling refugees who continue to receive financial assistance, the program also seeks to help the many refugees who choose to remain in Miami to adjust to life in that community. Toward this end, the program has sought to develop liaison and communication with community groups and social agencies such as the United Fund and senior citizen centers to alert them to the problems of the elderly and infirm, as well as the needs of younger refugees who are striving for self-support.

Operational Programs in the Office of the Commissioner

In addition to functions related to administration, management, long-range planning, legislative and informational considerations, and emergency welfare services, the Office of the Commisioner of Welfare carries operational responsibilities for international activities and for social welfare research.

Welfare Research

The Division of Research in the Office of the Commissioner provides leadership to advance research related to the field of social welfare. The Division carries out long-range and program-related research, which is integrated with studies undertaken by scholars receiving Federal grants-in-aid. The research staff represents a number of disciplines in the social sciences, including sociology, psychology, economics, and anthropology.

The Division has responsibility for issuing the monthly journal, "Welfare in Review," a publication which serves as a major means of communication between the Welfare Administration and social welfare agencies.

"Welfare in Review" has carried a number of articles prepared by the Division's staff, for example, "Child Rearing Patterns of the Very Poor," "Deprivation in Childhood: Its Relation to the Cycle of Poverty," "Training Children in Low-Income Families for School," "Incapacitated Fathers in AFDC—A Target for Special Emphasis," and "Feeding a Family on a Public Assistance Budget." Reprints of these articles, as well as those prepared for "Welfare in Review" by staff of other offices and bureaus of the Welfare Administration, have been issued in increasing numbers for teaching and orientation.

Additional research findings are issued in the form of separate reports. Among such studies published during the past year are: "Family Income and Related Characteristics Among Low-Income Counties and States," Welfare Research Report No. 1; "The Indigenous Non-Professional: Research Issues," Research Working Paper No. 6; and "Epilepsy: Social, Psychological, Educational, Legal, Economic, and Organizational Aspects," Research Working Paper No. 2.

Studies now underway include: "Life Styles Among Low-Income Families"; "Dependency and High-Risk Populations"; "A Research-Evaluation Model for Work Experience Programs"; and "New Policies and Programs in Public Welfare."

Conferences and workshops—either sponsored by the Division of Research or participated in by staff members—are another means employed to encourage research and disseminate research findings. Papers have been presented by staff of the Division at the National Conference on Social Welfare, at meetings of the American Psychological Association, the American Orthopsychiatric Association, the American Sociological Association, and at State conferences of social welfare. The major conference sponsored during the past year was the Fifth Biennial Workshop on Public Welfare Research and Statistics which was attended by representatives of 47 States and territories.

Under the Cooperative Research and Demonstration Grants Program which is authorized by section 1110 of the Social Security Act and administered by the Welfare Administration in cooperation with the Social Security Administration, 47 grants totaling $1.690 million were made during fiscal 1965. These grants supported research in such areas as dependency and public assistance, deprivation of children and youth, gerontology, and medical economics and health care.

Research plans for fiscal 1966 place increased emphasis on cost-benefit studies; mobility of low-income population groups into and out of public assistance programs; family organization and child rearing among low-income families; and pilot projects and methodological work in preparation for anticipated nationwide surveys and studies.

International Activities

Cooperation in international activities expanded as new countries requested technical assistance for their Ministries of Social Welfare and their training centers. Services were provided to 1,216 experts and trainees from 100 different countries—the largest number ever represented in 1 fiscal year. For the first time, the number of African countries sending trainees outnumbered those from Europe or Latin America.

At the meeting of the United Nations Social Commission in May, social welfare was a major item on the agenda. Studies on the relationship of social services to social security; family, youth, and child welfare; and training for social work were reviewed and positions formulated for the United States as a basis for participation in the intergovernmental discussions. The overall reappraisal of the United Nations Social Service Program was a main focus of interest at this Commission session.

A major action taken by the U.N. Social Commission, and subsequently approved by the Economic and Social Council, was a proposal for convening the first United Nations Conference of Ministers of Social Welfare. The purpose of the conference would be to develop recommendations for the essential components of a national social welfare program, including guidelines for establishing priorities in the implementation of such a program.

Cooperation with the United Nations Children's Fund (UNICEF) in the fields of interest of the Welfare Administration was continued. In the social welfare field, UNICEF support for extension of services in social work training has made a significant contribution in strengthening personnel for new social welfare ministries and schools of social work in the developing countries.

The Welfare Administration participated in the 12th International Conference of Social Work in Athens in September. Over 1,000 delegates representing 66 countries came together for discussion of the Conference theme: "Social Progress Through Social Planning—The Role of Social Work." The Commissioner of Welfare presented a paper on "Social Welfare in Country Development." Other staff members of the Welfare Administration served on conference commissions or study groups.

The experience in the past 2 years with the social welfare attaché posts in New Delhi and Rio de Janeiro has demonstrated the value of this service. Excellent contacts have been established with key community leaders in India and Brazil. The attachés represent to the communities in which they serve the concern of the United States for the advancement of human welfare and the protection of social values of key importance in family life and child welfare. The effectiveness of the two social welfare attaché posts prompted the Welfare Administration to seek expansion of the program during fiscal 1966. Because of the interest expressed by the Ambassadors of four West African English-speaking countries—Ghana, Sierra Leone, Nigeria, and Liberia—a request was made for consideration of a regional social welfare attaché post in this area.

A special feature of the cooperation between the Welfare Administration and the Agency for International Development was the first Conference on International Social Welfare Manpower called by the two Federal agencies and the Council of Social Work Education in December 1964. Participants included deans of schools of social work from Ethiopia, India, Iran, Peru, the Philippines, and the United States. Recommendations were made for revising curricula to meet better the needs of foreign students, for strengthening the social welfare component in the United States foreign aid and technical assistance programs, for improving intercountry research, and for achieving better preparation of U.S. personnel recruited for service overseas.

A joint AID–WA workshop was undertaken in the English-speaking African countries for training volunteers for community action, following a feasibility study made at the request of AID. The workshop was designed primarily to help expand the role of women in their country's development, particularly in the area of social welfare.

The AID–WA seminar program during fiscal 1965 included "Leadership Training for Youth Activities," "Social Aspects of Urban Development," "Social Welfare Administration and Planning," and "Supervision for Spanish-Speaking Supervisors." These seminars brought into action new resources for participating and planning—not only in city and State welfare departments and schools

of social work—but in organizations like the Appalachian Action for Youth, Berea College, the Council of Southern Mountains, and others.

Results of the international research program were seen in a marked expansion in the exchange of information about research in social welfare and maternal and child health. During the fiscal year, specialists provided onsite consultation on social welfare research in India, Israel, Pakistan, and Poland. Onsite visits to discuss maternal and child health research were made to India, Israel, and the United Arab Republic. Experts in specific aspects of the maternal and child health programs also provided consultation in Poland on research in auditory impairment in children, and in Pakistan on parasitic infection and on studies of phenylketonuria (PKU). Additional exchange of expert knowledge was facilitated by arrangements for reciprocal visits between the principal investigator on the Polish study of the aging and Danish specialists.

The international research program was further extended by approval of a Welfare Administration social welfare project in India on "Community Organization in an Urban Community" and two maternal and child health projects—one in Israel on "Methods for Early Detection of Hearing Loss in Infancy," and one in Yugoslavia on "A Study of the Incidence of Phenylketonuria."

All of these projects which are supported by Public Law 480 funds were selected for support because the findings promise to be of value to the United States in dealing with health and welfare problems in the country.

Table 1.—*Public assistance: Recipients under Federal-State programs, by program and State, June 1965*

State	Old-age assistance	Medical assistance for the aged	Aid to the blind	Aid to the permanently and totally disabled	Aid to families with dependent children [1]
Total	2,149,186	264,402	95,349	555,465	4,429,044
Alabama	112,200	257	1,845	14,955	73,954
Alaska	1,372	----	111	217	4,884
Arizona	13,322	----	818	3,752	40,737
Arkansas	59,755	3,100	1,942	9,620	31,401
California	275,079	31,768	12,398	73,125	566,097
Colorado	43,922	5,671	249	6,145	44,036
Connecticut	6,694	7,421	309	8,474	59,561
Delaware	1,413	130	314	444	11,662
District of Columbia	2,358	822	204	3,323	21,253
Florida	74,204	829	2,590	17,711	107,851
Georgia	92,205	----	3,189	27,035	74,757
Guam	156	----	7	44	674
Hawaii	1,196	540	73	1,216	13,632
Idaho	4,182	2,473	132	3,084	10,082
Illinois	54,583	1,467	2,392	29,877	261,896
Indiana	22,567	409	1,758	1,610	49,017
Iowa	26,786	5,169	1,131	1,284	45,658
Kansas	21,390	2,933	503	5,102	38,294
Kentucky	59,429	12,545	2,504	11,467	83,931
Louisiana	131,096	619	2,755	19,662	105,393
Maine	10,857	597	301	2,263	18,992
Maryland	10,037	11,620	392	7,966	85,511
Massachusetts	51,804	30,451	2,237	13,255	98,614
Michigan	48,664	6,454	1,667	11,980	163,551
Minnesota	31,638	14,377	1,056	3,920	53,149
Mississippi	73,390	----	2,580	19,080	83,533
Missouri	101,443	----	4,349	15,334	108,447
Montana	5,171	----	241	1,369	7,518
Nebraska	12,428	331	622	2,725	17,138
Nevada	2,670	----	159	----	5,332
New Hampshire	4,374	2,260	260	623	4,719
New Jersey	13,939	5,402	922	8,806	109,682
New Mexico	10,191	----	347	3,868	29,539
New York	57,038	36,802	3,185	36,236	540,253
North Carolina	42,817	2,110	4,927	22,852	113,589
North Dakota	5,079	1,426	81	1,732	8,378
Ohio	81,321	----	3,260	19,747	195,685
Oklahoma	82,325	1,129	1,618	14,688	74,529
Oregon	10,116	4,124	469	8,209	32,547
Pennsylvania	45,921	11,491	17,527	20,954	289,312
Puerto Rico	29,884	3,683	1,374	20,651	196,912
Rhode Island	5,765	8,729	106	2,899	23,572
South Carolina	25,338	1,252	1,866	9,002	29,359
South Dakota	6,952	626	112	1,112	11,516
Tennessee	44,675	10,598	2,060	13,565	77,857
Texas	230,845	----	4,671	9,981	93,989
Utah	4,733	2,490	167	4,964	23,305
Vermont	5,357	126	120	1,282	5,651
Virgin Islands	450	142	10	56	1,039
Virginia	13,135	3,549	1,140	6,909	46,001
Washington	32,429	10,390	670	18,383	74,207
West Virginia	14,025	11,075	780	5,814	112,671
Wisconsin	28,053	6,969	793	6,388	44,366
Wyoming	2,413	46	56	705	3,811

[1] Includes as recipients the children and/or both parents or 1 caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance.

Table 2.—*Public assistance: Average payments to recipients under Federal-State programs, by program and State, June 1965*

State	Old-age assistance	Medical assistance for the aged	Aid to the blind	Aid to the permanently and totally disabled	Aid to families with dependent children
Total	$80.36	$190.48	$87.88	$84.65	$33.83
Alabama	67.13	316.35	68.78	46.34	11.81
Alaska	98.38	----	83.89	167.04	34.86
Arizona	63.49	----	71.67	67.30	28.71
Arkansas	63.86	61.32	70.62	61.87	16.88
California	109.49	310.13	145.15	117.68	43.07
Colorado	97.38	171.44	87.41	79.57	37.85
Connecticut	100.02	194.75	135.01	90.59	48.37
Delaware	72.17	191.65	82.60	76.55	28.51
District of Columbia	91.40	472.38	78.42	83.12	32.65
Florida	65.09	335.95	68.01	68.52	15.68
Georgia	58.47	----	60.69	61.49	22.14
Guam	33.58	(1)	(1)	(1)	16.12
Hawaii	71.78	259.58	95.62	117.39	35.25
Idaho	73.58	138.75	71.93	57.38	38.77
Illinois	95.15	362.93	96.62	101.43	44.93
Indiana	86.95	182.24	88.69	135.66	29.66
Iowa	95.13	110.08	102.66	83.36	38.92
Kansas	97.44	158.54	101.06	114.65	38.77
Kentucky	64.01	28.17	74.59	78.14	25.55
Louisiana	84.93	159.13	81.34	58.75	23.08
Maine	83.52	261.58	86.46	90.37	28.85
Maryland	74.01	(2)	80.99	86.55	33.77
Massachusetts	93.00	180.91	137.18	151.59	47.71
Michigan	104.47	428.25	94.27	115.02	36.34
Minnesota	89.71	194.83	112.22	61.34	52.30
Mississippi	41.17	----	45.89	43.90	9.13
Missouri	69.82	----	75.00	72.75	24.31
Montana	72.39	----	88.02	79.13	36.49
Nebraska	97.55	344.95	105.82	97.95	31.79
Nevada	87.41	----	118.92	----	31.43
New Hampshire	101.85	51.95	108.21	118.50	43.75
New Jersey	88.82	227.46	88.67	101.43	50.32
New Mexico	77.61	----	94.00	90.24	33.02
New York	94.00	339.02	116.67	134.72	47.45
North Carolina	62.96	186.86	70.19	77.19	25.44
North Dakota	97.17	232.71	92.80	133.34	45.60
Ohio	95.06	----	83.02	78.61	31.23
Oklahoma	96.25	141.58	122.26	112.23	33.22
Oregon	70.79	147.99	89.57	68.27	38.83
Pennsylvania	78.59	244.74	75.84	77.54	31.32
Puerto Rico	9.51	(2)	8.80	9.16	4.13
Rhode Island	96.24	56.84	94.13	96.14	41.69
South Carolina	54.36	170.43	64.18	54.53	15.97
South Dakota	100.42	47.03	68.46	70.18	32.15
Tennessee	59.22	32.55	55.84	55.11	22.46
Texas	70.14	----	69.66	57.13	18.71
Utah	70.04	98.00	75.42	67.10	32.15
Vermont	97.50	219.52	78.78	86.86	29.69
Virgin Islands	38.42	48.51	(1)	38.59	20.07
Virginia	67.24	70.76	72.51	71.01	25.27
Washington	84.47	146.38	93.01	65.84	35.16
West Virginia	54.24	26.30	57.63	53.27	26.71
Wisconsin	111.52	132.86	107.48	122.99	47.07
Wyoming	84.46	(1)	95.04	83.34	38.79

[1] Average payment not computed on base of fewer than 50 recipients.
[2] Not computed; data estimated.

Table 3.—*Public assistance: Total payments to recipients under Federal-State programs, by State, fiscal year 1965*

State	Total (000)	Old-age assistance (000)	Medical assistance for the aged (000)	Aid to the blind (000)	Aid to the permanently and totally disabled (000)	Aid to families with dependent children (000)
Total	$4,903,719	$2,042,723	$523,480	$98,934	$513,449	$1,725,134
Alabama	112,899	91,178	892	1,488	8,302	11,039
Alaska	3,850	1,484	----------	106	330	1,931
Arizona	27,375	10,080	----------	707	2,703	13,885
Arkansas	61,579	45,139	1,977	1,649	6,838	5,977
California	849,984	360,601	108,743	20,379	83,603	276,658
Colorado	82,795	50,166	9,254	250	5,612	17,513
Connecticut	66,195	7,248	15,904	444	7,733	34,866
Delaware	5,950	1,125	92	294	394	4,044
District of Columbia	16,757	2,490	3,052	181	3,126	7,908
Florida	97,856	58,108	2,881	2,106	14,511	20,250
Georgia	102,849	62,759	----------	2,280	19,242	18,568
Guam	242	74	24	2	19	123
Hawaii	10,501	1,051	1,805	92	1,674	5,881
Idaho	14,391	3,902	3,840	118	2,031	4,500
Illinois	246,090	63,496	6,155	2,808	34,103	139,527
Indiana	44,276	23,057	172	1,880	1,998	17,169
Iowa	59,128	30,196	6,825	1,383	1,193	19,531
Kansas	53,044	24,147	4,704	596	6,625	16,972
Kentucky	82,289	42,650	3,791	2,098	9,527	24,224
Louisiana	179,440	133,255	1,078	2,713	13,555	28,839
Maine	21,508	10,957	1,231	317	2,400	6,602
Maryland	52,959	8,616	4,984	376	7,418	31,566
Massachusetts	196,156	57,878	58,288	3,692	22,077	54,221
Michigan	163,537	55,106	25,518	1,805	12,487	68,621
Minnesota	98,956	36,761	27,015	1,434	2,722	31,024
Mississippi	55,245	34,641	----------	1,446	9,580	9,579
Missouri	131,600	83,863	----------	4,020	12,616	31,102
Montana	9,150	4,559	----------	252	1,258	3,081
Nebraska	24,630	13,923	993	803	2,994	5,917
Nevada	4,865	2,752	----------	219	----------	1,893
New Hampshire	9,871	5,384	983	339	824	2,341
New Jersey	99,450	13,796	15,262	966	9,965	59,462
New Mexico	26,326	9,683	----------	382	4,041	12,221
New York	544,067	63,899	130,022	4,315	54,522	291,309
North Carolina	89,742	31,761	1,806	4,104	19,339	32,733
North Dakota	15,696	5,862	3,322	81	2,313	4,118
Ohio	174,341	86,188	----------	3,268	17,862	67,023
Oklahoma	147,391	95,611	1,984	2,423	18,720	28,654
Oregon	37,201	8,872	6,901	474	6,509	14,444
Pennsylvania	222,974	43,228	30,852	16,108	18,698	114,089
Puerto Rico	17,107	3,478	1,340	143	2,183	9,962
Rhode Island	23,918	6,687	2,439	116	3,193	11,482
South Carolina	31,555	16,332	2,576	1,382	5,745	5,520
South Dakota	12,856	7,437	294	98	918	4,110
Tennessee	62,427	29,566	3,445	1,382	8,345	19,690
Texas	224,216	193,450	----------	3,956	6,656	20,153
Utah	19,442	3,959	2,891	150	4,014	8,428
Vermont	9,201	5,610	388	103	1,152	1,948
Virgin Islands	544	210	28	7	37	262
Virginia	32,579	10,198	2,319	958	5,624	13,480
Washington	93,250	31,981	17,026	733	13,308	30,203
West Virginia	52,319	8,554	3,316	477	3,606	36,365
Wisconsin	76,084	37,184	6,872	971	8,557	22,500
Wyoming	5,066	2,532	198	61	647	1,627

Table 4.—*Public assistance: Aid to families with dependent children, unemployed-parent segment; recipients and average payment, June 1965, and total payments, by State, fiscal year 1965*

State	Recipients, June 1965	Average payment, June 1965	Total payments, fiscal year 1965 (000)
Total	388,244	$30.93	$154,711
California	86,086	31.87	34,067
Connecticut	9,865	26.64	4,135
Delaware	1,304	26.84	637
Hawaii	1,610	28.95	636
Illinois	36,340	41.21	20,379
Kansas	2,416	35.41	1,040
Maryland	2,053	28.81	995
Massachusetts	3,649	43.65	1,873
Michigan	19,635	31.72	8,693
New York	85,823	33.41	35,592
Ohio	28,293	27.94	7,353
Oklahoma	138	25.86	43
Oregon	5,105	34.71	2,038
Pennsylvania	31,455	22.11	11,941
Rhode Island	2,192	33.58	1,249
Utah	5,440	20.08	1,224
Washington	14,019	24.64	4,667
West Virginia	52,821	27.15	18,149

Table 5.—*Public assistance: Aid to families with dependent children receiving foster care, number of children and average payment per child, June 1965, and total payments fiscal year 1965, by State*

State	Number of children receiving foster care, June 1965	Average payment per child, June 1965	Total payments, fiscal year 1965 (000)
Total	5,779	$69.84	$4,992
Alabama	11	(1)	4
Alaska	53	89.70	67
Arizona	200	46.68	119
California	1,299	94.06	1,327
Illinois	338	83.57	1,028
Indiana	139	39.18	60
Kansas	95	85.32	82
Kentucky	27	(1)	16
Louisiana	581	62.93	398
Maryland	712	74.56	453
Michigan	56	71.30	42
Minnesota	203	95.03	182
Missouri	89	32.00	28
New Mexico	59	62.61	38
North Carolina	1	(1)	9
Oklahoma	337	45.18	159
Oregon	87	70.28	78
Tennessee	261	65.50	197
Utah	315	48.92	166
Virginia	57	42.96	25
Washington	672	53.87	375
West Virginia	65	61.77	32
Wisconsin	122	60.55	109

[1] Average payment not computed on fewer than 50 children.

Table 6.—*Public Assistance: Federal grants to States, by program, fiscal year 1965*

State	Old-age assistance	Medical assistance for the aged	Aid to families with dependent children	Aid to the blind	Aid to the permanently and totally disabled	Aid to the aged, blind or disabled	Total
Alabama	$71,159,859	$676,050	$10,602,793	$1,164,420	$6,919,336		$90,522,458
Alaska	XVI		1,447,480	XVI	XVI	$1,243,402	2,690,882
Arizona	7,777,482		10,791,814	538,955	1,960,229		21,068,480
Arkansas	35,625,089	1,534,733	5,222,151	1,232,010	5,309,422		48,923,405
California	187,884,879	59,819,365	162,309,073	8,380,507	40,828,876		459,222,700
Colorado	26,863,958	4,358,077	11,842,007	155,754	4,524,725		47,744,521
Connecticut	4,355,822	8,226,775	17,746,755	195,214	4,618,193		35,142,759
Delaware	875,281	52,293	3,360,583	194,490	261,189		4,743,836
District of Columbia	1,886,544	1,329,187	6,748,324	132,451	2,195,131		12,291,637
Florida	XVI	1,650,522	19,155,854	XVI	XVI	60,191,179	80,997,555
Georgia	51,392,741		15,717,343	1,815,102	15,570,043		84,495,229
Guam	22,876	6,802	32,626	429	5,347		68,080
Hawaii	XVI	962,429	3,715,784	XVI	XVI	1,580,022	6,258,235
Idaho	2,793,938	2,624,226	2,873,213	88,221	1,689,325		10,068,923
Illinois	XVI	3,433,741	76,800,168	XVI	XVI	62,113,433	142,347,343
Indiana	15,380,704	212,654	13,616,555	1,148,786	973,429		31,332,127
Iowa	19,998,473	4,664,747	12,035,279	742,098	798,271		38,228,868
Kansas	7,917,770	3,841,620	10,394,502	152,118	1,483,005	10,575,630	34,364,645
Kentucky	XVI	3,121,762	22,923,958	XVI	XVI	43,735,862	69,781,582
Louisiana	101,363,587	994,790	26,365,843	1,821,178	11,293,129		141,838,527
Maine	XVI	858,782	5,363,416	XVI	XVI	10,508,778	16,730,976
Maryland	XVI	2,818,072	21,700,411	XVI	XVI	11,278,993	35,797,476
Massachusetts	36,185,183	29,853,145	28,396,152	1,440,001	8,294,332		104,168,813
Michigan	32,620,686	11,651,393	43,118,961	971,402	5,728,549		94,090,991
Minnesota	24,411,177	18,051,840	14,910,448	679,577	2,099,614		60,152,656
Mississippi	29,340,323		8,923,132	1,198,546	8,231,079		47,693,080
Missouri	60,459,964		25,465,839	2,299,005	9,035,050		97,259,857
Montana	3,319,217		2,189,570	172,156	929,383		6,610,326
Nebraska	8,981,550	630,701	4,457,049	410,798	1,690,827		16,170,925
Nevada	1,840,281		1,481,295	109,693			3,431,269
New Hampshire	3,070,014	545,590	1,292,350	164,479	384,027		5,456,460
New Jersey	9,097,634	8,182,872	29,393,370	601,473	5,824,371		53,099,720
New Mexico	XVI		9,477,148	XVI	XVI	1,155,463	20,632,611
New York	19,919,377	70,976,507	157,163,627	1,111,683	11,367,017	43,412,118	303,950,329
North Carolina	25,127,865	1,206,974	27,789,517	3,237,127	14,453,688		71,815,171
North Dakota	2,164,253	2,477,804	2,540,151	30,508	556,892	3,068,788	10,838,396
Ohio	52,575,370		44,727,089	2,249,883	12,144,159		111,696,501
Oklahoma	XVI	1,314,635	21,976,895	XVI	XVI	75,299,524	98,591,054
Oregon	6,239,443	3,597,374	8,931,260	282,829	4,991,977		24,042,883
Pennsylvania	28,850,605	13,624,113	82,284,675	2,779,570	12,003,391		139,542,354

Table 6.—*Public Assistance: Federal grants to States, by program, fiscal year 1965*—Continued

State	Old-age assistance	Medical assistance for the aged	Aid to families with dependent children	Aid to the blind	Aid to the permanently and totally disabled	Aid to the aged, blind or disabled	Total
Puerto Rico	$523,920	$740,809	$5,693,033	$26,248	$378,480	$2,577,978	$9,940,468
Rhode Island	XVI	2,366,943	7,092,689	XVI	XVI	6,429,893	15,889,525
South Carolina	13,609,156	2,183,784	5,371,836	1,086,374	4,681,303		26,932,453
South Dakota	5,465,337	259,650	3,194,303	80,126	740,757		9,740,173
Tennessee	25,019,463	3,121,437	17,416,683	1,109,053	6,783,966		53,450,602
Texas	148,074,542		18,726,596	2,952,346	5,409,582		175,163,066
Utah	2,948,829	1,914,684	6,947,290	110,634	3,315,307		15,236,744
Vermont	XVI	238,067	1,594,902	XVI	XVI	5,042,212	6,875,181
Virgin Islands	112,667	13,607	149,142	4,010	21,372		300,798
Virginia	8,494,209	1,775,991	11,594,330	773,902	4,613,467		27,251,899
Washington	21,325,888	8,719,770	20,854,782	400,942	9,791,532		61,092,914
West Virginia	7,297,738	2,985,175	30,969,342	397,675	3,072,654		44,722,584
Wisconsin	20,177,852	3,358,911	12,406,736	514,948	4,047,528		40,505,975
Wyoming	1,711,752	72,843	1,030,116	37,118	396,982		3,248,812
Total	1,134,253,298	291,051,246	1,118,326,240	42,993,839	239,416,936	348,213,275	3,174,254,834

Table 7.—*Public assistance: Selected fiscal data relating to payments, fiscal year 1965*

State	Average per capita income, 1964	Expenditures for assistance payments from State and local funds, fiscal year 1965.		Percent of assistance payments from Federal funds, fiscal year 1965
		Per inhabitant	Per $1,000 of personal income, 1964	
Total	[1] $2,566	$10.27	[1] $4.09	58.8
Alabama	1,749	7.45	4.33	77.1
Alaska	3,116	6.52	2.12	57.2
Arizona	2,233	4.33	1.97	74.6
Arkansas	1,655	6.99	4.28	77.7
California	3,103	24.64	8.17	46.1
Colorado	2,566	18.75	7.32	55.4
Connecticut	3,281	12.26	3.83	47.5
Delaware	3,460	3.74	1.11	68.2
District of Columbia	3,544	8.45	2.37	59.5
Florida	2,251	3.95	1.78	76.6
Georgia	1,943	5.24	2.74	77.8
Guam	[2]	2.02	[2]	47.4
Hawaii	2,622	6.79	2.67	54.0
Idaho	2,020	6.76	3.35	67.5
Illinois	3,041	11.52	3.84	50.2
Indiana	2,544	3.23	1.28	64.4
Iowa	2,376	8.67	3.66	59.5
Kansas	2,346	9.47	4.05	60.1
Kentucky	1,830	5.89	3.24	77.2
Louisiana	1,877	12.99	7.05	74.4
Maine	2,132	5.85	2.76	73.0
Maryland	2,867	5.76	2.06	61.7
Massachusetts	2,965	19.30	6.52	47.4
Michigan	2,755	8.95	3.30	55.0
Minnesota	2,375	12.73	5.41	54.3
Mississippi	1,438	4.47	3.11	81.2
Missouri	2,600	8.92	3.50	69.5
Montana	2,252	4.48	1.99	65.4
Nebraska	2,349	6.55	2.78	60.7
Nevada	3,248	4.20	1.39	62.0
New Hampshire	2,377	6.99	3.01	52.7
New Jersey	3,005	7.70	2.60	47.6
New Mexico	2,041	7.51	3.75	70.7
New York	3,162	16.08	5.13	46.6
North Carolina	1,913	4.31	2.28	76.4
North Dakota	2,133	9.24	4.38	61.6
Ohio	2,646	6.41	2.46	62.3
Oklahoma	2,083	21.38	10.33	64.0
Oregon	2,606	8.07	3.14	58.8
Pennsylvania	2,601	7.94	3.07	59.0
Puerto Rico	[2]	3.47	[2]	46.8
Rhode Island	2,514	11.99	4.80	53.9
South Carolina	1,655	2.53	1.52	79.6
South Dakota	1,879	5.29	2.77	71.1
Tennessee	1,859	3.48	1.90	78.6
Texas	2,188	5.27	2.44	75.2
Utah	2,156	6.03	2.79	69.3
Vermont	2,119	6.62	3.03	71.4
Virgin Islands	[2]	6.84	[2]	45.9
Virginia	2,239	1.80	.82	75.4
Washington	2,635	12.39	4.71	60.3
West Virginia	1,965	6.72	3.45	76.7
Wisconsin	2,490	9.43	3.82	48.6
Wyoming	2,441	6.19	2.51	58.5

[1] Excludes Guam, Puerto Rico, and the Virgin Islands, data on per capita and personal income not available.

[2] Data not available.

Table 8.—*Public assistance: Aid to families with dependent children, community work and training programs; number of families with an adult working under programs and average money payment per family for work performed, June 1965, and total money payments for work performed fiscal year 1965, by State*

State	Number of families with an adult on work and training programs, June 1965	Average money payment per family for work performed, June 1965	Total money payments, for work performed fiscal year 1965 (000)
Total	21,490	$132.61	$33,055
California	5,328	90.15	5,357
Illinois	2,097	171.28	5,226
Kansas	97	100.41	112
Maryland	111	114.71	184
Michigan	(1)	(1)	(1)
Ohio	3,249	189.07	4,457
Oregon	106	98.18	183
Pennsylvania	623	124.63	957
Washington	330	150.42	765
West Virginia	9,549	129.42	15,812

[1] Data not reported.

Table 9.—*Public assistance: Vendor payments for medical care, by program, fiscal year 1965*

State	Total (000)	Old-age assistance (000)	Medical assistance for the aged (000)	Aid to the blind (000)	Aid to the permanently and totally disabled (000)	Aid to families with dependent children (000)
Total	$1,248,891	$436,420	$520,764	$12,249	$128,329	$151,128
Alabama	15,940	14,089	892	60	885	14
Alaska	521	345	----	----	174	2
Arizona	787	787	----	----	----	----
Arkansas	14,107	8,889	1,977	244	2,443	554
California	186,342	44,319	108,743	2,710	13,878	16,692
Colorado	18,991	7,570	9,127	44	992	1,258
Connecticut	26,870	1,887	15,901	198	3,639	5,244
Delaware	362	252	92	18	----	----
District of Columbia	4,086	661	3,052	5	352	17
Florida	21,238	14,476	2,881	237	2,893	752
Georgia	12,693	10,665	----	153	1,876	----
Guam	31	4	24	----	2	2
Hawaii	3,796	225	1,805	30	985	752
Idaho	4,788	668	3,840	1	279	----
Illinois	69,958	32,276	6,155	944	10,849	19,733
Indiana	15,808	10,766	172	562	1,185	3,122
Iowa	20,606	11,666	6,825	133	----	1,982
Kansas	14,512	5,809	4,583	124	1,375	2,622
Kentucky	16,430	7,930	3,791	238	1,580	2,892
Louisiana	30,222	27,482	1,078	82	1,287	294
Maine	6,098	3,987	1,231	43	523	314
Maryland	7,463	1,270	4,984	47	1,162	----
Massachusetts	89,055	13,240	57,110	329	11,956	6,420
Michigan	40,573	9,224	25,518	230	2,683	2,917
Minnesota	48,513	15,683	26,463	574	573	5,220
Mississippi	1,927	1,892	----	35	----	----
Missouri	13,007	11,782	----	----	664	560
Montana	28	18	----	4	3	4
Nebraska	11,359	7,836	993	389	1,534	606
Nevada	845	683	----	41	----	121
New Hampshire	2,858	1,163	983	65	260	386
New Jersey	25,474	3,580	15,165	135	3,038	3,556
New Mexico	4,715	2,333	----	78	872	1,431
New York	202,692	14,142	129,415	1,100	23,866	34,170
North Carolina	13,226	4,774	1,806	291	3,599	2,755
North Dakota	6,869	1,783	3,289	15	1,082	699
Ohio	33,460	22,719	----	540	3,532	6,668
Oklahoma	26,218	19,663	1,984	392	3,298	880
Oregon	11,945	1,648	6,901	63	2,112	1,221
Pennsylvania	55,229	7,941	30,852	858	4,662	10,917
Puerto Rico	1,691	341	1,340	(1)	9	----
Rhode Island	6,008	1,214	2,439	22	651	1,682
South Carolina	8,186	4,108	2,576	194	993	315
South Dakota	1,780	1,486	294	----	----	----
Tennessee	10,305	5,895	3,445	43	374	548
Texas	34,319	34,319	----	----	----	----
Utah	6,186	654	2,891	35	1,670	937
Vermont	3,258	2,550	388	18	302	----
Virgin Islands	47	16	28	(1)	1	2
Virginia	7,121	2,985	2,319	154	1,079	584
Washington	35,251	7,587	17,026	184	6,417	4,037
West Virginia	10,962	2,022	3,316	78	805	4,741
Wisconsin	43,196	26,615	6,872	498	5,822	3,389
Wyoming	939	501	198	11	113	116

[1] Less than $500.

Table 10.—*Maternal and child health and welfare services: Grants for maternal and child health services, crippled children's services, and child welfare services under the Social Security Act, by program and State, fiscal year 1965* [1]

[In thousands]

State	Maternal and child health services	Crippled children's services	Child welfare services
United States	$31,949.0	$31,658.4	$33,857.3
Alabama	890.1	808.6	862.1
Alaska	173.4	133.1	112.3
Arizona	332.3		355.6
Arkansas	498.8	476.7	513.8
California	1,668.0	1,417.6	2,183.3
Colorado	546.7	352.8	372.5
Connecticut	492.2	354.0	351.6
Delaware	153.3	150.7	124.6
District of Columbia	361.9	292.0	132.9
Florida	1,205.8	769.3	972.7
Georgia	964.3	980.9	984.1
Guam	84.2	42.7	70.3
Hawaii	260.2	207.3	188.0
Idaho	239.4	207.0	195.9
Illinois	909.5	1,039.2	1,309.9
Indiana	537.8	748.4	828.9
Iowa	406.5	886.7	529.2
Kansas	262.4	363.6	439.1
Kentucky	889.4	1,018.8	788.0
Louisiana	730.4	731.6	811.0
Maine	233.0	208.4	235.6
Maryland	542.1	567.5	547.3
Massachusetts	615.5	560.7	790.8
Michigan	1,186.6	1,287.6	1,278.4
Minnesota	688.9	835.6	730.7
Mississippi	721.9	645.5	651.8
Missouri	666.5	634.6	701.3
Montana	167.3	200.6	182.2
Nebraska	215.0	262.7	307.7
Nevada	169.1	192.2	113.8
New Hampshire	139.5	155.8	157.8
New Jersey	535.7	498.1	813.7
New Mexico	460.1	311.5	284.7
New York	1,604.2	1,361.8	1,893.3
North Carolina	1,264.5	1,220.1	1,145.5
North Dakota	167.6	181.8	208.3
Ohio	1,327.8	1,315.7	1,587.2
Oklahoma	463.1	426.1	541.2
Oregon	429.0	378.0	308.9
Pennsylvania	1,322.2	1,750.6	1,631.0
Puerto Rico	854.5	879.2	797.2
Rhode Island	307.6	186.2	199.2
South Carolina	654.2	725.0	632.2
South Dakota	74.4	155.2	212.5
Tennessee	940.0	888.6	864.8
Texas	1,340.3	1,691.6	1,759.4
Utah	200.5	260.8	284.7
Vermont	137.6	172.1	138.4
Virgin Islands	72.8	96.9	88.5
Virginia	1,050.1	903.4	823.4
Washington	570.2	478.1	532.0
West Virginia	513.0	467.0	385.8
Wisconsin	580.8	663.4	778.0
Wyoming	126.7	105.9	124.8

[1] Based on checks-issued basis. Additional payments were made for special project grants to institutions of higher learning and to public or other nonprofit agencies and organizations as follows: Maternal and child health services, $2,142.7; crippled children's services, $2,417.6; child welfare research and demonstration projects, $3,537.6; research projects relating to maternal and child health and crippled children's services, $4,494.6; child welfare training grants, $4,385.7; and maternity and infant care projects, $4,132.5.

Public Health Service

Health of the Nation

THE PUBLIC HEALTH SERVICE is the principal health agency of the Federal Government. Its role has always been twofold: to maintain and protect the health of the Nation in response to current needs, and to pave the way for even higher levels of health in the future.

During this year, the Public Health Service was given added responsibilities in response to the increasing diversity and complexity of health problems in a dynamic society. In particular, this was a year of significant new legislation in the field of health.

On July 30, President Johnson signed into law the first health insurance program for the aged in our history. Although the primary responsibility for the administration of this program rests in other agencies of the Department and will be covered in other sections of this report, the Public Health Service will play a significant role under the new law. The Service will have responsibility for the professional health aspects of the program, including the vital question of standard setting, cooperative endeavors with the States and other agencies, and studies in the fields of health manpower and resources.

The Community Health Services Extension Amendments of 1965 extended and expanded certain provisions of the Public Health Service Act which otherwise would have expired this year. The amendments cover such activities as community immunization programs, health services for migrant agricultural workers, general public health services, and special project grants for community health services.

For example, under this legislation the Vaccination Assistance Act of 1962 was amended to add measles to the list of diseases for which vaccine can be provided by the Federal Government, and authorizes grant assistance for community vaccination programs against other serious infectious diseases.

The Congress also enacted the Health Research Facilities Amendments of 1965, which the President signed on August 9 in a ceremony

at the National Institutes of Health. These amendments extended a program of matching grants for the construction of health research facilities over a 3-year period. In signing the law, the President made clear the ultimate purpose of such health research activities: "We are determined that research and discovery yield results which not only increase man's knowledge, but the strength of his body and the length of his life."

The Mental Retardation Facilities and Community Mental Health Centers Act of 1963 was amended this year to authorize Federal aid for the staffing of Community Mental Health Centers, and also extended and expanded a program which has aided in the training of teachers for handicapped children.

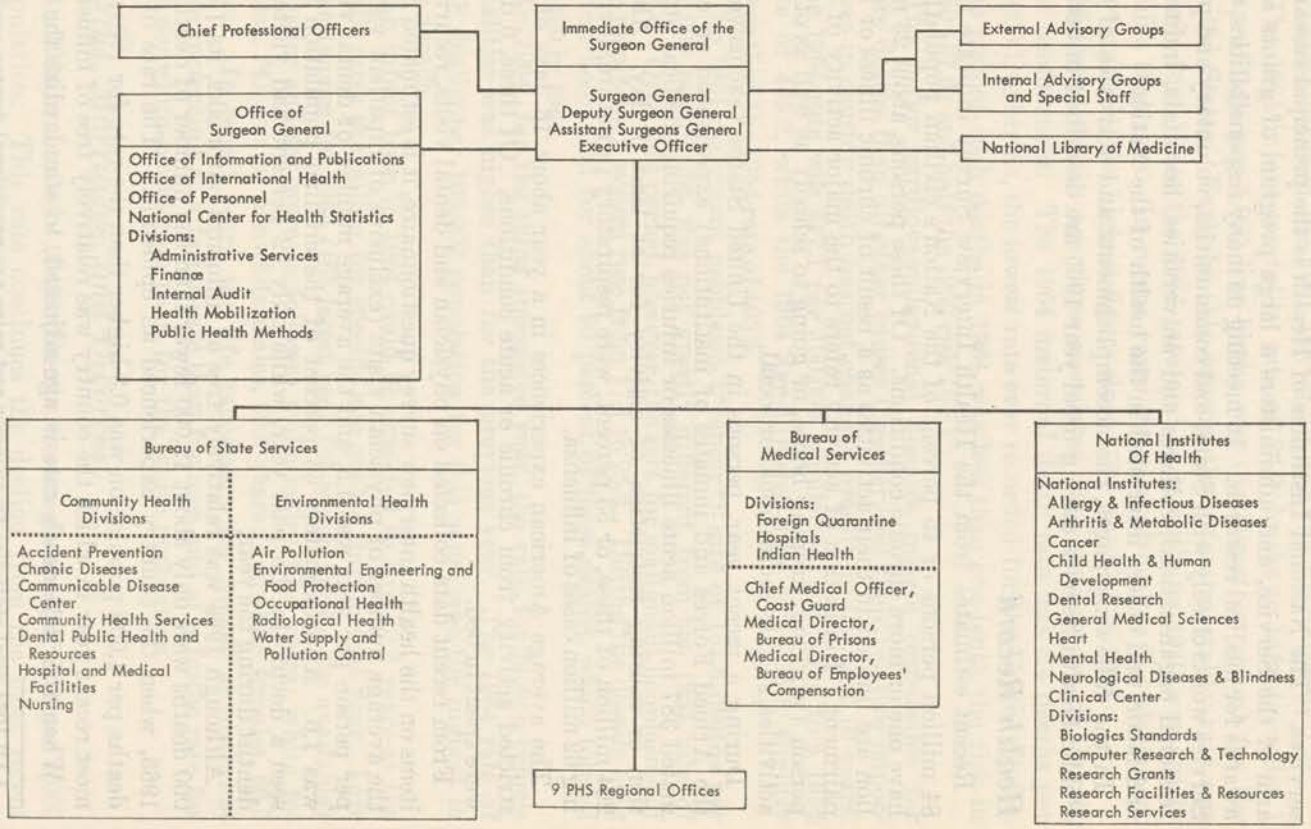
Legislation was also introduced this year to amend the Health Professions Educational Assistance Act of 1963 to include basic and special improvement grants to schools to help them meet costs, strengthen their curricula, and improve the quality of education. A scholarship program for students in the health professions would also be included, while the construction and loan provisions of the 1963 act would be extended and expanded.

In March 1964, the President appointed a President's Commission on Heart Disease, Cancer, and Stroke, called to "develop a realistic battle plan leading to the ultimate conquest of three diseases . . . which now account for more than 70 percent of the deaths in this country." The report made a number of recommendations directed specifically at these three diseases, and also made recommendations aimed at strengthening our total national resources for advancing scientific knowledge and providing medical services. The major innovative thrust of these recommendations came in the form of plans for the establishment of a national network of regional medical complexes designed to unite research, medical care, and medical education. Legislation embodying the major recommendations of the Report of the Commission is being considered by the Congress at this time.

Also during 1965, the Congress passed a law requiring a label on each package of cigarettes, warning that continued cigarette smoking may be injurious to health. This action is a result of the Smoking and Health Report made in 1964, and the continuing emphasis of the Service and of other health organizations through education and research, on the hazards of smoking.

The responsibilities of the Public Health Service are exercised through the following organizational components: the Office of the Surgeon General, the National Library of Medicine, the Bureau of Medical Services, the Bureau of State Services, and the National Institutes of Health. The Bureau of Medical Services administers the medical care, foreign quarantine, and related programs of the Service.

CHART 1.—PUBLIC HEALTH SERVICE ORGANIZATION, 1965



The Bureau of State Services works with States and communities to develop and improve community health and environmental health services. The National Institutes of Health is the principal research arm of the Service, and administers a large program of grants and awards for medical research. In meeting its many responsibilities, the Service works closely with States and communities, voluntary and professional organizations, colleges and universities, hospitals, industry and labor, and others interested in the health of the Nation.

In the following pages, the accomplishments and activities of the Public Health Service during fiscal year 1965 are described in detail.

Health Record

Recent estimates from the Health Interview Survey indicate that 84 million persons or 45 percent of the Nation's civilian population, have one or more chronic conditions. Of these persons, about 23 million are limited in their activities as a result of chronic illness or impairment. Limitation of activity refers to the major activity of the person (working, keeping house, or going to school) as well as other activities, such as recreational or social.

During a recent year, persons in the United States (exclusive of the Armed Forces and inmates of institutions) experienced an estimated 387 million acute illnesses or injuries requiring medical attention or causing restriction of activity for at least 1 day. About 204 million of these, or 53 percent, were respiratory in nature, including 62 million cases of influenza.

The average American experiences in a year about 16 days of restricted activity from chronic or acute conditions. Of these, 6 days were spent in bed.

From recent data collected on physician and dental visits, recurrent items on the health interview survey questionnaire, it is estimated that the average number of physician visits (exclusive of inpatient visits) per person per year was 4.5, and the average number of dental visits was 1.6. Approximately 66 percent of the civilian population had seen a doctor in the past year, while only 42 percent had visited a dentist during the year.

Although 1964 was relatively free of influenza outbreaks, its 1,801,000 deaths were only about 12,000 fewer than the number of deaths in 1963, when the country experienced an epidemic.[1] The rate of 9.6 deaths per 1,000 population was 0.3 higher than the rate for 1961, the most recent year in which the country was relatively free of influenza.

When the 1964 death rate is age-adjusted, to standardize the age

[1] All 1964 vital statistics frequencies and rates are provisional figures covering the calendar year.

distribution of the population, it stands at 7.4 per 1,000 population, as compared with 7.6 for 1963. Since 1954 the age-adjusted rate has fluctuated between the 1961 low of 7.3 and the 1957 high of 7.8.

The 1964 infant mortality rate of 24.2 deaths to infants under 1 year of age per 1,000 live births was the lowest on record for the United States. Early in this century the infant mortality rate was nearly four times the 1964 rate and as recently as 1940 was nearly double that rate. In recent years the rate of decline has slackened. For example, the highest figure since 1954 was 27.1 in 1957.

Maternal deaths are those associated with pregnancy, childbirth, and confinement. The 1964 maternal death rate was 3.4 deaths per 10,000 live births, the lowest rate ever recorded for the United States. The risk of such deaths in 1964 was less than one-tenth the risk in 1940 (37.6) and half the 1952 risk (6.8).

The major cardiovascular-renal diseases remain responsible for more deaths than all other causes together, but their relative importance in causing death has not changed greatly in the past 10 years. The 1964 rate was 517.1 per 100,000 population, compared to a 1954 rate of 495.2, while the 1964 age-adjusted rate was 395.1, slightly lower than the 1954 rate of 405.5.

The 1964 malignant neoplasm ("cancer") rate of 151.6 deaths per 100,000 population was not greatly different from the 1954 rate of 145.6. Over that period, however, the rate for malignant neoplasms of the respiratory system rose from 17.1 to 25.3. During the decade lung cancer accounted for about 90 percent of these deaths, which totaled 48,420 in 1964.

In 1964, for the third successive year, the rate for motor vehicle fatalities was higher than for the previous year. The 1964 rate of 24.8 deaths per 100,000 population for this cause was the highest in the decade.

An infant born in 1964 could be expected to live 70.2 years at the death rates prevailing for specific age groups during that year. Life expectancies for 1963 (the latest year for which figures are available) by color and sex were as follows: white males, 67.5 years; white females, 74.4 years; nonwhite males, 60.9 years; nonwhite females, 66.5 years. In recent years, the life expectancy for women at birth has been increasing at a faster rate than for men and at a faster rate for the nonwhite population than for the white population.

Births, Marriages, and Divorces

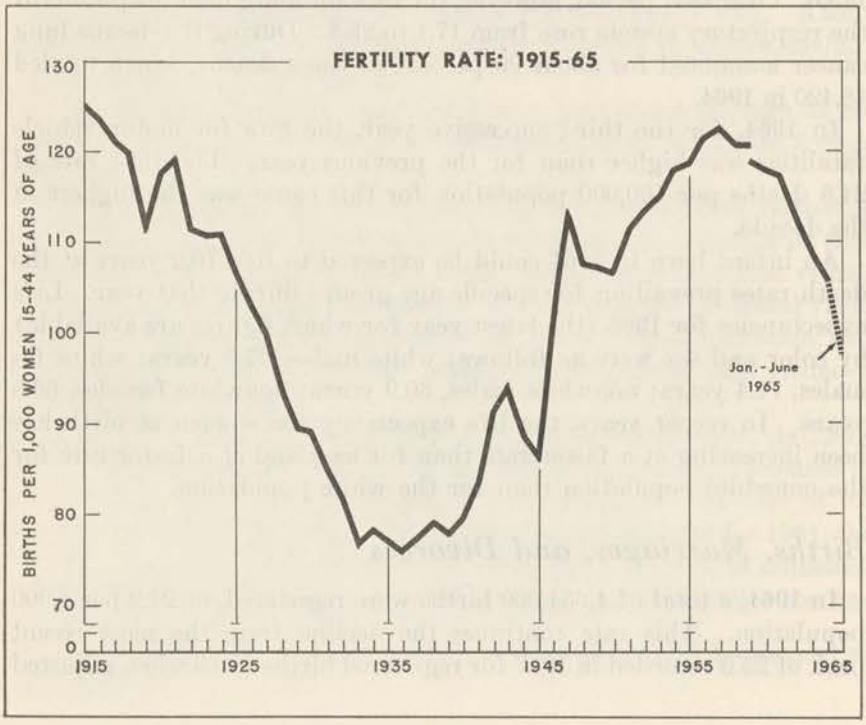
In 1964, a total of 4,054,000 births were registered, or 21.2 per 1,000 population. This rate continues the decline from the most recent peak of 25.0 recorded in 1957 for registered births (25.3 when adjusted

for under registration. Part of the decline results from a shift of childbearing to younger ages, which occurred earlier in the postwar period; because women had so many births at younger ages, they are now having fewer when they are older.

The current decline also is related to changing patterns of childbearing among young couples. Apparently, many of them are delaying their first and second births to somewhat later ages than did young couples who began their families in the 1950's. Also today's young couples eventually may have fewer children, on the average, than couples who started their families earlier in the postwar period.

An important element in the current situation is the large number of young men and women now entering the ages when most people marry and start families. Children born in 1947 would be 18 years old in 1965. About 18.6 million children were born in the 5 years 1947–51, compared to about 15.3 million in years 1942–46, greatly increasing the number of young persons in the childbearing ages. Between 1965 and 1970, for example, the number of women 20–24 years of age will increase by 25 percent, from 6.8 million to 8.5 million. This growing number of women in the prime reproductive ages may offset declining birth rates enough to produce an upturn in the absolute number of children born annually.

CHART 2.—FERTILITY RATE: 1915–65



The rising number of young persons already has had some effect on the number of marriages. In 1964 there were 1,720,000, or 4 percent more than in 1963. The 1964 marriage rate was 9.0 per 1,000 population, compared to a 1963 rate of 8.8.

The number of divorces also increased by about 4 percent between 1963 and 1964. In the latter year, there were an estimated 445,000 divorces, or 2.3 per 1,000 population.

Funds

The total funds available to the Public Health Service in fiscal year 1965 amounted to $2,317.4 million. (See table 1.) Appropriations and authorizations accounted for about $2,004.4 million of this amount. The balance was made up of repayments for services given to other agencies and of unobligated balances from previous years.

A little more than half of the total available funds were obligated, in the form of grants and research contracts, to State and local agencies, private institutions, universities, hospitals, and individuals outside the Federal Government. The remainder of the funds was used to support the direct responsibilities of the Service, such as hospital and medical care for legally designated beneficiaries, foreign and interstate quarantine, and Indian health services.

Office of Personnel

Reorganization of personnel management in the Public Health Service along the lines recommended by the Advisory Committee on PHS Personnel Systems (Folsom committee) is now more than 2 years old. Basic changes in civil service operations are complete and bureau personnel offices have full responsibility for day-to-day operations and decisions. Commissioned Corps personnel operations are still largely centralized in the Office of Personnel.

During much of the fiscal year personnel and management officials throughout the Service were involved in a nationwide inspection of position management and classification operations by the U.S. Civil Service Commission. Also, two PHS hospitals—at Chicago and Memphis—were closed and the out-placement or reassignment of employees was a special challenge for the personnel staffs of the Bureau of Medical Services and the Office of Personnel. The review and evaluation of positions occupied by commissioned officers, started last year, yielded useful information that is now being used for manpower planning and for maximum utilization of the skills of professional employees in the Commissioned Corps.

The recruitment of well-qualified people in the shortage professions is a continuing challenge for personnel and management officers

throughout the Service. Integrated and coordinated recruiting activities, supported by new recruiting aids, resulted in a substantial increase in applications for professional positions during the second half of the fiscal year.

Personnel statistics of the Public Health Service are shown in tables 2 and 3 on pages 232 and 234.

Management Progress

The Public Health Service expanded and increased its efforts to obtain maximum efficiency and economy in its administrative and managerial operations through cost reduction and management improvement programs.

Significant progress was achieved through the conduct of an aggressive supply management program by the Division of Administrative Services which developed a Service-wide competitive drive for cost reduction and improved service among all supply personnel. Supply management throughout the Service was improved through the introduction of new methods of procurement, property accounting, storage, and issuance while at the same time providing faster and better service to users. A uniform system of property accounting and inventory control was developed and implemented based on the principles of "management by exception." This system will produce continuing savings in the processing of paperwork, better control over inventories, maximum utilization of personal property, uniformity in budgetary requirements and financial accounting, more effective reporting techniques, and improved utilization of personnel.

A new policy was also issued for a Service-wide ADP sharing program to obtain optimum use of computer equipment. The policy essentially requires that PHS computing equipment be shared among all PHS users before any arrangements are made for using computer facilities outside the Service, particularly through contracts.

In a continuing effort to improve records management, an expanded records appraisal and scheduling program was initiated. All PHS activities conducted inventories of their complete record holdings and prepared new or revised control schedules for the preservation or disposition of records.

Considerable savings to the Government will result from a new procedure in which the Division of Finance will extend the Letter-of-Credit provisions, now applicable to research and training grants, to the Grants-to-States under formula, project, and demonstration-type activities. A separate Letter-of-Credit will be issued to each of the approximately 100 State agencies with which the Public Health Service has grant relationships.

To overcome difficulties posed by inability to compete for fully qualified financial management personnel, a university level course in accounting principles conducted and sponsored by the Division of Finance was inaugurated. The course, taught by professional accountants and emphasizing governmental as distinct from business accounting, is expected to improve job skills of PHS employees and provide them with additional impetus toward self-improvement.

The Internal Audit Division during the past year recruited key staff and launched an intensive audit program of PHS activities on a planned cyclical basis to insure that reviews are made at all installations. It also completed a number of audits of selected Service-wide management activities.

National Center for Health Statistics

The National Center for Health Statistics provides national leadership and cooperation internationally in gathering, analyzing, and disseminating basic statistical information on the health of the country and its demographic characteristics.

During the fiscal year the Center installed an IBM-type 7010 tape-oriented system equipped with 9 tape drives and 60,000 memory positions. Other equipment associated with the installation includes an Optical Mark Page Reader which is being applied in the automation of source data, eliminating the need for keypunching.

Work was continued during the year in this country and abroad in preparing materials for the Eighth Revision of the International Statistical Classification of Diseases, Injuries, and Causes of Death, which is scheduled for use in 1968.

The U.S. National Committee on Vital and Health Statistics, a group sponsored by the Center to conduct studies of problems through appointed subcommittees, held its 15th anniversary meeting in December. The discussions produced many suggestions for studies in epidemiology, health statistics, demography, and health resources and services.

Responsibility for collecting health manpower statistics was transferred to the Center, and the Center also began periodical preparation of statistics on smoking and health.

During the fiscal year, 20 statistical publications were prepared in the Center's publication series, in addition to 10 reprintings of former issues, 3 life-table publications in another series, 4 large volumes of final vital-statistics data, and regular monthly publication of provisional vital statistics.

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DIVISION OF VITAL STATISTICS

The Division cooperated with representatives of the registration areas and with other parts of the Center in carrying forward the long and involved series of activities connected with revision of the standard certificates of birth, death, fetal death, marriage, and divorce, with a view to their being recommended by the Public Health Service in January 1966.

The Division, along with other Center staff, also worked with a Public Health Conference on Records and Statistics study group in planning a series of handbooks for physicians, medical examiners, and hospital personnel who assist in filling out vital records and persons who provide data for marriage and divorce records, in order to improve the accuracy of the records and the vital statistics based on them.

The Division is collaborating with the Division of Dental Health and the Iowa State Department of Health in a study of the completeness and accuracy of congenital malformation reporting on 1963 Iowa birth certificates. This study, requiring extensive assistance from hospitals, should lead to guidelines for improving the reporting of congenital defects.

DIVISION OF HEALTH INTERVIEW STATISTICS

The health interview survey provides a continuous sampling of the civilian, noninstitutional population through household interviewing. Its objectives are to provide data on: (1) illnesses, impairments, and injuries of persons; (2) the use of medical, dental, and hospital facilities; and (3) allied health-related topics.

DIVISION OF HEALTH RECORDS STATISTICS

This Division is composed of three major programs:

1. The Institutional Population Survey collects statistics on institutionalized persons and the services which they receive. Three reports have been prepared based on data collected in the first residence place survey covering mental institutions, long-term hospitals, nursing homes, various specialized homes, and penal institutions. A second residence place survey has been conducted, covering institutions which provide services to the aging population. The data are now being analyzed.

2. The Hospital Discharge Survey is a continuing survey of a national sample of short-term hospitals using data abstracted from hospital records. The survey is designed to produce national hospital statistics which will have administrative uses and will provide statistics on hospital morbidity.

3. The Vital Records Survey is a continuing mortality and natality survey to supplement and enrich the statistics reported on vital rec-

ords. Data collection for the 1963 surveys on hospital utilization during the last year of life and the radiological examinations performed on expectant mothers are being analyzed. The 1964–65 mortality survey is collecting data on socioeconomic differentials in hospital utilization during the last year of life, while the 1964–65 natality survey is gathering information on conception histories and the expected completed family size plans of women giving birth to live infants.

DIVISION OF HEALTH EXAMINATION STATISTICS

The health examination survey continued its three-level operation during the fiscal year. This involved publication of five reports based on data obtained in its first "cycle" of adult health examinations, completion at 33 of 40 locations of the second cycle examination of children (ages 6 through 11 years), and staging a pilot test of a planned third cycle examination of adolescents, ages 12 through 17 years.

By the end of the year, a total of 5,999 children had been examined in the second cycle. From a total sample of 6,231 preselected children, this resulted in a response rate of 96.3 percent.

Five reports of findings from the first cycle were published during the year, including studies of levels of blood pressure, heart disease, dental information, body measurements, and a serologic test for syphilis.

Approximately 135 adolescents were examined in a pilot test of the third cycle. Planning of final steps to be included in the 3½-hour examination is well advanced prior to inauguration of field examinations late in the year.

OFFICE OF HEALTH STATISTICS ANALYSIS

Intensive Center-sponsored studies of perinatal and infant mortality of several countries have been prepared by investigators in Denmark, England and Wales, the Netherlands, Norway, Scotland, and the United States during the year. A standard set of statistical tabulations for international comparison was developed.

A conference to consider perinatal and infant mortality problems of the United States was held in May. Participants included the above-mentioned contract investigators, special discussants and representatives of key agencies of the Department, such as the Children's Bureau and the National Institute of Child Health and Human Development. The objective was to compare the experience of the United States with that of similar countries for clues as to the causes of unfavorable trends in this country.

DIVISION OF DATA PROCESSING

In addition to preparing and processing all data in the Center's regular programs, this Division has instituted research directed toward the development of new techniques in data processing. This

research includes investigations in areas such as computer coding of medical terms and source data automation techniques for preparation of computer input.

National Library of Medicine

The National Library of Medicine during the past year accomplished a number of significant improvements in the Medical Literature Analysis and Retrieval System (MEDLARS).

By replacing earlier peripheral MEDLARS' equipment with a Honeywell 200 computer, the Library acquired the means to copy and reformat its tape files for use on other noncompatible computers—an important step forward in the planned decentralization of MEDLARS' search and retrieval capability.

Through project contracts, the Library established two pilot MEDLARS search centers, the first at the University of California at Los Angeles and the second at the University of Colorado in Denver. UCLA, which is re-programing MEDLARS tapes for use on an IBM 7094 computer, is expected to become fully operational as a search center early in fiscal year 1966. Computer programs generated there will be made available to future MEDLARS centers. The University of Colorado, whose computer is compatible with MEDLARS, is actively providing 40 members of the medical center staff with a current-awareness service based on selections from MEDLARS' tapes. They have demonstrated the economic feasibility of using MEDLARS tapes for selected dissemination of medical information.

MEDLARS' file of citations to the periodical literature grew to more than 300,000, with input increasing at an annual rate of approximately 175,000 citations. Monthly issues of "Index Medicus," composed on GRACE, the Library's high-speed computer-driven phototypesetter, carried references to 156,783 journal articles. The annual "Cumulated Index Medicus," processed by GRACE in a record 2 weeks, consisted of 4 volumes totaling 5,697 pages.

In cooperation with national health organizations, the Library began regular production of four recurring bibliographies: "Cerebrovascular Bibliography," "Index to Rheumatology," "Index to Dental Literature," and "Fibrinolysis, Thrombolysis, and Blood Clotting."

During fiscal year 1965, the Library completed its systems design and began programing the initial phase of a new MEDLARS project. This provides computerized handling of the Library's catalog to produce a biweekly express cataloging service to assist other medical libraries in their acquisition and cataloging operations. It will also produce the annual NLM printed book catalog, 3 x 5 cards for the central NLM catalog, and citations to selected monographs for

MEDLARS. Sharing the NLM computer-produced catalog will save the Nation several million dollars.

The total number of library service transactions, including reader, reference, and bibliographic services, for the world biomedical community increased by over 7 percent to a level of more than 250,000 during the past fiscal year.

The Library completed an important study of the needs of the Nation's 6,000 medical libraries for space, resources, training, and research. Data from this study were provided to the President's Commission on Heart Disease, Cancer, and Stroke for publication in volume II of the Commission's Report, released in February 1965.

On June 17, 1965, the Library commemorated the 100th anniversary of Dr. John Shaw Billings' assumption of the directorship of the Library of the Surgeon General's Office (Army), forerunner of the NLM, in 1865. Dr. Billings established the Library as a national resource and laid the framework for the development of modern scientific bibliography. Secretary Celebrezze, Under Secretary Cohen, and Surgeon General Terry introduced the main speakers at the Billings Centennial: Senator Lister Hill, Representative John E. Fogarty, and Representative Oren Harris, whose address was presented by Representative Leo W. O'Brien.

Division of Public Health Methods

During this year the Division of Public Health Methods has put greater emphasis on the coordination of Service programs in the several Bureaus which have related responsibilities, and to the investigation of a growing number of national problems which affect Service programs and the health of the Nation's people, with, consequently, somewhat less attention to technical studies than in past years.

A major concern has been the implications for the Service of new national programs for both urban and rural areas, many of which present entirely new opportunities for the delivery of effective health services. To explore and develop those opportunities and to devise mechanisms for interagency coordination and cooperative action, the Division is working with the Office of Economic Opportunity, the Housing and Home Finance Agency, the Appalachian Regional Commission, the Rural Community Development Service, the Bureau of Public Roads, the Advisory Commission on Intergovernmental Regulations, Office of Manpower, Automation, and Training, and State health officers.

At the same time the Division has undertaken internal studies of Service programs in the light of these rapidly developing new national programs. In order to provide an adequate basis for the necessary

Service-wide program planning and policy decisions, the Division is developing methods for the continuing evaluation of Service programs from the viewpoints of attainment of program goals, coordination with related activities throughout the Services and in other agencies, and responsiveness to changing national health needs and opportunities. In the process, methods for closer coordination of program management with the planning of the budgetary and legislative programs are also being developed.

The Division continues to serve as a coordinating point for matters which cut across organizational lines within the Service. During the past year these have included intergovernmental relations; the antipoverty programs; the Appalachian program; rural areas development; urban health; population dynamics; reconversion of industry from military to civilian uses; mental health; mental retardation; and many others.

STUDIES AND REPORTS

At the request of the Department of Defense, the Division prepared a report analyzing the requirements of the armed services for physicians and dentists and proposing methods for meeting their staffing requirements.

A study of the costs to students of a medical education and the sources of student support, made in cooperation with the Association of American Medical Colleges, was completed. The report will be published in September 1965. A survey of the 1955 graduates of American medical schools, being made in cooperation with the American Medical Association and the American Association of Osteopathic Colleges, is nearing completion. This is a continuation of periodic studies showing the trends in type, method, and location of medical practice.

OTHER ACTIVITIES

Staff services were provided for the National Advisory Health Council, the Surgeon General's Conference with State and Territorial Health Officers, the Surgeon General's Committee on Urban Health Affairs, the President's Rural Development Committee, and the Joint State-Federal Health Grants Task Force. Major responsibility for staff work for a Health Manpower Subcommittee of the Departmental Task Force on Manpower Requirements and Training Programs, established on June 3, 1965, will be placed in this Division. In anticipation, an annotated bibliography on subprofessional health manpower and Federal support of health manpower training and current data on health manpower needs and supply are being compiled.

Staff members prepared the Surgeon General's quarterly reports to the Secretary; collected within the Service the monthly revisions

for "HEW Indicators," the annual revisions for "Trends," assembled and edited the Public Health Service portion of "HEW Handbook on Programs," and provided continuing staff services in support of the Office of the Surgeon General.

Office of Information and Publications

During the year the Public Inquiries Branch received over 125,000 requests for information from professional groups and the general public. This is a measure of the increasing scope of Service programs and of increasing interest in them. Through press releases, newspaper, radio and television interviews, the issuance of publications, and the periodic publication of *Public Health Reports*, the Office has continued in its work of providing health information and education to the professions and the public and of coordinating the efforts of the Bureaus, Divisions, and Institutes in their various specialized fields.

Office of International Health

The Office of International Health continues to actively participate with the Department of State in the World Health Organization and the Pan American Health Organization. For example, over 15 position papers were prepared for the World Health Assembly covering smallpox vaccination and eradication, malaria eradication, international medical research, quality control of drugs, population and other subjects. The United States was elected to the Executive Board of WHO and the Executive Committee of PAHO. The Office assisted in negotiations leading to the World Health Assembly's establishment of an International Agency for Cancer Research, administered by WHO, but with its own governing and scientific councils and permanent secretariat. The OIH assisted WHO to obtain 94 PHS employees to serve on 43 different expert committees whose program areas range from air pollution to zoonoses, and 48 short-term consultants were provided to WHO and PAHO, while 11 PHS employees were on long-term assignment to WHO and PAHO.

The Surgeon General established an International Health Career Committee to assist international organizations obtain U.S. nationals either on a direct-hire or on a 3-year detail basis. He also created an International Health Committee of the National Advisory Health Council.

During the year responsibility for central management of the scientific activities (special foreign currency) program was delegated to OIH.

Under the United States-Soviet Health Exchange four delegations visited the Soviet Union to study urban health planning; physiological development of the child; hemorraghic fevers; and hospital systems planning. One Soviet delegation came to this country to study genetics; 11 individual American scientists visited the U.S.S.R.; 8 Russians came to the United States; and joint sessions were held in the United States on cardiovascular diseases and virology.

PHS assistance to other governmental agencies engaged in international health activities included detailing 77 officers to the Peace Corps to provide medical care to volunteers in 46 countries; 29 officers were detailed to AID overseas missions and 4 to AID, Washington, conducting 13 projects for AID including 1 to provide 2 surgical teams in Vietnam, and administering the AID foreign training programs for 345 individuals from 51 countries. The Division also aided the Department of the Interior in analyzing health and medical organization problems in the Trust Territory.

The Director, OIH, was appointed as cochairman of the Cabinet Committee on Health of the International Cooperation Year. He also is participating in an Interdepartmental Working Group on International Cooperation in Arctic Research.

Division of Health Mobilization

Investigating disaster medical, health, and water needs of the Nation and subsequently directing and assisting States and communities in their preparations to meet those needs is the responsibility of the Division of Health Mobilization. Since 1961, when the Public Health Service assumed this emergency health preparedness responsibility, major emphasis has been directed toward community preparedness and the management and upgrading of the Emergency Medical Stockpile and the stocking and pre-positioning of 200-bed Packaged Disaster Hospitals throughout the country. To date 2,600 such hospitals have been assembled and distributed with an inventory value of about $100 million.

The title, "Packaged Disaster Hospital," was a name change instituted this year. Originally designated, "Civil Defense Emergency Hospital," it was felt that the new name more literally describes the hospitals and also helps to convey the concept that PDH's are not specifically limited in use to national disasters but can also be used for localized natural disasters. Opportunities to use the PDH's in this capacity occurred in several disaster areas including the Alaska earthquake, western floods, and in Raceland, La., where six of the hospitals were set up and activated to provide emergency medical care to the victims of Hurricane Hilda.

The Division was instrumental in arranging 288 separate training courses in which approximately 50,000 medical, allied health and lay personnel were trained in either specific PDH activities or general emergency health planning. The courses utilized a series of newly developed training aids plus 29 new publications.

To inform communities of the existence of the PDH program and to apprise them of its value in emergencies, a 30-minute motion picture, "Hospitals for Disaster," was produced and widely distributed. This film also serves as an introduction to the PDH training course.

The medical self-help training program was enhanced by the production of 1,100 sets of color/sound motion pictures covering the 11 subjects taught. Nineteen national organizations added their support to the program thereby providing the assistance of their thousands of local chapters throughout the country. A 15-minute promotional motion picture was produced. This film, the new training films and much of the printed material were also produced in Spanish. Emphasis on introducing MSH into high schools and colleges has brought the number of persons trained to 1½ million.

Bureau of Medical Services

The Bureau of Medical Services operates hospitals, clinics, health centers, and quarantine stations in many locations in this country and abroad to provide health care to large numbers of patients and to safeguard the Nation against disease that might be brought from abroad.

Medical and hospital care is provided to American seamen. A comprehensive health program is carried on for the Indians of the West and the native peoples of Alaska. Health services are provided for the men of the Coast Guard and the Coast and Geodetic Survey, and for the cadets in training at the Coast Guard and Merchant Marine Academies. Members and retired members of the Armed Forces and their families also receive care at Bureau hospitals and clinics if they are more convenient than military hospitals.

A special hospital is devoted entirely to the treatment of leprosy. Treatment for narcotic addiction is given in two hospitals for psychiatric patients. The Bureau is responsible for medical and hospital care in all Federal prisons and correctional institutions throughout the country.

Medical and hospital care for civilian employees of the Government who are injured on duty or become ill from conditions of their work is administered by the Bureau of Medical Services. In another program, employee health units are operated for various Federal departments and agencies to help in protecting their employees' health.

In the foreign quarantine program, international travelers arriving from abroad are checked against the possibility of contagious disease. Applicants for visas to enter the United States are examined by physicians on duty at stations maintained by the Bureau in several cities abroad.

The Bureau of Medical Services also conducts clinical research and carries on training programs for medical and health personnel. It is guided in program operations by the BMS Advisory Committee on Hospitals and Clinics and by the Indian Health Advisory Committee, made up of experts from hospitals and health programs all over the country.

A special activity of the Bureau of Medical Services since 1962 has been the recruitment of Public Health Service surgical teams for service in civilian hospitals of South Vietnam, in connection with the work of the Agency for International Development of the Department of State. In the 1965 fiscal year, teams composed of American surgeons, nurses, and medical technologists were on duty aiding civilian patients in the provincial hospitals in Da Nang and Nha Trang; also until the late spring of 1965, in the provincial hospital in Can Tho.

Division of Hospitals

Continued emphasis on training and research, development of a program for care of ambulatory patients, addition of another beneficiary group, and planning of a hospital modernization program marked the more important advances of the Division of Hospitals in 1965.

PATIENT CARE

There were 51,588 patients admitted to the 15 Service hospitals. The average daily patient census was 4,474, or 2.8 percent below that of 1964. Outpatient visits to hospitals, clinics, and outpatient offices totaled 1,449,788, exceeding the 1964 total by nearly 5 percent.

American merchant seamen made up 30 percent of the 395,000 beneficiaries of the Division and 42.3 percent of the hospital admissions. Uniformed service personnel and their dependents constituted 36.2 percent of hospital admissions.

Owner-operators of commercial fishing vessels were added to the medical care program under Public Law 88–424 approved August 13, 1964.

The Division set up a program of expanded ambulatory services in five of the larger outpatient clinics, under the direction of a new Outpatient Branch. At the end of the fiscal year the small hospitals in Memphis and Chicago were closed and converted to outpatient clinics. Plans were initiated for modernization of eight general hos-

pitals, in Baltimore, Boston, Galveston, New Orleans, Norfolk, San Francisco and Seattle, and on Staten Island, N.Y. The hospitals in Detroit and Savannah will be the subject of further evaluation. To comply with criteria for intern training, the Boston hospital added a pediatric service.

PROFESSIONAL TRAINING

Seventy-nine affiliation agreements were in force with universities and other training institutions. Twenty-nine were for the training of medical interns and residents. The others were for paramedical personnel. A dental residency in endodontics was established in the Seattle hospital—the first in the Public Health Service and one of the few hospital-oriented programs of its kind in the United States.

Eighty-five medical interns and 41 resident physicians completed training in PHS hospitals; 54 interns remained in the Service after their training. Residency training programs were offered in the following specialties: anesthesiology, dermatology, general practice, internal medicine, obstetrics-gynecology, ophthalmology, orthopedic surgery, pathology, radiology, surgery, and urology.

RESEARCH

A renal physiology laboratory was opened in the New Orleans hospital, and a metabolic unit and laboratory were established in the San Francisco hospital. New positions of director of research were established at the psychiatric hospitals in Fort Worth, Tex., and Lexington, Ky.

In cooperation with the National Aeronautics and Space Administration, research into the effects of weightlessness was begun at the San Francisco hospital, and studies of heat stress on the body were started at the Staten Island hospital. Studies of the effectiveness of certain drugs in combating hypertension and renal disease were continued in seven hospitals, and the first report of the findings was published.

Fifty-four research projects were conducted; 46 of these were completed during the year. Funds for 20 additional projects were provided by the National Institutes of Health.

OTHER ACHIEVEMENTS

Rehabilitation of Narcotic Addicts

There were 2,456 admissions to and 2,428 discharges from the hospital in Lexington for the treatment and rehabilitation of psychiatric patients including narcotic drug addicts. The hospital began a group psychotherapy program for Spanish-speaking patients and expanded its remedial education program. It carried on training and information programs for more than 200 professional persons, including visitors from 13 foreign countries.

The psychiatric hospital in Fort Worth increased the number of patients (from 15 in fiscal 1964 to 35 in 1965) participating in a "live in, work out" program, which permits patients to live at the hospital and hold an outside job during working hours. The hospital had 1,411 admissions and 1,464 discharges.

Hospital for Leprosy Patients

The addition of a full-time microbiologist, a rehabilitation expert, and a world-renowned leprologist as a temporary consultant were significant advances made by the hospital for leprosy patients in Carville, La. Average daily patient census was 329.

Research continued to be emphasized, with 18 major projects underway, while 44 training seminars attracted 1,110 professional visitors, among them dermatologists from outstanding clinics and medical schools.

The outpatient clinic for leprosy, at the San Francisco PHS Hospital, celebrated its fifth anniversary. It provides treatment and diagnosis for leprosy patients on an ambulatory basis.

Records Improvement

A medical records summary report was adopted for computer operation, which greatly improved efforts to maintain high-quality medical care, research, and training in the Division. The report provides, at a glance, clinical details about each patient.

FEDERAL EMPLOYEE HEALTH PROGRAM

Through the Division's Federal Employee Health Program, health units—operated on a reimbursable basis in installations of Federal agencies in about 42 locations—served more than 60,000 Government employees. The health units gave about 4,400 periodic health examinations for older employees during the year.

Immunizations were given in the following numbers: influenza 20,567; smallpox 1,455; and tetanus 4,362. Screening tests totaling 8,868 for diabetes, 859 for cancer, 2,280 for glaucoma, and 4,514 for visual acuity were given.

FREEDMEN'S HOSPITAL

Freedmen's Hospital, in Washington, D.C., is a Government-supported hospital providing private hospital services for the community, and teaching facilities for Howard University.

The average daily patient census was 400 in 1965. There were 14,650 admissions, including 3,020 live births, compared with 15,925 in 1964. The 54,165 clinic visits and 47,893 emergency room visits represented a slight increase over the previous year.

There were 183 trainees in medicine, nursing, dietetics, X-ray and medical technology, pharmacy, anesthesiology, and medical social work.

Plans and discussions were underway for transfer of the hospital to Howard University, as provided in legislation passed in 1961. Plans were made to celebrate the hospital's 100th anniversary in 1966.

Division of Foreign Quarantine

Since the advent of jet air travel, the Division of Foreign Quarantine has maintained increasing vigilance against the rising danger of the importation of disease from abroad. Travelers entering the United States by jet airplane number tens of thousands daily, and many arrive only a few hours after leaving countries where quarantinable diseases are present.

Fears were almost realized in May 1965 when it was thought that smallpox had been brought in from abroad. Nine days after entering the United States, a traveler from Ghana developed an illness that had the appearance of clinical chickenpox, but was compatible with vaccinia-modified smallpox. On the basis of the first laboratory findings, the illness was reported to the World Health Organization as smallpox. Later extensive laboratory investigations resulted in the decision, in August 1965, that the illness was not compatible with smallpox and had been chickenpox.

QUARANTINABLE DISEASES

Smallpox continues to be a serious worldwide threat. In 1965 there was a lessening of the disease, with 47,492 cases reported, compared with 98,720 the year before. However, epidemics occurred in Kano, Nigeria, and in Bombay, India. For the first time since World War II, there were no outbreaks of smallpox in Europe.

Cholera, which had been confined to India and East Pakistan for many years, became widespread in southwest Asia; the spread was due in many instances to an increase in international travel. There were 81,400 cases reported, including 19,561 deaths, compared with 65,157 cases and 21,735 deaths in the previous year. The increase was due to 20,196 cases reported from Vietnam which had not reported cases since 1953. There was one case imported into Japan by air.

The United States experienced its first cholera case since 1911, when a laboratory technician at Walter Reed Army Medical Center, Washington, D.C., acquired a mild case of the disease while working with cholera cultures during the week ended June 5, 1965. Through the World Health Organization, the Division of Foreign Quarantine declared Walter Reed Hospital a local infected area on June 15 and declared it free of infection on June 17.

Yellow fever today is generally a disease of the jungle since most international ports have concentrated on eradication of the *Aedes aegypti* mosquito, the transmitter of urban yellow fever. Two

African countries and 5 South American countries, all in the yellow fever endemic zones, reported 112 cases, including 89 deaths. Six of the cases occurred in three regions of Portuguese Guinea where the disease had not been reported in 30 years.

Major epidemics of plague occurred in southwestern Africa, Tanganyika, India, Vietnam, Brazil, Ecuador, and Peru. The disease was reported in three Vietnamese ports. Worldwide, there were 1,455 cases reported, compared with 862 in the previous year.

Countries of Europe, Asia, Africa, and the Americas reported 9,243 cases of louse-borne typhus, compared with 5,626 cases in the previous year.

Relapsing fever has been confined to Ethiopia, with only occasional cases reported in other countries. There were 5,889 cases reported in Ethiopia and one imported case in French Somaliland.

INTERNATIONAL TRAFFIC

Inspections of arriving aircraft by U.S. quarantine inspectors rose 8.6 percent, from 72,400 in 1964 to 78,700 in 1965. There was an increase of 14.9 percent in inspections of persons arriving in this country by airplane, from 3,819,000 to 4,388,000. Inspections of ships increased from 35,000 to 35,400. Inspections of travelers arriving by ship decreased from 2,303,000 to 2,254,000.

Inspections of persons arriving in the United States by all modes of travel, including many making repeated crossings of the Mexican border, totaled 122,958,000.

Total aliens inspected at U.S. ports increased by 1.7 percent, from 70,972,000 to 72,168,000. These inspections resulted in the issuance of 28,600 medical certificates, nearly 6,000 of which applied to aliens with excludable conditions. About 10 percent of the aliens with excludable conditions had been so diagnosed abroad, but were admitted under special provisions of immigration law. Most of the others were local border-crossers from Mexico or applicants for border-crossing permits.

It was necessary to detain in isolation 70 arriving travelers suspected of having smallpox or other quarantinable diseases, compared with 40 in the previous year. Health Alert Notices, issued in cases where exposure to quarantinable disease had been minimal, were given to 193,000 persons, compared with 212,800 in the previous year. Surveillance orders, issued in cases where there was significant possibility of exposure but not enough probability to warrant detention, were given to 1,585 persons, about the same number as in the previous year. The number of arriving persons receiving smallpox vaccinations increased from 747,600 to 845,400.

MEDICAL EXAMINATIONS

General Program

The number of aliens applying for visas who were examined by Division of Foreign Quarantine medical officers abroad rose 12.1 percent, from 170,000 to 190,700. The increase resulted primarily from increased processing of applicants in Mexico and the activity of five new stations established during the year, in Genoa, Italy; Tel Aviv, Israel; Bogotá, Colombia; Monterrey, Mexico; and Buenos Aires, Argentina. Of all aliens examined, 95 percent were immigrants, refugees, and parolees. There were 1,659 visa applicants found to have diseases or conditions specified as excludable in immigration law.

Since May 1962, about 15,400 Chinese refugees have been medically examined in Hong Kong for admission to the United States under parole provisions of immigration law in accordance with a Presidential directive. In fiscal year 1965, these examinations totaled 2,926; 208 persons, or 7.1 percent, were found to have excludable conditions.

Quarantine officials placed under special health controls 837 arriving aliens with tuberculosis whose entry was authorized by a special section of the Immigration and Nationality Act.

Mexican Farm Workers

With the expiration of the farm placement program, the Division on November 19, 1964, stopped examining Mexican agricultural workers recruited by the U.S. Department of Labor for work on American farms. From fiscal year 1952, when the program was begun, through the end of the program, Division personnel examined 5,540,000 Mexican workers at reception centers in the United States. Of this number, 54,800 were rejected for medical reasons.

ENTOMOLOGY AND SANITATION PROGRAMS

The mosquito surveillance program conducted in international traffic areas took on added significance with the epidemic of mosquito-borne encephalitis in Texas during the year.

Rabies control measures were enforced for 51,319 dogs and 6,131 cats brought to the United States last year. Along the Mexican border at Calexico, Calif., a program for apprehending stray dogs coming from Mexico resulted in capturing several that were proved to be rabid upon laboratory examination.

Inspection of aircraft arriving from foreign countries yielded more than 1,100 mosquitoes, some important in disease transmission. The number of ships found to be rat-infested represents a slight improvement over the record of the previous year. Continued efforts were made to encourage rat-proofing of ships and sanitation in seaport areas.

OTHER QUARANTINE ACTIVITIES

Aid to Refugees From Santo Domingo

In April 1965, the crisis in Santo Domingo caused the evacuation of thousands of refugees to Puerto Rico. Within a few days, more than 4,000 refugees, American and alien, were inspected at the quarantine station in San Juan. A large number of vaccinations were required, gamma globulin was administered to numerous persons, and cases of infectious hepatitis and measles were isolated in the Army hospital. The PHS medical officer in charge of the San Juan Quarantine Station received a commendation from the U.S. Navy expressing appreciation for the assistance rendered.

Travel Facilitation

Meetings of Division representatives with travel representatives of the leading airlines and air transport associations resulted in action as follows: the discontinuance of the "walk-through" inspection of planes arriving at international airports except in an emergency; radio reporting of illness on planes; and training of flight crews in recognition of illness. Plans were made for quarantine procedures in the eventual conversion to supersonic airliners carrying more than 200 passengers each.

Action Against Smuggling of Birds

Illegal entry of psittacine birds was prevented. Information supplied by the Miami Beach Quarantine Station to customs agents led to the breaking up of a parrot-smuggling ring.

In another instance, a shipment of 34 non-psittacine birds arrived in Chicago from Germany. In probing the box in which they were contained, the quarantine inspector found a compartment containing two parakeets. The shipment was sent on to Seattle where the consignee was apprehended. This led to the finding of the principals of a smuggling ring operating out of Dusseldorf, Germany.

Division of Indian Health

The 1965 fiscal year marked the 10th year since the transfer of the Indian health program from the Department of the Interior to the Public Health Service.

It was a decade that saw significant improvement in the health of the more than 380,000 Indians, Eskimos, and Aleuts who look to the Federal Government for medical and health services.

A new building program brought modern hospitals and health centers to many of these Americans, and there was a corresponding growth in professional staff. Safe water supplies and modern sanitation facilities were provided for many homes on the reservations and in the villages of Alaska.

The death rate of Indian infants declined 36 percent in the decade, and deaths from tuberculosis declined 56 percent. Among Alaska Natives, the infant mortality rate decreased 39 percent, and deaths from tuberculosis decreased 84 percent.

An important factor in progress was the cooperation of the Indian and Alaska Native people. Their use of hospital and clinic facilities increased during the decade from 50,000 inpatient admissions per year to 90,000, and outpatient visits reached 1,300,000 a year. They have participated increasingly in immunization and special health programs, and there has been steady growth in the establishment of tribal health committees. Delegates of 26 tribal groups met with headquarters officials in 1965 for discussions of health and sanitation problems.

Despite the progress, however, the health of these Americans still lags behind that of the general population. Some of the reasons are their geographic and cultural isolation, language barriers, and transportation problems. Indian families traditionally believe that illness is the result of supernatural forces. They have long had a highly developed system for treatment of the sick that is often at variance with accepted modern medical practice.

MEDICAL AND HEALTH FACILITIES

The full range of curative, preventive, and rehabilitative services is provided for Indians and Alaska Natives through 49 hospitals ranging from 14 to 400 beds, each with a busy outpatient clinic, 46 health centers, and several hundred field stations.

Additional services are provided through contracts with some 200 private or community hospitals, 400 physicians, dentists, and other health specialists, and 19 State and local health departments. The 3,000 beds in PHS Indian hospitals are supplemented by 1,000 in community hospitals made available through contracts.

MAJOR ILLNESSES AND MORTALITY RATES

Leading health problems among Indians and Alaska Natives today are communicable diseases among infants and young children, high infant mortality, accidents, mental health problems, nutritional and dental deficiencies, problems of aging, and alcoholism.

Leading causes of death are diseases of the heart, accidents, influenza and pneumonia, malignant neoplasms, diseases of early infancy, and vascular lesions of the central nervous system.

Tuberculosis, leading cause of death in 1949, has dropped to ninth place. The infant death rate has declined from 84 deaths per 1,000 births in 1950 to 43 deaths per 1,000 births in 1965. The life expectancy of the American Indian is now 64 years compared with 51 in 1940, and the average age at death is 43 years whereas it was 39 in 1958.

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HEALTH SERVICES

The Indian hospital is the center of activity for a comprehensive health program. More than 300 physicians representing most of the specialties provide medical and hospital care that deals with the entire health spectrum from prenatal care to geriatrics.

Preventive services include diagnostic examination, chest X-rays, immunizations, and special health services for school children, and clinics for diagnosis and treatment of trachoma, diabetes, heart diseases, eye and ear conditions, and disabling conditions among children.

The average daily patient load in Indian hospitals in 1965 was 3,127; 2,381 were general medical patients, 536 were tuberculosis patients, and 210 were neuropsychiatric patients.

Dental Services

The dental health program places major emphasis on preventive services to preschool and school children. In 1965, more than 75,000 topical fluoride treatments were given children to control dental caries, an increase of 42 percent from the previous year. There was an increase of 9.7 percent in total services over the previous year; 489,246 services were provided to 121,445 persons, 66,475 of whom received complete care.

Maternal and Child Care

The year saw a marked decrease in incidence and death rates from measles among Indians and Alaska Native children. This was a result of an immunization program begun in 1963, when an effective live measles vaccine was developed. The downward trend in the rate of illness and death from gastroenteritis is an indication of better health practices among parents and of improved water and sanitation facilities in many homes.

New emphasis was placed on health examinations for preschool children to correct physical defects before they enter school. Two new studies, in cooperation with the National Institutes of Health, were begun: one of congenital anomalies among Indian newborn, and another to determine the prevalence of jaundice among Indian infants.

Nursing Services

Nursing staffs participated in a program for training and supervision of community health aids under the Community Action section (title II) of the Economic Opportunity Act. Public health nursing staffs were expanded by the addition of more professional nurses and by training practical nurses in public health nursing. Two important first-of-a-kind publications were produced: a guide for the preparation of a curriculum for training practical nurses; and a simplified manual for teaching first aid to persons of minimal educational level or where language and cultural barriers exist.

Pharmacy Services

Ninety-four percent of inpatients and 79 percent of outpatients received direct pharmacy services last year at 36 Indian hospitals and 8 community health centers. Responsibilities were expanded to include pharmacists as members of some visiting health teams. A new position combining duties of pharmacists with those of laboratory and X-ray technician was established as a first step in providing these services at Indian health centers.

Nutrition and Dietetics

The nutrition program provides direct services to Indians and Alaska Natives, also technical and consultative services to staff. Lack of understanding of the relationship of diet to health and the poor quality and limited quantity of food available to many of the people increase their susceptibility to disease. The nutritionist helps families to adapt their ancient ways of using food to methods that are nutritionally preferable.

Medical Social Workers

Psychiatrically trained medical social workers of the Indian health service provide consultation on Indians' emotional problems to social service and health personnel. Social workers are cooperating in a range of studies including problems of children, alcoholism, and the utilization of community health resources. Scientific articles by six social workers were published during the year.

Medical Records

Medical record librarians are employed in all the larger Indian hospitals, and consultants are stationed in each administrative area. The smaller facilities are staffed with trained health record clerical personnel. Indian health records provide a history of day-to-day health services and form a basis for program planning, statistical analyses, and research.

ENVIRONMENTAL HEALTH

Since 1959 the Public Health Service has been authorized to construct water supply and waste disposal systems for Indian and Alaska Native homes and communities, with the beneficiaries contributing money, labor, and materials as they are able. It is estimated that about 75 percent of the families have unsatisfactory water and waste facilities or none at all. In 1965 the Division of Indian Health received $4,050,000 for sanitation construction purposes, augmented by a supplemental appropriation of $500,000 for repair or replacement of storm-damaged facilities in the Northwest. This permitted 48 projects to be undertaken which will serve 4,300 homes.

Since the program was begun, 296 construction projects have been authorized which will meet about 29 percent of the need. Indian participation represents about one-third of total construction effort. Related activities include conducting sanitation surveys of homes, communities, and institutional installations serving Indians; assistance in investigation of communicable disease outbreaks; and assisting tribes in adapting sanitary codes.

CONSTRUCTION AND MAINTENANCE

Hospitals

The goal of providing modern health facilities for all Indians and Alaska Natives was advanced in 1965 by the award of construction contracts for a new 80-bed hospital in Lawton, Okla., and a 27-bed hospital in Fort Yates, N. Dak. Bids were issued for an addition and alterations to the Indian hospital in Wagner, S. Dak.

Feasibility studies were completed for a new 200-bed medical center in Phoenix, Ariz., and a 125-bed hospital in Tuba City, Ariz.; and for conversion of the 167-bed sanatorium in Talihina, Okla., to a modern 100-bed general hospital. Architectural plans were completed for a 15-bed hospital on the Mescalero Reservation, N. Mex., and a 50-bed hospital in Belcourt, N. Dak., and for additions and alterations to the medical center in Gallup, N. Mex., and the 50-bed Indian hospital in Sells, Ariz.

The Alaska Native Hospital under construction in Barrow, 200 miles north of the Arctic Circle, was to be dedicated in November 1965.

Clinics

Construction contracts were awarded for health centers in Toppenish, Wash., Laguna, N. Mex., and Hooper Bay and Gambell, Alaska. Bids were sought for health stations in Cherry Creek and Whitehorse, S. Dak., and Wolf Point, Mont. Architectural plans were completed for a school health center in Fort Wingate, N. Mex.

TRAINING OF INDIANS AND ALASKA NATIVES

More than half the Division employees are of Indian heritage; the majority of the Indian employees are medical and health aides, practical nurses, dental assistants, sanitarian aides, and community health workers. The number of Indian physicians, dentists, and graduate nurses, however, is growing.

The Division offers many categories of inservice training for its health staff. In the Kotzebue area of Alaska, an experimental program for the training of community health aides has been successful as a means of providing health services in remote villages through radio communication with professional personnel.

OTHER PROGRAM ACTIVITIES

A permanent committee of Indian Health officials, set up to conduct a continuing appraisal of medical and health services, is making an important contribution toward more proficient services by means of earlier identification of health problems and action to meet them.

In cooperation with the economic opportunity program, the Division furnishes consultative assistance on environmental health and provides medical examinations for youth camp and job corps trainees on Indian reservations which are remote from community health services.

The Division provides medical examinations for Indian migratory agricultural workers, whose number has grown since the Bracero program was discontinued in 1964.

Research

The Division has strengthened its working relationships with medical, scientific, and educational groups engaged in research and special studies among Indians and Alaska Natives. The purpose is to influence areas of research in accordance with Indian health needs and to assist in the collection and dissemination of research findings, especially in evaluating them and applying them to the health problems of the people. Studies are in progress in several areas, including mental retardation, accident prevention, and health problems of infants and children.

Medical Services for Federal Agencies

The medical services of the U.S. Coast Guard and the Federal Bureau of Prisons are legal responsibilities of the Public Health Service and are operated by Bureau of Medical Services personnel assigned to these agencies. The medical programs of the Bureau of Employees' Compensation of the Department of Labor and the Maritime Administration of the Department of Commerce are conducted by personnel detailed to those agencies.

UNITED STATES COAST GUARD, TREASURY DEPARTMENT

The mission of the medical program for the Coast Guard is to provide complete medical, dental, and preventive health services to both shore and floating units. Health services are available to active and retired members of the Coast Guard and their dependents.

Ninety-eight officers of the Public Health Service were assigned full time to the program in 1965, including a psychiatrist, 26 other physicians, 51 dentists, 15 nurses, a pharmacist, a scientist, an engineer, a therapist, and a dietitian. In addition, 52 medical officers were detailed by the PHS from the Division of Hospitals and the Division of Indian Health on temporary assignments to cutters engaged in Arctic

and Antarctic operations and ocean station duties in the Atlantic and Pacific.

An aviation medicine program begun a few years ago continued to progress. In 1965 two medical officers attended the Army's School of Aviation Medicine and one was under instruction at the U.S. Naval School of Aviation Medicine. After completion of flight surgeon training, physicians are assigned to Coast Guard air stations or to headquarters for duty.

As in other years, there were instances of heroic medical care. Physicians performed surgery at sea under difficult conditions. Medical officers on ocean station vessels provided emergency medical assistance to merchant ships. One Public Health Service medical officer was awarded the Coast Guard Unit Commendation Ribbon for duty aboard a Coast Guard cutter operating in the Pacific Ocean; another, for duty aboard an icebreaker in Antarctica.

Coast Guard dental technicians were utilized at a number of Public Health Service dental clinics. This program helped to expedite treatment of Coast Guard personnel and offered dental technicians broader training and experience.

BUREAU OF PRISONS, DEPARTMENT OF JUSTICE

Since 1930, the Public Health Service has furnished medical and health personnel to provide a program of medical care for Federal penal institutions. This medical service operates 24 hospitals and 5 infirmaries, including a 1,000-bed general medical center in Springfield, Mo., and 100-bed hospitals at the penitentiaries in Atlanta, Ga., and Leavenworth, Kans. Fourteen hospitals are fully accredited by the Joint Commission on Accreditation of Hospitals.

The full-time Public Health Service staff assigned to the program in 1965 numbered 283, including 62 physicians, 32 dentists, and 189 technicians. The staff was augmented by 350 consultants in the medical specialties. About 800 inmates assisted with hospital care.

In June 1965 the population of the Federal prisons included 21,500 men and 700 women. The group is heavily weighted with persons who frequently show evidence of medical and dental neglect, including the ill effects of prolonged abusive use of alcohol and narcotic drugs. The Public Health Service staff works closely with Bureau of Prisons personnel in a joint effort to provide the best possible rehabilitation programs for all prisoners.

The Year in Review

There were 377,170 days of hospital care given in 1965, and 6,236 surgical operations were performed. Outpatient departments gave 1,069,478 treatments. A total of 29,072 physical examinations were performed. There were 26 births and 61 deaths.

Demand for psychiatric diagnostic and treatment services as required under the various observation and study procedures, including the Youth Corrections Act, the Adult Sentencing Act, and the Federal Juvenile Delinquency Act, continued to grow. These studies are made to determine possible relationships between an offender's medical and mental condition and his criminal behavior, and to provide recommendations for specific treatment to reduce recidivism.

Psychiatric and psychological programs were expanded in several locations. New group counseling programs were instituted in Ashland, Ky., and Lewisburg, Pa. A psychology service was established at the Federal Reformatory for Women, Alderson, W. Va. Group treatment programs were continued in El Reno, Okla., Chillicothe, Ohio, Lompoc, Calif., Petersburg, Va., and Leavenworth. Psychology trainees were placed at the National Training School for Boys in Washington, D.C., and the Chillicothe reformatory.

Program Highlights

Medical Center for Federal Prisoners.—The daily census of patients at the Medical Center for Federal Prisoners, Springfield, Mo., decreased, chiefly because of more active treatment programs, with quicker turnover of patients. Both admission and discharge rates increased. There was an increase in the number of clinical services provided in all departments.

Dental Services.—Modernization of dental clinics continued. The dental service at the penitentiary hospital in Lewisburg was approved by the Council on Hospital and Dental Services of the American Dental Association. In Chillicothe, a program in cooperation with the Ohio State University dental school enabled a number of prisoners to obtain the benefit of highly specialized reconstructive and restorative dental treatment and oral surgery. The Central Dental Laboratory in Lewisburg, which employs 21 inmates in a vocational training program, produced 2,500 dental prosthetic appliances.

Hospital Improvements.—Improvements were made in inpatient and outpatient sections of the hospitals at New York Detention Headquarters, Atlanta, El Reno, Englewood, LaTuna, Lewisburg, Lompoc, Alderson, Petersburg, Seagoville, Tex., Terre Haute, Ind., Texarkana, Tex., Sandstone, Minn., and McNeil Island, Wash. Plans were made for extensive alterations in the hospitals at Ashland, El Reno, Leavenworth, Milan, Mich., and Danbury, Conn.

Training.—Increased attention was devoted to improving skills of medical technical assistants. Several of the assistants attended courses in nursing, administration, recordkeeping, and laboratory work; three medical technical assistants at the penitentiary in Lewisburg completed a course in psychiatric nursing.

Research.—Medical staffs continued to help recruit and select prisoner volunteers to participate in research projects, including cold virus studies at the NIH Clinical Center; malaria studies; studies of cardiorespiratory physiology; and studies of the transmission of venereal disease. A research project entitled "Joint Clinical Investigation of Dental Materials, Techniques, and Devices" was established jointly by the Bureau of Prisons dental services at the McNeill Island, Wash., and Terminal Island, Calif., institutions and the dental health center of the PHS Division of Dental Health in San Francisco.

BUREAU OF EMPLOYEES' COMPENSATION, DEPARTMENT OF LABOR

The Bureau of Employees' Compensation administers the workmen's compensation laws and programs in connection with job-related injuries for approximately 3½ million workers, including Federal civilian employees and certain employees in private employment within Federal jurisdiction.

Medical officers of the Public Health Service are detailed to the BEC on a reimbursable basis. A commissioned officer serving as Medical Director directs the administration of the medical care program. Other officers serve as District Medical Directors.

The number of cases received by BEC involving Peace Corps volunteers in the first 11 months of fiscal year 1965 was nearly 90 percent above the total of 1964. Unusual medical problems presented in these cases were given increased attention by the Medical Director in order to establish firm medical policies and guidelines prior to their transfer to district 25 of BEC for handling and adjudication.

The District Medical Directors have established liaison with staff members of medical schools in their districts holding professional rank in the various specialties as a means of obtaining consultation in controversial compensation claims and claims presenting complex medical problems.

MARITIME ADMINISTRATION, DEPARTMENT OF COMMERCE

Patten Hospital, serving 700 cadets at the U.S. Merchant Marine Academy, Kings Point, N.Y., had 543 admissions during the year. Health care was administered by a PHS physician and two dental officers assigned to the academy. The medical officer in charge of the Public Health Service Hospital on Staten Island, N.Y., provided professional consultation to the academy's health program.

Consultations and medical treatments by the physician at the academy totaled 4,429; there were also 4,085 outpatient consultations and treatments for minor illnesses and injuries. Consultations and treatments by dental officers numbered 3,581. Cadets received 1,780 physical therapy treatments and 1,016 inoculations. Laboratory studies totaled 5,437.

Bureau of State Services

The Bureau of State Services provides leadership, stimulation, and support to the Nation's health resources so that the full benefit of modern health knowledge may be made readily available to the people who need it. Its programs are concerned with the delivery of personal health services, with the protection of the environment, and with the development of manpower, facilities, and other resources. The Bureau works in partnership with many agencies and groups, both public and private, through technical assistance and consultation, demonstrations, training of personnel, the conduct and support of research, and a variety of financial assistance programs.

To achieve its goals more efficiently, the Bureau is divided into two major components. The community health component, made up of seven divisions, deals with the improvement of personal health services. The five divisions of the environmental health group carry out programs which protect the population against hazards of the modern environment.

Office of the Bureau Chief (Community Health)

During fiscal year 1965, 280 research projects totaling $10,619,000, designed to apply scientific methods to the solution of problems related to the delivery of health services, were supported by the community health divisions. By the end of the year, a total of 210 community projects had been approved and supported under the Community Health Services and Facilities Act of 1961 to demonstrate improved methods of bringing health care to the chronically ill and aged. Legislative landmarks of the year included passage of the Nurse Training Act, and the extension and expansion of the Hospital and Medical Facilities Construction and Public Health Training Acts. Details of these programs are reported in the following pages by the divisions directly concerned.

An Advisory Committee on Health Education and Communications, appointed to assist the Bureau in strengthening its programs for the health education of the public, the continuing education of the health professions and the conduct and support of behavioral science research, met four times during the year and will deliver its report early in fiscal year 1966. The Committee was made up of outstanding leaders in these interrelated fields from outside the Federal establishment.

Division of Accident Prevention

Approximately 104,000 persons were killed and 50 million injured by accidents in the United States during 1964. Accidents continued

as the first cause of death from ages 1 through 34, and are outranked only by heart disease, cancer, and stroke as the leading cause of death for all people regardless of age.

REORGANIZATION

In 1965 the Division was reorganized to more effectively meet its basic objectives of preventing and reducing the severity of accidental injury. Newly created were the Epidemiology and Surveillance Branch, an Emergency Medical Services Branch, a Community Services Branch, Education and Training Services, and Extramural Liaison which will work with industry in the cooperative effort to minimize the injury producing potential of manufactured products.

The Epidemiology and Surveillance Branch will perform studies and investigations relating to accident causation and prevention techniques. As the year ended, the Branch was preparing to send into the field (Denver, Colo.) its first survey team. The Emergency Medical Services Branch is conducting national consultative, survey and training activities aimed at improving emergency care and transportation for the sick and injured. The Community Services Branch will give stronger technical direction to Division programs in home, recreation, and traffic injury prevention areas.

MAJOR PROJECTS

In traffic injury prevention, the Division—

(*a*) sponsored with the American Medical Association and the American Association of Motor Vehicle Administrators a National Conference on the Medical Aspects of Driver Safety and Driver Licensing;

(*b*) continued to support research to improve adult and child seat belt restraining devices; and

(*c*) continued the development of two simulation devices for conducting driver research.

Home area accidents killed 26,000 and injured 19 million persons. Working with the power mower manufacturing industry and engine manufacturers, the Division sponsored research at the Institute of Agricultural Medicine, State University of Iowa, to study power mower injuries and improve the design of mower equipment.

The Division is working with textile manufacturers and retail outlets to promote the production and sale of flame retardant fabrics to reduce burn injuries. Other continuing programs include working with glass manufacturers and building code officials to reduce glass injuries, research into the causes of accidental falls, and recreational safety projects.

The Division completed a 3-year group discussion technique study in Roxborough, a suburb of Philadelphia, Pa. Hospital admissions

for accidental injury treatment in the study area dropped 17 percent. During the same period admissions increased in neighboring communities.

A 4-year cooperative project in Charleston, S.C., to reduce accidental poisonings, particularly among children, was completed. The first year after the educational program was initiated, hospitalized poisoning cases fell 27 percent. A new directory of the Nation's 540 poison control centers, for which the Division serves as a national clearinghouse, was published. During the year the Division's Poison Control Branch began plans to establish its first regional poison control center which will provide clinical and consultation services.

RESEARCH

There were 61 active research grant projects during the year; more than half were in automobile traffic safety. Of the 61, 17 terminated during the year and received no fiscal year 1965 funds. The other 44 received $1,695,000.

Division of Chronic Diseases

During fiscal year 1965 the Division continued to promote improved health services for the chronically ill or disabled and those most likely to be future victims of chronic or degenerative afflictions. This work was accomplished by financial assistance and technical consultation to States and communities. Approximately $53 million was made available through the Division to support health maintenance and disease prevention programs, detection, treatment and rehabilitation services, and the proper melding of these activities into comprehensive programs at the State and community level.

CARE SERVICES

In behalf of care services to the chronically ill and disabled, the Division gave technical assistance to help State and local agencies develop home health and related out-of-hospital services and resources for the chronically ill. This assistance stimulated communities toward better utilization and enlargement of existing resources and toward the training of additional personnel to provide health services in the areas of nursing, dental, nutrition, physical therapy, and homemaker-home health aide and social services. Approximately one-third of the projects funded were to help develop coordinating mechanisms to insure more effective use of community health resources and ready access to these resources by all long-term patients. Division support also helped establish seven Home Care Training Centers throughout the country to prepare professional and nonprofessional personnel to manage community home care programs or to provide such care.

PREVENTIVE SERVICES

The Division also continued to emphasize the improvement of programs of preventive medicine for the supposedly well adult. One promising effort in this regard is support of the automated multi-test laboratory concept being developed by the Permanente Medical Group in California. The project, now in its third year, combines automated screening tests and computer read-out of results with the physicians' personal examination of individuals. More than a half million people are involved in the tests and followup procedures.

CHRONIC RENAL DISEASES

In response to a demonstrated feasibility and need for additional artificial kidney centers and a broad-base, comprehensive approach to kidney disease, the Division established a Renal Disease Activity in April 1965. The Division was instrumental in assisting new dialysis centers in New York City, Birmingham, Ala., and Chicago, Ill. In order to assess the distribution and use of artificial kidneys throughout the United States, a Census of Artificial Kidneys was prepared, pretested, and distributed to 500 institutions that had purchased artificial kidney equipment in the past 10 years. Information was requested on both acute and chronic use of the equipment, on staffing patterns and on costs incurred by the patient and the institution. The results of this survey will be invaluable in long-range program planning and should lead to more effective use of existing equipment.

COMMUNICATIONS

Since effective communication of new knowledge to the public, professionals, and chronic disease patients can dramatically reduce disability and decrease mortality, the Division has pursued a vigorous information program utilizing all communications media in the dissemination of health information. The Division helped establish and is now participating in the nationwide system of Health Education Centers operated by the American Pharmaceutical Association, which distributes public information on chronic diseases through local pharmacies.

Particular significance also is being given to commercial and education television with its potential audience of millions of viewers. With the National Education Television network, the Division is testing the feasibility and effectiveness of reaching selected mass audiences (such as physicians) by means of health films shown on 50 to 100 community ETV outlets.

In commercial television, the Division undertook to demonstrate the feasibility of a "grass roots network" offering local medical sponsorship and prime-time exposure for selected health films. The first film tested was successfully sponsored by local medical or health

organizations in 15 metropolitan areas with a potential audience of some 30 million viewers.

NEUROLOGICAL AND SENSORY DISEASE SERVICE PROGRAM

A new concept in community control of epilepsy and similar convulsive disorders, that may establish a national trend, was developed by the program during fiscal year 1965. A Convulsive Disorder Unit was established at the Barrow Neurological Institute in Phoenix, Ariz., to provide diagnostic and medical evaluation services for patients referred by physicians in private practice, the Maricopa County Health Department, and by civic and voluntary health agencies. In scarcely more than a year's operation, the Convulsive Disorder Unit has become a useful center serving physicians throughout the Southwest. This resulted from a precedent-setting, triagency cooperative arrangement between the Neurological and Sensory Disease Service Program, the National Institute of Neurological Diseases and Blindness, and the Vocational Rehabilitation Agency, for diagnosis, research and rehabilitation.

The second Regional Epilepsy Referral Clinic in a proposed statewide six-clinic network will be established at Fayetteville in August by the North Carolina Department of Health with a grant from the program. The new clinic will be staffed by a medical team from Duke University Medical Center which brings portable diagnostic and testing equipment to the clinic once each month. A team from the University of North Carolina Medical Center has been staffing the first regional clinic at Greenville, N.C., since October 1964.

Eighty-nine grants to support community services and training activities, totaling $2,559,560, were made to official State and local health agencies, and nonprofit health and medical institutions in 36 States, the District of Columbia, and the Virgin Islands. This was an increase of $441,280 over the amount of such awards in fiscal year 1964.

Professional Traineeships

To improve their competency in caring for neurosensory impaired patients, 83 individuals in allied medical professions received traineeships totaling $361,400. Forty-one of these were candidates for doctorates, and 42 for master's degrees. Two physicians received traineeships totaling $19,000.

Special Studies and Services

A special dermatoglyphic study to determine whether finger and palm print patterns differ in any way among people with various neurological defects and persons with no known abnormalities was undertaken by the program's epidemiologist. Over 5,000 patients were

finger and palm printed for study and the results are being tabulated and analyzed.

The Collaborative Glaucoma Study at five clinics continued in fiscal year 1965. Of 7,747 examinations administered during the 6 years of the study, 7,080 were completed on study patients still in active status. In the 6 months since January 1965, 1,091 examinations have been given.

Over 200,000 persons were tested for glaucoma in community screening activities in 25 States during fiscal year 1965, an increase of approximately 65,000 over the previous year.

SMOKING AND HEALTH

The smoking and health activities of the Public Health Service encompassed a wide range of research and educational activities in a period marked by two significant developments: (1) enactment into law of a bill requiring health warnings on cigarette packages, and (2) approval by Congress of an appropriation for a National Clearinghouse for Smoking and Health.

In the period of this report a national survey of habits, attitudes, and knowledge with regard to smoking was completed. It will provide important basic data for program planning and measurement of program progress for years to come.

A variety of selected studies and demonstrations was undertaken to initiate the development of better information on motivation and behavior problems associated with efforts to help adults cease smoking and youth not to begin. Highlight of this activity was a conference on the "Behavioral Aspects of Smoking," conducted under a Public Health Service grant at Beaver College, Glenside, Pa. Social scientists and psychologists from 15 States reported on their research and exchanged views. A report and evaluation of the proceedings will be made public in the fall.

The Smoking and Health Unit provided staff and consultative assistance to the National Interagency Council on Smoking and Health in areas which included: (1) a meeting on January 11, 1965, to report on progress in the year since the report of the Advisory Committee on Smoking and Health was issued—an event widely reported by all media; (2) preparation of a bimonthly newsletter to be distributed to members of the Interagency Council and to the membership of 30 State Interagency Councils and committees on Smoking and Health; and (3) the planning of a filmstrip to provide teachers with background information on the smoking and health problem.

Significant steps were taken to disseminate information, both for public and professional groups, and more than 10,000 resource kits containing over 30 items for use in schools, health departments, and other public education programs were distributed.

Through the MEDLARS program at the National Library of Medicine, a computer search of some 2,500 sources of the world's biomedical literature in the area of smoking and health is being made available each month to people working in the field.

DIABETES AND ARTHRITIS PROGRAM

The Diabetes and Arthritis Program seeks to reduce the impact of these two metabolic diseases on the American people by finding and applying the best techniques of detection, care, and prevention. This approach to disease control includes stimulating contracts and cooperative agreements, project grants, and research grants; developing and disseminating educational and informational materials; and detailing personnel, supplies, and equipment to State and local health departments.

During 1965, the program continued to place strong emphasis on better diabetes casefinding and on patient and professional education. Although diabetes screening results from 1964 show a 34 percent increase in volume over 1963 (705,324 in 1964 over 527,195 in 1963) there are still 2 million persons in the United States who have undetected diabetes. The program will continue to stress the importance of screening high yield groups: older people, the overweight, those with a family history of diabetes, and those with symptoms of diabetes.

The series of six diabetes patient education filmstrips, entitled "Just One In A Crowd," was produced and unveiled at the APHA meeting in New York City. Since that time, central office and regional staff have been distributing information about the series and have demonstrated it to health departments, diabetes associations, hospitals, and to a variety of other groups.

The Surgeon General's Workshop on The Prevention of Disability From Arthritis convened May 5–8, 1965. The proceedings, recommendations, and filmed montage of the Workshop will be used to increase the knowledge of and interest in arthritis among health agency personnel and community leaders at all levels.

NURSING HOMES AND RELATED FACILITIES BRANCH

Improved standards of patient care in nursing homes and related facilities have been achieved through cooperative undertakings with State health departments and other State licensure agencies. Cooperation has been enhanced by Branch liaison with the newly formed Association of State Nursing Home Licensing Officers. Medical leadership in raising standards of nursing home patient care has been stimulated at the national, State, and local levels. Major emphasis has been placed on training programs for professional and subprofessional personnel employed in nursing homes through a series of short-term training grants.

Institutes, seminars, and conferences in all the professional health disciplines appropriate to nursing home care have been sponsored on both the regional and State levels. The training of the inspection personnel of State licensure agencies has continued to receive Branch support. There was active participation with the Council of State Governments in drafting a Suggested Nursing Home Act for submission by the Council to all State governments for legislative consideration; a complete set of detailed regulations pertinent to the Suggested Act was also prepared by the Branch. A list of 15 major Standards for Nursing Homes (covering the areas of patient care, management, and physical plant) was issued. An ad hoc conference of leading educators, Federal and State officials, and representatives of the nursing home industry was held to plan the design of a curriculum for use by universities throughout the country in offering courses for the instruction of administrators of long-range care facilites. The National Nursing Home Cost Study reached the final planning stage and actual survey operations are scheduled for the coming year.

MENTAL RETARDATION PROGRAM

All of the States, the District of Columbia, and every territory except American Samoa made a start at collaborative interagency planning to combat mental retardation with the aid of Federal grants for up to three-fourths of the planning costs. Of the $2.2 million made available to implement Public Law 88–156 in 1964 and 1965 for mental retardation planning, each State was awarded a basic planning grant of $30,000; and a total of $579,998 was awarded to a total of 35 States and territories for supplemental planning projects.

The Mental Retardation Branch assisted in this effort by: providing frequent consultation to the States and territories; conducting an exchange of information materials among the States; and sponsoring the Second National Conference for State Mental Retardation Planning Coordinators (in Miami, Fla., June 7 and 8, 1965). The addition to the staff of consultants in two regional offices has made on-the-spot consultation available to several States.

The Branch also sponsored the first national workshop for physical therapists employed in State institutions for the retarded (also on June 7 and 8, in Miami, immediately preceding the annual meeting of the American Association on Mental Deficiency).

A start was made at meeting the many complex needs in training personnel to work with the mentally retarded. The first grants were awarded to universities—five grants in all—for the planning and development of multidisciplinary training programs in university-affiliated facilities. Traineeship awards to nine individuals for specialized training totaled $62,745. And a total of $40,000 was awarded to

17 community mental retardation programs for summer work experience, to interest students in careers in the field.

To improve and extend community services for the mentally retarded and for other training projects, a total of $533,875 in grant funds was awarded for six new projects and nine continuations.

GERONTOLOGY BRANCH

Development of community health services for the aged has been a vital aspect of the total program. Review of State activities was continued, with nine more States surveyed and valuable baseline data obtained.

Research on community health services was conducted, stimulated and supported. The seminar program of the Midwest Council for Social Research in Aging stimulated a group of social science faculty members from midwestern universities to develop a variety of research projects involving health aspects of aging. A project was developed to determine the effect of attitudinal and other factors on the need for and use of health services by the aged in a large urban area. A contract was awarded for the planning of a similar study in nonmetropolitan communities.

Demonstrations have been conducted to test various new approaches to community health services. Emphasis has been placed on provision of health appraisal services to elderly persons in housing projects and senior centers. Sponsors of these programs include the local health department, the community hospital, and the health and welfare council. Attention has also been focused on the effect of providing health counseling services through a cooperative program undertaken with the Social Security Administration to demonstrate the effectiveness of providing such services to applicants for social security benefits.

A valuable resource for the training and orientation of health practitioners was developed by the Gerontological Society in the form of a comprehensive body of knowledge on medical, psychological and social needs of the aged. Arrangements have been made for utilization of this curriculum in 18 seminars directed at the practicing physician. Student level curriculum enrichment activities have been undertaken in the University of Pennsylvania School of Social Work, and in Tulane University School of Medicine.

HEART DISEASE CONTROL PROGRAM

The mission of the Heart Disease Control Program is to assist States and local communities in the prevention, diagnosis, and treatment of cardiovascular disease. Toward this goal, the program provides consultation and information; conducts and sponsors applied research; assigns personnel on loan to health departments; and furnishes sup-

port for projects meeting the program's immediate needs. Following is a selection of current major activities:

The concept of intensive care units, as set forth in heart program exhibit presentations and in the highly popular booklet, "Coronary Care Units," continues to create great interest among hospitals, health departments, and practicing physicians in this method of specialized care for patients with acute myocardial infarction. More than 200 requests have been received for consultation on establishing units, and a joint policy statement regarding their planning and staffing was published by the Public Health Service, American Heart Association, American National Red Cross, and Industrial Medical Association.

Widespread training is being offered physicians, nurses, dentists, and selected lay groups in the technique of closed chest cardiac resuscitation. A policy editorial on the procedure, published in "Circulation", was developed jointly by the heart program along with four private agencies.

Cerebrovascular disease activities have been focused on prevention, improvement of medical care, rehabilitation, and education. These have included identifying high-risk factors and individuals exposed to them to prevent strokes by treating early disease; improving the quantity and quality of medical care for stroke patients; providing comprehensive physical rehabilitation for survivors of cerebrovascular accidents; and sponsoring professional and lay education programs, State and local training courses, and, in cooperation with other official and voluntary agencies, conferences such as the 1964 National Stroke Congress.

Recommendations for the treatment of chronic obstructive lung disease were formulated at the Eighth Emphysema Conference in Aspen, Colo. A two-part educational film on the management of chronic bronchitis and pulmonary emphysema has been produced in cooperation with New York University.

The Heart Disease Control Laboratory assisted 88 coronary heart disease laboratories in standardization of cholesterol determination and 6 States in cholesterol evaluations. Methodology research concerned diagnostic tests for rheumatic fever, effect of sodium in drinking water on congestive heart failure, and changes in triglycerides, phospholipids, and lipoproteins on coronary heart disease.

CANCER CONTROL BRANCH

In December the President's Commission on Heart Disease, Cancer, and Stroke focused the Nation's attention on the need for better delivery of existing lifesaving cancer control measures, and on the urgency for more and better trained manpower. Since the Cancer Control Branch has a project grant program in operation,

planning immediate implementation of some of the Commission's recommendations was possible.

Several grant programs relating to uterine cancer control, clinical training, technologist training, and continuing medical education were underway. In fiscal year 1965, for example, 29 cervical cancer casefinding projects were in operation; 245,000 women received initial cytologic examinations; 1,360 women with cancer received diagnostic and treatment services. In 10 projects, 47,253 patients were examined for oral cancer; 348 patients had cancer diagnoses. A senior clinical traineeship program has been underway since fiscal year 1963; last year, 89 physicians received awards for 1-year postresidency training in cancer management. Grants for cytotechnology training have been available since fiscal year 1960; last year 375 cytotechnologists were trained through grant support to American Medical Association approved schools of cytotechnology. Training in mammography, a useful diagnostic aid in breast cancer, was provided to 125 teams of radiologists and technicians in 4 grant-support training centers.

Altogether the Branch made 157 grant awards last year, totaling over $4.5 million. The largest number of awards (52) was made for cytotechnology training, the largest amount of funds was awarded for uterine cancer control (over $1.6 million). Senior Clinical Traineeship Awards amounted to $891,250.

Plans are being made to extend grant support to 100 additional hospitals for cervical cancer control. New programs will be announced to support cancer training in hospitals which are not affiliated with medical schools, to provide special training for medical technologists, and to extend clinical training opportunities for dentists and other professional personnel needed in cancer control.

A 5-year study of cervical cancer detected in office practice was initiated in three States in fiscal year 1965 by the American Academy of General Practice with assistance from the Cancer Control Branch. The study calls for participating physicians to examine each eligible female patient and to arrange diagnosis, treatment, and 5-year followup when indicated. This imaginative approach will not only serve a group of women not presently reached by grant projects, it will help to integrate cervical cancer detection into routine office procedures.

Communicable Disease Center

The Communicable Disease Center (CDC), Atlanta, Ga., spearheads the Public Health Service's attack against all infectious diseases. Through its assistance and investigative programs, CDC supports and supplements State health department control activities by providing technical competence, manpower, and facilities as needed and requested by these agencies.

CDC also cooperates with other Government agencies and with international health organizations. Because infectious diseases transcend geographic barriers, and distances are now measured by travel time rather than miles, the global activities of CDC are of increasing significance.

EPIDEMIC AID

Calls for help in quelling epidemics anywhere in the country bring CDC investigators to the scene within 24 hours. During the year, 84 calls involving 26 different diseases sent specialists to 33 States, including Alaska, to the Commonwealth of Puerto Rico, and to Bolivia and South Vietnam.

Suspected smallpox is considered the most pressing of epidemic aid calls. Its absence from this country for many years has reduced "herd immunity" and left a highly susceptible population. At the first suspicion, CDC sends out specialists to bring back specimens for laboratory diagnosis. Nine such calls were answered this year.

Salmonellosis followed with eight calls. A water-borne outbreak in California was the first of its nature. An outbreak in Washington, D.C., affecting hundreds of people, was traced to a large delicatessen-catering establishment.

Hepatitis and arthropod-borne encephalitis also occasioned several calls for assistance.

ARTHROPOD-BORNE ENCEPHALITIS

Mosquito-borne encephalitis reached its highest peak in 10 years, with 582 confirmed or presumptive cases. It also extended into areas that had never before been affected.

St. Louis encephalitis accounted for 470 laboratory documented cases in 14 States, with concentrations in Texas and New Jersey. Western equine encephalitis followed with 64 cases in 10 States, but chiefly in Texas and Colorado. Mixed outbreaks of these two types occurred in central Colorado and in the high plains area of Texas, with the mosquito *Culex tarsalis* implicated as the vector.

The first recognized outbreak caused by "California" virus was noted in Indiana, followed by other cases in Ohio, Wisconsin, and North Carolina. There were five cases of Eastern equine encephalitis with three deaths in Florida and Georgia, and one case caused by the rare Tensaw virus in Indiana. Major urban outbreaks occurred in Houston and in the Philadelphia area.

IMMUNIZATION ACTIVITIES

More than 75 percent of the Nation's population is now covered under the Vaccination Assistance Project Grants Program, with only seven States not participating.

The National Immunization Survey conducted in 1964 by the Bureau of the Census shows that significant progress has been made since 1962 in raising the levels of protection against poliomyelitis, diphtheria, whooping cough, and tetanus, and that disease occurrence has decreased. During the 2-year period, almost 7 million preschool children in the 1- to 4-year-old group received all three types of oral polio vaccine; concurrently, reported cases dropped from 910 in 1962 to 121 in 1964. Diphtheria decreased from 444 cases in 1962 to 306 in 1964, and tetanus from 322 to 271 cases.

SYPHILIS

In 1965, 23,257 primary and secondary syphilis cases were reported, a 272 percent increase over 1957 but only 2.3 percent over 1964. Major efforts were made to implement the Surgeon General's Task Force on Syphilis Control: the cooperation of private physicians and laboratories has been secured, epidemiological services have been expanded, comprehensive educational health programs have been developed for both professionals and the general public, and research into the medical and behavioral aspects of syphilis has been continued.

During 1965, 92,365 private physicians were visited to acquaint them with the national syphilis eradication program and to offer diagnostic and epidemiologic services. Reporting of primary and secondary syphilis in private patients increased 32 percent over 1962. In connection with reactor followup activities, 12,300 visits to laboratories were made and 10,049 infectious syphilis cases were reported. Of the total reported primary and secondary syphilis cases, 95 percent were interviewed, with 8,800 cases brought to treatment through health department epidemiology; 88 percent of the cases reported by private physicians were interviewed, with 2,400 cases brought to treatment.

Venereal disease education programs are now being carried out in New York, Philadelphia, Baltimore, Houston, St. Louis, Chicago, Los Angeles, New Orleans, and San Francisco, and in Washington, Ohio, and Florida.

TUBERCULOSIS

The general reassessment of the Nation's control program, spurred by the Surgeon General's Task Force Report, "The Future of Tuberculosis Control," and augmented by increased congressional appropriations later in the year, gained wide acceptance. The District of Columbia, Puerto Rico, and 37 States have been awarded 71 special project grants. These projects include services to unhospitalized tuberculosis patients. Many areas supplement local efforts by providing hospital admission X-ray programs, and tuberculin testing of children entering school and school employees.

The core of the tuberculosis problem in this country, a determination of the infected persons likely to develop the disease, continues to receive basic attention. The long-term effects of isoniazid as a tuberculosis preventive are being studied by observing 70,000 participants in a series of prophylaxis and contact studies. Preliminary observations indicate that that isoniazid reduces the likelihood of disease by 50 percent for as long as 5 years.

ERADICATION OF THE YELLOW FEVER MOSQUITO

Federal-State programs to eradicate *Aedes aegypti*, the mosquito vector of yellow fever and dengue, were intensified and expanded in Florida, Texas, Puerto Rico, and the Virgin Islands. New programs were started in Alabama, Arkansas, Georgia, Hawaii, and South Carolina. Survey activities were continued in Arkansas, Louisiana, Mississippi, and Tennessee, with limited spraying operations in Louisiana and Tennessee. Infestation throughout the southern States is proving more widespread than previously estimated.

Economies in operation have been effected with no loss of efficiency. By reducing DDT concentrations, insecticide costs have been cut, foliage damage has been diminished, and the safety factor has been increased. Improved sprayers, including compressed-air hand sprayers for use in limited infestation areas, have been developed. They are less expensive than others and apply insecticides more selectively.

SMALLPOX VACCINATION TECHNIQUE

The jet injector gun, which does away with the need for hypodermic syringes and needles, provided a major technological breakthrough in vaccination techniques in mass immunization campaigns against smallpox. Areawide programs using these guns were conducted in cooperation with the Pan American Health Organization and the Brazilian Government in a remote province of Brazil. Coverage was excellent, costs and personnel time were reduced by 80 percent, and substantial savings in vaccine were realized. With this tool, smallpox eradication efforts can be carried out in many areas of the world previously believed to be logistically problematic.

SALMONELLOSIS

An epidemic of salmonellosis (gastroenteritis) involved approximately 18,000 of Riverside's (California) population of 130,000 during May and June. Available evidence indicates that the municipal water system was the vehicle of infection—a situation without precedent in public health records of this country. Studies are underway to determine how the water became contaminated.

Primarily as a result of CDC investigations of food-borne epidemics of salmonellosis, a series of conferences were held with members of the food-processing industries. Some recommendations have been de-

veloped with the Poultry and Egg National Board, which all member groups will be asked to follow. U.S. Government standards for liquid and dried egg products have been amended to require that all liquid egg products be pasteurized. Utah passed a law requiring that all liquid egg products be salmonella-free.

HISTOPLASMOSIS

The possible prevention of systemic fungal infections in man and animals through treatment of the soil reservoir is an intriguing idea that has usually floundered on practical grounds. Before a 3 percent formaldehyde solution was applied to a 5-acre site near Mason City, Iowa, where a major epidemic had occurred, 65 percent of soil samples were positive; 6 months later only 1 of 312 surface samples yielded the organism. Starling roosts were implicated in the Mason City outbreak and in others in Arkansas and Missouri.

RABIES

Five hundred pints of plasma have been collected from hyperimmunized donors—mostly veterinarians—to be used in preparing antirabies gamma globulin. Use of human globulin will eliminate the allergic reactions often encountered with horse antiserum.

STUDIES ON RESPIRATORY DISEASES

Type A influenza viruses are continuing to show antigenic deviations from their predecessors. Epidemic Intelligence Service officers on missions to Puerto Rico and Taiwan brought back new type A viruses, currently active as the cause of epidemics, for use in producing vaccine. This is the first time that vaccine formulas have been revised during interpandemic years.

For more than 3 years, studies of acute respiratory disease have been conducted in a children's home in Kansas City, Mo. An outbreak of Eaton agent disease occurred for the first time during the fall, with infection detected in 27 of the 46 children: 5 had bronchopneumonia, 1 a nonspecific febrile illness, and 21 had subclinical infections.

COMMUNICABLE DISEASE CONTROL DEMONSTRATIONS

Demonstration projects, started in 1962, are tailored to delineate a locality's special problems and resources and to work out practical solutions. Two of the original demonstrations, in Huntsville, Ala., and in Lebanon, Pa., were closed during the year. New ones were started in Lake Charles, La., Brownsville, Tex., Lincoln, Nebr., Gastonia, N.C., Tampa, Fla., and Trenton, N.J.; existing ones were continued at Oklahoma City, Okla., Tucson, Ariz., and Colorado Springs, Colo. More than 300 communities in 11 States have benefitted from the demonstrations through the satellite extension phase of the program.

MEASLES

A measles vaccine that is further attenuated than the ones in current use was evaluated during a mass vaccination campaign in children in Honduras. Mass campaigns were also carried out in Puerto Rico and, in cooperation with AID, in French West Africa. Efforts have been increased to meet the demands for measles diagnostic services and to develop practical diagnostic methods for State laboratories.

TRAINING

More than 11,000 public health or health-oriented persons from 47 States and 12 foreign countries were reached through such direct training activities as formal courses and seminars. In addition, training support was offered to 25 foreign countries and to more than 100 academic institutions. For the first time, CDC's seminar service was extended to the American Academy of Pediatrics. It was already used by State public health associations and the American Academy of General Practice.

Two of CDC's self-instructional programs—"Amebiasis: Laboratory Diagnosis" (a three-part course) and "Food-Borne Disease Investigation: Analysis of Field Data"—were selected by a 33-member panel of experts for the Institute of Educational Technology of Columbia University as among the top five programed-instruction materials available for general use.

All areas of laboratory training increased this year: participation in headquarters courses by 40 percent; number of trainee days in bench training by 33 percent; and by the addition of new field courses.

PUBLIC HEALTH SERVICE AUDIOVISUAL FACILITY

The production and utilization of the single-concept teaching film in biomedical communication took the spotlight during the year. These 8-mm films, usually 3 to 8 minutes in length, teach a single technique or concept and take the motion picture into the library as an individual study tool for students. Forty-three of these films were produced during the year. Representatives of some 50 medical schools attended a conference on this subject in Atlanta in April.

Two hundred and sixteen new productions—television and radio spot announcements, foreign adaptations, audiotapes, special film projects, motion pictures, and videotape television programs—were completed. Included among them were a series on basic health for migrant workers in colloquial Mexican-Spanish and a series of TV spots on measles featuring Dr. Benjamin Spock.

One hundred and twenty-six new film titles were added to the National Archives of Medical Motion Pictures, raising the total number of prints in the collection to 1,003. Production of individual pieces of art work, still photographs, filmstrips, slides, and exhibits soared

to the 240,000 mark, representing an increase of more than 100,000 over the previous year.

Division of Community Health Services

During 1965 the Division of Community Health Services served as the liaison agency between the Public Health Service and the Social Security Administration to consider and prepare recommendations on certain aspects of Medicare pending legislation. The Armed Forces Medical Rejectee Program was a major innovation during the year.

PUBLIC HEALTH ADMINISTRATION

A program was initiated to refer young men found medically unfit for military service at Armed Forces Examining Stations to appropriate sources of private or public medical care. By the end of 1965, programs were begun in 48 States, the District of Columbia, and Puerto Rico which contain 70 of the 73 Armed Forces Examining Stations throughout the nation.

A number of activities have been undertaken designed to identify priority areas of research and demonstration and to alert community leaders to the need for comprehensive community health services planning. Activities toward this goal included development of a manual on public health law, analysis of the process of community goal formulation for health and its relation to other community planning processes, and a series of seminars for health and community planning personnel to develop guidelines for relating community health and comprehensive community planning.

Studies conducted through contractual agreement describing in detail the school-community health services in six communities throughout the country have been substantially completed by six schools of public health. New contracts were made with the University of North Carolina, University of Michigan, University of California at Berkeley, Johns Hopkins University, University of California at Los Angeles and Yale University to study such specialized topics as classroom teacher observation of youth in school as it relates to school community health, the role and relationships of school physsicians in school community health and the utilization of secondary school nurse time.

TRAINING RESOURCES

The program of public health traineeships is designed to (1) increase the number of professional health personnel with graduate or specialized training in public health, and (2) to recruit new professional health personnel into the field of public health. From 1957

through 1964, over 9,000 traineeships have been awarded, about 58 percent to trainees who were newly entering the field.

During 1965, over 6,400 traineeships were awarded totaling $4.5 million.

Formula grants were awarded to the 12 accredited schools of public health to help defray the cost of training federally sponsored students. These grants, totaling $2.5 million in 1965, also enable the schools to maintain a strong and varied public health curriculum.

Project grants were awarded to schools of public health, nursing, and engineering for the purpose of enriching their curricula or otherwise improving instruction in public health training. Grants were also awarded to schools of medicine and dentistry for the strengthening and expansion of the teaching of preventive medicine and dentistry. In 1965, $2.5 million was awarded in 91 grants to 66 different schools.

Under authority given in the Health Professions Educational Assistance Act of 1963, loan funds were established in 147 of the 152 eligible schools of medicine, dentistry, osteopathy, and optometry to provide long-term, low-interest loans to students. In 1965 over 18,000 students received loans.

Also, a loan program authorized by the Nurse Training Act of 1964 was initiated in fiscal year 1965. Of approximately 635 eligible schools of nursing, 402 participated in the program and more than 10,100 individuals received loans.

MIGRANT HEALTH

Sixty-three migrant health projects in 33 States, supported in part with migrant health grant funds totaling $2.5 million, were in operation during 1965. These projects provided medical, dental, nursing, health education, housing, sanitation, nutrition, and other services to agricultural migrants.

In a joint project the Migrant Health Branch and the Medical Audiovisual Facility, CDC, produced for use with migrant farm workers three health education films available in English and Spanish. In another joint project the Migrant Health Branch is cooperating with the Agricultural Research Division of the Agricultural Research Service, U.S. Department of Agriculture, to design and test improved housing facilities for agricultural migrants.

HEALTH COMMUNICATIONS

The Health Communications Branch, formed in 1964, completed three projects which were aimed at finding effective methods of offering continued medical education to physicians and initiated three more during 1965.

Three projects in the field of public education were also completed during 1965. One was designed to improve the organization of health

services and the community's use of them; another developed guidelines for applying knowledge about community action to improve health services, and the third was designed to discover the nature and causes of misunderstanding which developed between patients and physicians during clinic visits.

HEALTH ECONOMICS

In 1965 the Health Economics Program issued a report containing estimates of direct and indirect costs of heart disease, cancer, and stroke for the President's Commission on Heart Disease, Cancer, and Stroke.

Reimbursement formulas for implementing Medicare legislation were discussed with other Federal agencies administering programs which purchase hospital and medical care. Related activities included analysis of data on hospital and medical costs to the aged.

Contracts awarded in 1965 will result in studies on the utilization of hospital and medical services under the Federal Employees Health Benefit Program; on the utilization and need for health services for the aged, and the effect of the day of hospital admittance upon the length of time taken to receive hospital services.

RESEARCH GRANTS

In 1965, 21 new research grants were funded, 36 grants were continued from prior years, and 7 supplemental grants were awarded.

The number of projects supported in 1965 in the respective program areas was as follows:

1. Organization and Evaluation of Health Services	13
2. Medical Care Administration	15
3. Health Economics	11
4. Health Manpower	6
5. Health Communications	7
6. Data Requirement for Health Services	5

During this year also, a modest research training grants program was initiated. Grants for two projects were awarded: one to train investigators to conduct research in health education and another to prepare researchers to deal with problems of medical care organization.

MEDICAL CARE ADMINISTRATION

During the latter part of 1965 the major activity of this program related to the pending Medicare legislation. Staff members were on joint work groups with personnel from the Social Security Administration considering and preparing recommendations on functions of State agencies, the process of certifying facilities and services, the provision of consultation, and planning for and stimulation of needed services; standards for hospitals and extended care facilities; and standards and planning for home health services.

In addition, a number of independent projects are underway with universities, hospitals, and other agencies. These include a study of the organization and location of medical practice in medical arts buildings; the development of a plan to coordinate existing and future hospital-based community health services; and methodology for an ambulatory medical care research laboratory in a teaching medical center.

Division of Dental Health

The mission of the Division of Dental Health is to protect and improve the dental health of the American people by stimulating the widespread application of health knowledge. To this end, the Division seeks to prevent and control dental disease, extend dental care services, augment dental manpower, improve dental education and encourage applied dental research.

PREVENTION AND CONTROL OF DISEASE

Since water fluoridation is a proved preventive of dental decay, the Division provides technical and engineering assistance, information, and consultation to encourage communities to fluoridate their water supplies. By June 30, 1965, nearly 50,000 persons in 2,844 American communities were drinking fluoridated water, an increase of 200 communities and 3 million people over 1964.

The Dental Division also seeks methods for control of periodontal disease, cleft lip and palate, and oral cancer.

Fifteen training programs were held in different parts of the country to teach dentists the oral cytology smear technique as a screening device for the early detection of oral cancer. Oral malignancies are usually easily accessible and, if diagnosed early enough, can often be cured.

There are 23,000 new cases of oral cancer a year and 6,000 deaths. Widespread adoption of cytologic screening is a promising means of reducing the fatality rate.

Division epidemiologists have studied birth records from 29 States and have produced an "Index of Congenital Malformations" in order to categorize congenital abnormalities. The new document is being distributed to the World Health Organization, Pan American Health Organization, and other groups in order to achieve maximum effectiveness of coding malformations.

EXTENDING DENTAL SERVICES

Only 40 percent of Americans see a dentist even once a year. The cost of dental services prevents most of the rest from seeking needed dental care. To improve dental economics, the Division of Dental Health studies payment plans, dental insurance programs and dental

care needs, and acts as a clearinghouse for information on prepayment programs. A new book, "The Dental Service Corporation," published by the Division this year, provides guidelines for establishing a dental service corporation. There are now over 459 prepaid group dental care programs throughout the Nation, covering more than 1¾ million people.

Under a new program inaugurated in 1965, the Dental Division was able to make grants to the States to assist them to initiate or expand dental health services. Almost all the States and territories scheduled dental care programs for school children, the aged, the mentally ill or other needy groups and provided matching funds from State budgets.

AUGMENTING MANPOWER RESOURCES

One of the foremost problems in health care today is the shortage of professional personnel. The ratio of dentists to population has been falling for a generation and even the present numbers of dentists are unable to meet the needs for professional care. The Health Professions Educational Assistance Act provides resources to halt this decline in manpower. Its dental school portion, administered by the Dental Division, has awarded grants totaling $34 million to 14 dental schools, thus providing 372 additional dental school places each year.

In order to improve the productivity of the dentist, the Dental Division provides grants to most of the Nation's dental schools so that students may be trained in the use of chairside assistants. The Division also assists junior colleges and schools to develop dental assistant training courses and has published a handbook, "Organizing a Dental Assistant Training Program," to give practical guidance to educators. Studies are being conducted to determine how the role of the dental assistant can be expanded to include more of the routine duties of the dental office and thus enable the dentist to provide professional care for more patients.

DENTAL EDUCATION

The Division has made concentrated efforts to bridge the gap between the accumulation of scientific research information and its application in dental practice. To the average dentist the acquisition of new knowledge in his field is often made difficult or impossible through lack of accessible educational facilities or opportunities.

Continuing education for the dental profession as developed by the Dental Health Division uses programed instruction, teaching machines and new educational methods to bring advanced study to the dentist in his own community. A planned curriculum of lifetime learning embraces more than 40 courses, of which 7 have been programed this year.

Research in dental education is also developing new methods for undergraduate dental instruction, through new curriculum techniques, programed texts, and audiovisual devices.

ENCOURAGING APPLIED DENTAL RESEARCH

The Division has for the past 2 years awarded grants for applied research related to dental health. Investigations include: methods for control and prevention of dental disease; utilization of professional manpower resources; education of dental and auxiliary personnel; dental services to specially needy groups; biodental engineering; and financing of dental education and dental care. A new program of applied research in dental materials and technology has been initiated at the Dental Health Center in San Francisco.

Division of Hospital and Medical Facilities

Fiscal year 1965 witnessed an intensified effort by the Division to provide a broadened framework in which to better plan for meeting the nation's total health facility needs.

It was a year in which—

- A shift in emphasis was given to programs relating to modernization of obsolete facilities, areawide planning, and long-term care facilities as called for in the Hill-Harris amendments (the Hospital and Medical Facilities Amendments of 1964).
- Inroads were made in resolving the Nation's growing shortage of educational facilities for students of medicine, dentistry, nursing, and other health professions through activity generated by the Health Professions Educational Assistance Act of 1963.
- Two interelated programs were developed in the area of mental retardation. For the first time, construction grants were awarded to university-affiliated clinical facilities which train professional and technical manpower in caring for the mentally retarded. Preparations were also made for the implementation of a grant program to aid in the construction of community-oriented facilities for the diagnosis, treatment, education, training, and care of the mentally retarded.
- Emphasis was again given to the development of research and demonstration projects in an effort to find improved methods for administering, operating, and designing health facilities.

The Division was also instrumental in helping to implement the nondiscrimination provisions of the civil rights regulations as they apply to health facilities receiving Federal assistance. Advice and consultation on compliance was provided State agencies and individual hospitals, and Division officials served on Department teams which investigated complaints concerning alleged violations.

HILL-BURTON PROGRAM

Revised Legislation

On August 18, 1964, with the signing of the Hospital and Medical Facilities Amendments of 1964, the Division was able to further intensify its efforts in three major areas: modernization, areawide planning, and long-term care facilities.

Modernization.—The new modernization category authorized by the act makes funds available in fiscal year 1966. Division staff advised regional and State officials concerning new planning techniques and provided guide materials on methods for evaluating existing plants to determine the economic feasibility of modernization.

Areawide Planning.—Although a major Division interest for many years, the areawide planning concept was given added impetus as a result of the new grant program established to bring about coordinated planning of health facilities on a communitywide basis. Under this new program, matching grants are awarded to State Hill-Burton agencies in behalf of appropriate public or nonprofit groups organized for health facility planning and designated to carry out planning projects for specific areas. By year's end, 33 areawide planning grants totaling $1,897,466 had been made to 17 States. Previously, under the Division's demonstration grants program, 38 areawide planning awards totaling $3,172,194 had been made to various nonprofit organizations.

Long-Term Care Facilities.—The provision relating to long-term care in the revised legislation recognized the growing problems in this area. The annual ceiling for long-term care facility construction was raised from $40 million to $70 million to help provide additional facilities needed as the numbers of aged increase, and as the passage of Medicare legislation increases the demand for additional facilities.

Construction Grants

Hill-Burton's scoresheet by the end of the fiscal year showed that since the award of the first grant in 1947, a total of $2.4 billion had aided 7,850 projects. Of this amount, 486 projects had received $161 million during the year.

Grants awarded this year will aid in providing 12,768 general hospital beds, 6,388 beds in long-term care facilities, 441 beds for mental patients, 34 rehabilitation facilities, 88 diagnostic and treatment centers, and 43 public health centers.

Research and Demonstration

While a wide array of subjects are covered by the 37 research and demonstration projects awarded almost $2.5 million in grants during the past year, a high priority was given to those in the computer field.

Seven sponsors received approximately $500,000 to carry out computer studies aimed at improved patient care and better control of hospital costs through the adoption of more efficient methods of administration and operation.

Another area of particular interest is the dissemination of information concerning hospital research results to all hospitals. The Division is sponsoring the publication of a quarterly journal to be developed by the Hospital Research and Educational Trust of the American Hospital Association. The first journal is expected to be off the press in April 1966.

Since the first research grants were made in 1956, 171 projects have received approximately $25 million.

HEALTH PROFESSIONS EDUCATION

In the field of education for the health professions, fiscal year 1965 will be remembered as the year in which the first Federal grants were made to assist in the initiation of new schools and the replacement, alteration, or expansion of existing schools. Under provisions of the Health Professions Educational Assistance Act of 1963, grants totaling more than $92 millon were awarded to 45 schools. Upon completion of these projects, additional first year enrollment increases will be provided as follows: medical, 540; dentistry, 296; nursing, 567; public health, 191; and optometry, 36.

New medical schools being aided are located in Albuquerque, N. Mex., San Antonio, Tex., San Diego, Calif., and New Brunswick, N.J. A new dental school is being erected at the University of California in Los Angeles.

An additional 53 applications requesting more than $224 million were at various stages of processing at the close of the year.

FACILITIES FOR THE MENTALLY RETARDED

The Division launched a two-pronged attack against mental retardation with the establishment of one construction grant program aimed at increasing technical manpower in the field and the other directed at providing services in community-based facilities for those so afflicted.

Five project grants totaling more than $8 million were made under provisions of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. In connection with the other facet of the act relating to formula grants to the States for constructing community-based facilities, advice and consultation were provided State agencies designated to develop State plans preparatory to receiving construction funds. By the close of the fiscal year, 1 plan had been approved and 12 were being revised.

Division of Nursing

The mission of the Division of Nursing is to maintain a perspective on nursing nationwide—the adequacy, the quality, the distribution, and the training of personnel for nursing service and nursing education. Administration of funds for extramural programs is one means of accomplishing these objectives. Research, studies, contracts, consultation, and technical assistance are other means whereby its headquarters and field staff support nursing throughout the country.

NURSE TRAINING ACT OF 1964

Passage of the Nurse Training Act of 1964 was a signal achievement for the future of nursing. Providing a focal point for a concentrated attack on critical problems in nursing education, the legislation is the first major Federal support for programs aimed at improving both shortages in the nurse supply and the lag in adapting the developments of modern science for use in patient care.

By April 1, 1965, the Division had received 135 applications for project grants to improve nurse training. In June, awards totaling $1,989,564 were made for 39 project grants to 35 schools of nursing located in 21 States, the District of Columbia, and Puerto Rico. The projects range in duration from 1 to 5 years, and are for such purposes as improving the teaching of medical-surgical nursing, extending experience of students in out-of-hospital settings, and developing audiovisual aids for teaching nursing subjects.

This was the ninth year of the Professional Nurse Traineeship Program, which has substantially increased the number of nurses prepared for teaching, administration, and supervision. The Nurse Training Act of 1964 continued the program and added preparation of nurses with clinical specialties, a category in very short supply. Traineeship aid for long-term academic study was provided this year to approximately 2,000 professional nurses. Another 5,000 took short-term intensive courses, which are in great demand to teach practicing nurses new techniques and to update nursing skills.

Under the provision for assistance to hospital schools of nursing with some of the costs of increased enrollment attributable to the Nurse Training Act, 190 programs received payments totaling $774,900. These schools are located in 41 States, the District of Columbia, and Puerto Rico.

MANPOWER NEEDS

Long concerned with manpower needs in nursing, the Division intensified its efforts this year in connection with proposed legislation for health care of the aged and establishment of centers for treatment of heart disease, cancer, and stroke. To meet the need of the new programs for facts on the supply and location of nursing personnel,

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work began on the second, and more comprehensive, national inventory of professional nurses. Groundwork was also laid for a similar national inventory of practical nurses.

INSTITUTIONAL NURSING SERVICES

Division activity in institutional nursing services was also accelerated. The Division joined with the National League for Nursing to sponsor, in San Francisco, the second in a series of conferences for nursing consultants in hospitals and nursing homes. Similar conferences are planned for four additional geographic areas in fiscal year 1966.

In an attempt to provide nursing homes with a working tool for gauging their staffing needs, a study has been designed to obtain a quantitative measurement of services to a selected sample of nursing home patients. Based on a Division-sponsored study first done in Milwaukee, a contract has been made with the Colorado State Health Department to carry out a test project in 14 nursing homes in metropolitan Denver and surrounding rural areas.

NURSING RESEARCH

This year, the Division completed 10 years of support for extramural research in nursing. In that time, grants were awarded for 163 studies involving more than 500 investigators in 32 States and the District of Columbia. The record of this pioneering work, which is considered a major force in the development of research in nursing, is presented in a volume, "Research in Nursing—1955–1965," published by the Division of Nursing.

An example of the promising results of this research effort is an advanced and imaginatively conceived system of coronary care, with electronic equipment complementing the skilled nursing specialty upon which the system rests. The directors predict that, if the method demonstrated in their project is adopted by major hospitals in the country, 100,000 lives could be saved each year, thus cutting by nearly one-fifth the annual deaths from coronary disease. At midpoint of this grant, these investigators at Presbyterian Hospital in Philadelphia, have produced a manual which is designed to help train nurses in the unique skills previously unknown.

METHODS FOR MORE EFFICIENT NURSING SERVICE

Although some of the Division's regular program activities have had to be delayed or curtailed due to diversion of experienced staff to the job of launching the new nursing legislation, it has been possible to extend the application of two proven study methods which were developed by the Division in past years.

The nursing activity study method, which for over a decade has helped to improve nurse utilization and patient care in general hospi-

tals, is beginning to be used in specialty institutions, such as one of the largest mental hospitals in New Jersey and a tuberculosis hospital in Delaware.

The Division's method of reporting on the progress of patients who receive care from public health nurses continues to have wide use, and recently was adapted for documenting the needs and progress of hospital outpatients. The "Journal of the American Public Health Association" reported on a study of 1,200 patients who presented 6,500 nursing needs. With the aid of this method, all but 15 percent of these needs were met by the attending nurses in the limited study period.

Office of the Bureau Chief (Environmental Health)

Early in 1965 selection of the North Carolina Research Triangle as the site of a National Center for Environmental Health Sciences was announced, together with preliminary plans for the construction of new facilities at the Robert A. Taft Sanitary Engineering Center in Cincinnati, Ohio, and the establishment of a specialized Appalachian regional environmental health facility in West Virginia. The Centers will further research relating to the environmental health programs of the Public Health Service.

Following design of the National Center for Environmental Health Sciences, it was expected that architectural work will begin in the fall of 1965 and be completed in about 2 years, with construction to begin in the latter part of 1967 reaching completion in 1971. Meanwhile Public Health Service personnel was scheduled to occupy interim facilities, the first contingent of about 100 people moving into North Carolina by mid-1966.

The Environmental Health Sciences Program which was initiated in 1964 expanded its efforts to stimulate and support basic multidisciplinary research including environmental contamination and toxicology. The number, amount, and scope of research grants in these areas have increased markedly during the past 2 years of operation.

PESTICIDES ACTIVITY

During 1965 the new Office of Pesticides contracted with health departments and academic institutions in 10 States to conduct the first large-scale studies of long-term relationships between pesticides and human health.

A National Pesticides Intelligence System was established to publish data on pesticide residues in the environment and disseminate information about the pharmacology and toxicology of pesticides.

Representatives from the Public Health Service worked with representatives from other agencies on the Federal Committee on Pest Control in (1) developing a nationwide program for monitoring pesti-

cides in the environment, (2) reviewing Federal pesticides research, and (3) preparing information materials. An executive secretariat for this Committee was set up.

A section of the Office examined thousands of pesticide manufacturers' registration petitions referred by the Department of Agriculture under an interdepartmental agreement. Some changes in container labels were recommended as a way to improve public understanding of pesticide hazards.

A Pesticides Research Laboratory was established and expected to be in full operation soon after the end of fiscal year 1966.

Division of Air Pollution

The year 1965 was a landmark in the history of efforts in the United States to reduce the pollution of our atmosphere. In September 1964 the Congress appropriated funds to implement the Clean Air Act. The act recognizes large gaps in our knowledge of air pollution and underscores the need for continued investigations to fill these gaps. On the other hand, it calls for the application now of known control methods, and in 1965 the Division of Air Pollution devoted a large share of its efforts to the promotion of the control of air pollution.

PROGRAM GRANTS

The Clean Air Act reiterates that air pollution is a national problem and finds that the prevention and control of air pollution at its source is the primary responsibility of State and local governments. To stimulate these governments to fight air pollution, the act provides Federal funds through grants to develop, establish, or improve State or local control programs. The Federal funds are awarded on a matching basis—single jurisdictions must put up $1 for every Federal $2, regional agencies must put up $1 for every Federal $3.

In mid-September 1964 the Congress appropriated $4,180,000 for program grants in fiscal 1965. Application forms and instructions, were immediately distributed, and the first grants were awarded in November 1964.

In a 9-month period following the distribution of application forms and instructions, 113 qualified applications were received by the Division of Air Pollution for an amount totaling $5,325,833.72. The available $4,180,000 was awarded to 93 agencies (21 grants to States, 72 to regions or localities).

If viable programs emerge from the State establishment and development grants and from State activity that is proceeding independently, by 1967 36 States will have air pollution control programs as compared with 16 States at the beginning of the program grant activity. The non-Federal dollars budgeted for 1965 State control pro-

grams more than doubled the 1964 dollars, and the total funds budgeted for 1965 State air pollution control programs were up more than 300 percent. The total increase in budgeted dollars for local and regional programs was 80 percent, more than 70 percent of the increase in non-Federal dollars.

Totaling the State and local increases in air pollution control expenditures further illustrates the stimulus of the Clean Air Act. In December 1963 State and local annual expenditures for air pollution control amounted to $12.7 million, of which 48 percent was spent in California. The $4.18 million Federal program grant funds plus the $1.8 million in matching funds resulted in a 47 percent increase in 1965 for State and local air pollution control. If California is not considered in the comparison, the increase is 78 percent.

ABATEMENT OF AIR POLLUTION

In 1965 the Division of Air Pollution established an Abatement Branch to execute the authority given the Secretary by the Clean Air Act to abate interstate air pollution and to abate intrastate pollution when officially requested to do so in accordance with the provisions of the act. The Division initiated its first abatement action by investigating the alleged pollution of New York State by contaminants arising in New Jersey.

Abatement of pollution by Federal facilities is also called for by the Clean Air Act, which not only calls for cooperation by Federal departments and agencies in preventing air pollution but authorizes the Secretary of Health, Education, and Welfare to institute a permit system for classes of potential pollution sources at Federal facilities. The Division of Air Pollution prepared the adminstrative and operational procedures for conducting the permit system and wrote the regulations for one class of pollution source, open burning.

To implement the clear intent of the Congress that Federal facilities be exemplary in the prevention or control of air pollution, the Bureau of the Budget began to require that estimates for new Federal construction provide for installation of air pollution control systems in accordance with instructions issued by the Public Health Service, and prepared by the Division of Air Pollution.

AUTOMOTIVE VEHICLE AND FUEL POLLUTION

The Clean Air Act specifically underlines the contribution of the automotive vehicle to the national air pollution problem. In the first semiannual report to the Congress on progress in controlling automotive vehicle pollution the Secretary recommended the national application of available technical knowledge to reduce such pollution and recommended that means be developed through vehicle inspection procedures to insure proper maintenance of vehicle emission control

systems. In hearings before Congress, representatives of the Department testified in support of amendments to the Clean Air Act that would authorize the Secretary to establish Federal emission standards for the automotive vehicle. It was reported that much progress had been made in the technology of controlling exhaust emissions from automobiles, and that tests will be made on certain 1966 Federal cars equipped with the same control systems provided on 1966 cars shipped to California in accordance with that State's air pollution codes.

Ongoing research programs of the Division will be vitally important to the establishment of Federal standards. In 1965 the Division continued the road testing of vehicles under varying environmental conditions to measure the effects of these changes on vehicle emissions. In an investigative program of diesel vehicles it was found that, particularly with the two-stroke cycle diesel, the quantities of emissions were much higher than previously believed, calling for comprehensive studies and a reevaluation of the diesel's contribution to the air pollution problem.

CRITERIA

The Clean Air Act directs the Secretary to publish criteria of effects for air pollutants known to be present in the atmosphere and to be harmful to human health or welfare. During 1965 the review and assessment of available information on two of the most important families of pollutants, the photochemical oxidants and the sulfur oxides, progressed significantly. Codified statements were prepared of the available information on several of the characteristics of oxidants, and these statements were reviewed by the scientific community. Evidence of the transformation of sulfur oxide to sulfuric acid in the atmosphere was developed in detail, and a critical analysis of the health effects of sulfur oxides is underway.

RESEARCH, DEVELOPMENT, AND TECHNICAL ASSISTANCE

Following the spirit inherent in the Clean Air Act of applying technology now to reduce the threat of air pollution to health and welfare, research and development efforts (1) have emphasized in biological investigations the selection of test subjects and exposure systems that more closely simulate the human urban community situation, (2) have turned to increased air monitoring and the improvement of data analysis, and (3) have emphasized engineering evaluation and pilot plant studies to demonstrate the effectiveness and the economy of known control techniques.

The Division of Air Pollution continued in 1965 to carry out a major function, that of providing technical assistance to State and local governments. Typically, the Division gathers a complete technical brief on the pollution problem in a particular area and recommends air quality goals and the measures that will achieve them.

Air pollution technical assistance activity was substantially increased this year, especially in response to the needs of State and local agencies in developing control programs. Representative of this activity are the following:

Developing of air resource management plans for the metropolitan areas of Cincinnati, East Chicago/Gary, Chattanooga, northeastern Illinois, and the State of Illinois; studying air pollution problems of Oklahoma, Baltimore, Kansas City, and the interstate region of Lewiston, Idaho, and Clarkston, Wash.; drafting emission regulations for the Metropolitan Washington Council of Governments, drafting Codes of Recommended Practice for spray booths, stockyards, and incinerators for the city of Chicago, and evaluating the New York City control program and developing improvements of this program; publishing a comprehensive report on methods of measuring and monitoring atmospheric sulfur dioxide; participating in the Governor of Wisconsin's Joint Federal-State Task Force for the St. Croix River; and recommending air quality goals for sulfur dioxide to Illinois.

TRAINING

The growing national awareness of the air pollution problem feeds the demand for personnel trained in the technology of air pollution control. In 1965 the Division of Air Pollution virtually doubled its presentation of courses both at the Sanitary Engineering Center and in the field. A major accomplishment of the Division in 1965 was the development of self-teaching materials and other training devices that State and local agencies and industrial managers can use in training their own personnel.

Division of Environmental Engineering and Food Protection

Elimination or control of many health hazards that exist in the changing general environment is the goal of the Division of Environmental Engineering and Food Protection. Programs carried out in this Division cover a broad range of public health interests. In general, they include water, milk, shellfish, and other food products; environmental dangers which arise because of urbanization; and health hazards in the home, in the neighborhood, at work, and in outdoor recreation areas. Even the healthfulness of the environment aboard airplanes, trains, buses, and vessels moving from State to State is a legal responsibility of the Division and is subject to close surveillance.

The Division's programs traditionally are carried out in close cooperation with States, communities, and industry to protect the health of consumers.

MILK AND FOOD

Technical and consultative services were given to all States and to the milk and food industry in the development and maintenance of food protection programs. Services included research and investigations, interpretation and application of PHS ordinances and codes, planning and administration of milk and food programs, sanitary design of equipment, and training of State and local health officials and industry representatives. Participation by States in the Cooperative State-PHS Program for the Certification of Interstate Milk Shippers increased for the 14th consecutive year and now includes 1,281 shippers.

A major project was completed with the publication of the new "Grade A Pasteurized Milk Ordinance—1965 Recommendations of the U.S. Public Health Service." The 1965 ordinance, recommended for voluntary adoption by State and local health agencies, takes into account the most recent research findings, results of extensive field experience, and the newest developments in the dairy industry.

Food protection training activities during the year were attended by 292 persons. Some 83 percent of the trainees were from State, local, and Federal agencies, 10 percent from industry, and the remainder from universities and foreign countries. In addition to the above courses, the regional offices presented or sponsored 33 courses in milk and food sanitation attended by 1,159 trainees.

During the year the Public Health Service participated in the organization and conduct of the 10th National Conference on Interstate Milk Shipments, an organization of the States which discusses and resolves problems relating to the cooperative State-PHS Program for Certification of Interstate Milk Shipments.

The recently completed isolation facility (T–9) at the Sanitary Engineering Center in Cincinnati is now being used by the milk and food research staff to investigate specially hazardous agents, such as viruses and atypical tuberculosis organisms, that may occur in dairy products, drinking water, meats, poultry, and other vulnerable foods. In cooperation with the Army Natick Laboratories and the National Cancer Institute, studies are under way to assess the resistance of viruses to irradiation and thermal processes intended for the pasteurization of foods.

Other useful accomplishments of the milk and food research group at SEC include the development of (1) in-vitro serological tests for the laboratory diagnosis of paralytic shellfish poisoning, botulism, and staphyloccal food poisoning, and (2) devices for determination of thermal diffusivity in foods and for continuous or batch extraction of organic contaminants, including pesticides from water. Pilot-plant studies on the removal of radionuclides from milk have dem-

onstrated that the ion-exchange processes previously devised by the food chemistry laboratory can, in fact, produce an acceptable fluid milk of good sanitary quality. These results are being used by the Division of Radiological Health to design and test commercial scale equipment.

SHELLFISH SANITATION

Substantial progress was made in the National Shellfish Sanitation Program in closing many of the technical and administrative gaps which had developed in this 40-year-old program. The impact of this realigned program was evident in research accomplishments, in the application of research findings and new techniques to programs at the State levels, and in the high level of continuing interest shown by the participating States.

The Public Health Service completed audits of the technical programs in each participating State, using a newly developed objective procedure. There were substantial improvements in most States, but in three instances State programs suffered significant deterioration—primarily due to lack of financial resources.

Prevention of illegal harvesting from the Nation's million acres of polluted shellfish beds continues as a major problem; however, modern radar offers great potential for improvement and cost control. One State has adopted and two are experimenting with highly sensitive shore-based radar. State control programs have been further strengthened by adoption of new laws in Texas and Maryland.

The Public Health Service sponsored the Fifth National Shellfish Sanitation Workshop, attended by 200 persons—up 50 percent from 1961—representing the States, other Federal agencies, the shellfish industry, Canada and Japan. The Workshop adopted numerous revisions in the technical nd administrative standards, necessary to reflect the Nation's constantly shifting environmental control problems.

The Public Health Service shellfish sanitation research program—based on the work of the shellfish research centers in the three major producing regions (east coast, gulf coast, west coast)—made significant progress in studies on viruses in shellfish, on the levels of pesticides in many estuaries—including the Mississippi Delta—and on the uptake of industrial wastes by shellfish. Major research emphasis is on the development of depuration (controlled purification) processes.

Preliminary steps were taken to establish a National Register of Shellfish Growing Areas. There is now reliable information on the total estuarine areas (over 10 million acres) available for shellfish culture, the number and size of polluted areas (1 million acres), and the number and size of areas which are protected by sewage treatment (0.3 million acres).

Foreign nations maintain their interest in export of shellfish to the United States. Under international agreements, a PHS officer

was assigned to Japan during the shellfish production season and reciprocal inspections were carried out with Canadian officials. Problems relating to sanitary controls of imports were discussed with Embassy representatives of Korea, Denmark, the Netherlands, and France.

SPECIAL ENGINEERING SERVICES

A new guide, "Environmental Health Practice in Recreation Areas," was developed and issued to provide guidance to individuals responsible for planning, designing, operating, and maintaining recreational areas.

The First Conference on Recreation Sanitation and Safety, sponsored by the Arkansas State Board of Health in cooperation with the Public Health Service, was held in Little Rock, Ark. This meeting proved to be an excellent method of developing an awareness within the State of environmental health and safety in the planning, development, operation, and maintenance of outdoor recreation areas. It also helped emphasize the role of the Arkansas State Board of Health in this area.

Two new publications are being developed to provide environmental health guidelines in the design and operation of mobile home parks and travel trailer parking areas. The publications, "Environmental Health Guide for Mobile Home Parks" and "Environmental Health Guide for Travel Trailer Parking Areas," also contain model ordinances recommended for adoption by State and local regulatory agencies. This work has been done in cooperation with the Mobile Home Manufacturer Association, Chicago, Ill., and reflects the need for such publications because of the rapidly increasing use of mobile homes and travel trailers.

The Public Health Service and the Tennessee Valley Authority have agreed, subject to the availability of funds, to undertake cooperatively the planning, construction, and operation of a full scale demonstration composting plant. The plant would engage in the conduct of research on the health aspects of the use of compost produced from mixed refuse and raw and digested sludge; in the conduct of research to determine the best methods for utilization and disposal of the finished product; and would seek to develop processes or other means for upgrading the compost material, as required, to facilitate utilization and disposal.

URBAN ENVIRONMENTAL HEALTH PLANNING

The Metropolitan Planning and Development Branch was dissolved and its functions replaced by a new Office of Urban Environmental Health Planning. This change reflects the need to more clearly iden-

tify the activities of this program, and to expedite administrative interrelationships within the Public Health Service and with other public and private agencies involved in this field.

The new Office has undertaken a series of urban area demonstration projects in which detailed field assistance is provided to demonstration areas over a 6-month period, on the needs, purposes, and procedures for a survey of present and anticipated future environmental health conditions.

During fiscal year 1965, metropolitan planning training activities included seven courses and three conferences on urban planning for environmental health. Three special courses and an ad hoc conference on solid wastes were also conducted. A total of 1,000 trainees, most of whom had professional backgrounds, attended the sessions.

An ad hoc advisory committee representing Federal, State, and local government agencies, professional organizations, and the water well, septic tank, and water systems industries assisted in the development by the Public Health Service of three model acts recommended for passage by each State. They are: (1) an Urban Water Supply and Sewerage Systems Act; (2) a Water Well Construction and Pump Installation Act; and (3) an Individual Sewage Disposal Systems Act.

INTERSTATE CARRIER SANITATION

In exercising regulatory powers under the Interstate Quarantine Regulations, 4 water supplies, 8 watering points, 13 caterers, and 10 milk and frozen dessert sources were placed in "Use Prohibited" status for interstate carriers because they did not meet PHS sanitary standards. Fifteen railroad companies and 54 vessel operating companies were awarded Citations or Commendations for excellence in sanitation on all of their conveyances.

Public health attention has been focused on Riverside, Calif., where the largest water-borne outbreak of gastroenteritis in American history occurred. Assistance is being given the California Department of Health in the identification of the source of the causative agent, which was reported as *salmonella typhimurium.*

RESEARCH GRANTS

The Research Grants Branch of the Division awarded 228 new and continued grants in the amount of $4,897,326 in fiscal 1965 in support of the Division's programs. The major emphasis was on solid waste disposal, water quality as related to drinking water supplies, shellfish and marine food growing areas, and recreational use, housing, and urban planning.

Division of Occupational Health

The Division of Occupational Health, which is concerned with the prevention and control of disease among the American working public, enters into its second half-century of activity amidst a fluid and expanding technological environment. Not only must it continue to be concerned with the health problems of workers in established industries, but it must also evaluate and attempt to control, if necessary, conditions evolving from our increasingly complex modern technology. Under such circumstances, traditional approaches sometimes work, but more often new methods must be developed to attempt to solve new problems.

The emphasis of occupational health is also changing. In the early days, the major concern was the elimination of hazards which removed people permanently from the work force. Although this area of concern still exists, there is growing concern today about any health factor which limits a worker's well-being or productivity.

Despite the dust-control measures established in many industries, occupational respiratory diseases have become the Nation's second highest cause of compensable disease and continue to cost industry and the Nation years of trained and productive labor. The Division's study of chronic chest disease among coal miners in the Appalachian area revealed that 1 of every 10 miners working in the Appalachian soft coal fields is afflicted with the lung disease known as coal workers' pneumoconiosis and that the lung disease is present in 1 of every 5 inactive miners. Since relatively little is known about this disease entity, the Division is conducting basic clinical research into the spectrum of ventilatory and pulmonary vascular abnormalities associated with the disease process.

The study of this dust-induced chest disease has become the focal point for the Division's efforts to understand, and thus prevent, occupational respiratory disease. The proposed clinical center at West Virginia University will permit closer coordination and extensive clinical research on these problems of chest disease.

The second major research effort of the Division is the 16-year study of the biologic effects of ionizing radiation in uranium mining, which has revealed that miners have increased death rates from cancer of the lung, pulmonary fibrosis, and accidents. The lung cancer rate is directly proportional to mean radiation exposure, and mean time for development of lung cancer is 20 years from onset of exposure. After diagnosis of lung cancer, victims live only about 2 months, because the cancer is widespread, progresses rapidly, and most patients are unfit for surgery.

A comparison of death rates for asbestos textile mill workers and cotton textile mill workers has revealed for the first time that asbestos dust may be responsible for an increased risk of lung cancer. The Division has conducted environmental surveys of 10 asbestos products plants employing about 3,600 workers during the past year to get more data on asbestos particulates and amount of exposure.

Long-range plans for the Division include a nationwide program for monitoring workplaces to identify health hazards. A pilot survey of 500 workplaces in the Denver area made this year revealed that about 6 percent (with an estimated workforce of 19,000) have conditions that need immediate attention, and that 18 percent needed industrial hygiene services within a year.

Measuring the potential toxicity of various industrial chemicals and other materials continues to occupy a major portion of the Division's activity. Investigations of beryllium toxicity were conducted to evaluate the effects of a new domestic ore, bertrandite, and to measure the public health effects of test-firing beryllium rocket motors. These studies have revealed new information on the comparative activity of various ores and the effects of the ore content on the fibrogenic action of silica in the ores.

Throughout the past year, the Division has continued with studies to evaluate the effects of industrial stress to the worker, including noise and heat. Industrial noise, with the attendant risk of hearing loss or impairment of efficiency, is a potential health problem to which thousands of workers are exposed. The Division is carrying out studies to determine the effects of steady noise and impact noise on learning and task performance, and on behavior.

Over two-thirds of the Nation's labor force is employed in a workplace with no provision for medical services. Stimulating and assisting industry to provide health services, and assisting State and local units in directing good occupational health practices, have become increasingly important.

Since the 17,000 industrial nurses are often the first to confront worker health problems, the Division is making special efforts to increase their effectiveness. A special study was made during the year to see how the skills of public health nurses can be used for part-time service in small plants. In addition a pilot training course was held to teach industrial nurses to identify emotional problems and to counsel and interview disturbed workers, since emotional problems often mean absenteeism.

The shortage of trained occupational health personnel remains a problem for State and local agencies, industrial establishments, labor unions, and other groups. Over 300 occupational health workers at-

tended the Division's 15 training courses offered during the year. A successful training aid released during the year was "Occupational Diseases, A Guide to Their Recognition," a reference book to aid occupational health specialists to identify and diagnose job-related illnesses.

The system of part-time regional representation begun a year ago has continued to help State and local units solve specific worker health problems and to organize and strengthen their programs to fit local needs. An industrial hygienist has been appointed full-time regional consultant, and plans have been made to strengthen representation in other regions.

Seventy-seven research grants in occupational health were supported during the year in the amount of $2,305,846. Included were projects on communications, ergonomics, epidemiology and statistics, cardiovascular and pulmonary diseases, noise, dermatitis, toxicology, and environmental engineering. Five research projects financed by Public Law 480 funds were initiated in Israel and Yugoslavia for a total of $107,188, and others are planned for Yugoslavia, Poland, Israel, and India.

Division of Radiological Health

Fiscal year 1965 brought a further shift in emphasis away from surveillance of fallout resulting from nuclear weapons testing and toward research in and control of other radiation sources, particularly those used in medicine and industry. The surveillance mechanism is still active and capable of meeting the demands any foreseeable situation may make upon it. However, the more "beneficial" sources are now getting the greater share of the Division's total effort. This is particularly applicable to the fields of medical and dental X-rays and the medical uses of radium.

SURVEILLANCE AND MEASUREMENT

Several years ago X-ray was recognized as the chief source of radiation exposure to the U.S. population. The Division, jointly with the National Health Survey of the Public Health Service, began a series of studies to learn more about the X-ray experience of the American people. When completed, the studies will provide radiographic, fluoroscopic, and therapeutic exposure estimates for a representative sample of our population.

Presently the Division is performing the second in this series of national studies. During fiscal year 1965 it collected information from 10,000 households and 32,000 persons on X-ray experiences. Each reported X-ray visit was followed up for more precise data on exposure at the X-raying facility.

During the past year the Radiation Surveillance Center was reorganized to provide more complete and sophisticated environmental radiation data collection and analysis. The surveillance networks which feed data into the Radiation Surveillance Center for processing and evaluation now include: Pasteurized milk, institutional total diet sampling, interstate carrier water supplies, bovine thyroid (for iodine 131), tritium in surface water, human hair and blood, radiation surveillance (air), Pan American sampling program (air), human bone (for strontium 90), Alaskan surveillance project (for cesium 137 in caribou and reindeer).

STATE ASSISTANCE

The Division is assisting the States develop radiological health programs through consultation, program planning, assignment of personnel to State programs, loan of equipment, training of workers, and by providing funds through a system of matching grants. These grants, which totaled $2.5 million in fiscal year 1965, are used by all States and two territories for personnel and equipment needs and, in several instances, to help finance State assumption of the AEC's licensing and inspection authority over radiation sources. As of June 1965, 47 States, the District of Columbia, and Puerto Rico had adopted statutes or regulations pertaining to radiation control.

The Division is also helping the States in problems arising from this control. For example, through its medical X-ray protection program DRH has eliminated much unnecessary radiation exposure from medical and dental use. Approximately 80 percent of the dental X-ray units in the United States have been surveyed, and the Division, through educational and demonstration programs continues its assistance to the States in their efforts to promote better radiation practices in dental offices.

Currently those in the X-ray protection program are concentrating on solving problems in instrumentation. This work, which is centered at the Division's X-Ray Exposure Control Laboratory in Rockville, Md., includes evaluation of technical methods and equipment used in diagnostic radiology.

A contract with Oregon State University was recently signed to develop a training program in X-ray sciences that can be absorbed into the school's curriculum. Its prime purpose is to train future leaders in the field and to stimulate interest among academic, professional, and industrial groups toward improving X-ray systems and technical processes. The university will develop a unit to carry out research, evaluation, and development projects in X-ray science and engineering.

The Division is also emphasizing guidance to health authorities and reactor personnel in nuclear waste management, as for example, the safe disposal of effluents from the operation of the pressurized water reactor at Shippingport, Pa., and the Consolidated Edison reactor at Indian Point, N.Y. Documents pertinent to the licensing of major nuclear facilities are made available to the PHS for technical review. At a State's request, consultation on the potential hazards of environmental contamination is then arranged.

Finally, the Division is continuing its assistance to State efforts to improve the procedures and techniques for storing, handling, and licensing radium and to deal with the problems of leak testing and usage. States are also receiving assistance in evaluating protective measures against environmental radioactivity.

The Division sponsored a Conference on Radium and Radium Substitutes in Medicine held at the University of Chicago, which concluded that all natural isotopes should be subjected to the same radiation protection regulations as reactor-produced radionuclides; that safer radiation sources for brachytherapy should be developed; and that development of new techniques to reduce radiation exposure and hazards from radionuclides should be supported and encouraged.

RESEARCH

One of the chief interests of Division research is on the long-term effects of radiation exposure from therapeutic and diagnostic procedures. Approaches in this area include:

1. A study of leukemia and malignancy incidence among a group of children whose mothers received pelvic X-radiation during pregnancy.
2. An investigation of effects of radioactive iodine therapy on 36,000 patients enrolled from United States and British medical centers.
3. A study to determine effects of long-term irradiation in patients who received Thorotrast injections for diagnostic arteriography.
4. A project to explore the possibility that iodine 131 in the dose range used in diagnostic studies of children may be related to the development of thyroid cancer. Seven thousand cases from 29 hospitals may be included in the total study.

Another area of prime interest is the evaluation and reduction of environmental radiation exposure. Research here includes:

1. An inquiry into what relationship may exist between low-level natural radiation and the incidence of congenital malformations in 52 cities in Colorado, Michigan, and Minnesota.

2. Epidemiological studies on residents of Nevada and Utah who live close to the Nevada test site to determine whether any deleterious effects can be associated with exposure to fallout.

3. Continuing work to determine the economic feasibility of an ion-exchange system developed in cooperation with the USDA and capable of removing radiostrontium from 100,000 pounds of milk in 8 hours. Work is also being done to modify it to remove other radionuclides. A full-scale portable system for nuclear emergency use is now in the planning stage.

Expanded facilities at the new Twinbrook Research Building in Rockville, Md., will provide special purpose laboratories and suitable animal housing for the radiobiology programs, which include studies of the effects of ionizing radiation on large molecules of biological importance; chromosome changes from X-irradiation in various mammalian tissue cells; and possible effects of irradiation on the function of the reticuloendothelial system of mice.

A major project of the Division came into being this year with the establishment of the Collaborative Radiological Health Animal Research Laboratory at Colorado State University. The primary objective of the laboratory is to develop a colony of beagle dogs in which the long-term effects of low-level radiation will be evaluated through embryonic, infantile, and adult development.

TRAINING

In fiscal year 1965 the Training Branch divided its main effort between two major requirements. The first was to provide a source of trained radiation health specialists and technicians who will assess and control the potential public health hazards of an expanding nuclear industry and of X-rays. This is being accomplished through grants to universities and colleges to establish, improve, or enlarge curriculums in radiation health specialties.

In the 1965 fiscal year, $2.5 million were appropriated for these grants. Approximately 45 schools are now active in the program with some 350 students enrolled in radiation health specialist or technician studies. Predicted enrollment for the next school year exceeds 450. Since the beginning of the program in 1961, more than 400 students have earned graduate degrees in some branch of radiological health.

The second major requirement in training is to give professional personnel every chance to increase their knowledge and skills through short courses and graduate work. Short courses are now being developed in four broad areas: machine-produced radiation, radioactive materials, environmental surveillance, and public health aspects and orientation.

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In accord with the Division's new emphasis on X-rays, the "Medical X-Ray Protection" course was lengthened and redesigned for more complete coverage of course content and to permit students more time to inspect and survey X-ray units and installations.

The concern of many States about being able to assume responsibility in radiation emergencies brought repeated requests for the course, "Management of Radiation Accidents." The course was modified to cover specific problems that a State may have to face, from accidents involving reactors or transportation of radioactive materials to simple laboratory spills. A new course, "Radium Hazards and Control," was also developed.

The number of students enrolled in technical courses during the last fiscal year totaled 1,134. Orientation courses attracted 121. During the longer period 1960–65, approximately 120 professional men and women within the Division received long-term graduate training in radiological health. This extramural graduate program helps give the Division the high-caliber professional people needed to maintain its respected standing in its specialized field.

Division of Water Supply and Pollution Control

Marking its ninth year, the Division made significant gains in all of its programs and set new records in some. All its activities—research, training, enforcement, construction of waste treatment facilities, the development of comprehensive programs for water pollution control—place emphasis on Federal-State-local cooperation. The programs are organized to protect and conserve water for all legitimate uses: public water supply, recreation, industrial, agricultural, and fish and wildlife propagation.

Increasing public concern in water pollution and its abatement was reflected in the Congress. No other year has witnessed the introduction of so many bills affecting the water resource; some of these will drastically affect and accelerate activities to control water pollution. Public hearings by congressional committees gave renewed emphasis to pesticides as a hazard in the water environment, to the control of pollution from Federal institutions, and to many other items of concern in water quality management.

Increased attention was given this year to the control of such factors as acid mine drainage; estuarial pollution; silt and sediment from land drainage; wastes discharged from boats, ships, and marinas; ground water contamination; eutrophication of lakes; and overflow from cities having combined sanitary and storm sewers.

CONSTRUCTION OF WASTE TREATMENT FACILITIES

With expiration of the Accelerated Public Works program, construction of municipal waste treatment facilities returned to the $600 million annual level. Though this is 125 percent of the construction level in years immediately preceding the Water Pollution Control Act, it is 30 percent less than is needed to bring municipal pollution under control in this decade.

During the year 583 projects were approved. Federal grants of $83 million were allocated to these projects, estimated to cost $407 million. Nearly 1,200 projects are under construction, involving $658 million of local funds and $216 million of Federal assistance. Another 500 are approved for early starts. These will cost an estimated $263 million, including $66 million in Federal grant funds.

Despite this high level of activity, 1,342 communities having a combined population of over 11 million, still discharge untreated wastes into the Nation's waterways. An additional 1,337 whose populations total 17 million discharge inadequately treated wastes, while more than 5 million people residing in 2,598 communities are in need of both sewer collecting lines and treatment facilities. The treatment works required to adequately serve these 33 million people in their respective communities will cost $1.8 billion.

Since 1956, some 6,200 waste treatment projects have been approved for Federal aid. As a result, there is or will be improved water quality in over 54,000 miles of streams serving 49 million people. The Division this year has especially encouraged the States and cities to upgrade the operation and maintenance of their waste treatment plants.

ENFORCEMENT

Four enforcement actions were begun this year on the initiative of the Secretary, and conferences held on interstate waters involving 8 States, 88 municipalities, and 191 industries. These waters included: (1) the Blackstone and Ten Mile Rivers (Massachusetts-Rhode Island); (2) the Lower Savannah River (South Carolina-Georgia); (3) the Mahoning River (Ohio-Pennsylvania); and the Calumet River system, Wolf Lake, Lake Michigan, and their tributaries (Illinois-Indiana).

Two other conferences were held as additional sessions of previously initiated enforcement actions (Detroit River-Michigan waters of Lake Erie and the Missouri River, Omaha area).

A conference in the interstate and Ohio intrastate waters of Lake Erie was requested by Governor Rhodes of Ohio and called in fiscal year 1965. The conference will be held in fiscal year 1966.

One major enforcement investigation was concluded and has shifted

to a surveillance operation. Seven enforcement projects continue in the Colorado, South Platte, Upper Mississippi, Monongahela, and Merrimack Rivers, Raritan Bay, and Puget Sound.

Enforcement actions under the Water Pollution Control Act now total 35, involve 40 States, the District of Columbia, and 5 interstate compacts. Federal action has started the abatement of pollution in over 7,000 miles of streams, plus large expanses of ocean, bay, and lake waters; has involved some 1,000 municipalities and an equal number of industrial establishments; and will result in expenditures of $1.8 billion to comply with enforcement action recommendations.

COMPREHENSIVE BASIN PROGRAMS

Comprehensive water pollution control planning is now underway in eight of our Nation's major basins. These programs are designed to gather information about the uses that are and will be made of our water resources so that long-range programs can be recommended for cooperative Federal, State, and municipal action to protect the water resources in the river basins from pollution.

Initiated this year was the Hudson-Champlain and Metropolitan Coastal project. Impetus for its start came in part from activities of the Metropolitan Council, representing 1,400 municipalities in a 22-county area of Connecticut, New Jersey, and New York. This area has been particularly hard hit by drought in recent years.

Comprehensive programing in the Great Lakes-Illinois River Basins has advanced from Lake Michigan and the Illinois River Basins (planning studies now complete) to Lakes Huron, Ontario, and Erie. A Lake Superior project field station soon will open to mark the beginning of the comprehensive pollution control programing in this last unit of the overall project. Water quality deterioration in Lake Erie this year received much publicity and created national interest in problems of eutrophication.

The Division's Delaware Estuary project has developed and is utilizing high-speed analog computers and a mathematical model of the Delaware River to determine effects of wastes on water quality and to forecast the condition of the river over the coming decade. The model, first of its kind, will be the basis for similar forecasting in other river basin studies.

Work continues on comprehensive water pollution control projects in the Chesapeake Bay-Susquehanna River Basin, the Columbia River Basin, the Arkansas-Red River Basins, the Ohio River Basin, and the Southeastern River Basins.

RESEARCH

Research has been directed to the investigation of continuing water pollution problems as well as intensive efforts to solve immediate sit-

uations such as fish kills and algal blooms in lakes. Concurrently, staffing, planning, and construction of seven regional and two national water quality laboratories has proceeded.

Research in waste water renovation has advanced sufficiently to put newly developed processes into operation in semi-full-scale demonstration treatment plants at Lebanon, Ohio; Pomona, Calif.; and the Blue Plains plant in the District of Columbia.

Inhouse and contract research, centered and/or supervised at the Sanitary Engineering Center in Cincinnati, Ohio, has continued investigations, development, and experimentation resulting in new and improved methods for detection and identification of water pollutants such as organic chemicals, pesticides, and the new detergents; treatment processes for the removal of pesticides from potable supplies; techniques to combat the eutrophication of lakes; and several aspects of the esthetic quality of waters.

RESEARCH AND TRAINING GRANTS

The award of 429 research and training grants amounting to $8.9 million in 1965 is an increase of $1.6 million over 1964 and of $5.2 million since this program was initiated in 1962.

Research and demonstration grants support projects for laboratory and field studies of new and complex pollution control problems, while fellowships and training grants support the graduate training of scientists and engineers needed in this field.

Research grants this year numbered 242, research fellowships 101, training grants 57, and demonstration grants 29. These grants are distributed among institutions and agencies in 45 States. Under these grant programs, nearly 800 graduate students receive full or partial support for specialized training.

OTHER WATER POLLUTION CONTROL PROGRAMS

By the end of the year, 211 special reports had been prepared for the Federal reservoir construction agencies assessing the need for storage and estimating the benefits to be derived. Annual benefits from these projects are estimated at $39 million for municipal-industrial water supplies and $21 million for streamflow regulation.

The $5 million granted to States for their water pollution control programs has encouraged the States to spend an additional $11 million of their own funds. The Division cooperated in and gave financial support to the first survey to determine minimum staffing and budgetary needs of the State water pollution control agencies. The survey report, published in October 1964, is expected to have far reaching influence in upgrading the programs of these agencies, most of which have long been under staffed and under budgeted.

The water pollution surveillance system added 1 station, bringing to 131 the number of stations which maintain a continuous monitoring of water quality in major waterways. The Division's STORET system for storage and retrieval of water quality data was expanded to include data collections from lakes, coastal areas, and ground water. Originally it was designed to handle only data collected from streams.

A revised edition was issued of the Suggested State Water Pollution Control Act, first published in 1950. The new edition incorporates administrative knowledge gained by the States and adjusts for the complexities that have developed in the water pollution control field during the past decade.

Three of the Water Pollution Control Advisory Board's meetings this year were of special significance in calling attention to regional problems in Alaska, in Maine, and in the Potomac River Basin. The Potomac meeting was in response to the President's Message on Natural Beauty, calling for this river to be made into a model for the entire Nation.

Arctic Health Research Center

By mid-1965 construction work for the new facility of the Arctic Health Research Center at College, Alaska, was well underway toward meeting a schedule that would permit the building to be closed in before the onset of the winter season.

AHRC continues to study problems as widely diverse as the effectiveness of aeration in improving wintertime operation of sewage lagoons, to the growth curves among Eskimos.

Research results are related to the health needs of the native population and continue to expand our knowledge of the adaptive problems of healthful living in cold climates.

Robert A. Taft Sanitary Engineering Center

An illustrative reflection of the broadening national concern with problems of environmental contamination during this year was the increased demand for publications reporting research carried out by the several environmental health divisions at the Sanitary Engineering Center in Cincinnati. More than 105,000 publications were distributed and it was the fourth consecutive year that such increases occurred.

This national concern was further evidenced by the significant increase in the use of comparative technology to develop mathematical models of two environmental systems, water sheds and air sheds. The number of people taught to use programing language doubled for the second consecutive year. The approach to collecting information

became better organized and single systems were developed to collect data, reduce unwieldy data to workable proportions and to formalize data.

The Environmental Health Sciences and Engineering Training program added several new courses to its curriculum, which provides intensive short course instruction at the postgraduate level in air and water pollution control, food protection, radiological health, and metropolitan planning. More than 4,000 health workers were enrolled in courses offered by the program during the year.

The National Institutes of Health

The medical research effort of the National Institutes of Health is now not only larger than it has been, but is more mature in character, in outlook, and in capabilities. Maturity is reflected in more sophisticated tools and methods, in the substance and scope of investigations undertaken, and in ever-increasing involvement with the total social and economic framework within which biomedicine operates. Biomedical research is now geared to overall national planning both in prevention, diagnosis, and treatment of disease, and in vital undergraduate, graduate, and professional educational activities.

During the past year there have been a number of important personnel changes. Dr. Robert H. Felix was succeeded as Director of the National Institute of Mental Health by Dr. Stanley F. Yolles, who had been Deputy Director. Dr. Clinton C. Powell, the first Director of the new National Institute of General Medical Sciences, was succeeded by Dr. Frederick L. Stone, who had been Assistant Chief of the former Division of General Medical Sciences. Dr. Justin M. Andrews retired as Director of the National Institute of Allergy and Infectious Diseases and was succeeded by Dr. Dorland J. Davis, who had been the Institute's Associate Director for Intramural Research since 1956. Dr. Robert A. Aldrich left the directorship of the National Institute of Child Health and Human Development; at the end of the period, his successor had not yet been named. Dr. Charles V. Kidd was succeeded as Chief of the Office of International Research by Dr. Charles L. Williams, Jr., who had been Associate Director for International Relations, OSG.

Increasingly in evidence is the use being made, in medical research, of methods, tools, and techniques traditionally associated with the physical sciences. New instrumentation and automated devices are exerting a greater influence on routine laboratory and even clinical procedures.

With available computer technology making it feasible to carry out extensive and highly complex mathematical computations, first efforts at translating biological phenomena into mathematical models were discernible. The National Institute of Arthritis and Metabolic Diseases and the Clinical Center were embarking on a pioneering venture by installing computation data conversion equipment that will permit systematic examination and correlation of large quantities of laboratory data. A primary aim of this development is to expose biological and medical scientists to computer technology and an understanding of its mathematical base.

Increased use is being made of epidemiological studies and selected population surveys. Engaging the cooperative efforts of statisticians, sociologists, social anthropologists, and economic historians, such studies give promise of yielding valuable results not obtainable through normal laboratory or clinical procedures.

Much concern continued to center on the impact of Federal health funds on the educational institutions that participate in Government-sponsored research projects. The goal is that any expansion in a university to accommodate such ventures will strengthen, not weaken, their programs. With this in mind, special efforts were being made so that, while carrying out the necessary expansion, the institutions would retain responsibility for their overall research, educative, and service activities.

Parallel to this, efforts continued to devise procedures that would transfer greater control over grants administration to the recipient institution, while contributing to the speedier successful outcome of research endeavors. To develop a satisfactory modus operandi for assisting institutions in improving administration of grants programs, a pilot study was initiated in seven of the largest grantee institutions—Massachusetts General Hospital, Massachusetts Institute of Technology, Columbia University College of Physicians and Surgeons, the Rockefeller Institute, the University of Pennsylvania, Johns Hopkins University, and the University of Michigan—involving delegation to the institution of responsibility for procedures and expenditures heretofore requiring prior Public Health Service approval. Items covered in this study include: (1) movement of funds from one category to another, such as from purchase of supplies and equipment to personnel, or vice versa; (2) foreign travel; (3) purchase of major equipment, not included in the research grant application; and (4) making substantial changes in direction of research, that is, a change in objectives for which funds were originally granted.

A new grants policy effective at the beginning of this period eliminated annual termination dates for grants, identified a total project period not to exceed 7 years, and provided a general level of support

as an integral part of an approved project. Before this, PHS-supported grants generally were limited to a 1-year period during which the awarded funds had to be obligated or expended.

The aim in training biomedical manpower, for the next few years, was defined as a progressive increase in the responsibility of institutions for their own graduate programs, and the creation of an institutional setting conducive to expansion of programs in areas of need. To focus responsibility for graduate education in the institution itself, it will be necessary to expand general research and training support to provide the key staff.

The decision was made, during this period, not to expand the Research Career Fellowship Program (in which NIH furnished funds to provide stable careers for scientists who found themselves wholly supported by temporary funds from research grants) because the program was transferring to NIH too great a control over faculty appointments at universities, and, with faculty loyalty consequently being diverted to NIH, creating a situation in which the Federal Government appeared to be intruding into university affairs.

Since this decision created confusion in the universities concerning the intent of the Career Development Award program, the objective of that program was reiterated as not one of providing stable careers under a Federal program, but merely—by furnishing a 5- to 10-year training period—of yielding candidates from whom universities might select faculty members.

Experimental training programs—combining the Ph. D. and M.D. disciplines toward the making of a research scientist, with the M.D. portion incidental, rather than central, in the development of a medical scientist—were established at Albert Einstein Medical Center and Northwestern University. It appeared that in the succeeding 5 years, 15 to 20 schools were planning to institute similar programs.

The program of international centers for medical research and training is proving itself an effective mechanism for developing international scientific manpower, for providing overseas research resources for use by U.S. investigators, and for establishing a friendly climate for reciprocal exchange between United States and foreign scientists. From centers located in Colombia, Costa Rica, India, Malaysia, and Pakistan have emerged vital, multidisciplinary programs for solution of universal health programs. Illustrative of how these programs have grown is the University of Maryland program in Pakistan, which, initially limited to studies of gastrointestinal infection and parasitology, has now been expanded to include entomology, nutrition, pediatrics, rickettsiology, bacteriology, and epidemiology. In this period, Ohio State University was granted an award to determine the

feasibility of establishing an African International Center; exploratory studies will be carried out at the University of Ibadan in Nigeria.

Molecular biology continued to maintain its importance in biomedical research, especially with respect to the mechanisms of energy transformation and cell production of antibodies. The search continued for an explanation of the "metabolic errors" that cause disease and, frequently, mental retardation. High on the list of important goals were development of an artificial kidney at a cost that can be met by the average family, and of an artificial heart to take over the functions of the hopelessly diseased organ.

Prepared by Presidential committees, two reports—dealing with NIH activities—were released during this period. The report of the Commission on Heart Disease, Cancer, and Stroke—appointed by President Johnson early in 1964—recommended establishment of large medical "complexes" throughout the country to help reduce the incidence of these three diseases "through new knowledge and more complete utilization of the medical knowledge we already have." The Wooldridge committee—which studied the NIH intra- and extramural activities—concluded in its report, "Biomedical Science and Its Administration," that: "few, if any, $1 billion segments of the Federal budget are buying more valuable services for the American people than that administered by the NIH."

National Institute of Allergy and Infectious Diseases

The National Institute of Allergy and Infectious Diseases forged ahead in its research attack on disorders caused by viruses, bacteria, parasites, and allergies. It also laid the foundation for extensive work on immunology basic to successful organ transplantation. In addition, the scope of Institute research was broadened by the increasing need to study the role of viruses in causing such killers and cripplers as cancer, heart disease, stroke, nephritis, arthritis, pulmonary emphysema, chronic bronchitis, and diabetes.

The ultimate objective of the Institute is to translate its research findings into tools for physicians and public health workers to raise the health standards of America and the world. To this end, it is focusing its research efforts on severe and stubborn infections and allergies.

Acute infections take the lives of 120,000 Americans every year. Influenza continues to strike in worldwide cycles that kill many thousands. Epidemics of rubella, or German measles, damage thousands of newborn babies. Bacteria have developed drug-resistant forms that cause dangerous infections. Malaria goes on killing 2 million people every year. And over 15 million Americans suffer from allergies.

In a broad-based attack on these and many other problems, the Institute scored a series of noteworthy accomplishments in 1965.

In field trials, a live oral vaccine proved completely successful against adenovirus 4, the main cause of epidemics of severe acute respiratory disease at military training camps. This accomplishment was a long step forward on the road leading to the prevention of acute viral respiratory infections, man's most frequent illness and the leading cause of time lost from school and work.

In a related development the 31 adenoviruses were found to fall into 3 antigenic groups. This finding brightens the prospects for a single trivalent vaccine against the major cause of severe respiratory infections in children and young adults.

The Institute's collaborative vaccine development program moved nearer to the goal of a vaccine against the respiratory syncytial virus, the single most important cause of severe and fatal pneumonias in children less than 1 year of age. Institute scientists, who identified the antigen that stimulates the production of protective antibodies against the virus, played a large role in this advance.

The number of reagents developed by the Institute's research reference reagents program for fast and accurate identification of viruses was increased to 140, and an additional 80 moved up to the stage of final testing. These tools bring nearer the day when researchers in many countries will be able to work together in a concerted attack on the disease-causing viruses.

Institute scientists continued to add to their findings on the role of viruses in cancer. They developed the first test-tube test for mouse leukemia virus and a new test for detecting virus-induced blood cancer in chickens. Both tests may eventually prove useful in identifying human cancer viruses.

An Institute staff member and a grantee scientist at Montana State University developed a new, killed tuberculosis-immunizing agent that produces in animals an immunity equal to that of live BCG vaccine without apparently causing the skin-sensitizing effect of the live vaccine. Hopefully, the agent will eventually strengthen the Nation's defenses against tuberculosis, which every year kills 9,000 and undermines the health of 50,000 Americans.

Institute grantees at the Wistar Institute of Anatomy and Biology scored two important firsts: They grew the rubella virus in human embryo cells and cultivated rabies virus in human cells. As a result of these advances, the development of two vitally needed vaccines was stepped up.

In another outstanding extramural advance, a grantee at Washington University School of Medicine, St. Louis, developed a simple test

to detect sensitivity to penicillin, a cause of severe allergic drug reactions in one out of 60 people treated with the antibiotic.

National Institute of Arthritis and Metabolic Diseases

The 15th year of existence for the National Institute of Arthritis and Metabolic Diseases produced solid advances in terms of fundamental understanding of disease processes and therapeutic benefits to victims of disease.

The body of evidence indicating that rheumatoid arthritis is the result of abnormal autoimmunity remains the most widely held among working hypotheses. This concept is an important focus of Institute research in this disease, though not the only one. Other continuing and new studies are attempting to assess the possible role of infectious organisms in the initiation of the autoimmune mechanisms characteristic of this disorder.

Institute grantees strengthened this autoimmunity concept in the past year by transferring an experimental type of arthritis resembling human rheumatoid arthritis from diseased experimental animals to healthy ones through the injection of cells known to play a key role in immunologic reactions.

Other important developments in this area were two studies by Institute grantees which, taken together with earlier evidence, helped clarify the complex reactions causing the joint inflammation and cartilage destruction characteristic of rheumatoid arthritis and indicated the role played in them by rheumatoid factor—an abnormal protein fraction found in the blood of most persons with rheumatoid arthritis.

Progressive cartilage destruction also characterizes osteoarthritis, the most common of the arthritic disorders, and, during the past year, an Institute grantee showed that prolonged large doses of salicylates act to inhibit protein-digesting enzymes believed responsible for such cartilage destruction.

Further evaluation of data collected by Institute scientists while conducting a study of the effect of climate on rheumatoid arthritis among two tribes of American Indians, results of which were reported last year, has uncovered the very significant preliminary finding that on of the tribes has a prevalence of diabetes very much higher than that of the rest of the U.S. population. Studies now under way have confirmed the accuracy of the preliminary figures. The stability of this population offers a unique opportunity to investigate the natural history and genetics of diabetes.

The urgency of this and other research in diabetes is underscored by a recent report from the National Center for Health Statistics indicating that the number of Americans with diabetes may be 4

million. This figure emphasizes the importance of the finding, this past year, by Institute-supported scientists of an enzyme synthesized by the liver that promotes the destruction of insulin.

This work lends additional credence to the theory that in diabetes specific substances destroy or inactivate insulin after its release from the pancreas, a theory which challenges the classic concept that diabetes is the result of impaired or absent generation of insulin by the pancreas. This finding not only raises the possibility that enzymatic destruction of insulin may play an important role in the causation of diabetes but also points up the need to find means of inhibiting such enzymes.

Notable among the results of investigations into other metabolic diseases in this reporting period was the determination, by Institute scientists, of the metabolic defect responsible for the newly discovered disease, homocystinuria. In similar studies, two other syndromes were added to the list of metabolic or familial diseases by Institute grantees. Both affect young children, one causing mental retardation among other manifestations, the other mimicking cystic fibrosis in some of its symptoms.

Research in gastroenterology, on which the Institute has placed increased emphasis, was marked this past year by the synthesis of gastrin, the hormone that stimulates the secretion of gastric acid by the stomach, thus providing an invaluable tool for gastroenterologic research, with particular emphasis on the problem of peptic ulcer.

Institute-supported research in endocrinology produced several remarkable findings over the past year: an Institute grantee in Sweden induced ovulation in sterile women with human gonadotropic hormones, enabling them to bear children; a diagnostic method was developed to differentiate between primary and secondary aldosteronism (an adrenal gland disorder) without exploratory surgery; and the hypothalamus at the base of the human brain was identified as a regulator of growth hormone secretion.

Surgical procedures and techniques, another interest of the Institute, were advanced this year by the success of an Institute grantee in developing a new and effective surgical approach to enlargement of the passageway between the esophagus and stomach in patients with acid peptic stricture, achalasia and hiatus hernia.

Basic research, elucidation of fundamental life processes, is one of the prime activities of this Institute. Much of this research centers upon DNA, the genetic material in the cell nucleus that directs the formation of RNA, which in turn controls the synthesis of all cell proteins. In the past year Institute-supported research has described the role played in DNA synthesis by vitamin B_{12}. Another Institute

grantee succeeded in duplicating, outside the living cell, the RNA of a virus, and thereby acquired important information about the mechanisms of RNA replication.

As part of a major effort to improve scientific communications, the Institute established in the early part of this reporting period a monthly journal of abstracts from the world's rheumatological literature. Its success over the past year has prompted the initiation of plans to establish two more such journals, in the fields of gastroenterology and diabetes.

National Cancer Institute

The research programs of the National Cancer Institute are directed toward control of cancer through development of methods for treating the disease or eliminating its causes.

MAJOR RESEARCH PROBLEMS

The effectiveness of treatment depends, to some extent, on early detection. But development of reliable detection techniques is hampered by a lack of basic knowledge of biochemical differences between normal and malignant cells. In addition, research on treatment is complicated by the fact that patient response varies widely due to individual differences in host-tumor relationships.

Studies of identification of cancer-causing agents must take into account such factors as multiple carcinogens acting in combination over long periods of time. Also, the role of hormonal, genetic, and immunologic status of susceptible individuals must be studied in order to understand the carcinogenic process.

And, finally, a critical question in almost all cancer research is that of relating laboratory findings to the experience of man, mainly through epidemiological studies.

PROGRESS AGAINST LEUKEMIA

Substantial progress was made in studies on causes and treatment of leukemia. Previously, by use of the electron microscope, investigators reported the presence in human leukemic blood of viruslike particles resembling known animal leukemia viruses. Using the fluorescent antibody technique, Institute scientists have now shown that there may be antigenic as well as structural similarities among strains of leukemia viruses infecting various species, including man.

Similar viruslike particles have also been observed growing in several cell cultures derived from different human lymphomas and leukemias. Establishment of these cell lines represents the first steps in efforts to propagate for further studies the as yet hypothetical leukemia virus.

The possible viral etiology of leukemia in domestic animals is being investigated to determine what relationship cat, dog, or cow leukemia may have to the disease in man. Institute contractors and grantees have reported the presence of viruslike particles in some pooled and individual samples of milk from cows in a herd with a high incidence of lymphosarcoma. Pooled milk from lymphosarcoma-free herds showed fewer of these particles and individual samples showed none.

In an Institute study, clinical results continued to show that four antileukemia drugs can be combined at nearly full doses and administered safely. Two of eleven children with acute leukemia had no clinical or laboratory evidence of their disease almost 2 years beyond cessation of therapy and without any use of drugs on a maintenance basis.

This year, also, there was an encouraging increase in the remission rate of acute leukemia in adults. In one Institute study, anticancer drugs given in combination produced complete remissions for long periods in 60 percent of the patients.

OTHER LABORATORY AND CLINICAL STUDIES

The present emphasis of National Cancer Institute research on leukemia results from an accumulation of pertinent information. A broad range of basic laboratory and clinical investigations is being carried out to pinpoint other areas suitable for intensive study.

Results of two Institute studies suggested that the functional integrity of the thymus is necessary for complete and permanent immunologic competence and that resistance of mice to polyoma virus also depends on thymic tissue.

In a cooperative study with investigators from two other Institutes, Cancer Institute scientists showed that a contagious tumor of hamsters was transmissible by mosquitoes, probably by transfer of viable tumor cells. In another study, a known cancer-causing chemical was used to induce liver cancer in monkeys for the first time. The results of this investigation may enhance the usefulness of nonhuman primates as experimental animals for studies of human cancer.

Several studies during the past year established laser energy as a tumor-destroying agent for a variety of experimental tumor systems. Institute scientists reported permanent destruction of melanoma implants in mice and observed that effectiveness of the treatment was directly related to amount of laser radiation and size of the tumor.

STATISTICAL AND EPIDEMIOLOGICAL STUDIES

Data obtained from more than 100 hospitals indicated, during the period 1940–59, an increased use of surgery to treat solid tumors and a sharp increase in the use of drugs for the lymphomas and leukemias. Increases in survival rates were noted for patients with cancers of the large intestine, rectum, and uterus and for leukemia patients.

Reanalysis of the causes of mortality among U.S. uranium miners revealed a marked excess of lung cancers. The increase occurred among men with 5 or more years of underground mining experience, thus demonstrating a dose-response relationship.

National Institute of Child Health and Human Development

The Institute fosters and supports research and training related to maternal health, child health, and human development, including special health problems affecting mothers and children and the basic sciences related to processes of human growth and development. This research has as its goal the acquisition of knowledge that will permit man to enjoy a normal, healthy life throughout the years from conception to old age.

Today approximately 7 of every 100 births in this country are premature—among the disadvantaged the rate is 20 of every 100. Many of these infants die within the first few days or weeks of life. While some of these premature births are due to defective development, it seems clear that prevention of premature birth alone would reduce the incidence of many disorders and prevent many infant deaths. Mental retardation, congenital malformations, physical and psychological handicaps and other developmental defects of growth and behavior are also significant problems to children, their parents, and society. The processes of maturation and aging, continuing throughout the span of human life, are little understood and need fuller investigation.

During the past year improved understanding of the processes by which heat is exchanged between a newborn infant and his surroundings have made it possible to increase the survival rate of small premature infants. Institute supported scientists have produced experimental phenylketonuria (PKU)—a disorder resulting in mental retardation if untreated—in primates. Such experimentally induced disorders are an important tool in the search for ways to prevent retardation.

The foundation for an Institute program of direct research was established with the acquisition of a research facility in St. Petersburg, Fla., for use in aging studies, and organization of an outpatient diagnostic and study unit for retarded children in cooperation with the National Naval Medical Center. A program of direct research in reproductive biology, to be based in Puerto Rico, is also being developed. These activities will increase the Institute's own competence to deal directly with problems in these research areas.

Future plans call for the Institute to devote considerable attention to research on basic phenomena of reproductive biology, including questions of fertility, sterility, and population dynamics; to studies of the relationships between biological, social and environmental factors in aging; and to research into the social, economic, and cultural factors that can contribute to mental retardation.

National Institute of Dental Research

The growing engagement of the basic sciences in dental research has contributed to a better understanding of the various life processes and other factors involved in oral diseases. Each year brings new knowledge and hope of the eventual prevention of these problems.

Increasing evidence of the germ factor in tooth decay is suggesting new research approaches. Considered together with other critical factors of tooth susceptibility and a caries-conducive diet, they point to the early development of even more effective means of control and prevention than are available today.

As a supplement to the benefit of fluoridated water, various means also are being sought to strengthen the mineral structure of the tooth to make it more resistant. Among these, a custom-fitted plastic mouthpiece containing a fluoride-phosphate gel, is being field-tested for its effectiveness in the prevention and control of not only dental caries but also early types of periodontal disease. Six hundred schoolchildren, aged 10–14, have been under study, and preliminary results appear encouraging.

Other experimental studies suggest the possibility that the addition of phosphate to sugar (sucrose)-treated foods may inhibit the caries-producing effect of this carbohydrate.

For those for whom such preventive developments may come too late, other studies are exploring the development of new restorative materials that will permanently bond to the teeth. Experiments also hold promise for the successful implantation of plastic teeth.

Periodontal disease (pyorrhea), the chief cause of loss of teeth after age 35, has continued under intensive study. Recent findings show that micro-organisms may be implicated in this disorder. New evidence also indicates that bacterial antigens in the mouth may cause an allergic reaction which may be involved in the development of the disease.

The problem of cleft lip and palate, which afflicts one out of every 750 persons, has also been attacked more vigorously. With the establishment, under Institute support, of two new multidisciplinary centers this past year, eight research centers are now intensely studying both its preventive and rehabilitative aspects.

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The Institute now supports more than 400 research projects in 130 institutions, including universities, hospitals, and all 50 schools of dentistry. Training funds, supporting approximately 400–450 potential scientists, are awarded to 63 institutions for 98 separate training programs.

National Institute of General Medical Sciences

In carrying out its mission to support research in the basic biomedical and health-related sciences, the National Institute of General Medical Sciences provides funds for training young investigators in their chosen areas, and supports carefully selected research projects of established scientists. The research projects include not only those in the basic science disciplines, but others in biophysics, bioengineering, and biomathematics—areas which contribute significantly to the multidisciplinary approach to present-day research problems. The Institute also supports certain clinical sciences of general interest, such as surgery, pathology, and anesthesiology.

About 2,000 research grants receive support from the Institute. Most of these deal with fundamental problems such as the mechanisms of enzyme action, the chemistry of proteins and nucleic acids, the regulation of cellular metabolism and energy utilization, and the molecular basis of inheritance. Of special interest are several projects in pattern recognition by computer; these include recognition of blood cell types, computer analysis of X-ray films, automated diagnosis of microbial diseases, and a mass prescreening technique for uterine cancer.

At Washington University, St. Louis, scientists supported by this Institute reported striking results in reducing the death rate for patients with extensive third-degree burns from an anticipated 81 percent to 31 percent. The treatment, still in the experimental stage, consists of local application of a dilute solution of silver nitrate in combination with antibiotics and immersion baths in a commonly used solution of salts. This regimen has virtually eliminated infections and promoted healing without joint contractures, deformity, or severe scarring.

In work that opens the way for possible future development of chemical virus inhibitors, scientists at the Albert Einstein College of Medicine in New York have reported the discovery and purification of an enzyme essential for the reproduction of an infective bacterial virus. This enzyme can now be extracted and studied outside its host, and the search for a chemical inhibitor of this type of virus, which contains ribonucleic acid as its genetic material, becomes feasible.

Studies of the genetic history of a culturally isolated group in an

Eastern State have produced information on hereditary abnormalities which, through exact records, can be traced back to the 18th century. Scientists at the Johns Hopkins University have documented 49 cases in which such defects as an extra finger on each hand and a serious malformation of the heart are due to a recessive gene. Data encompassing the entire genealogy of this group are now being analyzed in computer studies which are expected to shed new light on disease patterns, on consequences of kinship and marriage systems, and on the biological effects of inbreeding.

This Institute shares in the national program now being organized by the Federal Government to study the hazards to humans posed by chemicals such as drugs, pesticides, industrial wastes, and other pollutants. The basic research aspects of this program will be administered by the National Institutes of Health. Central to this effort are the university-based centers for research and training in pharmacology and toxicology now being planned. The first award for such a center was made in the past year to the State University of Iowa. Other aspects of the pharmacology-toxicology program will include the development of a system for rapid dissemination of such information, and the investigation of certain research problems through contracts to industrial laboratories.

This Institute's overall commitment to research training is broad and covers about 20 fields of science. Training grants help supply research manpower in the basic disciplines such as biochemistry, physiology, and anatomy; they also channel support into rapidly developing multidisciplinary areas such as molecular biology. In addition to these programs, the new Medical Scientist Training program encourages research training as an adjunct to medical training, and the Experimental College Research Training program attempts to identify potential scientists at the undergraduate level and to give such students an opportunity to explore scientific research areas in depth.

Through research fellowships and research career awards, the Institute provides support at a variety of levels. About two-thirds of all the predoctoral fellowships supported through NIH funds are awarded by this Institute. The additional $1,800,000 provided by Congress in the past year to strengthen this program enabled the Institute to increase by 300 the number of fellowships in this critical shortage area.

This Institute's Program Anaylsis Branch is creating an information retrieval system to provide data for improving the operation of the Institute's support programs. The system now in operation for the Research Grants Branch covers fiscal, program, and administrative information. A similar system is nearing completion for the training grant and fellowship programs.

National Institute of Mental Health

The goal of the national mental health program has progressed beyond provision of treatment for persons already mentally ill to the development of effective preventive and treatment services easily accessible to all disturbed and potentially disturbed persons.

To achieve this, the National Institute of Mental Health programs include the basic research of laboratory investigators; effective translation of research findings into improved methods of care for the mentally ill; aid to the States in comprehensive mental health planning; the training of professional and skilled mental health manpower; and the support of construction of a nationwide network of community mental health centers.

RESEARCH

One major aim of the Institute is research into the causes of the mental disorders to develop means of preventing their development and curing their victims. Many scientists now believe that the causes of mental illness may lie in both heredity and environment. In schizophrenia, the most severe and most baffling disorder, investigators have observed an association between certain behavioral patterns and the nature of chemical reactions in the metabolic processes. This association suggests that genetically determined biochemical or neurological aberrations may be crucial factors in causing schizophrenic disease, while psychological, social and cultural factors may trigger the occurrence of schizophrenia and affect its course and specific symptoms.

Next to schizophrenia, depression is the most common nonorganic psychiatric illness. In studies of the relationships between the behavior and metabolism of depressed patients, investigators found a rise in the levels of a product of adrenal hormones as the patient grew more depressed. From these studies, it may be possible to develop a test to predict and, perhaps, prevent suicides among depressed persons.

As the primary agent of both genetic heritage and socialization, the family is a subject of growing interest to researchers. Family group therapy is an accepted and effective form of treatment of a sick member. The role of childhood environment and development in later adjustment is also being studied. Its significance, previously substantiated by experiments with monkeys who grew bizarre when deprived of their mothers and other physical contact, is now being investigated biochemically.

Progress has continued in the development and testing of psychoactive drugs that help make the mentally ill patient more accessible to new modes of treatment.

New drugs are being used more specifically for specific illnesses and their effectiveness and side-effects are being carefully scrutinized.

One research project is refining tranquilizers for use with severely disturbed children. Another project has developed a long-acting antipsychotic drug that may be administered intravenously only twice a month, as compared with oral medication that must be taken daily.

Alcoholism and drug abuse are also major concerns of the research program. Alcohol research includes projects to assess and clarify existing knowledge about alcoholism to develop more effective methods of intervention and prevention; studies of the relationship between sociocultural factors and drinking patterns; and experiments with psychoactive drugs to treat acute alcoholic withdrawal symptoms. In the area of drug abuse, scientists at the NIMH Addiction Research Center have developed a test for detection of drug use and have refined nonnarcotic drug treatment of addicts. The biochemical bases for narcotic addiction and the reason for withdrawal convulsions among barbiturate addicts are also being investigated.

COMMUNITY SERVICES

Administration of the community mental health centers program authorized by Congress in 1963 continues to be a major function of the NIMH. State plans are being processed by the Institute, a preliminary step to the application for Federal funds for construction of community mental health centers. An estimated 500 to 700 community mental health centers will be established by 1970 under this program.

HOSPITAL IMPROVEMENT PROGRAM

To provide immediate improvements in methods of care for those patients hospitalized for mental illness, the Institute has awarded grants to more than 150 State hospitals and institutions for the mentally retarded in 46 States during the first 2 years of this program. These grants, for improving hospital services and patient care, totaled $12 million during fiscal year 1965.

TRAINING

Efforts to train sufficient manpower to staff the community mental health centers were given a boost with the introduction in Congress of a bill authorizing financial assistance for technical and professional personnel in the centers during their initial 51 months of operation. An estimated 87,000 personnel in the core mental health disciplines will be needed by 1970 to staff centers and to maintain the supply of professionals working in other than community center settings.

The Institute's program of psychiatric training for general practitioners had 4,900 participants during its first 4 years. This includes both physicians who wish to specialize in psychiatry and those who wish to supplement their general practice with new knowledge in the field of psychiatry.

With NIMH support, a substantial number of medical schools and hospitals are now integrating training in community psychiatry into their residency programs.

The inservice training program, designed to provide on-the-job training for hospital personnel, completed its second year with a total of 222 grants awarded.

National Heart Institute

New and impressive gains in basic and clinical knowledge were scored during the year against diseases of the heart and blood vessels through the research conducted and supported by the National Heart Institute.

When the heart is heavily burdened by hypertension, congenital defects, rheumatic valvular disease, or other factors, a number of mechanisms come into play to help the overtaxed heart in meeting its circulatory obligations. An important one is greater activity of the sympathetic nervous system, which releases larger amounts of norepinephrine—a powerful stimulant that boosts the heart rate and also the vigor and efficiency of contraction—from the stores maintained in heart muscle. Studying the role of the sympathetic nervous system in cardiac patients, Heart Institute scientists discovered that the persistent sympathetic hyperactivity common to patients with heart failure is associated with partial depletion of the cardiac stores of norepinephrine and that further depletion may result from the stress of open-heart surgery.

A new test for pheochromocytoma, a tumor of the adrenal glands that causes a potentially curable form of high blood pressure, was reported to the medical profession. In studies at the Heart Institute, it was found that injections of tyramine produce a much greater pressor response in patients with pheochromocytoma than in normal subjects or patients with essential hypertension. Because many of the symptoms of the adrenal tumor resemble those of hyperthyroidism, essential hypertension, and diabetes, this test will be particularly valuable in problems of differential diagnosis.

Advances continued to be made in surgical research. NHI investigators demonstrated that Teflon patches having multiple perforations of a specified size can be used successfully to bring about gradual closure of aortopulmonary septal defects complicated by severe pulmonary hypertension.

A significant number of patients with heart disease develop irregularities of heart rhythm. They are too frequently a complication of heart attacks and are common in patients convalescing from cardiac surgery. NHI scientists reported that a new technique, in which

paired electrical stimuli are delivered to the heart from a special external pacemaker, may be useful in correcting such arrhythmias. Confirming and extending studies done elsewhere, they found that it slows heart rate, normalizes the contraction sequence, and increases contractile force.

Among other NHI research results published during the year were findings that a fiberoptic catheter system devised by the American Optical Co., in which light is channeled much as a wire channels electricity, provides an accurate means of detecting, locating, and assessing the size of holes in the wall dividing the heart, a common form of congenital defect; that plasma levels of tyrosine vary with the level of thyroid function and differences become more striking after an oral dose of tyrosine, knowledge that may be valuable in diagnosis of thyroid disorders; and that a group of protein-like substances called kinins may play an important role in the pain, swelling, and allergic reactions to the venoms of wasps, hornets, and other stinging insects.

ADVANCES THROUGH RESEARCH GRANTS

Notable accomplishments were made at many institutions, of which only a few can be mentioned here. NHI grantees at the University of Minnesota developed a new artificial heart valve, using a meniscus-shaped disc in a stainless steel cage, that appears to combine the desirable flow characteristics of leaflet and flap valves with the dependability and durability of ball valves. In other studies at the same institution, a compact, implantable electronic device called a baropacer was devised that was shown to control induced hypertension in animals through stimulation of the carotid sinus.

In investigations at Albert Einstein College of Medicine scientists revealed that there is a lipid-accepting protein in plasma which may be an important means by which the liver is enabled to cope with increased fat loads. Research in hyperbaric oxygen conducted at Mount Sinai Hospital, New York City, showed that exposure for 2 hours to 95–100 percent oxygen at a pressure of three atmospheres substantially increased survival among dogs with experimentally inducted heart attacks.

Scientists at St. Louis University found in transplantation studies that hearts which have been completely removed from dogs, then reimplanted, in time reestablish their severed connections with the central nervous system, usually between 12 and 24 months after operation. Grantees at the Michael Reese Hospital and Medical Center, Chicago, reported that experimental procedures causing chronic impairment of cardiac lymph flow greatly increase the susceptibility of the heart to inflammation and bacterial infection.

Also reported during the year were results of an NHI-supported collaborative study comparing heparin and warfarin for anticoagulant therapy during the acute and convalescent phases of heart attacks, which was carried out in 13 hospitals and involved 798 patients. The relative merits of the two anticoagulants have been controversial. Heparin is expensive and must be given by injection, but has rapidity of action, low toxicity, a large safety factor, and a wide spectrum of activity. Warfarin and other coumarin-type anticoagulants are inexpensive and can be given by mouth, but their spectrum of activity is not so great and their action develops gradually and is not readily reversible. The investigators found that the use of warfarin was associated with higher survival rates and fewer bleeding complications and concluded that there is no justification for preferring heparin over warfarin.

National Institute of Neurological Diseases and Blindness

During the last year the Institute vigorously conducted and supported research into the causes and treatment of chronic diseases of the eye, ear, brain, and special senses which affect an estimated 10 to 20 million Americans. In some research areas short-range programs were indicated to attain early clinical adaptation of promising scientific findings. In other areas longer-term basic studies of complex diseases were pursued.

VISION, HEARING, AND SPEECH DISORDERS

More than 400 Institute-sponsored research projects relating to all the blinding diseases and visual impairments were under study, including cataract, glaucoma, amblyopia, eye infections, and disorders of the retina and cornea. Among promising developments were improvements in treating eye infections of the cornea; experiments with a new method of freezing corneas for corneal transplants to improve chances of restoring vision; additional evidence that primary glaucoma is inherited as a recessive trait; further knowledge of the way the eye sees color; and better techniques for detecting ocular damage produced by certain tranquilizing and antimalarial drugs.

How man hears, develops language and speech, and learns with these tools of the mind received greater research attention than ever before in the Institute's history. Almost 200 different projects investigated hearing mechanisms and diseases of the ear, thought processes underlying human language, and disorders of speech and phonation. Advances included a method for treating Meniere's disease with ultrasonic energy and indications that otosclerosis may cause not only conductive hearing loss but also neurosensory impairments due to inner ear involvement.

CHILDHOOD DISORDERS OF THE BRAIN AND NERVOUS SYSTEM

The search for origins of mental retardation, cerebral palsy, deafness, blindness, and other childhood disorders involving brain dysfunction continued to be a major concern. Through its collaborative perinatal project, the Institute's broad program of clinical research moved forward at 14 medical institutions where data on over 50,000 women and their babies are being studied for clues to possible causes of neurological or mental abnormalities. Collaborating investigators have succeeded in defining more accurately the degree of risk to the developing infant of the infectious agents of toxoplasmosis, "salivary gland virus" disease, and German measles (rubella).

This year the Institute developed the first rapid and simple blood test for detecting rubella, which can cause serious physical or mental damage to the infant if the infection attacks a woman in her early pregnancy. Work is in progres to evaluate the effects of rubella on the fetus and to hasten development of a safe and effective vaccine.

A number of other Institute studies seek to prevent or treat disorders that may lead to serious neurosensory impairments of the young. For example, a study by Institute scientists of specific biochemical factors that may produce brain disorders led to a finding this year that an enzyme deficiency may cause Gaucher's disease—generally fatal among babies before the age of 2. Discovery of an ineffective enzyme may now make it possible to devise a means to correct this inborn defect.

INFECTIOUS DISEASES OF THE NERVOUS SYSTEM

Intensive interest continues in the theory that certain human neurological syndromes may, as in some animal diseases, be caused or triggered by slow or latent viral diseases. An Institute-sponsored workshop symposium on "Slow, Latent, and Temperate Virus Infections," held this year, stimulated further explorations of this possibility. Also, an Institute-sponsored delegation this year studied some Russian hypotheses about infections of the nervous system. A main interest was a Soviet report that a virus causes amyotrophic lateral sclerosis (ALS). Although the delegates were not convinced of the presence of a transmissible agent in material submitted to them for examination, they concluded that research aims could be furthered by the continued exchange of data among scientists of the two countries.

NEUROMUSCULAR DISEASES

Further progress is reported in the Institute's efforts to differentiate various diseases of muscle commonly grouped together under the general term "muscular dystrophy," and to determine the anatomical and biochemical defect underlying each, so that the debilitating process in muscle can be controlled as quickly as posible. This year Institute

scientists identified a fourth variation, a muscle-cell structural abnormality that is associated with retardation.

OTHER LONG-TERM NEUROLOGICAL DISABILITIES

The focus of national concern on some of the chronically disabled population parallels the Institute's long-range programs to combat debilitating ailments as stroke (cerebrovascular disease), epilepsy, Parkinson's disease, multiple sclerosis, and brain-injured victims of accident or injury. Believing that clinical investigators and basic scientists from numerous disciplines are needed to make a coordinated attack on certain unsolved problems of disease and disability, the Institute has established specialized centers for neurological and sensory research. Of these 24 centers, located within leading medical institutions, 3 are in stroke, 2 in epilepsy, and 1 in Parkinsonism. Other research and scientific-information centers are being planned to conquer the neurological ailments that claim so heavy a toll in death and disability.

Division of Biologics Standards

This Division is responsible for the control of all biological products used commercially for the prevention and cure of diseases in man. These products—vaccines, antitoxins, therapeutic serums, and human blood and its derivatives—are developed from potentially pathogenic micro-organisms. Rigorous control procedures are essential in their preparation to reduce to a minimum the hazards which might occur in processing, and to ensure final products of satisfactory potency.

Effective administration of these responsibilities requires the design and development, within a research context, of adequate and practical standards for the production and testing of biologics, careful surveillance of production methods, and the continuous improvement of testing procedures. Thus, the research of the Division is essentially product-oriented, helping to provide essential information for formulation of requirements and regulations governing licensing and release of biologics.

Much of the Division's work this year has been concerned with oncogenic factors in relation to vaccines. Many mammalian and avian species harbor latent viruses, some of which may have a tumor-producing or oncogenic potential. These findings are of importance in biologics control since most virus vaccines are produced in mammalian or chick embryo tissue cultures or in embryonated eggs. Simian virus 40 (SV–40), an adventitious virus now excluded from vaccines, is notably different from the many other simian viruses found in rhesus kidney cell cultures, for under certain conditions it produces tumors when injected into newborn hamsters. Since this represents a poten-

tial threat to the safety of all viral vaccines prepared in rhesus kidney cell systems, the Division's extensive research on SV–40 is continuing.

Using the same test system that is used for SV–40, it has now been shown that some adenoviruses responsible for some common respiratory ailments also have an oncogenic potential. The relation of these findings, if any, to human illnesses is not clear, and a great deal of additional research is required. Implicated thus far are adenovirus types 3, 7, 12, 18, and 31. A number of other viruses which may be encountered in vaccine production are known to have oncogenic properties.

The relationship between rubella infection during pregnancy and the development of congenital anomalies has been cause for concern for many years. Since October 1962, several groups of investigators have been working toward the development of a rubella vaccine. The Division has established an active research program to facilitate the control, testing, and ultimate licensing of such a vaccine.

Problems of virus production, testing, and evaluation as they apply to safety and potency standards are under study. These include the search for an experimental animal system to serve as a model for the study of human infection with rubella virus; the relationship of antibody formation to the prevention of congential anomalies as well as to protection against the disease itself; and the development of an immunologic test of greater sensitivity and utility than the one currently used.

Division of Research Facilities and Resources

The Division of Research Facilities and Resources administers grants which support large-scale resources for biomedical research.

In 1965, 112 grants, totaling $50,827,290 in matching funds, were awarded through the health research facilities program for construction of research space. Almost $20 million of that amount was awarded to 12 medical schools for research construction. Five grants, totaling $14,746,000, were awarded for construction of mental retardation research centers.

With awards for 5 new general clinical research centers, there were, at the end of fiscal year 1965, 83 centers with 1,039 beds. Annual reports from 63 centers indicated approximately 1,600 research studies were conducted by 1,500 investigators on 13,000 patients.

Two regional primate research centers were completed during the year. Of the seven authorized centers those at the universities of Oregon, Wisconsin, Tulane, and Washington are now completed. All seven centers, either in temporary or permanent quarters, have research programs underway.

Fifteen grants totaling more than $3 million were awarded for special research resources, bringing the number of special research resource grants administered under this program to 53, of which 39 support computer centers.

Under the general research support program, 273 institutions received funds totaling approximately $44 million. These grants are used for salaries for scientific personnel, research training, support of promising research programs, and in many other ways.

Division of Research Services

A wide variety of scientific, technical, and engineering services are provided by DRS to support and further the research programs of the NIH. Serving as engineering liaison in the design and construction of new NIH facilities, DRS is currently engaged in more than 20 major projects having a total estimated cost of over $75 million. A major increase in engineering workload resulted from implementation of the first NIH-directed improvement and major repair program. Critical problems related to effective management of the Division include the financial structure, the lag between the time when research money is appropriated and funds to support that research are made available to DRS, and personnel ceilings.

Division of Research Grants

The Division of Research Grants continued to coordinate the development of grant policies and procedures throughout the PHS. The Division's responsibilities for the processing and scientific review of applications for extramural research support have been extended to include the grant programs of the National Library of Medicine, activated in fiscal year 1965, as well as those of the Community Health and Environmental Health Divisions of the Bureau of State Services, and the increasing grant activities of NIH.

DRG's annual workload continued to increase as shown by comparison of fiscal year figures. A total of 26,223 grants and awards amounting to $768,736,314 were made in 1964, compared with 24,994 amounting to $650,759,657 in 1963, and 23,747 amounting to $571 million in 1962.

In addition to reviewing more than 12,000 research grant applications for scientific merit during fiscal year 1965, more study sections were active this year in fulfilling their obligations to stimulate research in neglected areas of physical, biological, medical, and behavioral sciences related to health and disease.

Implementation of civil rights procedures for grantees under the Civil Rights Act of 1964 was a new assignment for the Division. Late

in December 1964, DRG was given the departmentwide responsibility of notifying all grantee institutions, other than those of higher education and State health departments, that an "assurance of compliance" would be required if grant funds were to be continued. The Division completed the formidable task of getting new forms out and returned before the January 1965 deadline.

An operational pilot study of revised administrative procedures to increase grantee institution management of PHS-supported research projects was initiated early in fiscal year 1965. The Division also developed a standard hospitalization policy and reassigned staff to negotiate and complete rate agreements with approximately 200 grantee institutions affected by the policy.

Clinical Center

In its supporting role to the seven categorical Institutes, the Clinical Center continued last year to respond to the changing needs of clinical investigation programs. Because of recent advances in the treatment of certain types of malignancies, investigators of the National Cancer Institute postulated that total isolation of the patient from his bacteria laden environment would permit the successful use of highly intensive chemotherapy, but realized that this technique would require a previously unknown degree of meticulous hospital care.

During fiscal year 1965, a plastic-enclosed environment was acquired which made it possible to isolate the patient on this intensive anticancer therapy from all bacteria in air, food, and from other people. Support of patients in such an environment has taxed the ingenuity of the patient care staff and seriously increased the workload in the departments of Nursing, Nutrition, Clinical Pathology, Central Sterile Supply, and Pharmacy. However, this nearly "germ free" project has shown extremely promising results in the management of patients with leukemia.

Installation of a CDC 3200 computer in the Clinical Pathology Department was started during the last quarter of fiscal year 1965. This new equipment will utilize the information-handling capacity of the department's electronic data processing system which has been developed over the past 5 years. It will also replace the punch-card system which was used in a 2-year pilot study both to request clinical pathology studies and to store as memory the results of these studies.

Based on this experience, members of the Clinical Pathology Department were able to collaborate with engineers and programming staff of a contract instrument laboratory in developing the new system which will be capable of providing far more meaningful information to the clinical investigator in the care of his patients. The pioneer

work and progress in this area by the Clinical Pathology Department has also served as a stimulus for many other medical centers to undertake similar developments.

Over 4,000 research patients were admitted to the Clinical Center during fiscal year 1965. Followup visits increased during this period to 50,635, more than double the number 6 years ago when the total reached 25,000.

Table 1.—*Statement of appropriations, authorizations, and obligations, fiscal year 1965*

[In thousands]

Appropriations	Funds available for obligation					Amounts obligated
	Appropriations and authorizations	Net transfers between appropriations	Repayments for services	Prior year unobligated balances	Total funds available	
Total	$2,004,410	1,299	$19,229	$287,521	$2,317,425	$1,920,152
Appropriations, PHS	2,004,076	1,299	19,229	287,180	2,311,784	1,914,864
Buildings and facilities	22,512	+1,006		48,173	71,691	19,424
Scientific activities overseas (special foreign currency program)	1,000			6,105	7,105	4,878
National health statistics	6,304		329		6,633	6,607
National Library of Medicine	3,958		29		3,987	3,968
Retired pay of commissioned officers	7,155				7,155	7,066
Salaries and expenses, Office of the Surgeon General	6,214		107		6,321	6,308
Emergency health activities	8,875		28	12,666	21,569	8,196
Consolidated working fund, HEW			1,010	383	1,393	978
Consolidated working fund, HEW			1,930		1,930	1,895
Hospitals and medical care	53,765	+1,299	8,716		63,780	63,763
Foreign quarantine activities	7,009		525		7,534	7,532
Indian health activities	62,940		665		63,605	63,390
Construction of Indian health facilities	8,835			4,171	13,006	9,078
Consolidated working fund, HEW, grants for research			(335)	(118)	(452)	(293)
Accident prevention	3,886		15		3,901	3,884
Chronic diseases and health of the aged	53,908		180		54,088	52,909
Chronic diseases and health of the aged (1964–1965)				1,060	1,060	1,060
Communicable disease activities	29,974	−7,938	2,735		24,771	24,720
Communicable disease activities (1965–1966)		+7,938			7,938	7,050
Communicable disease activities (1964–1965)				8,641	8,641	8,631
Community health practice and research	33,230		28		33,258	32,076
Community health practice and research (1965–1966)	15,324				15,324	15,324
Control of tuberculosis	10,932				10,932	10,829
Control of venereal diseases	10,105				10,105	10,060
Dental services and resources	7,228		4		7,232	7,150
Nursing services and resources	21,660		6		21,666	18,287
Nursing services and resources (1965–1966)						
Hospital construction activities	8,407		2		8,409	7,567
Hospital construction activities (mental retardation)	28,500			5,000	33,500	7,225
Hospital construction activities (1965–1967)		+488			488	
Hospital construction activities (1965–1966)	230,000	−488			229,512	48,741
Hospital construction activities (1964–1965)				158,642	158,642	155,357
Health professions educational assistance	110,200				110,200	93,408
Health professions educational assistance	582				582	482

Table 1.—*Statement of appropriations, authorizations, and obligations, fiscal year 1965*—Continued

Appropriations	Funds available for obligation					Amounts obligated
	Appropriations and authorizations	Net transfers between appropriations	Repayments for services	Prior year unobligated balances	Total funds available	
George Washington University Hospital construction						
Bureau of State Services management fund			($5,686)		($5,686)	($5,673)
Environmental health sciences	$9,380		65		9,445	9,152
Air pollution	20,995		13		21,008	20,966
Environmental engineering and and sanitation	9,170		297		9,467	9,429
Occupational health	5,194		31		5,225	5,209
Radiological health	19,720		1,817		21,537	21,149
Water supply and water pollution control	35,122	−820	497		34,799	34,442
Water supply and water pollution control (1965-66)		+820			820	
Grants for waste treatment works construction (1963-66)	93,000			$23,873	116,873	84,523
General research and services	164,759	−569		127	164,317	163,060
Biologics standards	4,969				4,969	4,433
National Institute of Child Health and Human Development	42,696				42,696	41,320
National Cancer Institute	140,011	−1,041		3	138,973	138,071
National Cancer Institute (1961-65)		−264		143	−121	−156
Special cancer research	10,000				10,000	9,933
National Institute of Mental Health	187,932	+341	81		188,354	186,287
National Heart Institute	124,824	+347	4		125,175	124,411
National Heart Institute (1962-65)		−742		684	−58	−61
Construction of community health centers (1965-66)	35,000				35,000	
National Institute of Dental Research	20,083	+107	2		20,192	20,111
National Institute of Arthritis and Metabolic Diseases	113,050	+294	16		113,360	112,902
National Institute of Allergy and Infectious Diseases	69,847	+253	95		70,195	70,090
National Institute of Neurological Diseases and Blindness	87,821	+268	2		88,091	88,021
Grants for construction of health research facilities	58,000			6,012	64,012	63,720
Construction of mental health, neurology research facility				11,497	11,497	9
National Institutes of Health management fund			(44,774)		(44,774)	(44,379)
General research support grants			(45,000)		(45,000)	(43,985)
Appropriations, special project funds made available by other agencies					4,966	4,874
Public works acceleration, Executive (transfer to HEW, PHS)					824	738
Salaries and expenses, Bureau of Prisons (transfer to HEW, PHS)					2,874	2,873
American Sections, International Commissions State (transfer to HEW, PHS)					108	105
Farm labor supply revolving fund, Bureau of Employment Security (transfer to HEW, PHS)					71	71
Assistance to refugees in the United States, Office of the Commissioner, SSA					1,089	1,087
Gift funds donated for general and specific purposes	334.1			340.8	674.9	414.0
Contributions, Indian health facilities	194.3			97.9	292.2	285.7
Public Health Service unconditional gift fund	20.4			133.3	153.7	9.7
Public Health Service conditional gift fund	60.3			48.7	109.0	38.6
Patients' benefit fund, Public Health Service hospitals	39.6			19.8	59.4	38.7
Special statistical work, vital statistics	19.5			41.1	60.6	41.3

Table 2.—*PHS total paid by employment by bureau and division, as of June 30, 1965*

	Grand total	Full-time						Part-time and intermittent		
		Total	United States			Territories and possessions	Foreign countries	Total	Advisors and consultants	Others
			Total	Washington metropolitan area	Outside					
Public Health Service—All Bureaus	37,753	36,056	35,612	15,931	19,681	211	233	1,697	333	1,364
Office of the Surgeon General	1,489	1,449	1,375	1,148	227	2	72	40	28	12
Immediate Office of the Surgeon General	90	87	87	74	13			3	3	
Division of Finance	127	127	127	127						
Division of Administrative Services	144	144	144	90	54					
Division of Public Health Methods	51	40	40	40				11	11	
Office of International Health	66	62	61	59	2		1	4	3	1
Division of Health Mobilization	187	187	186	102	84	1				
Office of Personnel	194	189	189	189				5		5
Office of Information	50	49	49	49				1	1	0
Division of Internal Audit	36	36	36	21	15					
National Center of Health Statistics	392	376	376	376				16	10	6
Regional Offices	32	32	32		32					
Details to AID	35	35	6	6			29			
Details to Peace Corps	78	78	35	9	26	1	42			
Other details	7	7	7	6	1					
Bureau of Medical Services	14,641	13,843	13,708	1,488	12,220	34	101	798	2	796
Office of the Chief	71	70	52	48	4		18	1		1
Division of Foreign Quarantine	667	638	541	40	501	15	82	29		29
Division of Hospitals	7,812	7,413	7,394	1,244	6,150	19		399		399
Freedmen's Hospital	(993)	(955)	(955)	(955)				(38)		(38)
Division of Indian Health	5,690	5,326	5,326	127	5,199			364	2	362
Details to Bureau of Prisons	289	286	286	17	269			3		3
Details to Bureau of Employees Compensation	9	8	8	3	5			1		1
Details to U.S. Coast Guard	97	96	96	9	87			1		1
Details to other agencies	6	6	5		5		1			

National Institutes of Health	11,671	11,153	10,982	10,375	607	123	48	518	137	381
Office of the Director	1,438	1,407	1,383	1,374	9	2	22	31	12	19
National Cancer Institute	1,307	1,281	1,273	1,235	38		8	26	18	8
National Heart Institute	767	728	720	572	148	2	6	39	8	31
National Institute of Allergy and Infectious Diseases	720	708	658	471	187	46	4	12	7	5
National Institute of Arthritis and Metabolic Diseases	592	556	553	553			3	36	20	16
National Institute of Dental Research	309	300	300	299	1			9	6	3
National Institute of Mental Health	1,320	1,173	1,170	967	203		3	147	33	114
National Institute of Neurological Diseases and Blindness	808	765	691	687	4	73	1	43	12	31
National Institute of General Medical Sciences	152	149	149	149				3		3
National Institute of Child Health and Human Development	191	166	165	151	14		1	25	10	15
Clinical Center	1,752	1,652	1,652	1,651	1			100	1	99
Division of Biologics Standards	271	267	267	266	1			4	1	3
Division of Research Grants	583	556	556	556				27		27
Division of Research Services	1,324	1,313	1,313	1,312	1			11	4	7
Division of Research Facilities and Resources	131	126	126	126				5	5	
Details to Peace Corps	2	2	2	2						
Details to other agencies	4	4	4	4						
National Library of Medicine	282	265	265	265				17	12	5
Bureau of State Services—Community Health	5,477	5,261	5,206	1,521	3,685	52	3	216	134	82
Office of the Chief	193	181	180	169	11	1		12	12	
Division of Accident Prevention	160	157	157	112	45			3	2	1
Division of Chronic Diseases	895	853	850	528	322	3		42	32	10
Communicable Disease Center	3,210	3,137	3,086	105	2,981	48	3	73	13	60
Division of Community Health Services	276	272	272	176	96			4	4	
Division of Dental Public Health and Resources	251	233	233	131	102			18	12	6
Division of Hospital and Medical Facilities	319	285	285	195	90			34	34	
Division of Nursing	168	138	138	103	35			30	25	5
Details to other agencies	5	5	5	2	3					
Bureau of State Services—Environmental Health	4,193	4,085	4,076	1,134	2,942		9	108	20	88
Office of the Chief	564	558	558	195	363			6		6
Division of Air Pollution	502	495	493	115	378		2	7		7
Division of Environmental Engineering and Food Protection	380	377	377	107	270			3		3
Division of Occupational Health	211	210	210	55	155			1	1	
Division of Radiological Health	967	917	910	402	508		7	50	10	40
Division of Water Supply and Pollution Control	1,560	1,519	1,519	258	1,261			41	9	32
Details to other agencies	9	9	9	2	7					

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Table 3.—*PHS total paid employment by bureau, commissioned officers, and civil service, as of June 30, 1965*

	Grand total	Commissioned officers					Civil Service				
		Total	United States			Territories possessions, and foreign countries	Total	United States			Territories possession, and foreign countries
			Total	Washington metropolitan area	Outside			Total	Washington metropolitan area	Outside	
Public Health Service—Total	37,753	5,148	4,991	1,611	3,380	157	32,605	32,283	14,842	17,441	322
Office of the Surgeon General	1,489	204	131	86	45	73	1,285	1,284	1,080	204	1
Bureau of Medical Services	14,641	1,970	1,937	93	1,844	33	12,671	12,541	1,440	11,101	130
Bureau of State Services:											
Community Health	5,477	754	739	191	548	15	4,723	4,679	1,359	3,320	44
Environmental Health	4,193	998	991	233	758	7	3,195	3,193	926	2,267	2
National Institutes of Health	11,671	1,218	1,189	1,004	185	29	10,453	10,308	9,760	548	145
National Library of Medicine	282	4	4	4			278	278	277	1	

Table 4.—*Research grants and awards, fiscal year 1965*

Program	Research projects		Research facilities		Training projects		Fellowships and traineeships		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total	15,197	$538,867,431	117	$64,853,871	4,150	$183,931,428	5,266	$49,794,402	24,730	$837,447,132
Allergy and infectious diseases	1,358	35,889,654			182	8,855,330	248	2,965,307	1,788	47,710,291
Arthritis and metabolic diseases	2,809	71,923,942			323	14,240,691	405	4,974,346	3,537	91,138,979
Cancer	1,526	56,546,499			241	8,409,987	270	3,107,110	2,037	68,063,596
Child health and human development	957	26,559,575			96	5,439,093	200	2,581,133	1,253	34,579,801
Dental research	339	8,438,419			104	5,112,706	115	1,253,957	558	14,805,082
General medical sciences	1,892	51,619,680			731	37,770,758	1,997	15,532,337	4,620	104,922,775
Heart	2,288	78,474,177			388	15,467,231	470	5,786,281	3,146	99,727,689
Mental health	1,846	69,191,340			1,820	75,594,728	995	8,055,529	4,661	152,841,597
Neurological diseases and blindness	1,674	50,819,487			265	13,040,904	368	4,338,957	2,307	68,199,348
Office of international research	101	2,746,516					198	1,199,445	299	3,945,961
Research facilities and resources	407	86,658,142	117	64,853,871					524	151,512,013

Table 5.—*Payments to States or localities within States for public health services, fiscal year 1965* [1]

[In thousands of dollars]

State	Tuberculosis control	General health	Mental health	Cancer control	Heart disease control	Water pollution control	Chronic diseases and health of the aged	Radiological health
Totals	$2,922	[2] $9,978	[3] $6,708	[4] $3,392	[5] $6,284	[6] $4,565	[7] $11,120	$2,266
Alabama	72	252	120	74	130	92	248	47
Alaska	15	29	65	----	----	13	----	3
Arizona	39	82	65	31	8	41	72	19
Arkansas	48	160	61	45	65	63	170	28
California	213	686	485	252	404	295	813	221
Colorado	23	111	66	36	100	47	110	38
Connecticut	28	93	62	37	94	49	107	24
Delaware	14	19	66	25	56	47	65	11
District of Columbia	28	29	66	26	68	22	65	17
Florida	74	312	181	100	203	126	431	66
Georgia	66	282	143	83	167	113	228	60
Hawaii	18	38	66	25	45	40	58	17
Idaho	13	61	66	24	73	28	64	14
Illinois	126	409	293	161	259	168	535	107
Indiana	32	217	139	65	64	115	240	41
Iowa	26	153	88	52	63	66	175	34
Kansas	23	130	69	38	47	54	125	25
Kentucky	71	216	108	57	143	90	272	45
Louisiana	63	226	118	62	79	96	37	45
Maine	18	73	62	22	22	38	82	16
Maryland	66	146	98	52	126	89	160	40
Massachusetts	64	212	151	89	164	135	310	73
Michigan	111	357	247	126	241	184	446	102
Minnesota	36	191	101	58	137	84	243	34
Mississippi	45	212	81	56	133	77	243	30
Missouri	67	212	110	78	127	89	305	25
Montana	15	56	66	22	49	26	60	11
Nebraska	13	88	66	28	17	19	32	17
Nevada	11	31	65	10	15	16	50	5
New Hampshire	11	35	61	26	29	35	57	6
New Jersey	85	252	187	97	172	150	315	69
New Mexico	25	80	66	26	60	33	63	20

See footnotes at end of table.

Table 5.—*Payments to States or localities within States for public health services, fiscal year 1965* [1]—Continued

State	Tuberculosis control	General health	Mental health	Cancer control	Heart disease control	Water pollution control	Chronic diseases and health of the aged	Radiological health
New York	$269	$671	$502	$263	$364	$320	$804	$224
North Carolina	67	320	166	95	201	134	255	69
North Dakota	13	57	66	25	66	25	55	17
Ohio	124	442	298	144	268	217	535	65
Oklahoma	39	156	81	51	123	66	193	26
Oregon	27	102	64	31	36	47	75	27
Pennsylvania	184	544	349	205	329	246	739	161
Rhode Island	17	43	66	26	66	59	63	16
South Carolina	45	197	92	55	148	84	175	23
South Dakota	14	63	58	6	13	27	34	10
Tennessee	79	251	130	77	163	107	236	28
Texas	139	583	332	181	342	211	446	121
Utah	14	73	60	25	30	32	60	21
Vermont	12	33	66	26	26	27	61	2
Virginia	75	254	142	74	155	108	266	13
Washington	38	152	93	53	125	69	179	47
West Virginia	37	117	66	39	109	59	150	6
Wisconsin	46	208	124	73	155	105	276	54
Wyoming	6	32	57	----	16	18	42	10
Guam	9	6	44	3	28	----	55	----
Puerto Rico	109	220	100	56	160	64	205	16
Virgin Islands	----	4	64	1	1	----	35	----

[1] Additional amounts as follows were paid during fiscal year 1965:
$6,129,000 for venereal disease special projects, including $3,202,000 for personal services and supplies in lieu of cash.
$3,972,000 for tuberculosis control projects, including $282,000 for personal services and travel in lieu of cash.
$7,745,000 for vaccination assistance projects, including $918,000 for personal services and travel in lieu of cash.
$5,018,000 for the Public Health Service Traineeship program.
$8.059,000 for the Professional Nurse Traineeship program.
$1,928,000 for Project Grants for Training in Radiological Health.
$1,955,000 for Project Grants for Graduate Training in Public Health.
$2,578,000 to Schools of Public Health for the Provision of Public Health Training.
$4,351,000 for community cancer demonstration and training projects, including $18,000 for personal services in lieu of cash. Also includes $905,000 for senior clinical traineeship direct award program.
$7,630,000 for Community Health projects, including $71,000 for personal services in lieu of cash.
$315,000 for water pollution demonstration projects.
$914,000 for the Cuban refugee health program. Of this amount $188,000 was paid to Veterans Hospital, Coral Gables, Fla. to furnish drugs and supplies to Refugee Center.
$1,893,000 for Migrant Health Project Grants.
$3,098,000 for Neurology and Sensory Disease Service Project Grants, including $306,000 for direct award traineeships.
$1,329,000 for Mental Retardation Planning Grants.
$1,544,000 for dental student training projects.

[2] Includes $29,000 withheld to cover assignment of personnel in lieu of cash.
[3] In addition to this amount, $3,728,000 was paid for Mental Health Planning.
[4] Includes $10,000 withheld to cover assignment of personnel in lieu of cash.
[5] Includes $13,000 withheld to cover assignment of personnel in lieu of cash.
[6] Excludes $261,000 paid to Water Pollution Interstate Agencies as follows:
$69,000 to Interstate Sanitation Commission
$25,000 to Interstate Commission on Potomac River Basin.
$101,000 to Ohio River Valley Sanitation Commission.
$45,000 to Delaware River Basin Commission.
$17,000 to New England Interstate Water Pollution Control Commission.
$4,000 to Klamath River Compact.
[7] Includes $38,000 withheld to cover assignment of personnel in lieu of cash.

Office of Education

Commitment to Education

Massive Presidential and congressional commitment is the hallmark of the cause of education in fiscal year 1965. One result is some of the most far-reaching legislation to be enacted for the benefit of education since the Civil War era brought forth new interpretations of the "common Defence" and "general Welfare" clause of the Constitution.

The burst of legislative activity is another evidence of the traditionally justified faith of the people in their way of life and in the great potential of the expanding economy of the Nation. And it is a recognition of the significant role which education plays in the explosion of knowledge and resultant economic and social development.

Virtually every aspect of education stands to benefit through the years from the new Federal legislation. Indeed, benefits began to accrue as soon as existing programs were financed and funds were appropriated to initiate new programs and previously authorized expansions in some of the older ones.

With funds in hand, the Office of Education immediately moved from the planning to the action stage for the new and expanded programs. It began to carry out the Higher Education Facilities Act of 1963, the Vocational Education Act of 1963, the Library Services and Construction Act of 1964, extension and expansion of the National Defense Education Act of 1958, and extension of the acts of 1950, which provide Federal funds for school districts in "federally impacted" areas.

These new and expanded programs are widely ranged. Specifically, they are concerned with helping to expand higher education facilities, strengthen vocational and technical schools, broaden adult education, improve public library services, extend school guidance and counseling and related testing programs above the secondary and down through the elementary grades, increase the number of graduate fel-

lowships, raise qualifications of teachers, expand the plan for institutes to cover more critical areas, and promote research into methods for improvement of education in general.

Each new law contains particularized provisions in the field of education. Each law sets forth different means for carrying out the intent of the people and their Government that there shall be equal opportunity for high quality education for the people throughout the land. And each law focuses primarily on a particular sector within the Nation—the political, the economic, or the social.

The first law in one series is the Civil Rights Act of 1964. One portion of this act requires the Commissioner to conduct a survey and report to the President and the Congress on educational opportunities in relation to rights of individuals to education regardless of race, color, religion, or national origin.

It also provides for technical assistance, training institutes, and grants to facilitate desegregation of public education. Another portion prohibits any federally-assisted program from discriminating or denying benefits on the basis of race, color, or national origin of those within the country who otherwise might participate.

The second law in the series is the Economic Opportunity Act of 1964. One of its aims is educational opportunity despite any lack the individual has as far as economic advantage is concerned.

The Office of Education administers two of the antipoverty programs authorized by this legislation; namely, the College Work-Study Program and the Adult Basic Education Program. In addition, a joint staff of the Office of Education and the Office of Economic Opportunity at Federal level is concerned with education components in community action programs.

The Elementary and Secondary Education Act of 1965 completed the trilogy of laws making for cohesive action through these levels. It marks the Federal Government's greatest single commitment on behalf of the children of the Nation through action to improve elementary and secondary education.

First, the act recognizes needs of children of low-income families and the impact that concentrations of such families have on the ability of local educational agencies to support adequate programs. It authorizes financial aid to these agencies so that they may expand and improve programs by various means to help meet the special educational needs of educationally deprived children and youth.

Next, the act recognizes the need of all children for high quality textbooks, library resources, and other instruction materials. It calls upon States to submit plans presenting their needs for Federal aid in purchasing library materials and textbooks for school children.

Then the same act authorizes grants to local educational agencies for the purpose of supplying supplementary services such as innovative educational programs or supplementary centers offering programs or services for the entire school-age community.

The legislation enables the Federal Government to enlarge its participation under the act of 1954 on cooperative research in education. Amendments to the earlier law also authorize funds for construction of facilities for regional educational research laboratories in which new educational methods and practices may be discovered, tested, and put into common use.

The new act also is designed to take account of diversity in education throughout the Nation. It makes provision for strengthening State educational agencies by grants to them and by exchanges of personnel between these agencies and the Office of Education.

Another group of laws provides for other new programs. The National Arts and Cultural Development Act of 1964 established a National Council on the Arts with responsibility to recommend means to increase the national cultural resources for artistic endeavors and to build a greater appreciation of the arts.

The Nurse Training Act of 1964 authorizes Federal support for construction of facilities to increase enrollment capacities of institutions training nurses and for projects for the improvement of teaching. It also establishes a loan program for those training to be nurses and encourages programs of graduate traineeships in the supervisory, administrative, teaching, and clinical fields.

The National Technical Institute for the Deaf Act authorizes an agreement between the Secretary of Health, Education, and Welfare and an institution of higher learning to establish and operate a national residential facility for post-secondary training and education for the deaf "to prepare them for successful employment." This legislation grew out of need reflected in the report by the National Advisory Committee on Education of the Deaf.

"Five-sixths of our deaf adults work in manual jobs as contrasted to only one half of our hearing population," the report states. The new law aims at opening the door to further educational opportunity for deaf secondary school graduates who cannot now be accommodated in Gallaudet College, the one present institution of higher learning for the deaf in the country.

Other legislation in 1964–65 supplements, modifies, or extends the life of existing programs. The Appalachian Regional Development Act of 1965 includes among its provisions grants for construction of school facilities needed for the provision of vocational education in

areas of the region in which enough such education is not now available.

The Manpower Development and Training Act of 1962 as amended was extended until June 30, 1969, by the Manpower Act of 1965. And the Juvenile Delinquency and Youth Offenses Control Act of 1961 which had been extended until June 30, 1965, by Public Law 88–368, again was extended for a year, or until June 30, 1966, by Public Law 89–69.

Equal Educational Opportunities

The Nation is firmly committed to achievement of equal educational opportunities for its citizens regardless of their race, color, religion, or national origin. And quantitative equality is not enough. It must be qualitative as well.

In efforts to secure this fundamental right of the people as a whole, the Office of Education and the education community became infinitely concerned with provisions in two parts of the Civil Rights Act of 1964, which was signed into law on July 2 at the beginning of the fiscal year. Title IV on "Desegregation of Public Education" is one. Title VI on "Nondiscrimination in Federally Affected Programs" is the other.

Survey

The first operative provision in title IV is a command. "The Commissioner shall conduct a survey and make a report to the President and the Congress . . ." says section 402. This project is on educational opportunities and it is to be completed not later than July 2, 1966.

There have been countless surveys and reports of educational opportunities in the Nation since the Office of Education was established in 1867. This project is different.

What makes it different is not the legislative mandate to report "concerning the lack of availability of educational opportunities for individuals." That concept has been inherent in the work of the Office since the enabling legislation of March 2, 1867, provided for "collecting such statistics and facts as shall show the condition and progress of education in the several States and territories. . . ."

What makes it unique is its specific focus. The report is to be concerned with the "lack of availability of equal educational opportunities for individuals by reason of race, color, religion, or national origin in public educational institutions at all levels in the United States, its territories and possessions, and the District of Columbia."

Legislative history of section 402 and funding for the work made it clear that the Congress was seeking information in as much depth as possible but not an encyclopaedic amassing of information for school-by-school analysis. Accordingly, the Office began to develop a design for nationwide sampling in depth of the kind and amount of differences in education to which children in minority and majority groups are subject.

This design aims to get at information from which guidelines will emerge for policy and action by local boards of education, State education agencies, and the executive as well as legislative branch of government at State and Federal levels. It aims to focus on consequences of practices in the field of education rather than on laudable or nefarious intentions.

Early in the planning stages, discussions were held with various minority and other groups to obtain their advisory assistance and to get direct and contract service of a technical nature. By the end of the fiscal year approaches had been agreed upon, and some of the contracts had been assigned for particular aspects of the work.

Activation of plans began across the Nation in response to an identical letter to the 50 chief State school officers and the Superintendent of Schools in the District of Columbia asking each of them to designate a staff member to assist in developing the arrangements to be made with about 1,000 local school systems and some 5,500 of their schools. Meanwhile, steps were being taken for coverage in the Commonwealth of Puerto Rico and the national territories of American Samoa, Guam, and the Virgin Islands, and for assistance from institutions of higher learning.

Assistance on Desegregation Problems

In addition to the mandate for a survey and report, title IV of the Civil Rights Act of 1964 contains several provisions authorizing help in resolving problems arising from school desegregation. On request, the Commissioner may give technical assistance, arrange training institutes, and make grants to assist in solving desegregation problems.

Soon after the law was enacted, a brochure on *Assistance on Special Educational Problems Occasioned by School Desegregation* was published. It calls attention to types of Federal assistance available and provides information concerning them.

Requests for technical assistance came from school boards, State education agencies, municipalities, school districts, and other governmental units. The assistance took a variety of forms.

Consultants helped to work out new methods of organizing schools

and classes, develop new and enriched curricular materials, and establish guidance and counseling programs. They also helped in solving of nettlesome administrative problems incident to desegregation.

An Office memorandum on "Training Institutes Under the Civil Rights Act of 1964" was sent in early November to heads of institutions of higher education. It requested an expression of interest in institute activities. By December 4, *Policies and Procedures for Institutes for Special Training on Problems of School Desegregation* had been outlined.

The Director of the Equal Education Opportunities Program sent a January 25 memorandum to personnel responsible for administration of public school programs. It focused on "Grants to School Boards to Assist in Dealing with Problems Incident to Desegregation" and included an outline of procedures for school systems to follow in making applications for grants.

By June 1965, there were 103 proposals by colleges and universities to expend a total of $7,098,610 for institutes. Approximately 30 percent came from institutions in the North and West. This group also represented about 30 percent of the requested funds.

The total amount available for the program from fiscal year 1965 Federal funds was $3 million. Accordingly, contracts with institutions of higher learning could cover only 56 of the 103 proposals.

These 56 were for institutes conducted in 17 different States. The projects involved approximately 3,900 participants from 845 different school systems. They ranged from 3-day institutes for superintendents and school board members to institutes for the training of leadership personnel throughout the academic year.

Three million dollars also was available in fiscal year 1965 for use as grant funds in responding to applications from school boards. A total of $6,527,810 was requested in the 6 months from January through June 1965 for support of 1-year projects to aid local school systems.

Of the 38 requests received, 28 (representing 64 percent of the requested funds) were from boards in the Southern and border States. The other 10 (representing 36 percent of the requested funds) were from school boards in the North and West.

Federal grants were made in support of 27 projects. There were 21 in the southern and 6 in the other parts of the country.

Four of the grant-supported projects were in State departments of education to assist in solving problems of school desegregation on a statewide basis. The other 23 grants went to local school boards to support inservice training programs and use of specialists to advise the boards on matters incident to school desegregation.

Table 1 gives a statistical picture for the training institutes and grants under sections 404 and 405 of the act. It shows at a glance the number of proposals received and the number approved and gives information on funds requested, funds available, and amounts obligated.

Table 1.—*Number of proposals for training institutes and grants under title IV of the Civil Rights Act of 1964 together with information on action taken in fiscal year 1965*

Program	Proposals		Federal funds (in millions)		
	Received	Approved	Requested	Available	Obligated
Institutes	103	56	$7.098	$3.000	$3.000
Grants	38	27	6.527	3.000	3.000

Nondiscrimination in Federally Assisted Programs

Office efforts to bring about maximum voluntary compliance throughout the country with section 601 of title VI began as soon as the Civil Rights Act of 1964 was signed into law. Work also began at once on compliance at Federal level with section 602. Specifically, title VI states in part as follows:

SEC. 601. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

SEC. 602. Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 601 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President. . . .

On July 6, 1964, or 4 days after enactment of the law, members of the Office staff met with a selected group of chief State school officers to discuss implications of the new legislation. A team which included an Assistant Secretary of Health, Education, and Welfare toured the South during that same week and met with superintendents from areas most immediately affected by the act.

Starting on July 20, in 5 days officials from the Office and other parts of the Department visited Houston, Little Rock, Memphis, Atlanta, and Charlottesville. In each city, the team met with between 200 and 300 State and local officials of elementary and secondary schools and colleges to discuss voluntary compliance with the new law.

During the following months Office personnel met with scores of school authorities for the same purpose. In addition, staff members attended numerous meetings called by individual State superintendents at which emphasis was on voluntary compliance with the law.

Meanwhile, actions were being taken in connection with section 602. Beginning on July 9, pending issuance of regulations, a notice on application of nondiscrimination requirements of title VI was included when the Office awarded contracts, transmitted funds, or awarded grants or loans.

The Office participated in preparation of the regulations which the Secretary signed on November 27. The President approved them on December 3 with effective date 30 days after appropriate publication.

They became a part of title 45 of the *Code of Federal Regulations* on December 4, 1964, when they were published in the *Federal Register*. Their effective date thus became January 3, 1965.

On December 22, copies of the regulations setting forth procedures for compliance with title VI of the act were mailed to heads of State agencies operating federally assisted programs administered through the Office of Education. The Office memorandum covering this mailing promised additional materials and included this statement:

> *no actions may be taken after January 2, 1965, by State agencies which involve new projects or programs or other new commitments of funds to local schools or other agencies under Federally assisted programs, unless the assurance of nondiscrimination prescribed in these procedures is filed with the State agency.*

On New Year's Eve, the Office mailed thousands of documents. Copies of an *Assurance of Compliance* form (HEW Form No. 441) and an explanation of the form, were included with an Office memorandum addressed to presidents of institutions of higher education.

Another Office memorandum on that same December 31 was addressed to chief State school officers. Copies of a standard *Statement of Compliance* to be filed by the State agency, and related *Instructions* for completing it; the *Assurance of Compliance*, and related *Explanation of HEW Form No. 441*, and *Instructions to School Districts* were included in this mailing.

When the new Office of Equal Educational Opportunities became operational on January 3, 1965, it took over the work of administering Federal assistance activities under title IV and Office responsibilities related to compliance under title VI of the act. On January 24, the Vice President made a formal recommendation to the President in the general area of equal opportunities.

He proposed establishment of a council to help with coordination of activities of Federal departments and agencies having statutory and

regulatory obligations directed toward elimination of discrimination and promotion of equal opportunity. The President's Council on Equal Opportunity then was established by Executive Order 11197 of February 5 with both the Secretary of Health, Education, and Welfare and the Commissioner of Education being among those named in the order to serve on the Council under the Vice President as chairman.

Meanwhile, correspondence was pouring into the Office of Equal Educational Opportunities. The New Year's Eve mailings resulted in a flood of compliance forms, letters of inquiry, letters of objection, and other documents such as voluntary desegregation plans and copies of final orders of Federal courts.

The six-member staff in the Office of Equal Educational Opportunities was augmented. Personnel were drawn from other units. Consultants were employed. Assistance was obtained from the Department's General Counsel and from the Department of Justice.

There are 5,146 school districts in the Southern and border States. Of this number, 2,047 districts were identified as either not already desegregated or not operating under a court order. As specified in the regulations, each of them was required to submit a plan of desegregation to bring it into compliance with the law.

On April 29, *A General Statement of Policies Under Title VI of the Civil Rights Act of 1964 Respecting Desegregation of Elementary and Secondary Schools* was issued. The guidelines in this issuance set forth minimum standards of compliance acceptable under the act. These standards call for:

> Elimination of dual school systems,
>
> Desegregation by the fall of 1967 of all 12 grades in school systems partially desegregated, and
>
> The showing of a good faith start of at least four grades by the fall of 1965 for school systems desegregating for the first time.

As the fiscal year was drawing to a close, review was still under way on the documentation that had poured in from around the country. By that time, a *Statement of Compliance* had been accepted from each of the State education, vocational education, and library agencies.

Assurance of Compliance forms had been accepted from more than 2,000 colleges and universities participating in Federal programs. Such forms also had been accepted from school districts in the northern part of the country.

Documents submitted by 3,019, or 59 percent, of the school districts in the Southern and border States already had been found acceptable. *Assurance of Compliance* forms had been accepted from 2,659 of these

districts, copies of final orders of Federal courts from 74, and voluntary desegregation plans from 286. Table 2 presents statistics on this documentation for each of these 17 States.

Table 2.—*Compliance documents accepted by the Office of Education by June 30, 1965, from school districts in 17 Southern and border States: title VI, Civil Rights Act of 1964 and related regulations (45 C.F.R. 80)*

States	School districts					
	Number	Number submitting specified types of accepted documentation				Percentage with accepted documentation
		Assurance of Compliance (HEW 441)	Copy of final order of Federal court	Voluntary desegregation plan	Total	
Alabama	118	1	4	31	36	31
Arkansas	411	192	2	44	238	58
Delaware	78	16	0	8	24	31
Florida	67	2	15	13	30	45
Georgia	195	5	6	11	22	11
Kentucky	204	138	3	36	177	87
Louisiana	67	0	5	0	5	7
Maryland	24	6	0	11	17	71
Mississippi	163	0	1	1	2	1
Missouri	680	667	0	8	675	99
North Carolina	170	1	1	22	24	14
Oklahoma	1,092	941	0	4	945	87
South Carolina	111	0	5	7	12	11
Tennessee	152	11	13	7	31	20
Texas	1,420	625	13	67	705	50
Virginia	139	6	6	15	27	19
West Virginia	55	48	0	1	49	89
Totals	5,146	2,659	74	286	3,019	59

Education's War on Poverty

An inter-Agency experiment is one of the outgrowths of the work of the Task Force created in March 1964 by the Office of Education to help plan and coordinate education aspects of antipoverty programs. Specifically, the new Office of Economic Opportunity and the long-established Office of Education embarked on a cooperative program for the education of the disadvantaged.

The OEO/OE organizational unit for this work is the education arm at Federal level of the Community Action Program under title II–A of the Economic Opportunity Act of 1964. By March 15, 1965, a *Memorandum of Agreement* by the Director of the new Office and the Secretary of Health, Education, and Welfare formally confirmed the terms for the new venture.

The OEO/OE unit is jointly financed and jointly operated. An unusual provision in the *Memorandum of Agreement* specifies that "appointment by one organization shall be tantamount to appointment

by the other and the employee shall have standing in the other as if he were an appointee of that organization."

It is the local community which determines the types of action in the field of education on which it will seek Federal assistance, though a particular project may be developed for broader geographic coverage. During fiscal year 1965, two were conceived and initally planned at Federal level—Project Head Start for preschool children and Project Upward Bound for teenagers.

Local Action

Soon after the OEO/OE unit was established, it began to receive delegations of superintendents of schools and other local public officers such as mayors, councilmen, and agency officials. They wanted to discuss ways of helping disadvantaged children and youth and sought information on means of qualifying for Federal funds to help support local action.

More than 400 communities sent proposals to the Office of Economic Opportunity between August 20, 1964, when its enabling act was signed and June 30, 1965, when the fiscal year closed. Whenever an education component was part of the proposal, the joint OEO/OE unit reviewed this portion and made recommendations which served as the basis for Office of Economic Opportunity decisions on funding.

Without counting action in more than 2,000 communities in connection with Project Head Start, there was an education component in 209 of the first 239 community action programs which received Federal funding in fiscal year 1965. And the $59,888,556 of Federal funding for these education components represented a little over half of the total of $118,879,418 in Federal funding for the 239 community action programs as a whole.

Detail is shown in table 3 which follows. The first column identifies the 11 major types of action within education components and, where appropriate, reveals variety within the type. Next, the number of communities engaging in these types of education action is shown.

Column 3 breaks down the Federal commitment by each of the various kinds of action and then presents totals for the 11 major types. The last column then gives the percent of Federal funding for education components which is represented in each of the 11 major types of action.

Remedial and supplementary education of one variety or another received the major emphasis in the 209 programs. On the other hand, more communities included preschool action than any other single type. With Project Head Start, the preschool type of action was the area of major concentration across the country.

Table 3.—*Number of communities having specified types of education action and related information on Federal funding in fiscal year 1965 under title II–A, Economic Opportunity Act of 1964* [1]

Type of education action (1)	Number of communities [1] (2)		Federal funding (3)		Percent (4)
Remedial and supplementary		144		$23,307,132	39.0
Remedial education	73		$6,123,810		
Study center	36		14,102,449		
Tutorial	19		792,844		
Extended school day	8		1,943,448		
Library	4		280,246		
Education supplement to New York City	2		44,529		
School breakfast	1		85,169		
Reading institute	1		24,637		
Preschool [2]	79	79	18,752,839	18,752,839	31.3
Developmental		64		3,647,941	6.1
Cultural enrichment	38		1,896,092		
Recreation	23		1,603,240		
Curriculum	3		148,609		
Summer school	40	40	5,942,459	5,942,459	9.9
Personnel		30		1,580,158	2.6
Teacher training	16		929,522		
Provision of aides and consultants	14		650,636		
Guidance		25		1,730,390	2.9
Counseling	24		1,692,523		
School dropout prevention	1		37,867		
Adult education	24	24	3,088,401	3,088,401	5.2
Special services		15		522,087	.9
Special projects	6		81,629		
Non-English speaking	6		295,649		
Adjustment classes	3		144,809		
Parent and family-related program		7		231,830	.4
Home-school communication	4		39,293		
Education surveys	3		192,537		
Precollege	5	5	340,893	340,893	.6
Model school system	2	2	654,426	654,426	1.1
Grand totals			59,888,556	59,888,556	100.0

[1] There was an education component in 209 of the 239 community action programs receiving Federal funds in fiscal year 1965 under title II–A of the act. When a single community program included more than one type of action in the education component, it is counted under each type.

[2] Excluded is Project Head Start initiated in fiscal year 1965 for completion in the summer of 1965. The 2,398 Federal grants made in fiscal year 1965 totaled $82,697,391 and were to help more than 2,000 communities operate 13,344 centers for 561,356 disadvantaged children 4 to 6 years of age. The non-Federal share was $11,858,323 and the grand total in fiscal year 1965 was $94,555,714 for this project.

No two programs were alike. They varied extensively in scope and methods of implementation as well as in specific education goals. A few samples illustrate some of the differences in size of programs, in groups involved, and in needs to be met.

PITTSBURGH, PENNSYLVANIA

More than $5 million in program funds was earmarked for two community-wide projects to give pupils in Pittsburgh the support they need to maintain their school attendance and prepare for jobs. Preschool training and team-teaching are included in the projects along with mental health help for the emotionally disturbed.

The Board of Public Education is responsible for conducting one of the projects. With the new budget of $4,350,474, it will increase its compensatory education coverage from 14,000 students in 14 centers to 28,000 in 44 centers.

The Diocesan School Board is responsible for conducting the other project. With $792,883, it will increase its compensatory education program from 5 centers for 900 children to 10 centers for 3,600.

CHICAGO, ILLINOIS

A $7,836 grant called for 30 Negro 4- and 5-year-olds from impoverished Chicago families to go to school in the summer of 1965 along with 14 children from families in the middle economic level. Most of the latter are white.

The three classes in this research-focused, rather than community-wide, program consist respectively of 16 children from poor families, 8 each from families at the poor and the middle economic levels, and 6 each from the two groups. Assessment of the interaction of the children from the two different economic groups and comparison of their responses to preschool teaching under the Montessori technique are included in the program.

HARLAN COUNTY, KENTUCKY

Community action funds were granted for a rural child care program undertaken in Harlan County by the Kentucky Child Welfare Research Foundation. The project enrolled 70 preschool children for a 9-month period.

Homemaker and casework services to the families are included also. The 11 nonprofessional aids for this program were recruited from among residents of the neighborhood served.

ROSEBUD AND BIG HORN COUNTIES, MONTANA

A $36,000 grant to the Northern Cheyenne Tribal Council Indian Reservation in Montana was made to finance a 5-week precollege summer program for 40 juniors, seniors, and recent graduates of the Northern Cheyenne High School. This program at Eastern Montana College of Education in Billings then is to be supplemented by counseling during the academic year.

MERCED COUNTY, CALIFORNIA

A $94,682 war on poverty grant to the Merced County Schools in California is financing four education projects to help more than 200 families of local migrant laborers. A day-care center for young children, a preschool program in language arts and cultural development, a summer school for remedial aid to academically retarded students, and night classes in literacy and citizenship education for adults are encompassed under the grant.

Project Head Start

The OEO/OE unit helped to develop the concept of preschool activity for the Community Action Program which was translated into nationwide action as Project Head Start. Then the joint unit spearheaded Federal planning for this frontal attack in the summer of 1965 on the education problems of preschool children from economically deprived backgrounds.

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Preschool education consultants were lent from the regular staff of the Office of Education while the Community Action Program was being helped with its recruitment of professional staff for the project. Through a contract with the National University Extension Association, arrangements were made for 127 institutions of higher learning throughout the country to set up training programs for teachers who would provide 8-week enriched nursery-type education experiences for economically deprived youngsters in the 50 States of the Union.

The OEO/OE unit prepared a minimal equipment list as a guide to avoiding expensive preschool equipment costs. And plans were initiated by the unit for evaluation of the preschool summer experiment in the next fiscal year.

By July 1965 a total of 2,398 grants, amounting to $82,697,391 in Federal funds, had been made for more than 2,000 communities across the country to operate 13,344 Head Start Centers, for 561,356 disadvantaged children ranging in age from 4 to 6 years. Most of the Centers either were being operated or were scheduled to be operated by or in association with public school programs.

The non-Federal share was $11,858,323. The grand total of Federal and non-Federal funds for Project Head Start in fiscal year 1965 amounted to $94,555,714.

Project Upward Bound

The OEO/OE unit developed the original plan for inauguration in the summer of 1965 of Project Upward Bound. It aimed to assist economically disadvantaged teenagers of college caliber to upgrade their academic skills in order to meet admission requirements and improve their chances to succeed in college work.

Plans called for focusing especially on skills in English and mathematics. In some instances, they called for a system of motivating students by giving them opportunity to live on a college campus for a few days.

Initally funded by the Community Action Program at $2.2 million, the first stage of the project was scheduled for 2,370 high school juniors and seniors at 17 colleges for the summer of 1965. Plans called for evaluation of this experiment after the summer ended.

Next, if results warrant it, plans call for extending the project on a long-range basis. Again, the purpose is to help young people who are capable of carrying college schedules but who otherwise might not go on to an institution of higher learning because of the physical, psychological, and social conditions of poverty.

Standards, Guidelines, and Other Aids

The OEO/OE unit became the first part of the total Community Action Program to develop standards and guidlines for use by the field staff in Office of Economic Opportunity regional offices. Experience gathered in review of education components in community program proposals formed the basis for this work.

A range of supplementary materials also has been prepared. Included are handbooks, information on legislation, and models of different types.

The OEO/OE unit participates in meetings at the Office of Economic Opportunity to help formulate policy on involving public and private schools in the war on poverty. Staff members participate in conferences and symposia in different parts of the country and otherwise provide advisory assistance and suggestions for development, implementation, and evaluation of programs to help economically disadvantaged and otherwise handicapped children and youth.

Support for Quality Education

The very heart of the work of the Office is the array of programs providing support for quality education. Individually, these programs have certain specific purposes. Collectively, they foster a many-sided and at the same time a frontal attack on the problems of education.

Most of them are carried out in partnership with State and local education agencies. Though the improvement and promotion of domestic education are the major goals, dividends often accrue to education elsewhere.

Certain of the programs cut across the field of education to help refine problems and point the way for action. They are concerned with statistics, widely-ranged research, and consultative and other services.

Statistics

The National Center for Educational Statistics is the focal point for statistical research for the entire Office of Education. It gathers information about the systems of education in the United States. It constructs and maintains an educational data base. It determines the meaning of the data it gathers. Finally, it reports in terms of qualities, quantities, trends, and developments in education.

Some of the reports are periodic and others respond to nonrecurring requests. The data are compiled and analyzed to meet needs of other parts of the Office, other parts of the Government, the education community in the Nation, and the general public.

One of the major goals of the Center is a new program of analysis through construction of a quantitative analytical model of the education systems in the Nation. Another major goal is the development of an information system to evaluate the operations of legislation of nationwide significance such as the Elementary and Secondary Education Act of 1965.

STATE EDUCATION AGENCY STATISTICAL SERVICES

Section 1009 of title X of the National Defense Education Act of 1958 authorizes Federal financial assistance to improve and expand the statistical services of State education agencies. Federal participation is half the cost of programs approved under section 1009, up to an annual maximum of $50,000 to each State or Territory.

Table 4 shows how the total of $1,896,934 in Federal grants was allocated among the 51 participating States and Territories under section 1009 in fiscal year 1965. The maximum of $50,000 was allocated to 18 States, of which 17 reported overmatching.

Table 4.—*Federal financial assistance in fiscal year 1965 for improvement of State [1] statistical services: sec. 1009, National Defense Education Act of 1958 as amended*

State [1]	Federal funding	State [1]	Federal funding
Alabama	$50,000	New Jersey	$49,887
Alaska	26,400	New Mexico	34,926
Arizona	50,000	New York	50,000
Arkansas	9,275	North Carolina	42,985
California	47,568	North Dakota	10,600
Colorado	50,000	Ohio	50,000
Connecticut	18,762	Oklahoma	50,000
Delaware	9,771	Oregon	33,968
Florida	50,000	Pennsylvania	50,000
Georgia	33,150	Rhode Island	50,000
Hawaii	37,500	South Carolina	47,292
Idaho	13,882	South Dakota	22,411
Illinois	50,000	Tennessee	47,500
Indiana	30,990	Texas	50,000
Iowa	49,066	Utah	37,071
Kansas	31,841	Vermont	8,153
Kentucky	50,000	Virginia	35,868
Louisiana	50,000	Washington	50,000
Maine	41,493	West Virginia	50,000
Maryland	42,907	Wisconsin	49,104
Massachusetts	50,000	Wyoming	
Michigan	50,000	American Samoa	
Minnesota	33,301	Canal Zone	
Mississippi	28,713	District of Columbia	
Missouri	15,379	Guam	10,076
Montana	50,000	Puerto Rico	44,880
Nebraska	22,361	Virgin Islands	20,125
Nevada			
New Hampshire	9,729	Total	$1,896,934

[1] As used in the act, the term "State" includes any of the 55 major political subdivisions of the Nation and the Canal Zone.

The program is intended to stimulate and assist State education agencies in working effectively with local school districts and with the Office of Education to improve the accuracy, comparability, and timeliness of educational data A result of this program is an increase in

total information system planning. Others are the addition of statistical personnel, the utilization of increasingly advanced data processing equipment (including computers and data input devices) and the improvement in data dissemination through various media.

An increasing number of local school districts now report educational data to their State agency in machine-usable form. Through State cooperation, a system is in development which will provide basic educational data in machine-usable form (punchcards or magnetic computer tape) direct to the Office of Education.

General Research Program for Education

Research, like statistical work, represents one of the oldest of the traditional functions of the Office. It began with country and area studies looking toward development of a body of comparative education information relating to the countries of the world and the States and Territories of the Nation.

This work continues to point up the needs of education. It also continues to make information available to encourage those concerned to profit by the successes and avoid the pitfalls of the experimentation in education which is going on throughout the country and the world.

COUNTRY, AREA, AND OTHER TRADITIONAL RESEARCH

Twelve studies on education in other parts of the world came from the press in fiscal year 1965 under the traditional research activities of the Office. Some are brief summaries of educational data of particular use to school, college, and university admissions officers. Others, like *Education in New Zealand* or *Education in Uganda* are more comprehensive.

Illustrative of a general study on domestic education is the current one in a series of annual issues; namely, *Progress of Public Education in the United States of America: 1964-65*. Illustrative of a reference compilation is *Education Directory 1964–1965, Part 3: Higher Education.*

COOPERATIVE RESEARCH

Authority for the Office's Cooperative Research Program stems from Public Law 83–531 of July 26, 1954. It states that the Commissioner may "enter into contracts or jointly financed cooperative arrangements with universities and colleges and State educational agencies for the conduct of research, surveys, and demonstrations in the field of education."

The program aims to promote the development of new knowledge and improved programs and techniques for education. Support of a project is shared by the cooperating institution or State agency.

Proposals are evaluated by panels of experts from outside the Office and reviewed by a Research Advisory Council from the point of view of overall policy and need for research in a particular area. Recommendations then are forwarded to the Commissioner as a basis for decisions on funding.

In fiscal year 1965 there were 1,350 formal proposals requesting Federal support under the Cooperative Research Program. Competition for available funds is reflected in the fact that 452 new projects were approved and funded and 261 of them were for small contracts with a ceiling of $7,500 in direct costs.

General concerns among educators are reflected in the concentration of projects in the areas of curriculum improvement and the sociology of education. The following tabulation identifies the research areas and the portion of the total of $15.8 million in Federal appropriations which was spent in fiscal year 1965 for each area:

Research area	*Federal obligations in millions*	
Curriculum content improvement		$3.6
Sciences and social sciences	$2.3	
Arts and humanities	1.3	
Sociology of education		2.0
Sociology of the community	1.1	
Sociology of the school	.9	
Administration		1.8
Teacher training		1.8
Curriculum method improvement		1.5
Education of the disadvantaged		1.1
Physical and psychological disadvantage	.6	
Economic and cultural disadvantage	.5	
Psychological processes		1.1
Guidance and testing		1.0
Reading		1.0
Basic learning		.9
Total		15.8

Sometimes Federal support is provided for clusters of separate but related projects in order to meet need for coordinated study and action in certain critical areas.

For example, first-grade reading instruction received attention in 27 projects in fiscal year 1965. They were concerned with determining effectiveness of different reading instructional materials and techniques.

At other times studies complement or supplement each other, or take different approaches in an effort to develop alternatives. One social studies project, for example, focuses on development of a sequential and cumulative curriculum for able high school students, while

another is concerned with identification of major social science concepts and preparation of instructional materials to help students develop these concepts.

Support sometimes is provided for the research component of action programs financed through local and State effort. For example, a combination of Office and private foundation funds and local and State school funds is making experimentation possible in the operation of a residential school for high-potential but underachieving eighth-grade pupils in North Carolina. One of the purposes is to determine causes of underachievement. Another is to develop and test techniques for learning motivation. Another is to follow effects of the program on pupils and teachers involved and on subsequent practices in their schools.

Still another approach to improvement in education is that exemplified by demonstration projects in California and Illinois. In those States opportunity is being given for many to see the newer techniques of teaching gifted and talented elementary and secondary students in programs financed largely by the two States.

Support has been given to a variety of projects ranging from basic research to innovation in the area of education of the disadvantaged. As one instance, a study at the University of Chicago analyzes pupil-teacher communication to find ways of helping teachers facilitate the education of students handicapped by poverty.

A project at Hunter College is directed at the identification, development, and effective use of materials to improve student reading in depressed urban areas. Coppin State College in Baltimore, which has been attended primarily by Negro students, has been developing and testing a teacher education curriculum to prepare students from inner city homes for teaching in inner city schools.

Arts and Humanities

The idea of research still is relatively new to many concerned with the arts and humanities. Interest has been growing, however, and seminars, conferences, and informal meetings are among Office means for explaining both the conditions under which cooperative research funds are available for work in the arts and humanities and the procedures to be used in applying for them.

The Arts and Humanities Branch of the Division of Educational Research has as its purpose to help improve and extend education in the arts and humanities at the various levels of education. When fiscal year 1965 began, currently operative cooperative research projects in the arts and humanities field had been brought within the purview of the Branch. During the year, 34 education projects relating to museums, music, theater and dance, and the humanities received Federal financial support.

Projects range from small ones by graduate students to major ones involving the collaboration of established authorities. The projects fall into three main categories—basic research, curriculum development and improvement, and developmental activities, with the latter category receiving the major emphasis.

These developmental activities stimulate national attention on major problems. The main purpose in granting funds for them is to encourage further research.

An example of these exploratory ventures to provide ideas and new material for future investigations was the Seminar on Elementary and Secondary Education in the Visual Arts at New York University from October 8–11, 1964. It brought together persons who had distinguished themselves in the visual arts, art education, and related fields and probably was the first meeting of its type in the history of art education in the country.

Members discussed present conditions of curriculum theory, practice, and research in school art programs. They were unanimous in their conviction that teaching in their fields in elementary and secondary schools and in many art teacher education departments is low in quality and narrow in scope. They explored new approaches to art teaching and means of implementing them.

Similar developments took place in fiscal year 1965 as an outgrowth of the Seminar on Music Education at Yale University from June 17–28, 1963. Participants in this Office-sponsored seminar expressed need for revision and enrichment of the music repertory in elementary and secondary schools as a basis for upgrading music education.

Some 45 proposals resulted. One of them—a 2½-year project initiated by the Juilliard School of Music in July 1964—involves $308,310 in Federal funds and $71,284 in local support from the school.

In collaboration with authorities in the field of music, Juilliard has set out to select and prepare for dissemination a wide variety of music believed appropriate for elementary grades. Preeminent scholars in the chief periods or styles of music are working, for the first time, on a coordinated project to develop these materials for elementary schools, where musical skills, tastes, and understandings are in their developmental stages.

The Office also has been concerned with informal education programs such as those offered by community art, music, theater, and dance groups and those conducted by museums, cultural centers, and art councils. A statistical survey of museums in the United States of America and Canada has been completed as a joint undertaking of the Office of Education, the American Association of Museums, and the Smithsonian Institution.

Renewed intensity of interest in the arts has resulted in growth in number of museums. One evidence of this is the rate of increase in museum attendance in the country, which exceeds the rate for establishment of museums and for national population growth as well.

An informal Interagency Exhibit Research Committee was organized to bring together those concerned with educational implications of various kinds of exhibits. When fiscal year 1965 closed, the groundwork had been laid for the development of new ideas and new approaches for education in the arts and humanities. The Elementary and Secondary Education Act of 1965 opens the way for more new action in the future.

Research and Development Centers

In fiscal year 1964, the first two contracts were awarded from Cooperative Research Program funds to help two institutions of higher learning activate Research and Development Centers for education. Each was established to concentrate available human and financial resources in particular areas over an extended period of time.

Each Center is problem oriented. It works along the entire continuum from basic research to action programs and adjusts its activities according to needs and findings.

Each Center also is planned to produce early and continuous results. One of the criteria used in evaluating proposals for establishment of Centers is that the institution's staff already has made significant contributions in the chosen problem area.

The Center at the University of Pittsburgh is probing the relationship between learning research and instructional practices. The one at the University of Oregon is concerned with the social context of school organization and administration.

Two new Centers were started in fiscal year 1965 with Federal support. One, started at Harvard University, is concerned with the effects of individual and cultural differences on the learning process. The other, at the University of Wisconsin, is focusing on learning efficiency for children and adults.

Program Expansion

Title IV of the Elementary and Secondary Education Act of 1965 amends the 1954 act by including provisions to enlarge the Cooperative Research Program. Though not yet funded when the fiscal year closed, the legislation opened the way for increased research, development, and dissemination activities; for establishment and operation of a national system of educational laboratories; and for the development of appropriate programs for the training of educational researchers for the future.

FOREIGN CURRENCY FINANCING

A general research program in the interests of education has developed as a result of certain agreements the President is authorized to enter into with friendly nations or organizations of nations. These agreements are concerned with the use of currencies which the U.S. Government has accumulated in foreign nations.

Financing of educational research and related activities through purchase of foreign currencies is authorized by the Agricultural Trade and Development Assistance Act of 1954, as amended. Appropriations legislation provides for dollars to purchase the currency for payment of Office expenses. For the 1965 fiscal year $500,000 was authorized for this purpose.

Office projects under the Foreign Currency Program began as an extension of traditional activities related to country and area studies, but by 1963 certain research projects under that program were operating with purposes similar to those under the Cooperative Research Program. Of the original nine initiated in India, the seven longer ones continued in fiscal year 1965.

Nine new ones were initiated in Israel, and six continued under earlier agreements. Illustrative of a new project is a 3-year study of Israeli problems in the education of Arab children.

Other fiscal year 1965 projects under the Foreign Currency Program cover a wide range. A team field study of teacher and higher education was made in Yugoslavia, looking toward eventual publication of a manuscript.

Three projects focusing on non-Western studies were of a pilot nature. Each aimed at deepening the acquaintance of those in domestic institutions with their colleagues in foreign areas and at stimulating ideas which will lead to high quality education concerning other cultures.

One contract, with Baldwin-Wallace College, in Ohio, sent a team of professors to Egypt and the Middle East to prepare courses of study relating to that area and their own academic specialties. Pertinent to this project is the work Baldwin-Wallace is doing to develop a Department of Middle Eastern Studies as part of its program to provide students with accurate and current information on foreign areas.

A contract with Syracuse University provides for teachers from schools in New York State and one graduate student from the University to participate in a comparative education seminar in India. The group, which embarked on June 27 for a stay in India from June 29 to September 3, 1965, is concerned with a comparison of education in the various States of India with that in New York State.

The third pilot project is with the California State College System of 18 institutions. Involved are five teams, each institution represented on at least one.

This project is designed to help improve offerings in non-Western studies in this System, which has the largest enrollment of any system of higher education in the Nation. The contract calls for each team to go to a different country—India, Israel, Pakistan, Poland, and Yugoslavia.

Consultative and Other Services

Meetings of various types were among the services provided to help improve the quality of education. They provided opportunities for consultations with Office staff members and for exchange of views among colleagues from different locations.

There were regional seminars such as those on the achievements of fifth-year programs over the past 20 years. They focused especially on the potentialities of the paid teaching internship.

Their purpose was to stimulate institutions of higher learning to engage in intensive self-studies looking toward improvement of teacher education. Six were held as follows:

Region	*Location*	*Dates in 1964–65*
Northeastern	Boston University	Oct. 22–23
Midwestern	Northwestern University	Oct. 29–30
Southern	Atlanta	Nov. 19–20
Southwestern	Los Angeles	Apr. 26–27
Western	San Francisco	Apr. 29–30
Northwestern	Portland	May 3–4

Illustrative of regional meetings were the ones held in 1965 shortly after the National Defense Education Act Amendments, 1964 became law. These meetings were concerned with changes in the legislation and program development under title III (with its identification of five new and three continuing critical areas of instruction) and title V–A (with its expansion in coverage for guidance, counseling, and testing programs). They were held as follows:

Location	*Dates in 1965*
Boston	Jan. 18–20
Dallas	Jan. 25–27
Chicago	Jan. 28–30
Kansas City	Feb. 1–3
San Francisco	Feb. 4–6
Atlanta	Feb. 8–10

There were national conferences on program development for State supervisors. For example, one related to modern foreign languages was held in Washington from May 24–28 in cooperation with the National Council of State Supervisors of Foreign Language.

A conference on mathematics was jointly funded by the National Science Foundation and the Office of Education and was held from June 14–19 in East Lansing under contract with Michigan State University. Still another concerned program development in history, geography, and civics. It was held in Washington from June 21–25 under cosponsorship with the National Council for the Social Studies.

Not all the projects were for domestic personnel. The Office also received foreign educators, assisted with orientation programs for them, and planned professional programs for their stay in the United States.

Staff collaboration with personnel in State departments of education is another example of Office service. Office staff members worked with these departments on such subjects as revision of State certification standards for teachers and other school personnel. They worked with professional associations on research in the use of new media and in other areas of teacher education.

They conducted program reviews for State departments of education and for other bodies. For example, a Study Commission on Higher Education was authorized by the Connecticut General Assembly.

The State's Governor appointed this Commission in 1963. Then the Office of Education was asked to make the *Connecticut Survey of Higher Education* to aid the Commission in reaching its conclusions for its report in February 1965.

INFORMATION AND GUIDELINES

The Office continues to serve as a clearing house for information on federally assisted programs. It prepares revisions of regulations and guidelines consistent with new needs and authorizations.

It implements such laws as the Higher Education Facilities Act of 1963. And it prepares for implementation of other laws as illustrated by action in connection with the April 11 Elementary and Secondary Education Act of 1965 for which appropriations action was not completed by the Congress during fiscal year 1965.

Persons were recommended for appointment to advisory committees authorized by the legislation. Preparations were made for their meetings when funds would become available. Preliminary drafts of regulations, guidelines, and forms were prepared for programs under the act. Preliminary meetings in different parts of the country and in Washington were organized and conducted by the Office to inform those concerned about the new law and to encourage their reactions on administration of the program.

Teams were scheduled to brief Office of Economic Opportunity Regional Offices on coordination and cooperation under title I (Financial Assistance to Local Education Agencies) with urban and rural

community action programs under title II of the Economic Opportunity Act of 1964. Under title V (Grants to Strengthen State Departments of Education), materials were drafted, reviewed, tested, and then, at a June 24–26 meeting in Washington, presented to chief State school officers for their views prior to completion.

The 3-day workshop provided an opportunity for an examination of the role and responsibilities of State education agencies and the Federal Government in administering the various titles of the act.

Before the fiscal year had closed, the task was begun to identify individuals who could be recruited to help administer the various programs when funds were in hand. And countless inquiries from State and local education agencies, private schools, and the general public were answered concerning the law.

EDUCATIONAL MATERIALS LABORATORY

After the year 1945, foreign teachers and school administrators began to pour into the Nation under various programs of study and observation. With few exceptions, systems of education in other countries are centralized or partially centralized.

While many of the visitors may have learned in theory that the control and regulation of education is decentralized in the United States, they often were unprepared for the implications of that decentralization. Frequently, they wanted to see and to obtain a copy of *the* textbook used throughout the country for a particular subject in a particular field.

It was this situation which resulted in establishment of the Educational Materials Laboratory in 1953 as a nonlending library with a research collection of about 300 textbooks for examination by visitors. The project started as a cooperative activity of the American Textbook Publishers Institute and the Office of Education.

The Institute has continued to provide liaison with the textbook publishers which, in turn, supply the textbooks and keep that collection up-to-date. The Office houses the collection and provides the staff to administer it. After 1958 a similar arrangement with the Children's Book Council has provided liaison with trade book publishers.

By the close of fiscal year 1965, the collection consisted of some 6,000 textbooks, 5,000 trade books, and related materials such as curriculum guides and teachers' manuals used in elementary and secondary schools. In addition, about a thousand titles in the professional literature of education were on the open shelves.

Within 5 years, domestic educators already had outnumbered the foreign visitors using the collection. The ratio was about 3 to 1 in fiscal year 1965, when 5,164 educators and other visitors examined part or all of the collection.

Of this number, 3,837 were from the United States and 1,327 from abroad. Some of the visitors spent extended periods of time in the Laboratory in order to carry on particular research.

When the year closed, the Laboratory was in the midst of preparing a bibliography on acquisitions related to problems of urban schools. This bibliography, reflecting a developing focus of interest, is being prepared at the request of the Institute and of the Research Council of the Great Cities Program for School Improvement.

The Laboratory is scheduled to move to quarters in a new building at 300 Seventh Street S.W. in Washington. In addition, it will acquire a new name—the Educational Materials Center. In its quarters on the first floor of the new building, it will continue to display new books and materials for the benefit of educators from around the world.

Strengthening Instruction in Critical Areas

Title III of the National Defense Education Act authorizes a program of joint local, State, and Federal effort to strengthen elementary and secondary school instruction through expansion and improvement of supervisory and related services, through acquisition of instructional equipment and materials, and through "minor remodeling" of space used for such equipment and materials. Federal funds under the program are provided through matching grants for public schools and through loans for private schools.

The original title focused on strengthening instruction in science, mathematics, and modern foreign languages. Amendments by Public Law 88–665 of October 16, 1964, extended the authority for Federal assistance to include the strengthening of instruction in history, civics, geography, English, and reading, as well as the original three.

Title III of the law is designed to help establish in each State department of education a strong corps of specialists in subject-matter and in the professional field of education, supported with personnel in related areas. Among such personnel are librarians, school planning experts, and technicians in the use of audiovisual materials and facilities.

These specialists are intended to serve as the nuclei for intensive programs to strengthen instruction. Programs focus on inservice training for teachers, curriculum planning and revision by teachers, raising of State educational standards, and coordination of the levels of instruction in the critical subject areas.

The 1964 amendments raised the annual authorizations for supervisory and related services to $10 million and for equipment, ma-

terials, and remodeling to $90 million (including 12 percent for loans to private schools). Public Laws 88–605 and 635 included appropriations of $66.6 and $10 million respectively for a total of $76.6 million for fiscal year 1965 as against the total of $100 million which had been authorized.

All 50 States, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands participated in the title III program in fiscal year 1965. American Samoa and the Canal Zone are entitled to participate also but did not do so.

For the expansion of supervisory and related services, $6 million was allotted to the States and other areas. Thirty-nine reported that a grand total of $1,823,802 of their allotments would not be needed. Reallotments of $354,425 of this sum then were made to five others which had requested additional grants for provision of supervisory and related services to local education agencies.

For the acquisition of equipment and materials and for remodeling of space, $70.4 million was allotted in fiscal year 1965. Twenty-one States and other areas did not use $4,995,465 of the allotments, and $4,587,965 of this sum was reallotted among 22 others requesting increased grants.

A total of $4,079,145 has been loaned to nonpublic schools under title III since the program began in fiscal year 1959. Of this sum, a total of $1,413,590 has been repaid.

During fiscal year 1965, allotments for such loans to nonprofit private elementary and secondary schools amounted to $9.6 million. Loans under the allotments were approved as follows:

Location	*Number*	*Total amount*
California	3	$27,940
Commonwealth of Puerto Rico	2	13,400
District of Columbia	1	9,000
Florida	4	22,685
Illinois	4	80,100
Indiana	2	4,910
Iowa	1	9,000
Kentucky	1	3,500
Maryland	2	32,300
Minnesota	4	95,300
New Hampshire	1	26,000
New York	3	17,220
Pennsylvania	2	52,876
South Dakota	1	5,000
Texas	1	1,100
Grand totals	32	400,331

Language Development and Area Training

The Office administers some foreign language and area training programs which have as their basic aim the strengthening of instruction within the country and some which have other basic purposes. Some are carried out on domestic soil, some on foreign soil, and still others include some work at home and some abroad. In each case authority stems from certain provisions in laws of broader scope and purpose.

The National Defense Education Act of 1958 continued in fiscal year 1965 to encourage and assist in the expansion and improvement of educational programs to meet critical national needs. Among needs are those for modern foreign language and area studies.

The Mutual Educational and Cultural Exchange Act of 1961 continued to focus on improvement and strengthening of the international relations of the Nation by promoting better mutual understanding among the people of the world through educational and cultural exchanges. And facility in a modern foreign language and knowledge of the political, economic, and social milieu where it is spoken can contribute to that mutual understanding.

Language Development for National Defense

Title VI of the National Defense Education Act first authorizes the Commissioner to use Federal funds to finance contracts with institutions of higher learning to establish and operate language and area centers. Languages are limited to those which are modern and foreign.

Area studies are those needed to provide a "full understanding" of the areas, regions, or countries in which the particular language is commonly used. Such fields as history, political science, linguistics, economics, sociology, geography, and anthropology may be included.

The Commissioner is required to determine that individuals trained in any particular foreign language are needed by the Federal Government or by business, industry, or education. In addition, he must determine that adequate instruction in either the modern foreign language or in the related area studies is not readily available.

Title VI then authorizes the Commissioner to pay stipends to individuals undergoing advanced training in any of the qualifying modern foreign languages and related area studies. These stipends are to enable individuals to participate in short-term or regular session studies at institutions of higher learning (not necessarily at one which has a language and area center).

These awards include allowances for dependents and for travel to and from places of residence. Stipends are granted only on "reasonable assurance" that recipients will, on completion of their training,

be available to teach a modern foreign language in an institution of higher learning or for service of a public nature permitted under regulations established under the law by the Commissioner.

Finally, title VI authorizes the Commissioner, "directly or by contract," to make studies and surveys to determine the needs in the modern foreign language field and to conduct certain other research. This other research concentrates on "effective methods" of teaching languages and area studies or on development of pertinent specialized materials.

An October 16, 1964, amendment to title VI raised the authorization of Federal funds for language and area centers and related research and studies from the $8 million for fiscal year 1964 to $13 million for fiscal year 1965. It also specifies graduated increases up to $18 million by fiscal year 1968.

LANGUAGE AND AREA CENTERS

A total of 34 colleges and universities received $2.58 million in fiscal year 1964 Federal funds for use in 55 language and area centers in academic year 1964–65. Programs in more than 70 of the nearly 100 languages offered at the centers received this Federal support.

The increase in authorization and in appropriations legislation then made it possible to allocate $4.94 million in fiscal year 1965. These Federal funds are for the use of 61 institutions for 98 language and area centers in academic year 1965–66.

The largest proportion of that support is for language instruction. The seven languages of first priority are Arabic, Portuguese, Chinese, Hindi-Urdu, Japanese, Latin American Spanish, and Russian.

Allocations in fiscal year 1965 bring the 7-year total for centers to $16,056,161. Federal funds may not exceed 50 percent of the cost of new or expanded center activities.

AWARDS AND FELLOWSHIPS

Nineteen advanced study awards were made to college teachers in fiscal year 1965 to assist them in developing college programs of non-Western languages and area studies. Languages are those which are not commonly taught at present.

Over 1,300 fellowships were awarded for graduate studies. Involved are 63 different languages at as many different colleges and universities. Awards were made to nearly 400 undergraduates for intensive summer study.

Federal obligations for these purposes in fiscal year 1965 totaled $5.5 million, bringing the 7-year total to over $21 million. In all, more than 3,200 recipients have studied or are studying under the program.

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RESEARCH AND STUDIES

Most of the contracts for research and studies under title VI have been awarded to colleges and universities. Others have been awarded to educational organizations, still others to individuals.

Sixty-six contracts totaling $2.5 million in Federal funds were awarded for these activities in fiscal year 1965. Some of the contracts are for the preparation of basic readers, readers, and other instructional materials.

Other contracts are for the development and use of new methods of language instruction and related testing. In addition, there was a contract to make possible the establishment of a center for language research at the University of Michigan.

In the 7-year period of the program, 361 contracts have been awarded. They represent a Federal cost of more than $16.5 million for work in more than 125 modern foreign languages.

Language and Area Training for Mutual Understanding

A subparagraph of the Mutual Educational and Cultural Exchange Act focuses on language and area training for mutual understanding. This subparagraph, in what is popularly known as the Fulbright-Hays Act, is section 102(b)(6).

It authorizes the President to provide for "promoting modern foreign language training and area studies" in schools, colleges, and universities within the country by two types of support. One is for visits and study in foreign countries by teachers and prospective teachers. Here, the specific purpose is to help them improve their skills in languages and their knowledge of the culture of the people of those countries.

The other type of support is the financing of visits by language and curriculum specialists from foreign countries to the United States of America. Here the specific purpose is to make possible and to profit by their participation in foreign language training and area studies in domestic institutions.

The Appropriation Act of September 19, 1964, made available $1.5 million in fiscal year 1965 to carry out the provisions of section 102(b)(6). These funds were used in part for U.S. nationals to participate in summer seminars and in educational travel abroad, in part for individual study and research abroad, and in part for the recruitment of foreign persons to assist in improving and strengthening programs for language and area studies within the country.

SUMMER SEMINARS AND EDUCATIONAL TRAVEL

Arrangements were made in fiscal year 1965 for 54 elementary school teachers of either French or Spanish to participate in one of

two seminars under agreements between the Office and the host institutions. Each program was scheduled for 6 weeks of study in the summer of 1965 in a foreign institution and 2 weeks of educational travel to places of related cultural and historic interest.

The teachers of French were scheduled to study at the University of Strasbourg and travel in the French Republic. The teachers of Spanish were scheduled for study at the University of Costa Rica and travel in Central America.

Ninety grants for participation in one of four summer seminars were made to secondary school teachers and college instructors and assistant professors. Their fields of instruction include world and regional history, geography, economics, and comparative government.

These seminars focus on Japan, Mexico, the Middle East, and East Africa. Host institutions with which agreements were made are the International Christian University in Tokyo, the University of the Americas in Mexico City, the American University of Beirut, and the Haile Selassie I University of Addis Ababa.

About 16 percent of the appropriation was allocated to the six seminars. The total amount was approximately $242,000.

STUDY AND RESEARCH ABROAD

Nearly 12 percent of the appropriation, or about $176,000, was allocated to grants for advanced study and research for 10-month periods in England, France, the Federal Republic of Germany, Italy, Japan, Mexico, or Spain. These grants were awarded to 21 elementary and secondary teachers of either social studies or modern foreign languages.

Nearly 31 percent of the appropriation, or about $454,000, was allocated for study and research abroad by persons associated with language and area centers receiving assistance under the National Defense Education Act. Thirty-seven university faculty members are included in this project.

Nearly 32 percent, or about $476,000, of the appropriation covered arrangements for 91 prospective college-level teachers of non-Western languages and area studies. Most of these graduate students had had National Defense Fellowships.

LANGUAGE AND CURRICULUM SPECIALISTS FROM ABROAD

In a different approach to better understanding among peoples of the world, 15 language and curriculum specialists were recruited in other countries to assist in improving and strengthening language and area studies programs on home soil. These specialists came from France, India, Uruguay, Spain, Mexico, Argentina, Chile, Colombia, and Costa Rica.

They provided consultative and other services to State departments of education in Colorado, Georgia, Michigan, New Hampshire, New York, North Carolina, Oregon, and Pennsylvania, and to five school systems. The latter are the Hamilton County system in Ohio, and the city systems of Akron, Baltimore, Detroit, and Syracuse. Funds allocated for this purpose amounted to $165,000 and account for the remaining part of the appropriation.

Fifteen other specialists were recruited in fiscal year 1965 for assignments starting in September 1965 (with funding out of fiscal year 1966 appropriations). Home countries of these individuals are France, India, Japan, Thailand, Mexico, Bolivia, Chile, and Costa Rica.

Some of this group were recruited for work in the city school systems of Gary, Ind.; Milwaukee, Wis.; Norwalk, Conn.; Philadelphia, Pa.; Rochester, N.Y.; and Washington, D.C. The rest were scheduled for nine State departments of education—in Louisiana, Massachusetts, Minnesota, New Mexico, New York, Texas, Utah, Washington, and West Virginia.

National Defense Fellowships

Title IV of the National Defense Education Act authorizes the National Defense Fellowship Program. It has a twofold purpose: first, to augment the supply of qualified higher education teachers by awarding fellowships for up to 3 years to graduate students working toward the doctoral degree as preparation for academic careers; second, to encourage the establishment, expansion, and widespread geographic distribution of graduate programs.

To offset that portion of the cost of a new or expanded graduate program "reasonably attributable" to him, a payment of $2,500 per academic year is made to the university for each enrolled fellow, less any amount charged the fellow for tuition.

An October 16, 1964 amendment doubled the number of fellowships for fiscal year 1965 over the previous 1,500 a year. An increase to 6,000 is authorized for the year ending June 30, 1966, and to 7,500 for each of the next 2 succeeding fiscal years.

Another amendment authorizes certain flexibility in making awards as long as there is adherence to the basic plan of awarding fellowships to those working toward the doctoral degree as preparation for academic careers at the higher education level. Not less than 1,500 fellowships in fiscal year 1965, and not less than a third in the next succeeding years, are for study in programs qualifying under the title as new or

expanded programs which increase the number and promote a wider distribution of facilities in the country. The rest may be awarded on terms specified by the Commissioner.

A total of 905 graduate fellowship programs qualified for academic year 1965–66. The following tabulation shows the distribution of these programs by field of study:

Field of study	*Number of programs*	*Percent*
Social sciences	238	27
Humanities	200	22
Physical sciences	169	19
Biological sciences	137	15
Engineering	95	10
Education	66	7
Totals	905	100

Counting those still in force from prior awards, 5,883 National Defense Fellows are scheduled to be in 1,061 programs at 169 graduate schools in academic year 1965–66. Total Federal support is estimated at $31,369,100.

The award of 3,000 new fellowships in fiscal year 1965 brought to 11,500 the number given over the 7-year period of the program. Related Federal cost is approximately $132,374,150.

Guidance, Counseling, and Testing Program

Title V–A of the National Defense Education Act authorized a Federal program of grants to State educational agencies to assist them in establishing and maintaining guidance and counseling programs in public secondary schools and testing programs in both public and nonpublic secondary schools.

Public Law 88–665 of October 16, 1964, made elementary schools, junior colleges and technical institutes eligible for these programs as well as secondary schools. It also made it possible for the Canal Zone to participate.

Finally, additional funds were authorized. The increase was from $17.5 million for fiscal year 1964 to $24 million for fiscal 1965. Then $24.5 million is authorized for fiscal 1966, and $30 million each for fiscal years 1967 and 1968.

All 50 States, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands took advantage of the opportunities afforded by title V–A of the law. Only the Canal Zone and American Samoa did not.

The title requires matching of Federal funds. Actually, funds provided by the States and other major parts of the Nation and their

local levels overmatched the Federal contribution so that the ratio was over $8 for every $1 of Federal funds.

Allotments under title V–A were $20.5 million in fiscal year 1965. Payments made to the 54 participating parts of the Nation were over $20 million.

Under the program, 9 million aptitude and achievement tests were given to public school students. In addition, the Office made contracts which resulted in administering tests to more than 179,500 students in 1,503 nonpublic secondary schools in 37 States, the District of Columbia, and Guam at a Federal half-share cost of $58,663. States, and other participating jurisdictions, gave an additional 370,000 tests to students in nonpublic secondary schools.

The equivalent number of full-time public secondary school conselors increased to some 33,000 over the approximately 12,000 before enactment of title V–A. When the program was started in fiscal year 1959, the ratio of full-time counselors to secondary students in public schools was 1 to every 960 students. It was 1 to every 510 students at the end of fiscal year 1965.

The counselor-student ratio in elementary schools was 1 to 12,586 in fiscal year 1965. Members of professional guidance staffs in the educational agencies of the States and other jurisdictions have increased 160 percent while the title has been in effect; namely, from 99 to 258.

Counseling and Guidance Institutes

The Office continues to contract with colleges and universities to conduct short-term and regular session institutes to provide professional training for persons in or preparing to engage in counseling and guidance. This program of advanced study institutes is administered under title V–B of the National Defense Education Act.

Until October 16, 1964, the legislation limited Federal support for these projects to institutes for counselors and prospective counselors for secondary schools. It also limited the payment of stipends to persons from public schools.

Now, instead of personnel for secondary schools alone, personnel for elementary schools and for higher education are included. Junior colleges and technical institutes are encompassed in the higher education category. In addition, eligibility for stipends is extended to participants whether from public or private institutions.

While scope of the program was broadened by law, authorization of funds for operating the program was not increased by the Congress. Therefore, action under the extension to elementary and higher education was on a pilot basis.

Federal funds totaling $43.9 million have been obligated from the beginning of the program in fiscal year 1959 through fiscal year 1965 to support 401 short-term institutes and 137 regular session institutes. These institutes have served 17,426 enrollees—13,227 for short terms and 4,199 in regular sessions.

For fiscal year 1965 alone, $7.25 million was obligated. This sum represents $1,624,528 for 34 summer institutes for 1,013 enrollees, $5,558,478 for 24 regular session institutes for 720 enrollees, and $66,994 as the total reserve allowing for adjustments as funds are spent.

The following tabulation shows the way Federal funds were allotted by grade level of institutions for which counselors and prospective counselors were training:

Grade level	*Amount of Federal funds*	*Percentage*
Elementary	$871,222	12
Secondary	4,453,578	62
Secondary and higher education	1,605,580	22
Higher education	319,620	4
Totals	7,250,000	100

Institutes in Other Fields

The Office began to administer another program of Institutes for Advanced Study in 1959 in addition to those for counselors and prospective counselors. This one also was authorized by the National Defense Education Act of 1958.

Section 611 of title VI of the original act authorized the Commissioner to arrange, through contracts with institutions of higher education, for operation by them of short-term or regular session institutes, particularly on new methods and instructional materials for the teaching of modern foreign languages in elementary or secondary schools.

Public Law 88–210 of December 18, 1963, broadened the scope of the phrase "modern foreign language" to include English "when taught to persons for whom English is a second language."

Legislation on October 16, 1964, repealed section 611 and added a title XI. It continues the authorization for institutes in modern foreign languages and in English as a foreign language and authorizes seven additional types of institutes.

Five of the seven are for those engaged in or preparing to engage in the teaching, supervising, or training of teachers of history, geography, reading, or English in elementary or secondary schools, or of teachers of disadvantaged youth. The other two are for school library

personnel, or supervisors of such personnel, and for those engaged as or preparing to be engaged as educational media specialists.

Beginning with the 1959 fiscal year, and extending through the 1964 fiscal year, 358 summer and 28 academic year institutes or a total of 386 were held under the former section 611 of title VI for some 17,400 individuals. A little over $33 million in Federal funds was obligated for this purpose.

During the 1965 fiscal year, the first reporting period for the program under the new title XI, Federal funds amounting to $29,429,384 were obligated for 494 institutes. These institutes are to help improve qualifications of 20,427 participating teachers, supervisors, school library personnel, and educational media specialists in the country.

The greatest number of institutes in any one area is in the field of English. The largest total number of participants also is in this field. Modern foreign language institutes—the third largest in number and the second highest in total number of participants—represent the highest total obligation of Federal funds.

In all, a little over 57 percent of the obligated Federal funds was for institutes for secondary personnel, nearly 13 percent for elementary, and nearly 30 percent for a combination of the two grade levels. Table 5 identifies the institutes by type, number, number of participants, and amount of Federal funds obligated in fiscal year 1965.

Table 5.—*Institutes for advanced study by type, number, number of participants, and amount of Federal funds obligated by grade level in fiscal year 1965 under title XI, National Defense Education Act of 1958 as amended*

Type of institute	Number	Number of participants	Federal funds obligated			
			Elementary level	Secondary level	Elementary and secondary levels combined	Total
English	105	4,479	$210,706	$5,157,409	$329,762	$5,697,877
History	84	3,183	258,685	3,941,873	152,320	4,352,878
Modern foreign language	83	4,148	637,459	5,289,814	1,282,509	7,209,782
Disadvantaged youth	63	2,522	1,668,625	889,988	1,175,496	3,734,109
Reading	53	2,081	1,525,944	350,570	780,655	2,657,169
Geography	40	1,493	493,256	635,472	965,703	2,094,431
Educational media	36	1,377	----------	109,861	2,035,068	2,144,929
School library	26	954	139,714	239,122	802,194	1,181,030
English as a foreign language	4	100	91,378	----------	265,801	357,179
Totals	494	20,427	5,025,767	16,614,109	7,789,508	29,429,384

Vocational and Technical Education

Office administration of Federal assistance to vocational education began under the Smith-Hughes Act of 1917 which supports education in agriculture, home economics, and trade and industry.

By 1946 a shift had occurred from rural to urban emphasis in vocational education needs. The George-Barden Act of that year extended the program to include assistance related to distributive and health occupations, and the fishery trades and industry.

Title VIII of the National Defense Education Act added a title to the 1946 legislation. This addition authorized Federal assistance for area vocational education, including training for employment as technicians in scientific or technical fields.

Under the Area Redevelopment Act of 1961, assistance was authorized for occupational training and facilities in connection with economic development programs. The Manpower Development and Training Act of 1962 added Federal assistance in the classroom training or retraining of those unemployed because of automation and other shifts in employment needs. These two programs are administered by the Office with funds transferred by the Department of Labor in accordance with provisions in the legislation.

Then came the Vocational Education Act of 1963, looking toward accessibility of vocational and technical education to all concerned. Included in the coverage are high school students, persons who have completed or discontinued their formal education and are preparing to enter the labor market, those in the labor market who need training or retraining, and those with academic, socio-economic, or other handicaps preventing their success in regular vocational education programs.

Finally, the Appalachian Regional Development Act of 1965 authorizes certain supplementations and modifications of existing programs. Section 211 in part B of title II authorizes grants for construction of vocational education facilities in areas of Appalachia where occupational education is not available.

Preliminary reports for fiscal year 1965 coming in from around the country under the Smith-Hughes and George-Barden Acts and the Vocational Education Act of 1963 indicate that 125 vocational and technical schools were under construction in 28 States and 3 other areas. Another 209 were being planned in 27 States. In addition, 62 educational institutions in a total of 10 States had been designated as area centers to provide vocational and technical education programs.

Enrollments have increased from 164,186 in the vocational education programs of fiscal year 1918 to an estimated 5,263,200 in the education and training programs in fiscal year 1965. The 1965 estimate represents a 15.25 percent increase over the reported actual enrollments of 4,566,390 for fiscal year 1964 and reflects increases resulting from the opening of more facilities.

Pending regular appropriations legislation for fiscal year 1965, Federal funds for the first 2½ months were available only to the extent

authorized in a joint resolution of the Congress dated June 29, 1964. Continuing programs were funded during this period; newly authorized ones were not.

For fiscal year 1965 as a whole, $56,957,278 was appropriated for continuing programs under the Smith-Hughes and George-Barden Acts, with $7,161,455 of this sum being the permanent appropriation determined by formula under the Smith-Hughes legislation and the other $49,795,823 being the Federal funds under the George-Barden Act. The regular appropriations act of September 19, 1964, established the initial Federal funding of $123.5 million under the Vocational Education Act of 1963, to bring the total under the three laws to $180,457,278.

The Department of Labor transferred a total of $132.58 million for the parts of the economic and manpower development programs administered by the Office, to bring the grand total under the five laws to $313,037,278 in fiscal year 1965. Then, the supplemental appropriations act of April 30, 1965, made the first funds available under the Appalachian Regional Development Act of 1965.

This legislation specifies that the $8 million being appropriated for construction grants is to remain available until expended. While plans began in fiscal year 1965, expenditure of Federal funds under this appropriation for the building of the vocational education facilities was scheduled for fiscal year 1966.

Vocational Education Act of 1963

The Vocational Education Act of 1963 focuses in part on the maintenance, extension, and improvement of existing programs and in part on new programs. Newly authorized are grants for research and experimentation, allotments for work-study programs, and grants for construction of residential vocational education schools.

The fiscal year 1965 appropriation of $123.5 million included the $118.5 million authorized under the enabling legislation for purposes other than those under sections 13 (work-study) and 14 (residential schools). Five million dollars was appropriated under section 13; no funds under section 14.

ALLOTMENTS FOR ENUMERATED PURPOSES

Ninety percent of the $118.5 million for purposes other than those under sections 13 and 14 of the act was for allotment to the States, which, for purposes of the legislation, encompass the 50 States and the 5 other major parts of the Nation. These allotments, amounting to $106.65 million, were made under a formula specified in section 3 of the law.

States submitted their plans to the Commissioner for approval. Among other things, each plan sets forth policies and procedures to be followed in allocating funds within a State.

By the end of the fiscal year, all except 4 of the 55 major parts of the Nation had qualified to participate. Wyoming was in the process of qualifying, and a plan was being developed in the Virgin Islands. Guam was concentrating its participation under the earlier legislation rather than the 1963 act. American Samoa had not prepared a plan and, in fact, had not participated under either of the earlier laws.

A number of the participants submitted plans which took account of the provision in the 1963 act permitting transfers and combinations of allotments or apportionments under the Smith-Hughes, George-Barden, and 1963 acts. Most of these participants elected transfers from programs under the more restrictive earlier legislation to those under the broader 1963 act.

A total of $20,173,590, representing a little over 11 percent of the $180,457,278 appropriated under the three laws, was approved for transfer in fiscal year 1965. And $18,105,000 of the transferred funds was to programs under the 1963 act.

The $106.65 million in fiscal year 1965 allotments to the States was for any or all of six statutory purposes set forth in the 1963 act. Of this total, $106,614,127 had been obligated by the end of fiscal year 1965 to reimburse the States on a matching basis for the specified purposes. Percentage of the total obligation by enumerated purpose is as follows:

Purpose	*Percent of Federal obligation*
(1) Vocational education for those in high school	30.3
(2) Full-time vocational education for those who have completed or left high school	14.0
(3) Vocational education for adults needing training or retraining	7.8
(4) Vocational education for persons having academic, socio-economic, or other handicaps	2.5
(5) Construction of area vocational schools	40.0
(6) Ancillary services and activities	5.4
Total	100.0

These figures show that most of the impact of this part of the 1963 act in fiscal year 1965 was in the area of construction. One reason is the need for expanded and new facilities. Another is the fact that officials throughout the country usually were unable to initiate new full-time day school programs after the academic year had started or when it was about to start.

PROGRAMS UNDER MATCHED FUNDS

Matching of Federal funds by the States is traditional under the Smith-Hughes and George-Barden acts. It also underlies expansion of programs or liberalization of provisions authorized by amendments to the two laws contained in the Vocational Education Act of 1963. Provisions on matching of funds also apply to extensions of programs in keeping with the enumerated purposes and related conditions in the 1963 act.

Plans and other preliminary reports received on these various programs from the participating parts of the Nation indicate continued overmatching of Federal funds. They project this overmatching at least to the extent of more than $2 provided by local communities or States, or both, for every $1 of allotted Federal funds. As of the close of the fiscal year, projected expenditures presented in these reports reflect 69 percent in combined local and State funds (43.9 and 25.1 percent respectively) and 31 percent in Federal funds.

Federal matching of funds to cover the reimbursable expenditures for the vocational education and training itself and for the related ancillary services and activities is restricted to certain types of costs. They include costs of instruction, guidance services, supervision, teacher education, studies, equipment, supplies, and program promotion, plus selected administrative costs. Programs to which these expenditures relate are in certain major areas:

Agricultural education.—Automation, improved machinery, and scientific discoveries have created new occupations in the field of agriculture and transformed it into a field with a variety of specializations. Vocational education in agriculture encompasses services to farmers; the processing, distribution, and marketing of agricultural products; and the manufacture, distribution, and marketing of machinery, equipment, supplies, and chemicals.

Latest available figures show the total number of high school and postsecondary students enrolled in the agricultural education programs reached 860,605 in fiscal year 1964. This figure compares with 827,827 in fiscal year 1963.

A part of the agricultural education program is Future Farmers of America—a national organization of farm youth studying vocational agriculture in public secondary schools. This educational, nonprofit, nonpolitical farm youth organization with voluntary membership is designed to develop leadership in agriculture and to develop character, thrift, scholarship, cooperation, and citizenship and patriotism.

Home economics education.—Preparation of individuals for homemaking continues to be a major purpose of home economics instruction. An additional purpose, and one receiving special emphasis in

fiscal year 1965, is preparation of high school and postsecondary youth and out-of-school youth and adults for gainful employment in occupations using home economics knowledge and skills.

The trend of increased enrollment in these homemaking and occupational programs has continued. By comparison with the 2,022,138 in fiscal year 1964, enrollments reached close to 2.5 million secondary school youth in fiscal year 1965, with more than a million being in the occupational programs. Classes for adults were attended by approximately 700,000 women and men.

Courses are organized around concepts important to personal and family living. An example of one to prepare for employment is the pilot program in the Sandoval Community Unit School in Sandoval, Ill., to train for service as child care aids. It grew out of an awareness of need in the community. Other programs center on sewing; food management, production, and service; and institutional and home management.

Since the signing of the 1963 act, a greater effort is being made by home economics educators to meet the needs of special groups of persons. The program for academically handicapped girls, started in Harlington, Tex., in 1963, for example, is preparing students for such jobs as assisting in homes and nursery schools, hand sewing in drapery shops, linen mending in hospitals, and serving as hostess in tourist organizations.

Future Homemakers of America—the national organization for high school home economics students—aims to help them improve their personal, family, and community living. The organization is an integral part of the high school home economics program and functions through local chapters. Membership approximates 530,000 in 11,000 local chapters.

Trade and industrial education.—The second largest total enrollment in the vocational education area is in trade and industrial courses. Latest figures—those for fiscal year 1964—reached a total of 1,069,274 compared with 1,001,776 in these courses in fiscal year 1963.

These fiscal year 1964 figures include 8,468 in health occupations. They also include 1,614 in the fishery trades and industry, where the program is planned to lead to licensing and includes basic training in seamanship and such specialized areas as shipboard refrigeration and cannery operations.

Curriculums in trade and industrial education in general are designed to develop manipulative skills and technical knowledge. Instruction also is included in such areas as job attitudes, safety practices, and trade judgment.

Facilities and equipment are similar to those in industry. Students are trained to meet standards of workmanship required for employment, with instruction including work of a productive nature as in industry.

A national trade and industrial club was organized in fiscal year 1965. Vocational Industrial Clubs of America is for secondary school students in trade and industrial education programs.

Distributive education.—Employment trends create the urgency for specialized training in distributive methods. So far, reports indicate that enrollments in distributive education classes in fiscal year 1965 substantially exceeded the 334,126 enrolled in fiscal year 1964.

Merchandising, marketing, and management are the instructional bases for the courses to develop and improve employment qualifications. Preparation is for positions in retailing, wholesaling, insurance, real estate, transportation, storing, business services, personal services, manufacturing, hotels, housing, and other areas of the economy.

Employment in a distributive occupation is a part of the instructional plan and an extension of the classroom work. The employing firm provides the laboratory environment for the student to observe and to apply concepts and skills developed in class.

Closely associated with the instructional program is the local chapter of the Distributive Education Clubs of America. This national student-directed activity is part of the training process and aims at the development of poise and self-reliance.

Health occupations.—Federal aid to State boards of vocational education to expand, improve, and operate programs of study in the health field relates to occupations supportive to the professions of nursing, medicine, and dentistry. Examples of the kinds of persons trained are practical nurses and certified laboratory, dental, and operating room assistants. Programs include supervised experience in selected health agencies of the community.

Indications are that enrollments in fiscal year 1965 exceeded the 67,474 in fiscal year 1964. This 1964 figure includes 8,468 enrolled in certain health occupations which are also a part of trade and industrial education and so are included in those enrollment figures too.

Technical education.—Curriculums in technical education usually are designed to provide specialty courses with basic and advanced classes in electronics, plant science, medical laboratory work, and the like. Technical education courses are offered in a variety of schools, including comprehensive and technical high schools, area vocational and technical schools, technical institutes, junior colleges, and divisions or departments of 4-year colleges.

Technical education aims at preparing the student for employment and productivity in a technological field, improvement in skills at advanced technical level, and advancement in the particular field. When the figures were completed for fiscal year 1964, enrollments reached 221,241 compared with 184,595 in fiscal year 1963.

Office education.—Need for training of office workers is indicated by the fact that such workers comprise the second largest employment group in the Nation. The primary goal of the new office training program, for which enrollment figures are not yet available, is to develop the potential of individuals expecting to enter an office career while, at the same time, helping to meet the national manpower needs for trained workers. Training is offered in such areas as automation, operational systems, data processing, and the coordination and communication of information.

Ancillary services and activities.—The Vocational Education Act requires, unless otherwise authorized by the Commissioner, that participating parts of the Nation use at least three percent of their annual vocational and technical education allotments for ancillary services and activities. The aim is to assure quality in vocational education.

One phase of this program is the training of those recruited from specialized occupational fields to be teachers in their fields of specialty. Other phases relate to supervision, program evaluation, special demonstrations and experimental programs, development of instructional materials, and leadership in State administration.

RESEARCH AND EXPERIMENTATION

In keeping with section 4.(c) of the 1963 act, 10 percent of the $118.5 million appropriated for purposes other than those in sections 13 and 14 was earmarked for grants for research and experimentation. Some 475 proposals were received under this new program.

The entire $11.85 million then was allocated for 146 projects. These occupational research and planning grants reflect particular emphasis in the areas of teacher education and training, training of research personnel, and studies of the immediate vocational needs of school dropouts, adults, and disadvantaged and slow learners.

WORK-STUDY PROGRAM

The $5 million appropriated for work-study programs across the country was allotted to the States without requirement for matching of Federal funds. Beneficiaries are qualified youth in need of earnings from part-time employment to continue vocational education.

The student must be in good standing, in full-time attendance at school, and in the 15–20 year age group. The student may be employed up to 15 hours in any week in which he has classes.

He may receive compensation not exceeding $45 a month or $350 in an academic year. In the event he does not live within a reasonable commuting distance of the school, he may be eligible to receive as much as $60 a month or $500 in the school year. Part-time employment is with the local education agency or another appropriate Federal, State, or local agency.

Manpower Development and Training

The Manpower Development and Training Act of 1962 as amended requires the Federal Government to appraise the manpower requirements and resources of the Nation and to develop and apply the information and methods needed to deal with problems of unemployment resulting from automation, technological change, and other types of persistent unemployment. One intent of the legislation is to train unemployed heads of families. The statute also authorizes 25 percent of the persons receiving training to be between 17 and 22 years of age.

In addition to extending the program to 1969, the Manpower Act of 1965 provided for its expansion. Added is a provision for brief refresher courses for unemployed professional workers or those who will lose their jobs unless their skills are brought up to date.

The Office is concerned with that part of the total program carried out as a result of arrangements agreed upon by the Secretaries of Labor and of Health, Education, and Welfare and delegations of appropriate authority and responsibility to the Commissioner of Education. Under such arrangements, the Office contracts with public or private education or training institutions to establish classroom programs when States do not provide necessary institutional training.

Eligibility of the individual to become a trainee is determined in the local or State employment office. Such offices approved 157,149 persons for classroom training involving 2,439 training projects during fiscal year 1965.

Approximately 139,000 were enrolled during the year. Before it closed, approximately 70,500 had completed trianing programs.

Males made up 60.8 percent and females 39.2 percent of the trainees from the time the program started in September 1962 until June 1, 1965. Heads of families represented 54.3 percent of the total.

By age groupings, 36.5 percent were under 22 years of age, 52.9 percent were between 22 and 44 years of age, and 10.6 percent were 45 or over. Those unemployed for at least 15 weeks prior to training represented 45.7 percent of the total. From the point of view of education, 15.5 percent had up to 8 years of schooling, 32.7 percent had 9 to 11 years and 51.7 had 12 years or more.

Table 6 identifies by fiscal year the numbers approved for training since the program started. It also shows the number enrolled, the number completing their program of training, and the amount of Federal funds obligated for this training.

Table 6.—*Numbers approved for, enrolled in, and completing classroom training programs, together with amount of Federal funds committed for the training from September 1962 through June 1965 under the Manpower Development and Training Act of 1962 as amended*

Fiscal year	Number of individuals			Amount of Federal funds committed for training
	Approved for training	Enrolled in training	Completing training	
1963	57,444	33,000	9,100	$32,907,743
1964	114,665	68,000	42,400	79,424,348
1965	157,149	139,000	70,500	123,549,993
Totals	[a] 329,258	240,000	122,000	[b] 235,882,084

[a] Represented are 5,884 projects, with 2,439 of this number being in fiscal year 1965.
[b] In addition to Federal commitments for training, there were Federal obligations for State direction and supervision amounting to $8,204,207; namely, $992,204 in fiscal year 1963 and $2,014,380 in fiscal year 1964 and $5,197,623 in fiscal year 1965.

Training in Redevelopment Areas

Since November 1961, funds have been received from the Department of Labor for classroom programs under the Area Redevelopment Act. Training needs are determined by the Secretaries of Commerce and Labor.

Federal funds are granted to State boards for vocational education on the basis of specific projects. Amounts of transferred funds and of obligations against them by fiscal years are:

Fiscal year	*Federal funds*	*Obligated funds*
1962	$2,881,000	$2,881,000
1963	3,300,000	3,283,812
1964	3,265,000	3,264,511
1965	3,105,000	3,088,389

The $3,088,389 obligated in fiscal year 1965 includes $2,873,583 for training costs and $214,806 for State supervision. There were 290 projects in all and a total of 10,217 were enrolled in the training. Of the 35 participating States, Michigan, Pennsylvania, New Jersey, Tennessee, and Ohio enrolled the largest numbers.

The Manpower Act of 1965 repealed the training provisions of the Area Redevelopment Act and incorporated them as section 241 of the Manpower Development and Training Act. New provisions provide for full Federal financing. They also bring the two programs into conformity as to length of training, daily transportation expenses, and eligibility for increased training allowances.

Adult Basic Education

Title II–B of the Economic Opportunity Act of 1964 authorizes Federal grants to State educational agencies to initiate, expand, and strengthen programs of instruction for individuals who have attained the age of 18 and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their ability. The term "State" is defined to include any of the 55 major parts of the Nation.

The goal of the law is to help raise the level of education of individuals so that they can benefit from occupational training and thus increase their opportunities for more productive and profitable employment. The program emphasizes instruction in the communication and computational skills such as speaking, listening, reading, writing, and arithmetic at the elementary level.

A condition to the payment of Federal funds is a State plan describing the program of adult basic education to be put into effect. It must be one which "affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education" of adults in need of basic education.

The Federal share of the cost of these programs in fiscal year 1965 was 90 percent. Office participation centered on the provision of consultative services, encouragement of research in adult education, and stimulation of leadership training programs and publications.

Education of the Handicapped

Public Law 85–926 as amended by title III of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 authorizes Federal funds for programs for teachers, supervisors, and specialized personnel working with handicapped children. Included under the definition are "mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education."

Grants for the training of professional personnel concerned with the education of handicapped children are made to public and private nonprofit institutions of higher learning and to State education agencies. The training may be in the form of special study institutes, senior year traineeships, summer traineeships, or graduate fellow-

ships. In addition, the law authorizes grants for the development of new educational programs in institutions of higher learning.

Federal funding for these programs amounted to almost $14.5 million in fiscal year 1965. This money was for State education agencies and institutions of higher learning for awards to 5,015 teachers and students, and for 59 grants (totaling $824,600) for new programs.

Distribution was:

Area	*Amount of Federal funds*	*Percentage*
Programs relating to education of:		
Mentally retarded	$6,569,815	45
Deaf	2,068,350	14
Hard of hearing and speech impaired	1,706,623	12
Seriously emotionally disturbed	1,475,910	10
Crippled	1,082,400	8
Visually handicapped	865,850	6
Other health impaired	286,635	2
Training of administrators	242,900	2
State education agency administrative costs	200,961	1
Totals	14,499,444	100

The same title III separately authorizes research and demonstration projects. The $2 million obligated in fiscal year 1965 was for 32 new and 21 continuing projects.

Captioned Films for the Deaf

One purpose of Public Law 85–905 as amended is enrichment of educational and cultural experiences for deaf persons by means of a free loan service of acquired or specifically produced captioned films. Another is to promote the general welfare of deaf persons through research in the use of educational and training films, through production and distribution of such films, and through training of personnel in their use. A Federal appropriation of $1.5 million was available for these purposes in fiscal year 1965.

Of particular significance in the year was continuation of Project LIFE (Language Instruction to Facilitate Education), in which applications of programmed instruction to language teaching for deaf children are being explored. A unique instructional device was developed in prototype for trial of programmed lessons.

Project personnel also completed the planning stage of a special picture dictionary and of story materials. These materials are planned as an educational media package for teaching young deaf children.

Work was completed on the development of a beginning program in auditory training for deaf children with partial or residual hearing. Entitled *Sights and Sounds*, this series of six filmstrips with records and other materials, won the blue ribbon in the Educational Section

of the Language Arts Division of the American Film Festival in the spring of 1965.

Captioned films visualizing the feature story of current issues of *My Weekly Reader* were produced for use at second grade reading level. They were distributed for 29 consecutive weeks in fiscal year 1965 to 284 schools and classes for the deaf.

The library for captioned films established in 1959 and then having 29 prints donated by the American School for the Deaf, has grown to a total of 56,936 items. Included in acquisitions during fiscal year 1965 are 75 prints each of 103 educational titles and 12 prints each of 52 general interest titles.

These acquisitions bring holdings to some 200 educational titles and 260 general interest titles. There are 17,296 motion pictures in all. The balance of the library consists of filmstrips, kinescopes, slides, transparencies, and related materials.

The number of groups registered to borrow captioned films rose to 1,065 as compared to 983 at the close of fiscal year 1964. Adult groups accounted for the largest number receiving service, followed by schools and classes for the deaf.

Though reliable audience figures are not available for educational films, the number reached by the general interest films was approximately 475,000 compared with 389,000 in the previous fiscal year. The average number of monthly exhibitions of these films increased from 446 in fiscal year 1964 to 583 in fiscal year 1965.

Forty-three schools for the deaf in the country are depositories for captioned educational films. Schools for the deaf at Colorado Springs, Indianapolis, and White Plains are distribution centers for general interest films. Plans were under way in fiscal year 1965 to deposit some educational films at these three centers also so that they will be available to clubs, churches, rehabilitation centers, and the like which offer services to the deaf.

In the area of training, a regional demonstration project at New Mexico State University provided a variety of workshops for teachers of the deaf in the southern region. These workshops made it possible for teachers to become acquainted with new educational media and to gain experience in working with basic equipment involved in modern media programs.

International Educational Relations

The Office continues to play a technical role in the U.S. contribution to the development of international policies. Inherent in this development is a recognition of the relation of education and training to the

welfare of people, to the political and economic viability of nations, and to the peace of the world.

Planning

Planning is important in the intergovernmental interests in education. It underlies the attention being given to educational statistics, literacy, agricultural education, discrimination in education, the education of women, the training of teachers, youth problems, and vocational and technical education.

The Office is concerned with the work of more than 30 intergovernmental organizations at the international level. Its part in the educational planning of these organizations varies from review and written comment on a few documents to active participation.

The amount of participation has tended to be influenced by the extent to which the basic interests of the Office and those of intergovernmental organizations converge. For example, participation was extensive in the case of the United Nations Educational, Scientific and Cultural Organization (UNESCO) but less so for the Organization for Economic Co-operation and Development (O.E.C.D.).

The Office prepared background papers, policy studies, and position papers in connection with UNESCO's educational planning both in its regular program and through the International Institute for Educational Planning activated in 1963 as a result of a decision of the UNESCO General Conference at its Twelfth Session in Paris in 1962. The Office also prepared U.S. answers to pertinent UNESCO questionnaires.

Among those with particular relevance to educational planning were the U.S. replies to questionnaires on educational statistics. They concerned enrollments in different types and levels of education, foreign student enrollments, types of educational institutions, teachers at different levels, degrees conferred, educational finance, and the like.

The Office also prepared answers to various nonstatistical questionnaires with pertinence to educational planning at the international level. They were on such subjects as overcoming illiteracy, access of girls and women to higher education, provision for special education, and youth activities.

Work in connection with the O.E.C.D. program, by contrast, focused in part on educational investment planning. Another area of interest was on the improvement and standardization of statistics for educational planning and policy.

Service as a United States Secretariat

An illustration of extensive and direct participation on behalf of the United States is the work which the Office of Education does in connection with the International Bureau of Education (I.B.E.). The Office serves as the U.S. Secretariat in technical matters pertaining to the Nation's membership in this advisory organization which is financed both by membership assessments and by subventions from UNESCO.

The July 17, 1958 Executive Letter applying for U.S. membership in the organization provides the authority. It specifies that the Office of Education "carries the basic responsibility within the Federal Government with respect to educational matters of concern to the International Bureau of Education and will accordingly have a direct relationship with the International Bureau of Education on these matters."

Under this part of the Executive Agreement underlying U.S. membership in I.B.E., the Office prepares U.S. reports in keeping with subjects on the agenda for the annual International Conference on Public Education jointly sponsored by UNESCO and I.B.E. It also nominates U.S. Delegates to the Conference and participates in their briefing.

The Office prepared three U.S. reports for the 27th or July 6–17, 1964 Conference. One, published in English, French, Russian, and Spanish, is entitled *Progress of Public Education in the United States of America: 1963–64.* This publication is also distributed through U.S. Information Agency channels to its offices around the world as a current status report on education within the Nation.

The other two U.S. reports for the 1964 Conference are *Literacy and Adult Education* and *The Teaching of Modern Languages in Secondary Schools.* These reports are pertinent to the two subjects selected for specialized focus at the 1964 Conference.

The Office also prepares an exhibit on education which is readied for the opening of each Conference and then continues to be housed throughout the ensuing year in the permanent exhibit hall at I.B.E. Headquarters in the Palais Wilson in Geneva. In keeping with the Conference agenda, the one for 1964 was planned around adult education and modern languages.

The Conference opened on schedule on July 6, 1964, but failed to reach any education item on the agenda. After collapse of the Conference on a political question concerning the seating of a member State of I.B.E., the UNESCO/I.B.E. Joint Committee decided to retain the undebated technical items on the agenda for the Conference in 1965.

In view of this decision, the Office retained the 1964 emphases in the U.S. exhibit and added another in 1965. The new one is in keeping with the report in four languages on *Progress of Public Education in the United States of America: 1964–65*, prepared for the 28th International Conference on Public Education convening from July 12–23, 1965.

Specifically, it is on developments and trends in science education. Howard University's pilot experiment on science for children and adults in deprived areas is featured along with textbooks used for the sciences.

Two other major reports were prepared for I.B.E. in fiscal year 1965. They are *Teachers Abroad and Organization of Educational Research.*

Other Work Related to International Organizations

The Office prepared background and position papers on subjects related to education for use at Grenoble at UNESCO's August 23–September 1, 1964 International Conference on Youth, and at Paris for its October 20–November 20, 1964 or 13th General Conference and for its Executive Board meetings. Under a UNESCO contract, a report on *Social and Human Sciences in Engineering Colleges* was completed. Work also was undertaken with the American Standards Association on possible UNESCO efforts toward standardization of library statistics.

Closely allied to its UNESCO-related activities is Office support of the work of the U.S. National Commission for UNESCO which operates under Article VII of the Constitution of UNESCO and the Commission's own bylaws. The U.S. Commissioner of Education is a member of the Commission. Efforts during the year focused particularly on analysis in the field of freedom of information, contacts between UNESCO and the academic community at home, the role of nongovernmental organizations with UNESCO, and on youth programs.

In addition to review of the UNESCO program and budget, the Office reviews appropriate parts of the program and budget of other intergovernmental organizations. Some of them are specialized agencies such as the Food and Agriculture Organization and the International Labour Organization, affiliated with the United Nations.

Among the others are the Organization of American States, the O.E.C.D., and such parts of the United Nations as the Economic and Social Council and its subordinate commissions and other bodies. Pertinent proposals of the United Nations Children's Fund (UNICEF) and the United Nations Special Fund, are also reviewed by the Office.

One of the major purposes of these reviews is to comment or make recommendations on technical content for national use in intergovernmental conferences and meetings. Another major purpose is to encourage the coordination of education activities among the various international organizations.

INTERNATIONAL INSTRUMENTS

The Nation announces in advance that it normally does not expect to become a party to a convention in the field of education and that it will not become a party to those on subjects falling within the jurisdiction of the several States rather than the Federal Government. Though it prefers action projects rather than international instruments in the form of conventions or recommendations, it consistently seeks to cooperate by reporting to the extent appropriate once a recommendation has been adopted.

The Office workload pertinent to these instruments has been increasing steadily. In connection with UNESCO alone in fiscal year 1965, it was involved in work concerned with recommendations against discrimination in education, on educational statistics, on the status of teachers, and on vocational and technical education.

REPRESENTATION AT INTERNATIONAL CONFERENCES

The Secretary of Health, Education, and Welfare, in consultation with the Commissioner of Education, nominates to the Secretary of State many people from the education community throughout the Nation to serve on U.S. delegations to intergovernmental conferences and meetings which are concerned in whole or in part with subjects in the field of education. Sometimes an Office staff member serves as a U.S. Delegate, Representative, Alternate, Adviser, Consultant, Expert, or Observer.

Staff members also participate in various international nongovernmental meetings and conferences focusing in whole or in part in their particular areas of professional competence. Table 7 identifies both the intergovernmental and the nongovernmental international conferences and meetings in which Office personnel participated during part or all of the conclave in fiscal year 1965.

Not shown is the fact that just one staff member normally attends a particular conference or meeting. There were two at the 29th Council Meeting of I.B.E. and the 2d International Congress of the International Society for the Scientific Study of Mental Retardation while four Office staff members were on the U.S. delegation to the 27th International Conference on Public Education.

Table 7.—*International conferences and meetings in which Office of Education personnel participated in fiscal year 1965*

Conference or meeting [1]	Place	Date
*Expert Meeting on Organization and Financing of Training, Organization for Economic Cooperation and Development (O.E.C.D.).	Paris	July 1–3, 1964
*29th Council Meeting, International Bureau of Education (I.B.E.).	Geneva	July 4, 1964
*Working Party on Training Methods for Older Workers, O.E.C.D.	Paris	July 6–8, 1964
*XXVIIth International Conference on Public Education, United Nations Educational, Scientific and Cultural Organization (UNESCO) and I.B.E.	Geneva	July 6–17, 1964 [2]
13th Assembly of Delegates, World Confederation of Organizations of the Teaching Profession (W.C.O.T.P.).	Paris	July 31–Aug. 6, 1964.
7th Annual Congress, International Council on Health, Physical Education and Recreation, W.C.O.T.P.	Paris	Aug. 7–10, 1964
2d International Congress, International Society for the Scientific Study of Mental Retardation.	Copenhagen	Aug. 7–14, 1964
10th World Assembly, World Organization for Early Childhood Education.	Stockholm	Aug. 12–18, 1964
International Conference on Modern Foreign Language Teaching, *Pädagogisches Zentrum*.	Berlin	Aug. 31–Sept. 5 1964.
5th Biennial Study Conference on Education, Atlantic Treaty Association.	Washington	Sept. 8–21, 1964
30th Council Session, International Federation of Library Associations.	Rome	Sept. 14–18, 1964
*Ad Hoc Advisory Group on University Level Education in Agriculture, O.E.C.D.	Paris	Sept. 21–24, 1964
Biennial Conference, International Association of Women in Radio and Television.	Vienna	Sept. 21–27, 1964
10th Plenary Meeting, International Organization for Standardizations.	Budapest	Oct. 14–17, 1964
*XIIIth General Conference, UNESCO	Paris	Oct. 20–Nov. 17 1964.[3]
*6th Meeting, Educational Investment Planning Group, Committee on Scientific and Technical Personnel, O.E.C.D.	Paris	Dec. 9–11, 1964
*International Conference on Management Education, Industry Committee, O.E.C.D.	Paris	Dec. 9–12, 1964
*42d Session, Executive Committee, I.B.E	Geneva	Feb. 9–10, 1965
3d Pan-Pacific Rehabilitation Conference, International Society for the Rehabilitation of the Disabled.	Tokyo	Apr. 13–17, 1965
QuadrennialMeeting, International Conference on Correspondence Education, International Council on Correspondence Education.	Saltsjöbaden, Sweden.	June 13–17, 1965
1st World Conference, International Congress of University Adult Education.	Humlebaek, Denmark.	June 20–27, 1965

[1] Asterisk denotes intergovernmental conference or meeting; others are nongovernmental.
[2] Conference collapsed on July 14 before the scheduled closing date.
[3] Conference extended beyond scheduled closing date to Nov. 20, 1964.

Bilateral Technical Cooperation

The Office administers a program and provides certain services under contract with the Agency for International Development (A.I.D.). Programs were arranged and supervised for 804 participants under the Technical Training Program. Included in the group were personnel from Ministries of Education in 54 countries, with the largest numbers coming from Africa and Latin America.

Some 500 of the participants were candidates for first or graduate degrees. Training programs in fiscal year 1965 were carried out in approximately 160 centers throughout the country.

Services were provided in response to 45 requests from a total of 22 countries in which A.I.D. Missions are located. Consultative services involved school and college officials, book publishers, school equipment manufacturers, and other officials.

The Office also periodically selects current educational materials reflecting innovations and trends in domestic education and sends them in packets to A.I.D. Missions abroad. Similar consultative and

support services are rendered to A.I.D. officials on home soil. In addition, the Office works closely with A.I.D. on matters relating to recruitment, transfer, and reassignment of pertinent personnel.

Teacher Development and Exchange Programs

The Office is concerned with certain other provisions of the amended Mutual Educational and Cultural Exchange Act of 1961 in addition to those on the promotion of modern foreign language training and area studies. These concern educational exchange, and interchange, and training to strengthen international cooperative relations.

In keeping with this purpose, the President's Executive Order 11034 of June 25, 1962, delegated his authority for the work to the Secretary of State. Then, under interdepartmental agreement, the Department of State transferred approximately $1.36 million for the Office of Education to use in fiscal year 1965 to carry out the operational aspects of two programs under the legislation:

INTERNATIONAL TEACHER DEVELOPMENT PROGRAM

Under the International Teacher Development Program, 648 teachers and school administrators were brought from 71 countries and dependencies to the United States for training and visits to schools. Of this group, 108 teachers from Central and South America participated in workshops in elementary, secondary, or vocational education at the University of Puerto Rico, while 263 teachers and school administrators participated in one of the 17 short-term special projects carried out in a total of 7 colleges and universities.

TEACHER EXCHANGE PROGRAM

Grants and professional services under the Teacher Exchange Program were provided for 582 elementary and secondary school teachers. Interchanges were worked out for 129 teachers from the United States and an equal number of teachers from a total of 12 foreign countries. One hundred and ten domestic teachers were assigned to posts in a total of 40 foreign countries, and 64 foreign teachers were placed in schools in the United States on a noninterchange basis.

One hundred and fifty teachers from the United States participated in six overseas summer seminars under the same program. They were held in Colombia and Spain for teachers of Spanish, in the Federal Republic of Germany for teachers of German, in Italy for teachers of the classics, and in France and India for teachers of history.

Exchanges Under Executive Agreement

The Office of Education arranged study programs for three delegations from the Union of Soviet Socialist Republics and assembled two

delegations of U.S. nationals for study tours in the U.S.S.R. in fiscal year 1965. These actions were taken under section VI on "Educational Exchanges" in the fourth or February 22, 1964 Executive Agreement between the United States and the U.S.S.R. on "Exchanges in the Scientific, Educational, Cultural and Other Fields" which covers calendar years 1964 and 1965.

An exchange in the area of programmed learning was completed during fiscal year 1965. Two U.S.S.R. study groups and one from the United States completed their respective parts of three other exchanges. Table 8 identifies the action by nation, size of delegation, specific provision under section VI of the Executive Agreement, and area and field of study.

Table 8.—*Study trips in fiscal year 1965 under section VI, Educational Exchanges, of the February 22, 1964, U.S.A./U.S.S.R. Agreement*[1] *on "Exchanges in the Scientific, Educational, Cultural and Other Fields"*

Delegation	Number of persons	Dates in foreign country	Section VI provision	Area and field of study[2]
U.S.S.R.	2	Oct. 12–Nov. 7, 1964	(4)(d)	Organization and methodology of instruction in institutions for musical education.
U.S.S.R.	4	Feb. 13–Mar. 7, 1965	(4)(c)	Research and practice in programmed learning and the use of technical facilities in the educational process.
U.S.A.	4	Feb. 28–Mar. 15, 1965	(4)(c)	Same as above.
U.S.S.R.	3	Apr. 26–May 15, 1965	(4)(b)	Organization of higher and specialized secondary education by correspondence.
U.S.A.	3	May 5–26, 1965	(4)(a)	Practice in admission and selection of students and testing of knowledge in educational institutions from primary up to and including higher schools.

[1] Treaties and Other International Acts Series 5582 in 15 U.S.T. 554–640.
[2] As identified in the Agreement.

Secondary and Non-Grant Visitor Program

The Office administers what has come to be known as a Secondary and Non-Grant Visitor Program. When there is an education interest, the Office arranges programs and related itineraries for recipients of grants from other agencies of Government and for persons coming under nongovernmental auspices.

Interpretation of Foreign Credentials

The number of foreign students in educational institutions in the United States and the number of U.S. nationals studying abroad has continued to rise since 1945. So, too, have the number of demands made upon the Office of Education to assist educational institutions, certification and licensure bodies, civil service commissions, and other agencies throughout the country with the interpretation of foreign educational credentials.

To help these agencies and to stem the tide of credentials reaching the Office, educational data sheets began to be issued in 1957 to provide brief information on education systems and curriculums in individual countries. The Office also began to cooperate with such organizations as the American Association of Collegiate Registrars and Admissions Officers in their work to publish guides on the admission and placement of foreign students.

Gradually the proportion of foreign credentials which are forwarded to Washington has been reduced. On the other hand, the number of sets of credentials reaching the Office for advisory interpretations has increased as shown by the following tabulation:

Fiscal year	*Sets of credentials interpreted*	*Fiscal year*	*Sets of credentials interpreted*
1958	4,070	1962	6,085
1959	4,293	1963	7,326
1960	4,437	1964	8,472
1961	5,355	1965	8,709

One of the reasons for the increase is the change in the areas of the world from which most of the foreign students are coming. Traditionally, most of them came from European countries. Now the largest percentage is from Far Eastern countries and the percentage from Africa is increasing.

Another reason for the increase is found in the unsettled conditions for education in areas of international tension and strife. Still another reason stems from the fact that U.S. nationals who are studying abroad are more widely scattered. Finally, the overall number of persons has increased markedly.

The Institute of International Education, which gathers and then summarizes the figures in in its annual report known as *Open Doors* reports 53,107 students in the total of 69,683 foreign citizens in the country on education missions of one type or another in academic year 1960–61. By academic year 1964–65, the more than 91,000 foreign citizens on education missions included 82,045 foreign students.

National legislative provisions on education benefits for veterans, official exchange and other programs, foundation grants for foreign study, and the like have contributed to the increase in the number of U.S. nationals holding foreign educational credentials. A total of 14,306 of these students was reported by the Institute for academic year 1959–60. By 1963–64—the latest year for which figures have been supplied by the foreign institutions and tabulated by the Institute—the number had increased to 18,092.

Payments to Land-Grant Institutions

The Office made total payments of $14.5 million in fiscal year 1965 to the 50 States and Puerto Rico for distribution to the 68 land-grant colleges and universities.

Part of the payments were from a $2.55 million permanent annual appropriation made by the Second Morrill Act of August 30, 1890, as amended. The rest came from the annual appropriation of $11.95 million made by Public Law 88–605 of September 19, 1964, for carrying out the provisions of section 22 of the Bankhead-Jones Act of June 29, 1935, as amended.

This sum is divided into two parts. One, totaling $7.65 million, covers payments in equal shares to the States and Puerto Rico. The other, totaling $4.3 million, covers allotments on the basis of population.

Inspection of Howard University

Public Law 70–634 specifies that Howard University "shall at all times be open to inspection by the Office of Education and shall be inspected by the said Office at least once each year." This annual inspection was made by the Office in fiscal year 1965 and a report was made by the Commissioner to the Secretary of Health, Education, and Welfare.

Higher Education Facilities

The Higher Education Facilities Act of 1963 recognizes that the security and welfare of the Nation require assurance that the youth of today and future generations in the country have "ample opportunity for the fullest development of their intellectual capacities." It also recognizes that "this opportunity will be jeopardized" unless colleges and universities are helped in their efforts to accommodate the rapidly growing numbers of youth aspiring to higher education.

The Congress formally declared in the legislation that "these needs are so great and these steps so urgent that it is incumbent upon the Nation to take positive and immediate action" through assistance to institutions of higher learning in providing certain academic facilities. Graduate and undergraduate institutions, junior and community colleges, and technical institutes are covered by this legislation.

For purposes of the act, a "State" is any of the 50 States or any of the other 5 major political subdivisions of the United States. "Con-

struction" encompasses erection or expansion of structures and acquisition and installation of initial equipment; acquisition of structures not owned by the institution; rehabilitation, alteration, conversion, or improvement of structures, or a combination of any two or more of the foregoing.

Titles I and II of the act respectively authorize grants for construction of undergraduate and graduate academic facilities. Title III authorizes construction loans.

Table 9 is a statistical summary of Office action under the legislation. It reflects, by State and other political subdivision, the number of facilities and the related amount of Federal money for each type of program.

Table 9 shows that 525 institutions received benefits between September 19, 1964, when the first funds were appropriated, and the next June 30 when fiscal year 1965 came to a close. Grants for 516 undergraduate facilities and 85 graduate facilities totaled $284,362,675 while loans for 133 academic facilities totaled $106,937,000.

The total of these grants and loans is $391,299,675. This Federal share represents a little over a fourth of the entire construction costs which are estimated at $1,373,913,858 for the 734 facilities involved.

Some of the 525 institutions received funds under more than 1 program. Identified by program in the next three sections is the amount of Federal funding in relation to appropriations as well as information on numbers and types of institutions involved (as distinct from numbers of facilities being constructed).

Grants for Undergraduate Facilities

From a $50.6 million appropriation, 98 public community colleges and technical institutes received grants totaling $47,361,808. From a $179.4 million appropriation, 168 public 4-year institutions of higher learning and 209 private institutions received grants totaling $177,000,867. Grants ranged in size from $5,573 to $3,770,269.

The legislation specifies that any State desiring to participate under title I shall designate a broadly representative existing agency or establish such an agency as a State commission through which its plans for participation will be submitted to the Commissioner. The first five plans were approved on October 1, 1964.

Plans had been approved for half of the 50 States by mid-November. By the end of March of 1965, they had been approved for all 50 States, the District of Columbia, and Puerto Rico. By the end of the fiscal year, a plan for the Virgin Islands had also been approved.

Grants for Graduate Facilities

The aim of title II of the act is to increase the supply of "highly qualified personnel critically needed by the community, industry, government, research, and teaching" through helping institutions of higher learning to improve existing graduate schools and cooperative graduate centers and to assist in the establishment of schools and centers of excellence. Federal grants up to a third of the development costs are authorized for the construction projects.

The Office received 129 applications for grants under title II and approved 85. Some of the remaining 44 were deferred for action until additional funds would be available.

Federal funding amounted to the entire $60 million appropriated for the year. The grants were made to a total of 71 institutions to help pay construction costs for 85 facilities as follows:

Libraries	23
Social science, education, and related facilities	26
Physical science and mathematics buildings	15
Engineering and environmental health facilities	9
Fine arts and humanities facilities	7
Biological science and agriculture facilities	5

LOANS

From a $169,250,000 appropriation, 112 private and 7 public institutions received loans totaling $106,937,000. Loans ranged from $51,000 to $2,994,000.

Library Services and Construction

The Library Services Act of 1956 as amended through 1962, authorized the Commissioner of Education to approve and make grants for use in extending public library services to rural areas without them or with inadequate services. These grants were made to the States and other eligible parts of the Nation, provided they submitted plans which met conditions specified in the law.

Legislation of February 11, 1964, further amended the original act and changed its name to the Library Services and Construction Act. Now, grants are authorized for extension of public library services in urban as well as rural areas and for construction of public libraries in areas determined by the State library administrative agency to be without facilities necessary to the development of library services.

The legislation provides for allotments to the States with additional amounts in proportion to population. Plans from the States are required to provide for non-Federal participation ranging from 34 to 67 percent of total expenditures.

Table 9.—*Grants and loans in fiscal year 1965 to 525 higher education institutions for construction of academic facilities under titles I, II, and III, Higher Education Facilities Act of 1963*

State [1]	Grants								Loans	
	For undergraduate facilities (title I)						For graduate facilities (title II)		For academic facilities (title III)	
	Facilities (sec. 103) [2]	Amount	Facilities (sec. 104) [3]	Amount	Total number of facilities	Total amount	Facilities	Amount	Facilities	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Alabama	2	$1,161,234	9	$2,422,271	11	$3,583,505	1	$420,900	1	$537,000
Alaska			2	134,047	2	134,047				
Arizona	2	441,438	3	1,633,874	5	2,075,312	1	178,285		
Arkansas			9	1,629,586	9	1,629,586			1	777,000
California	1	3,770,269	35	19,877,204	36	23,647,473	6	5,723,183	10	3,169,000
Colorado	2	488,984	4	2,101,157	6	2,590,141	1	264,166		
Connecticut	1	520,836	6	2,403,305	7	2,924,141	2	673,682	4	4,530,000
Delaware			2	417,561	2	417,561				
Florida	2	1,371,448	10	4,342,320	12	5,713,768	5	2,410,312	4	5,487,000
Georgia	3	1,241,148	8	3,076,428	11	4,317,576	6	4,853,101	2	655,000
Hawaii	1	238,400	1	649,095	2	887,495	1	1,088,000		
Idaho	2	273,453	3	258,623	5	532,076			2	254,000
Illinois	1	2,099,039	20	9,362,765	21	11,461,804	3	2,588,935	9	12,157,000
Indiana	5	1,329,064	14	4,697,836	19	6,026,900	4	3,775,405	2	726,000
Iowa	6	898,530	10	2,895,116	16	3,793,646	1	366,514	5	2,416,000
Kansas	2	745,446	7	2,385,565	9	3,131,011				
Kentucky	2	857,129	5	2,603,118	7	3,460,247			1	1,039,000
Louisiana	2	1,112,553	7	2,971,852	9	4,084,405	1	1,327,833	2	1,674,000
Maine			4	852,608	4	852,608			1	326,000
Maryland	1	761,870	5	2,889,850	6	3,651,720	2	666,267		
Massachusetts	1	1,202,327	10	5,802,280	11	7,004,607	8	5,529,476	3	2,587,000
Michigan	2	2,262,998	14	7,950,518	16	10,213,516	3	2,382,151	3	2,511,000
Minnesota	3	1,194,015	7	3,825,151	10	5,019,166	1	2,066,666	2	3,338,000
Mississippi	6	745,866	11	1,986,367	17	2,732,233				
Missouri	2	1,187,717	13	4,005,475	15	5,193,192	3	1,183,106	4	1,903,000
Montana	1	160,000	1	129,620	2	289,620				
Nebraska	2	226,082	4	1,488,672	6	1,714,754			1	600,000
Nevada							1	116,011		
New Hampshire	1	176,297	3	625,721	4	802,018			1	386,03
New Jersey	1	1,330,510	11	4,606,996	12	5,937,506	3	3,227,851	9	5,859,000

New Mexico			2	962, 512	2	962, 512				
New York	3	3, 293, 519	15	16, 009, 675	18	19, 303, 194	5	7, 500, 000	10	14, 062, 000
North Carolina	4	1, 631, 375	17	4, 352, 529	21	5, 983, 904	1	1, 372, 170	3	1, 005, 000
North Dakota	1	270, 000	4	579, 077	5	849, 077				
Ohio	2	2, 543, 162	12	9, 009, 810	14	11, 552, 972	2	964, 237		
Oklahoma	3	568, 993	12	2, 327, 715	15	2, 896, 708	1	357, 885	2	3, 676, 000
Oregon	4	582, 166	9	2, 149, 378	13	2, 731, 544	2	548, 529	2	1, 237, 000
Pennsylvania	7	3, 146, 597	19	10, 260, 005	26	13, 406, 602	3	2, 588, 589	9	9, 992, 000
Rhode Island	1	218, 112	3	859, 707	4	1, 077, 819	1	125, 000		
South Carolina	4	859, 181	8	1, 969, 993	12	2, 829, 174	2	1, 212, 020	3	855, 000
South Dakota			3	719, 682	3	719, 682				
Tennessee	2	1, 216, 007	10	3, 239, 365	12	4, 455, 372			4	3, 912, 000
Texas	3	2, 717, 703	16	9, 074, 343	19	11, 792, 046	6	2, 491, 430	12	6, 669, 000
Utah	2	355, 845	4	1, 468, 421	6	1, 824, 266	1	588, 944		
Vermont	1	138, 043	4	478, 308	5	616, 351			4	2, 144, 000
Virginia	2	407, 973	11	3, 287, 424	13	3, 695, 397			4	2, 273, 000
Washington	2	877, 508	5	3, 315, 646	7	4, 193, 154	1	182, 076	2	1, 877, 000
West Virginia	2	642, 876	5	1, 676, 777	7	2, 319, 653			3	628, 000
Wisconsin	3	1, 369, 176	7	4, 148, 904	10	5, 518, 080	4	1, 032, 176	3	2, 616, 000
Wyoming	1	101, 338	1	342, 632	2	443, 970	1	413, 000		
American Samoa										
District of Columbia			5	1, 223, 396	5	1, 223, 396	2	1, 782, 100		
Guam										
Puerto Rico	1	616, 857	3	1, 520, 587	4	2, 137, 444			5	5, 060, 000
Virgin Islands	1	8, 724			1	8, 724				
Grand totals	103	47, 361, 808	413	177, 000, 867	516	224, 362, 675	85	60, 000, 000	133	106, 937, 000

[1] Title IV, sec 401(m) of the act specifies: "The term 'State' includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

[2] For public community colleges and public technical institutes.

[3] For institutions of higher education other than public community colleges and public technical institutes.

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Annual appropriations in recent years under the earlier legislation had been $7.5 million. The first appropriation under the new law was for fiscal year 1965 and amounted to $55 million with $25 million being for services and $30 million for construction.

The total amount of local, State, and Federal funds obligated under the legislation in fiscal year 1965 for library services was $105.2 million with the local and State share being $80.2 million or 76.2 percent and the Federal share being the $25 million appropriated for this purpose or 23.8 percent. The total amount obligated for library construction was $99.6 million with the local and State share being 70 percent or $69.8 million and the Federal share being 30 percent or $29.8 million out of the maximum of $30 million available for this purpose.

Plans for the improvement of library services were received and approved in fiscal year 1965 for all major parts of the Nation except American Samoa. A few examples show types of projects on which Federal assistance was provided.

A scholarship and recruitment program was established in Pennsylvania to help meet needs for professionally trained librarians. A September 23, 1964, or first Governor's Conference on Libraries in Oklahoma was attended by more than 500 persons. It focused on statewide public library development and included among its features a preliminary report of a survey of libraries in the State.

Other illustrative projects are those involving interstate arrangements. Such arrangements between libraries in Illinois and Iowa and between libraries in the New England States are examples.

Plans from all parts of the Nation except Alaska, American Samoa, and Indiana were received and approved for Federal assistance on library construction. The first library building completed under the program is in Wheatland, Wyo. In all, 363 construction projects were initiated in fiscal year 1965.

New Educational Media

Title VII of the National Defense Education Act of 1958 as amended authorizes the award of grants and contracts for the support of research and dissemination of information concerning educational uses of communication media such as television, radio, motion pictures, and audiovisual, printed, and published materials. For consideration, a proposal must show promise that the project will be of benefit to public elementary or secondary schools or to institutions of higher education.

Grants are awarded to public or private nonprofit agencies or individuals. Contracts are awarded to public or private agencies, organizations, groups, or individuals.

A total of $4,963,000 was appropriated for these purposes for fiscal year 1965. Of this sum, $1,603,770 was obligated for research and experimentation projects and $3,358,692 for dissemination activities.

Research and Experimentation

Proposals for research and experimentation are reviewed and evaluated semiannually by the Advisory Committee on New Educational Media. It was established by section 761(a) of the act.

Unsolicited proposals for research and experimentation grants were supported in fiscal year 1965 under three programs. One is the Unlimited Grant Program in which size and scope of awards are restricted only by statutory limitations and availability of funds.

Another is the Small Grant Program for pilot or exploratory studies requiring not more than $7,500 in Federal funds and not more than 18 months for completion. Under the third or Institutional Research Grant Program, awards up to $10,000 for periods up to 18 months may be made for an applicant to study means of utilizing these media in his own institutional setting as a basis for valid judgments on local instructional practices.

The Office solicits proposals for contracts. They are awarded only for those projects considered by the advisory committee to be of sufficient national significance to warrant such action.

Projects related to programmed instruction and television continue to be supported. During fiscal year 1965, it became apparent that a research area of increasing interest is the role of the teacher in making more effective use of a range of instructional media.

Dissemination Activities

The Advisory Committee on New Educational Media reviews proposals for contracts on dissemination activities. It also makes recommendations concerning needs in this area.

Some contracts were awarded for studies or surveys to identify needs for increased or improved use of new media in education. Others call for abstracts, bibliographies, and reports on effective use of communication media. Still others—on request of State education agencies or institutions of higher learning—call for demonstrations or for technical assistance and consultation.

One major emphasis in fiscal year 1965 was the expansion of support for development of a system of regional and national libraries of instructional television materials to permit greater accessibility to re-

cordings of high quality. Another major emphasis was on contracts to foster and expand education agency resources in dissemination of media information, particularly through support of demonstrations of effective media utilization and planning in teaching situations.

Educational Television

One of the amendments to the Communications Act of 1934 is Public Law 87–447 "Grants for Educational Television Broadcasting Facilities." This law of May 1, 1962, provides for Federal matching grants to assist in the construction and expansion of such noncommercial stations.

A total of $32 million is authorized for this program for the 5-year period ending June 30, 1967. Appropriated sums remain available for payment of grants for projects for which applications are submitted prior to July 1, 1968.

Grants are authorized for amounts not exceeding 50 percent of the "reasonable and necessary cost" of the eligible project, plus 25 percent of the cost of any educational television broadcasting facilities owned by the applicant on the date the grant application is filed. The Secretary of Health, Education, and Welfare has authority to approve and make the grants and to make pertinent rules and regulations.

The first appropriation under this legislation was made on May 17, 1963. By May 23, of that year, the Secretary had delegated responsibility to the Commissioner of Education to maintain a *List of Educational Television Transmission Apparatus* and *Suggested Minimum Performance Standards.*

The Secretary reserved his authority for: establishing policies for administration of the grants program, final approval of project grants, liaison with other Departments and agencies on matters involving policy and program coordination, and approval of rules and regulations. He delegated the remainder of his authority under the act to the Commissioner on June 4, 1964.

Eighty of the 356 channels reserved for educational television by the Federal Communications Commission were in operation when the grant program began in May 1963. Only 55 million of the population were in areas which could be reached by an educational television signal, including some 14 million students in the 5 to 21 age group.

There were 102 channels in operation at the close of fiscal year 1965. More than 120 million people could be reached including some 32 million students in the 5 to 21 age group. Educational television either was available or was scheduled to became available to viewers in 40 of the 50 States.

Since the inception of the program, 62 applications for Federal grants have been approved by the Secretary. Federal funds have helped make possible 17 new educational television stations. In addition, 14 new stations are in construction and 31 grants have been made to improve and expand the broadcasting facilities of stations already in operation.

Appropriations total $21 million through June 30, 1965: $1.5 million the first year, $6.5 million the next, and $13 million in fiscal year 1965. Of this total, $20.36 million was made available for grants and the rest for administration ($40,000 the first year and $300,000 each for the second and third years).

During the 1965 fiscal year, 33 applications from 18 States, the District of Columbia, and Puerto Rico were accepted for filing. They represent a total of $9,083,129 in Federal matching funds. Twenty-nine grants involving Federal funds in the amount of $5,941,527 were approved.

Among them were 14 grants for the activation of new stations in 13 States. The population to be served by these new stations is estimated at over 23.5 million.

Fifteen grants were made to expand existing stations in 10 States and in Puerto Rico. A population of 161.7 million is expected to be served by these improved facilities.

American Education

Although the periodical is one of the long-established Office means of disseminating research and other information on education, a new approach was in evidence when *American Education* came upon the scene with volume 1, No. 1 dated December 1964–January 1965. It replaces *School Life* and *Higher Education.*

Reasons for the change began to build with the signing of the National Defense Education Act of 1958 with its provisions for Federal assistance through interrelated programs geared to quality education. From then on, pressures for more and more information began to mount on the Office.

Before the first session of the 89th Congress began its work on behalf of education, the 88th Congress alone had produced legislation that either increased, extended, or established more than a dozen programs for the benefit of education. And the Office has been assigned administrative responsibility for most of them.

Clearly, the time had come for a single periodical with an undivided approach to education. *American Education* aims at this comprehensive rather than fragmented approach. It seeks to recognize both the

interrelated character of the levels of education and the fact that education is the public's business as well as the educator's.

Student Financial Aid and Refugee Assistance

The Office administers several programs under which needy students receive financial aid to help them pursue their studies. These programs are in addition to those which provide stipends without having financial need of the recipient as a criterion for participation.

The Work-Study Program is the newest. The Student Loan Fund Program is the oldest. The other one is the United States Loan Program for Cuban Refugee Students which is part of the larger Cuban Refugee Assistance Program.

Work-Study Program

The Economic Opportunity Act of 1964 authorizes the Director, Office of Economic Opportunity, to administer a Work-Study Program. Acting under authority of this law, the Director delegated appropriate authority to the Secretary of Health, Education, and Welfare on October 23, 1964, and the Secretary, in turn, redelegated specified authority on November 25, to the Commissioner of Education for administration of the Work-Study Program.

This Program, under title I–C of the act, aims at the stimulation and promotion of part-time employment of students from low-income families who need the earnings to continue their studies in institutions of higher learning. Employment may be on campus or may be by arrangement with a public or private nonprofit agency.

The law specifies that the work shall be related to the educational objectives of the students concerned. Among other requirements, it must not result in displacement of employed workers or impair existing contracts for services.

Initial grants under the program were made in January 1965. By the end of fiscal year 1965, Federal grants totaled $12 million for use in spring programs. Institutional contributions equaled a tenth of the salary disbursements involved.

Approximately 37,000 students were assisted in 674 colleges and universities. In all, these institutions are in 50 States, Puerto Rico, the District of Columbia, and the Virgin Islands.

By June 30, 1965, Federal funds also had been obligated for use in the summer and fall programs in fiscal year 1966. Including the $12 million for the spring programs, the total of Federal obligations then stood at $54,937,988 for the Work-Study Program.

Student Loan Fund Program

Title II of the National Defense Education Act of 1958 authorized the Student Loan Fund Program which the Office began to administer in fiscal year 1959. This program was created "to stimulate and assist in the establishment at institutions of higher education of funds for making low-interest loans to students in need thereof to pursue their courses of study in such institutions."

The October 16, 1964, amendments to the law include several concerned with title II. In summary, they:

1. Increase annual authorizations of Federal funds from the fiscal year 1964 level of $125 million to $163.3 million in fiscal year 1965 and authorize a graduated increase up to $195 million by fiscal year 1968.
2. Eliminate the annual $800,000 ceiling on amounts available to individual institutions.
3. Extend the program to (a) accredited public and nonpublic postsecondary business schools and technical institutions and (b) students carrying at least half a normal course workload.
4. Authorize institutions to place an additional 3-year repayment moratorium on loans under certain conditions.
5. Increase the annual loan ceiling for an individual graduate or professional student from $1,000 to $2,500 and the aggregate for an individual student from $5,000 to $10,000.
6. Extend the privilege of partial loan-cancellation to teachers in nonprofit private elementary and secondary schools and in public and private institutions of higher learning.
7. Authorize institutions to give special consideration for loans to students with a superior academic background regardless of their major field of study.

From the beginning of the program through fiscal year 1965, some 750,000 students borrowed approximately $619 million from loan funds operating under title II of the act. These loan funds are in institutions scattered throughout all the States and other major subdivisions of the Nation except American Samoa.

The grand total of $619 million represents $531 million in Federal allocations, $59 million in institutional contributions, and the rest in loan repayments to the extent reloaned to other students. During the same 7-year period, institutions collected approximately $37 million from student borrowers.

A provision of the law provides for canceling each year up to 5 years of 10 percent of the unpaid balance to borrowers who become teachers in public or other nonprofit educational institutions in the country or in elementary or secondary schools of the Armed Forces abroad. Some

95,000 borrowers benefited by approximately $14.6 million under this provision.

Some $162 million was borrowed by about 317,000 students in 1,630 institutions in fiscal year 1965. The Federal allocation was $130.1 million and the institutional contribution was $15.6 million.

Collections became a matter of concern in fiscal year 1965 as the total value of past-due payments on loans at the end of the reporting period reached $3 million. This sum represented about 1.6 percent of the total value of accounts in collection status and 16.4 percent of the amounts considered to be due for the year.

Certain measures were taken during the year and others were projected looking toward an improved repayment schedule. An analysis was made to get a more precise identification of the causes of the problem. On-site visits were made by more of the regional representatives.

Audits and fiscal reviews were accelerated. Consultations were held with representatives of institutions and with loan specialists in cooperation with representatives of the American Council on Education.

A guide in the form of a *Memorandum to Applicants for National Defense Student Loan Funds* on "Collection Procedures" was sent to participating institutions on February 15, 1965, for distribution to students. Efforts were made to familiarize institutions with its use.

Cooperative collection on behalf of groups of institutions is being encouraged. In addition, workshops are being scheduled at reasonable distances from institutions so that collection officers may meet on a regular basis.

Cuban Refugee Assistance Program

New needs in the field of eduction began to develop soon after a change in the Cuban Government on January 1, 1959. The number of Cuban nationals receiving political asylum in the United States had reached such proportions by the end of 1960 that the President made a January 27, 1961, request to the Secretary of Health, Education, and Welfare to develop a Cuban Refugee Assistance Program.

The plan to coordinate, intensify, and expedite governmental as well as private aid to Cuban refugees was developed at once. By February 3, the President had approved it.

One result was the emergence in fiscal year 1961 of the Office's part of the Cuban Refugee Assistance Program. It includes a loan program for students at the higher education level, support for refresher training for professional personnel and for certain research projects, and—for the county where most of the refugees arrive—assistance to public schools.

Activities were started under emergency powers of the President with funding first under the Mutual Security Act of 1954 as amended and next under the Foreign Assistance Act of 1961. Then the Migration and Refugee Assistance Act of 1962 established regular procedures for emergency actions such as those affecting Cuban nationals.

By Executive Order 11077 of January 23, 1963, the President assigned certain functions under the new act to the Secretary of Health, Education, and Welfare with power to redelegate authority. Through this means, the Office continues to administer its part of the Cuban Refugee Assistance Program. Funds are channeled to the Office through the Welfare Administration.

UNITED STATES LOAN PROGRAM FOR CUBAN REFUGEE STUDENTS

Qualified Cuban refugees in the United States who wish to study at a college or university may get loans under terms similar to those applicable for students at higher education level who seek loans under the Student Loan Fund Program operating under title II of the National Defense Education Act of 1958 as amended. Beginning in 1961 and extending through the 1965 fiscal year, 392 colleges and universities have participated in the United States Loan Program for Cuban Refugee Students which is administered by the Office.

More than 4,000 Cuban nationals have obtained loans from this source. A net allocation of $6,918,233 in Federal funds has been made in the 5-year period.

Federal funds amounting to $2,468,900 were allotted for this activity in fiscal year 1965. After deducting unobligated and returned funds, the net allocation was $2,437,670. It covered loans to approximately 2,500 Cuban refugee students in 319 colleges and universities.

Table 10 shows the number of institutions participating in each fiscal year since the program was initiated. Also shown are the

Table 10.—*Number of colleges and universities participating in the United States Loan Program for Cuban Refugee Students, with related information on Federal allotments, unobligated funds, and net allocations for fiscal years 1961 through 1965* [1]

Fiscal year	Number of institutions	Allotment	Unobligated funds [2]	Net allocation
1961	80	$265,000	$17,438	$247,562
1962	154	955,772	14,445	941,327
1963	205	1,380,500	24,737	1,355,763
1964	266	1,956,289	20,378	1,935,911
1965	319	2,468,900	31,230	2,437,670
Totals	[3] 392	7,026,461	108,228	6,918,233

[1] Dollar figures are as of June 30, 1965. Adjustments have been made to reflect unobligated funds by fiscal year to which they apply regardless of the fact that unused funds for one fiscal year may have been returned in another.

[2] Unobligated funds include unused funds returned by participating institutions.

[3] Total represents number of different institutions participating in the 5-year period.

amounts of allotments, unobligated and returned funds, and net allocations.

INSTITUTES AND RESEARCH FOR PROFESSIONAL PERSONNEL

Lack of proficiency in English usually is not the only hindrance to employment for a Cuban refugee who had been in a professional field in his homeland and wishes to find work in the same field. Usually, he cannot meet certification or licensure standards established by the State and by professional organizations. Then, too, he may have difficulty locating employment which will use his particular talents.

Grants are made by the Office of Education to colleges and universities for institutes which they administer to help these refugees qualify in their fields. Beginning with fiscal year 1964 funds for programs carried out in 1965, eligibility to borrow under the United States Loan Program for Cuban Refugee Students was extended to refugees participating in the long-term institutes.

A total of $467,788 was allocated in fiscal year 1965 to 10 institutions of higher learning for continuing or for initiating training programs for librarians, physicians, and teachers of Spanish, French, mathematics, and science. For example, one of these grants for a short-term institute was for a 14-week program from June 14 through September 15, 1965, at Fairleigh Dickinson University.

Its aim is to help prepare 40 Cuban refugees for positions as teachers of Spanish, mathematics, or science in the public schools of New Jersey. Other short-term institutes were scheduled for the State University of Iowa, Kutztown State College in Pennsylvania and Mount St. Mary's College in Los Angeles.

Illustrative of the longer projects are two at the University of Miami in Coral Gables which received fiscal year 1965 funds. Both were scheduled to start on August 1, 1965, with one extending through August 31 and the other through September 30, 1966.

The first one is for the training of 30 Cuban refugee teachers seeking Bachelor of Education degrees and certification as elementary school teachers. The other is for the training of 80 Cuban refugee teachers for positions as bilingual instructors of Spanish, French, mathematics, or science.

Other long-term projects receiving Federal funds in fiscal year 1965 are for institute programs at the College of Great Falls in Montana, Indiana State College, Kansas State Teachers College, and Pacific University in Oregon. These institutes either extend into fiscal year 1966 or were scheduled to start in that year.

Illustrative of a research project is one extending from the fall of 1961 through August 1965 at the University of Miami in Florida. In

this case, less than a dozen Cuban professors and scholars studied in depth the economy of the island. *Estudio Sobre Cuba*, a 1,703-page work, is one of the results of this study.

AID TO DADE COUNTY PUBLIC SCHOOLS

Dade County in Florida, which includes Miami, is the principal port of debarkation for Cuban refugees. To alleviate the burden on the Dade County Board of Public Instruction, the Office of Education makes certain grants of Federal funds.

It provides the equivalent of 60 percent of the current cost per child for the education of children in the elementary and secondary grades in the county. It also funds the actual cost per hour for instruction in English and in vocational fields for the benefit of adult Cuban refugees.

The Federal share in fiscal year 1965 was approximately $5 million for the schooling of about 15,560 children and $30,000 toward the cost of textbooks and instructional materials. Almost $1.4 million in Federal funds was used to provide about 2 million hours of instruction in English and in vocational subjects and special training programs giving promise of preparing the refugees for jobs on a resettlement basis.

Another $191,000 in Federal funds financed half the salary of some 150 Cuban aides who had been teachers in their homeland and who now are employed by Dade County to interpret instructions, policies, and requirements of the public schools to refugee pupils and their parents or guardians. These aides also teach Spanish in the public schools and help refugees adjust to their new environment.

Federally Affected Areas

Federal establishment and staffing of large military or civilian installations in particular localities in the country have had the effect of substantially increasing the size of the school-age population while, in many cases, simultaneously removing land from local taxation to produce revenues in support of education. These localities have come to be known as federally impacted or federally affected areas.

The burden imposed on them was recognized at the national level. Two laws were enacted to help alleviate the problem. Public Law 81–815 of September 23, 1950, as amended, authorizes Federal funds to assist with school construction, and Public Law 81–874 of September 30, 1950, as amended, provides for Federal assistance on operating expenses.

The size of the task involved in applying the Civil Rights Act of 1964 to activities under the two laws resulted in a delay in initial payments to some of the districts applying for Federal funds. A total of 3,879 of the compliance documents accepted by June 30, 1965, included these programs in their coverage. Specifically, there were 3,568 *Assurance of Compliance* forms, copies of 32 final orders of Federal courts, 99 voluntary desegregation plans, and, as temporary assurances for fiscal year 1965 only, 180 resolution letters.

As an aid to consideration of the future of impacted area program activities, the President included a recommendation in the budget he sent to the Congress with his Budget Message of January 21, 1964. It called for a thorough study of the impact of Federal activities on the fiscal and economic resources of local communities for the education of their children.

The Congress approved the recommendation by including section 1103 in title XI of Public Law 88–665. Section 1103 directs the Commissioner of Education to submit to the Secretary for transmission to the Congress not later than the close of fiscal year 1965, a "full report" on the operation of the impacted areas legislation and "his recommendations as to what amendments to such laws should be made if they are further extended."

The study was made under contract OE–5–99–046 with the Stanford Research Institute. It resulted in a two-volume report on findings; namely, *Entitlements for Federally Affected School Districts Under Public Laws 874 and 815.*

The report and the Commissioner's comments and preliminary recommendations were forwarded to the Secretary who submitted them to the Congress on June 30, 1965. These preliminary recommendations are being considered along with other possible approaches to improving the quality of education, in preparing the Administration's legislative program for the second session of the 89th Congress.

Construction of School Facilities

Beginning with fiscal year 1951 (when the first funds were appropriated) and extending through fiscal year 1965, a total of $1,236,745,000 has been appropriated for school construction under Public Law 81–815 as amended. State and local sources added about $764 million, making a total of nearly $2 billion to house more than 1.8 million school children in these areas.

During fiscal year 1965, Federal funds were reserved in the amount of $66,720,038 for 196 school districts for 233 construction projects. These funds are for construction of 2,868 classrooms and related facilities to accommodate 83,266 children.

Another $8,851,000 was obligated for construction projects on Federal property. These funds are to provide 224 classrooms to house an estimated 6,474 children for whom other facilities are not available.

Federal funds amounting to $1,448,190 through fiscal year 1965 also were authorized for additions to certain other school facilities on Federal property. These other school facilities were opened in the preceding fiscal year at an original total construction cost of $4,003,600.

They are located on eight military bases in four States. Specifically, they are at Forts McClellan and Rucker and Maxwell Air Force Base in Alabama; Fort Stewart and Warner Robbins Air Force Base in Georgia; England Air Force Base in Louisiana; and Fort Jackson and Myrtle Beach Air Force Base in South Carolina.

Each of the facilities is for elementary school children. Each was opened in the September prior to the July 2 signing of the Civil Rights Act of 1964. Each was built in keeping with the ruling announced on March 30, 1962, by the Secretary of Health, Education, and Welfare concerning provision of "suitable free public education" as specified in the legislation on school construction and school operating expenses in federally impacted areas.

Specifically, the Secretary stated: "It is our belief and I can announce today that we shall so rule that under the terms of section 10 of P.L. 815 and section 6 of P.L. 874, local public education which is segregated by race is not suitable." He also announced at the same time that "Beginning in September 1963, we will, exercising sound discretion, take appropriate steps as set forth in the law with respect to those children still attending segregated schools who by law are entitled to a suitable education."

Voluntary compliance of local education agencies had been sought in fiscal year 1963. When voluntary compliance was not secured at the eight localities, Federal action then was taken to provide nonsegregated on-base elementary schools.

EQUAL EMPLOYMENT OPPORTUNITIES

Executive Order 10925 of March 6, 1961, establishes the President's Committee on Equal Employment Opportunity, sets forth certain provisions on nondiscrimination in Federal employment and specifies obligations of Government contractors and subcontractors. Executive Order 11114 of June 22, 1963, extends authority of the President's Committee, sets forth nondiscrimination provisions in federally assisted construction contracts, and amends the earlier order.

It was determined during the year that Executive Order 10925 as amended is applicable to projects constructed by local educational

agencies with the use of Federal funds under Public Law 81–815 as amended. Pursuant to this determination, a condition for approval of Federal funds for school construction projects is assurance from the applicant that all projects for which it is found eligible for a grant of funds will comply with the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

This required assurance was obtained from eligible applicants in a form added to their applications. The appropriate assurance then was incorporated in the printed form to be used in applying for funds in the next fiscal year.

Operating Expenses

Some $2.3 billion in Federal funds has been appropriated for operating expenses under Public Law 81–874 and its amendments since the program became operational in fiscal year 1951. In the 1965 fiscal year, 4,107 school districts were found to be eligible for $313 million in Federal money.

These funds amount to about 5 percent of the total current operating expenses of schools eligible for Federal assistance under the law. They were paid in partial support of schooling for over 2 million children.

School districts receiving this assistance had an attendance estimated at more than 13 million pupils. This number is about one-third of the public elementary and secondary school children in the Nation.

More than $18 million in additional funds was obligated in fiscal year 1965 to Federal agencies for school services for 45,512 children residing on Federal property and for whom such services are not otherwise available. In addition, the 8 schools operated by base commanders for the first time in fiscal year 1964, provided free public education in fiscal year 1965 to 4,964 children in average daily attendance. The total operating cost was $1,808,990.

Civil Defense

The Civil Defense Adult Education Program administered by the Office of Education consists of personal and family survival and radiological monitor training. Courses in these fields are carried out under contractual arrangement between the Office of Civil Defense of the Department of Defense which funds the Program, and the Office of Education which, in turn, contracts with State departments of education for conduct of the courses.

The personal and family survival course is designed to train adults to save lives in a nuclear attack and focuses on teaching basic principles of civil defense. Forty-five States, the District of Columbia, and Puerto Rico participated in this part of the total Program in fiscal year 1965.

Their officials worked through civic groups, Government agencies, industry, and the military in enrolling more than 300,000 persons during the year. In Massachusetts, for example, personnel from a paper company and a tool company were among those taking the course at a local high school and some 25,000 employees of a life insurance company were among those scheduled for training.

Some of the enrollees were still in training when the fiscal year closed. The 12-hour course had been completed by 277,018 adults, including 6,758 teachers who had undergone training as instructors and 270,260 other adults. This number constitutes an increase of 42 percent over the 194,801 representing 7,175 teachers and 187,626 other adults completing similar training courses in fiscal year 1964.

Many of the more than a million persons receiving instruction in the past 4 years have developed and supported community emergency preparedness measures. Among these local civil defense activities are the building of shelters in school buildings, construction of community shelters, establishment of emergency operating centers and warning systems, and recruitment of civil defense officials.

Radiological monitor training became a part of the Civil Defense Adult Education Program on January 1, 1965. The course focuses on the training of personnel to monitor and determine when radiological hazard from fallout diminishes to an insignificant level following a nuclear attack.

Thirty-eight States, the District of Columbia, and Puerto Rico participated in this part of the total program. From January through June, 8,968 adults received instruction as radiological monitors.

This instruction was given in 569 classes. Illustrative is a course primarily for members of the State ferry system which was conducted aboard a ferry when it was docked in Seward, Alaska.

Organization and Staffing for the Work

The work load, the organization, and the staffing pattern of the Office have undergone countless changes since 1867. The original enabling legislation then authorized four persons, including the Commissioner of Education, to collect and disseminate information "and otherwise promote the cause of education throughout the country."

Scope of change has depended partly on the Nation's needs and partly on the relation of those needs to the political, economic, and social situation. And both the needs and the situation have continued to be altered in striking ways since 1945.

The new role of the Nation as a leader in world affairs demands a highly educated citizenry. The burgeoning U.S. economy demands it and creates the wealth to provide it. And the rising expectations of the people for a great society, the explosion of new knowledge at home and abroad, and the social revolution around the world all lend urgency to the need for assuring equal opportunity for high quality education on a continuing basis.

Dawning of a New Age

Size of the workload began to increase extensively in 1958. There were 686 employees in the Office of Education when the fiscal year closed on June 30 shortly before the September 2 signing of the National Defense Education Act of 1958 with its new mandate for helping to stimulate efforts to provide high quality education.

After appropriations were received and the newly authorized programs were in operation, there were 1,260 employees as of June 30, 1960. It was this rapid expansion and the magnitude of the potential task which caused an earlier Commissioner of Education to appoint a group on October 6, 1960, to study the mission and organization of the Office. The result was a major reorganization which became effective on April 2, 1962.

The reorganization in 1962 contemplated permanent staffing in basic and recurring problem areas in education with flexibility to meet changing needs. Just how great those changes were to be, was not yet clear.

Fundamental in the 1962 reorganization was a separation of basic professional services from programs of financial assistance. Implicit was a plan to upgrade both the quality of operations and the level of related structure.

The seven former operating Divisions were consolidated into three higher level Bureaus with an Associate rather than an Assistant Commissioner for each. One was the Bureau of Educational Research and Development which included Divisions of Educational Statistics, Educational Research, Higher Education, Elementary and Secondary Education, and Continuing Education and Cultural Affairs.

Another was the Bureau of Educational Assistance Programs with its Divisions of Vocational and Technical Education, School Assistance in Federally Affected Areas, State Grants, and College and University Assistance. The other was the Bureau of International

Education with its Divisions of International Education Studies and of Technical Assistance and Exchange Programs.

Staff units reporting to the Deputy Commissioner and Commissioner were the Offices of Information, Administration, Program and Legislative Planning, and Field Services. In addition, the Commissioner had certain special advisory committees.

Miscellaneous changes were made from time to time. For example, the name of Division of International Education Studies became Division of International Studies and Services to more accurately reflect its functions. Most of the changes were in the structure below the branch level.

In general, the organization in effect by May 1, 1962, was operating when President Kennedy sent to the Congress on January 29, 1963, the Administration's "reasonable and yet far reaching" comprehensive program on education. It called for across-the-board improvement of elementary, secondary, vocational, higher, and continuing education.

Growth in Fiscal Year 1964

The Health Professions Educational Assistance Act of 1963 and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 became law on September 24 and October 31 respectively. The Higher Education Facilities Act of 1963 became law on December 16.

The Vocational Education Act of 1963 entered the statute books on December 18. Other titles of the same Public Law 88–210 extended provisions and expanded authorizations under the National Defense Education Act of 1958 as amended and extended the life of existing legislation on school assistance in federally affected areas.

The next day, amendments to the Manpower Development and Training Act of 1962 authorized both the extension and the expansion of the manpower retraining program. The Library Services and Construction Act became law on February 11, 1964.

Before the year closed, a series of changes already had been made in Office organization. And another was ready to go into effect when funds were available.

Announcement had been made on October 31, 1963, that a Division of Handicapped Children and Youth was being established in the Bureau of Educational Research and Development. Its function was to administer new legislation and be responsible for ongoing programs in the Division of Elementary and Secondary Education relating to the education of the handicapped.

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A December 5, 1963, recommendation by the Commissioner of Education to the Secretary of Health, Education, and Welfare proposed establishment of a new bureau should new responsibilities develop concerning construction of higher education facilities. At the time, the bill had passed both houses of the Congress and already had House agreement on the conference report.

On January 3, 1964—shortly after the Higher Education Facilities Act of 1963 became law—the Secretary approved the proposal for the new Bureau subject to the appropriation of funds. Though this Bureau was not activiated until fiscal year 1965, other actions produced other types of organizational changes.

The Commissioner submitted to the Secretary on March 26, 1964, a proposal to reorganize the Bureau of Educational Research and Development. This proposal called for raising the Library Services Branch to the status of a Division of Library Services in recognition of the greatly expanded program relating to libraries.

It also called for abolition of the Division of Higher Education and the Division of Elementary and Secondary Education. Components of these Divisions concerned with surveys and studies of educational organization and administration and with provision of advisory and consultative services then were to form the nucleus of a new Division of Educational Organization and Administration.

A major responsibility of the new Division would be to attack on a broad front the problems of raising the quality of teacher preparation and insuring an adequate supply of qualified teachers to meet the educational demands of the Nation. The same proposal also called for expansion of the Division of Educational Research to include research and demonstration activities in such areas as curriculum improvement, teaching methods, and media.

Curriculum and instruction specialists from the Divisions of Higher and of Elementary and Secondary Education then would be transferred to the Division of Educational Research. There they could contribute their professional competence and utilize their established relationships with the educational community to fortify present and prospective research and development activities.

Programs, studies, and surveys designed to help in improving and strengthening the arts and humanities also would be added to this Division of Educational Research. Programs in these fields would cover the various levels of education.

The proposal for reorganization of the Bureau of Educational Research and Development was approved on April 10. It was announced on April 20, and made effective on May 15, 1964.

The Bureau now included five major parts. These were the Divisions of Educational Organization and Administration, Educational Research, Educational Statistics, Handicapped Children and Youth, and Library Services.

Continuing Change in Fiscal Year 1965

As law added extensively to the authority of the Commissioner and to the responsibilities of the Office, it was inevitable that the organizational structure as well as the staffing pattern would reflect these developments. There were 2,113 employees on the Office rolls by June 30, 1965, compared with 1,465 a year earlier.

Meanwhile, change had become the order of the day. A White House task force was appointed to make recommendations concerning the organization and strengthening of the Office. The work of this task force led in turn to a major reorganization to be effective at the beginning of fiscal year 1966.

DIVISION OF VOCATIONAL AND TECHNICAL EDUCATION

One of the reorganizations early in the fiscal year was in the Division of Vocational and Technical Education. It came about as a result of the expanded program authorized by the Vocational Education Act of 1963.

This change was announced on August 17, 1964. Staffs dealing with occupations were transferred into an Office of the Associate Director for Professional Resources to emphasize curriculum development, teacher education, facilities, and guidance.

An Office for Field Administration and one for Program Planning and Research were headed by associate directors. Finally, the Office of the Division Director was enlarged to meet new needs.

NATIONAL CENTER FOR EDUCATIONAL STATISTICS

Technological developments in the field of data processing helped to bring about changes in organization for statistical work. It was now possible to shorten the time it took to collect and analyze and then disseminate educational statistics and to obtain more rapidly the kinds of information needed under new legislation.

An Assistant Commissioner for Educational Statistics reporting directly to the Commissioner was appointed on September 8, 1964. He was responsible for directing the program of the Division of Educational Statistics and for coordinating his activities with the Associate Commissioner for Educational Research and Development.

Initially, services for the Division remained within the Bureau of Educational Research and Development. The National Center for

Educational Statistics was established under an Assistant Commissioner with January 1, 1965, as the effective date for absorption of the former Division of Educational Statistics.

The Division of Statistical Services includes a Data Services Branch and a Research Services Branch. The Division of Statistical Analysis includes a Higher Education Studies Branch, an Elementary-Secondary Studies Branch, and a Reference, Estimates, and Projections Branch. The other part of the Center is the Division of Operations Analysis.

BUREAU OF HIGHER EDUCATION

September 19, 1964, was the date when legislation made it possible to activate the new Bureau of Higher Education Facilities authorized by the Secretary in fiscal year 1964. Two days later, the Commissioner delegated appropriate authority to an Associate Commissioner for Higher Education Facilities.

On September 22, the organization of this new bureau was announced. It then consisted of a Division of Undergraduate Academic Facilities and a Division of Graduate Academic Facilities.

By this time, the Economic Opportunity Act of 1964 had become law on August 20 and authorized work-study programs to help needy students from low-income families pursue studies at the higher education level. Then came the National Defense Education Act Amendments, 1964 on October 16, with—among others—authorizations to increase the Student Loan Program under title II.

The work of the Student Financial Aid Branch in the Division of College and University Assistance increased substantially. Accordingly, the Commissioner proposed to the Secretary on October 27 that the Branch become a Division of Student Financial Aid with responsibility for administering the Work-Study Program, the Student Loan Program under the National Defense Education Act of 1958 as amended, and the United States Loan Program for Cuban Refugee Students.

After this change was approved, the Commissioner requested on December 3, 1964, that the Secretary approve transferral of this new Division of Student Financial Aid from the Bureau of Educational Assistance Programs to the Bureau of Higher Education Facilities. The same December 3 request proposed a change in name from Bureau of Higher Education Facilities to Bureau of Higher Education to reflect the more comprehensive responsibilities.

The changes were approved. The announcement was made on December 31 and took effect on January 1, 1965.

OFFICE OF EQUAL EDUCATIONAL OPPORTUNITIES

That part of the Office of Education related to equality of educational opportunities which had emerged after the historic Opinions of the Supreme Court in 1954 and 1955 on "Segregation in the Public Schools," increased enormously after the Civil Rights Act of 1964 became law. Character of the work also changed to include operational as well as staff activities.

A Special Assistant to the Commissioner and a small staff had been working on these problems. On January 3, 1965, this Special Assistant was appointed Acting Director of this work which was organized into an Office of Equal Educational Opportunities.

SOME CHANGES IN STAFF OFFICES

On January 15, 1965, announcement was made of the abolition of the Office of Program and Legislation Planning. Components of this former Office were organized into two new offices.

One was an Office of Federal Education Activities. It was established as a result of Executive Order 11185 of October 16, 1964, assigning responsibilities to the Commissioner of Education related to the coordination of Federal education programs.

This Office absorbed the previous Program Planning Branch, the Federal Education Programs Branch, and the Manpower Development and Utilization Programs Branch. The other new entity was the Office of Legislation which consisted of the previous Legislative Services Branch.

WHITE HOUSE TASK FORCE ON EDUCATION

Clearly the mandates in the Elementary and Secondary Education Act of 1965 would make it essential to retool if the machinery were to move with enough ease and speed to meet the challenges they would pose once appropriations were in hand. Besides, actions in the Congress on other legislative proposals in the field of education already made it clear that more new developments were in the offing.

And so it was that the President acted on recommendations put before him. He had this to say on April 13 at a reception for Members of the Congress in celebration of their passage of the bill on elementary and secondary education which he had signed into law 3 days earlier:

"I am asking Secretary Celebrezze and Commissioner Keppel to move immediately to prepare the Office of Education for the big job that it has to do, just as soon as the funds are appropriated. Upon their recommendation, I am notifying the Secretary that I am going to appoint a task force to carry out his recommendation to assist him

in the next 60 days on organizational and personnel problems. . . . The Director of the Budget, the Chairman of the Civil Service Commission, and others, will personally help and make available the best experts for this task. . . ."

A three-man task force began its work at once. Basic to its deliberations was a two-pronged goal—an organization which would permit a coordinated and logical approach to administration of the old and new programs and, at the same time, permit rapid assimilation of new responsibilities.

By the time the task force completed its work on June 14, some of its ideas already had been put into effect. Meanwhile, supplementary requests were being readied for the Congress for additional staffing to carry out the new legislative mandates.

The general plan for reorganization which emerged from the work of the task force was announced on June 18 in the form shown in the chart which follows. This plan was to become effective at the beginning of the new fiscal year; namely, July 1, 1965.

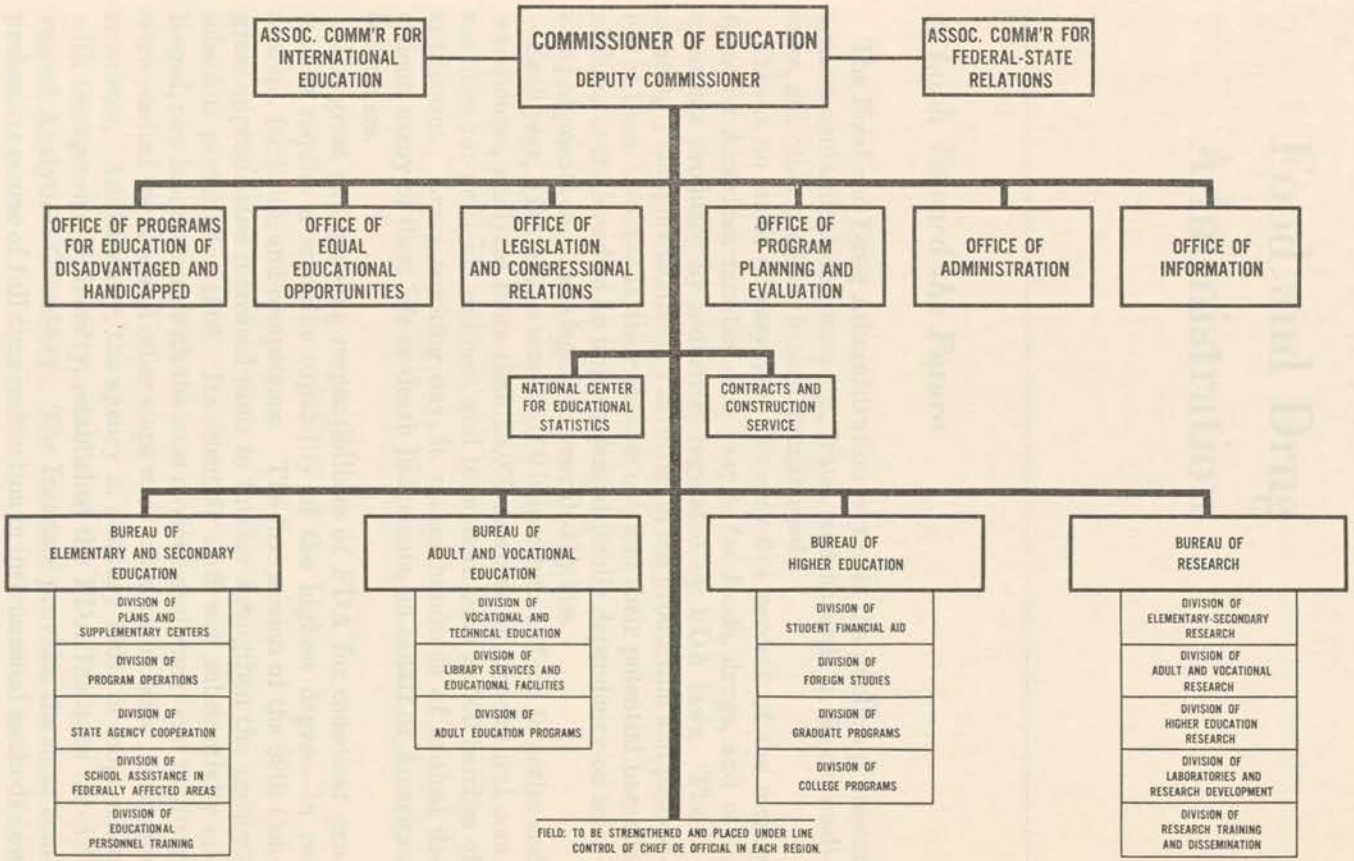
The new structure veers away from the tendency to establish separate organizational units for work under each new statute or title of a statute which is concerned with education. Instead, the new plan provides for organization of functions primarily by level of education.

Research other than that of a statistical nature is consolidated in one Bureau which includes among its subordinate Divisions a similar pattern by level of education. The National Center for Educational Statistics and the new Contracts and Construction Service are centralized entities to serve overall needs in their particular spheres.

One of the other changes seen in the new pattern is the reorganization of international educational relations functions. Underlying this action are findings of study groups as well as expansion in authority and responsibility of the Office.

A March 2, 1964, report to the Administrator of the Agency for International Development on *A.I.D. and the Universities*, for example, presents findings emerging after a task force worked in this area. The September 1964 report on *The U.S. Office of Education: A New International Dimension*, responding to a June 7, 1963 request from the Commissioner of Education to the President of Education and World Affairs, offers findings from another study.

Instead of a separate bureau, advisory service and work related to international organizations, including aid in staff recruitment, are attached to the Office of the Commissioner. Activities such as exchange of persons programs and grants for foreign studies then become part of the bureaus concerned with levels of education whereas foreign-related research activities become part of the Bureau of Research.


COMMISSIONER OF EDUCATION
DEPUTY COMMISSIONER
ASSOC. COMM'R FOR INTERNATIONAL EDUCATION
ASSOC. COMM'R FOR FEDERAL-STATE RELATIONS
OFFICE OF PROGRAMS FOR EDUCATION OF DISADVANTAGED AND HANDICAPPED
OFFICE OF EQUAL EDUCATIONAL OPPORTUNITIES
OFFICE OF LEGISLATION AND CONGRESSIONAL RELATIONS
OFFICE OF PROGRAM PLANNING AND EVALUATION
OFFICE OF ADMINISTRATION
OFFICE OF INFORMATION
NATIONAL CENTER FOR EDUCATIONAL STATISTICS
CONTRACTS AND CONSTRUCTION SERVICE
BUREAU OF ELEMENTARY AND SECONDARY EDUCATION
DIVISION OF PLANS AND SUPPLEMENTARY CENTERS
DIVISION OF PROGRAM OPERATIONS
DIVISION OF STATE AGENCY COOPERATION
DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS
DIVISION OF EDUCATIONAL PERSONNEL TRAINING
BUREAU OF ADULT AND VOCATIONAL EDUCATION
DIVISION OF VOCATIONAL AND TECHNICAL EDUCATION
DIVISION OF LIBRARY SERVICES AND EDUCATIONAL FACILITIES
DIVISION OF ADULT EDUCATION PROGRAMS
BUREAU OF HIGHER EDUCATION
DIVISION OF STUDENT FINANCIAL AID
DIVISION OF FOREIGN STUDIES
DIVISION OF GRADUATE PROGRAMS
DIVISION OF COLLEGE PROGRAMS
BUREAU OF RESEARCH
DIVISION OF ELEMENTARY-SECONDARY RESEARCH
DIVISION OF ADULT AND VOCATIONAL RESEARCH
DIVISION OF HIGHER EDUCATION RESEARCH
DIVISION OF LABORATORIES AND RESEARCH DEVELOPMENT
DIVISION OF RESEARCH TRAINING AND DISSEMINATION
FIELD: TO BE STRENGTHENED AND PLACED UNDER LINE CONTROL OF CHIEF OE OFFICIAL IN EACH REGION.

Food and Drug Administration

A Look Toward the Future

The Food and Drug Administration serves as the public's protector against contamination, impurity, fraud, and hazards in foods, medicines, and other products basic to human needs.

This is no small or easy job. Twenty-five percent of the money spent by American families each year is for foods, drugs, and other essentials produced by industries regulated by FDA laws. The increasingly complex technology involved in the production and processing of these basic needs, their greater use, and their potential hazards, all have contributed to an unprecedented public dependency on scientific judgments and the safeguards provided by law.

Each year, FDA makes some 30,000 inspections of food factories and warehouses, analyzes more than 25,000 samples of agricultural commodities for pesticide residues, and tests more than 22,000 batches of antibiotics. Every working day, it makes hundreds of critical decisions, many of them life-or-death judgments, on behalf of American consumers.

The great and growing responsibilities of FDA for consumer protection require a scientific capability of the highest degree—in resources, facilities, and competence. The first session of the 89th Congress appropriated increased sums to further strengthen the agency's scientific posture for 1966. Its scientific staff was substantially enlarged, new laboratories with the most modern equipment and facilities were readied for use, and other steps were taken to increase its science resources. Additionally, the agency in January 1964, in cooperation with Georgetown University, established the FDA Institute for Advanced Analytical Chemistry. The Institute provides the most comprehensive course of full-time instruction in instrumental methods now

available in this field, intended primarily to keep FDA scientists abreast of the latest theories and techniques. It subsequently has been opened to other Government agencies and private industry.

During fiscal 1965, the Congress had under consideration the drug abuse control amendments, to provide stronger controls over illegal traffic in stimulant and depressant drugs. These were enacted just after the end of the fiscal year. They further broadened FDA's authority to protect the public.

Great progress has been made to safeguard consumers in a changing world, and is continuing, but there is no room for complacency. In his January 1965 health message to Congress, President Johnson said "Modernization of the Federal Food, Drug, and Cosmetic Act is imperative if our health protection program is to keep pace with the technological and industrial advances of recent years * * * despite recent improvements in food and drug legislation, serious gaps in our ability to protect the consumer still exist."

PREVENTION VS. COURT ACTION

There has been an evolution in the Food, Drug, and Cosmetic Act extending the safety clearance principle of the new drug provisions of the 1938 act to pesticides in 1954, food additives in 1958, and colors in 1960. The premarketing certification provisions of the 1938 act for coal-tar colors were expanded to cover insulin in 1941, penicillin and other specific antibiotics in 1945–49, and all antibiotics for human use in 1962.

All these amendments are preventive measures, based on the idea that the safety of products must be established before they are made available to the public. They impose joint responsibilities upon industry and Government. They call for greatly expanded research programs on the part of both. They require increased communication between scientific and technical staffs to share analytical data and methods, toxicity studies, and other means of protecting the public from possible harm.

The best consumer commodities come from manufacturers with the will and know-how to produce and label goods with integrity. Illegal goods should not reach the marketplace, consumers' cupboards and medicine chests, pharmacies and operating rooms, and then have to be removed by recall or court action after abnormalities are discovered. But such action continues to be necessary when defective goods are encountered.

To most producers, high principles and skills are of long standing. The educational projects of industry associations have brought many

self-improvement programs to their members, and purer, more informatively labeled products to the public.

But the laws and regulations are complex; interpretations are needed by those seeking to comply; and a sharing of better control methods is in the interest of all concerned.

FDA's Division of Industry Advice in the Bureau of Education and Voluntary Compliance is responsible for broad programs in the industry information area. It has an open door for all who seek help in compliance problems—such as labeling of products, suitability of ingredients, application of the law to particular situations.

The Division also develops special informational programs for industry. For example, it provides reprints of regulations and orders; prepares pamphlets, leaflets, and other explanatory materials; arranges for meetings and workshops; and furnishes exhibits for conventions. Under this program in 1965, 337,000 copies of publications for industry and 2 million copies of Federal Register reprints of regulations and orders were distributed. There was participation in 6 major workshops or seminars, and 14 exhibits at industry meetings were viewed by approximately 26,000 industry representatives.

Inspectors operating in the field are key FDA staff members who offer advice on better compliance with the laws and regulations. In their day-by-day surveillance they answer thousands of inquiries about quality control problems and call attention to potential trouble spots noted during their inspections. Representatives from all field and headquarters units participate in the industry information program.

CONSUMER INFORMATION

Consumers need to be informed, too. They need to know how they can benefit from the provisions of the law designed to help them make wise choice and use of the products covered by the laws FDA enforces. In its consumer information program, FDA's Division of Consumer Education develops and distributes materials to give consumers sufficient background knowledge to read labels so they can buy foods intelligently, use drugs safely and effectively, and protect their families from harm.

This includes detecting frauds, cheats, and phony cures; thinking critically of claims in labeling and advertising on the basis of what legitimate health services have to offer; evaluating "scare" articles about the safety of foods and drugs; and participating in the formulation of regulations in the interest of consumers.

To do this FDA prepares consumer information materials to explain the laws and how the consumer can use this information to benefit from them.

Two packets of FDA information (Consumer Protection—Foods, and Consumer Protection—Drugs and Cosmetics), developed in 1964 and revised after pilot testing by more than 5,000 professional educators, were prepared for use in the school year beginning in September 1965 through distribution by the Government Printing Office at nominal cost. A series of 13 student reference sheets was developed and widely distributed to secondary schools. Quarterly packets of radio-TV spot announcements were sent to approximately 6,000 radio stations and 700 TV stations for use as public service announcements. In all, about 2⅓ million copies of consumer publications were printed in fiscal 1965.

A script for a general-background FDA movie entitled "A Reason for Confidence" was completed and a production contract signed providing for release in the fall of 1965. Two new colored slide programs were produced in 1965—"Dr. Quack's Clinic" and "Keep Out of the Reach of Children," the latter to alert parents to avoid poisoning accidents in the home. FDA also prepared and taped a script for closed circuit TV showing in Job Corps installations at the request of the Office of Economic Opportunity. It stressed the dangers of accidents and habituation from the abuse of "pep pills."

FDA's staff of consumer specialists working out of its 18 district offices make selective distribution of informational materials, and present talks, demonstrations, and exhibits to various groups, such as civic clubs, church organizations, youth groups, and senior citizens. During 1965, they made more than 1,000 speeches, arranged more than 1,200 exhibits, made 282 radio broadcasts and 98 TV appearances, and participated in 98 public or professional panel discussions. Other FDA staff members responded to requests to address consumer meetings as their time permitted.

Administrative Progress

The enforcement appropriation for fiscal year 1966 is $50,352,000. This compares with $40,370,000 for fiscal year 1965 and represents a net increase of $9,982,000. Positions for 402 new employees are provided, bringing the authorized enforcement staff to 4,441. (A supplemental appropriation of $2,727,000 for enforcement of the Drug Abuse Control Act—see section on Changes in the Law and Regulations—was enacted just before the close of the first session of the 89th Congress. It provides for 198 additional employees.)

The Science Information Facility has been established as an adjunct of the Commissioner's staff. The Facility was established to integrate the large volume of scientific information coming into, or generated by, FDA. The present tasks of the Science Information Facility will

be to direct the design, implementation, and operation of the FDA science information retrieval system being established in a pattern recommended by a management consultant firm. Early in the list of priorities is the information-handling design for FDA's Bureau of Medicine as a part of the agency-wide science information system.

FDA's Bureau of Medicine was reorganized in January 1965 when personnel of the Bureau occupied new offices in Arlington, Va. The reorganization is designed to accomplish four things: better distribution of workload among staff members, more efficient and sharply delineated responsibility for the clearance and followup of drugs, orderly progression to automated processing of drug information, and development of an executive staff in the Office of the Medical Director to assist in coordinating and supervising the activities of the Bureau. Its five divisions are New Drugs, Medical Review, Medical Information, Veterinary Medicine, and Antibiotic Drugs.

Additional measures to increase consumer protection through coordination of Federal, State, and local enforcement programs were undertaken. These included an FDA-conducted training course on inspection techniques for medicated-feed mills, attended by regulatory officials from Arkansas, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota. An inspector's manual for State food and drug officials was also prepared and distributed.

The Government-financed Public Administration Service (PAS) Study of State and Local Food and Drug Programs was completed in February 1965. The report is being evaluated by Department and FDA staffs, and has been distributed to State and local organizations. Involving all the 50 States, and more than 100 local governments and 100 interested organizations and business firms, this 20-month study is the most comprehensive one ever made of State and local food and drug programs.

In summary, the PAS study recommended that:

1. Federal, State, and local governments should enter into a balanced partnership with a proper role established for each.

2. State and local agency programs need to be more uniform, strengthened, and upgraded.

3. The Federal Government, and FDA in particular, should assume basic responsibility and exercise leadership in the development of the proper roles, and provide financial and technical assistance to the States to strengthen their laws, programs, resources, facilities, and overall capabilities.

A problem cited by the PAS report is the lack of uniformity among the States in basic food and drug laws. In fiscal year 1965 FDA devoted time to program planning with administrators of State depart-

ments of agriculture and others involved in consumer protection. Federal-State pilot food and drug planning conferences were held with officials representing Connecticut, Idaho, Maine, Massachusetts, Montana, Oklahoma, Oregon, Rhode Island, Texas, Vermont, and Washington.

FDA is also intensifying its efforts to establish practical working relationships, programs, and projects with and among State and local governments, such as the series of medicated feed inspection training courses mentioned earlier.

FDA is now examining its activities in the area of Federal-State relations to determine if it is possible to meet some of the additional basic needs the PAS study cited within the limits of present FDA budgets and resources. The PAS study should serve as the foundation for programs of Federal-State relationships that will not only result in greatly improved consumer protection, but will also foster legitimate business.

The newest and largest field laboratory in the country opened in late 1965 in the New York District. The modernization program, which started with the Detroit District in 1959, now includes District offices and laboratories in Atlanta, Baltimore, Boston, Buffalo, Cincinnati, Dallas, Kansas City, Los Angeles, and Minneapolis. This brings the nationwide program to better than 60 percent completion. Sites are under construction, or have been selected, for modern field laboratories for the Chicago, Denver, New Orleans, Philadelphia, San Francisco, Seattle, and St. Louis Districts.

Food, Drug, and Cosmetic Act

ON THE FOOD FRONT

Radioactivity in Foods

The safety of the American food supply was again confirmed by FDA's radioactivity monitoring program for fiscal year 1965. A steady downward trend in contamination was noted during the year, after peaks had been reached in 1963 and 1964 because of earlier USA and USSR atmospheric nuclear testing.

In October 1964, however, Red China successfully detonated an atomic device. FDA monitored field samples of products in areas most likely to be affected by fallout. A very slight rise in radioactivity was detected in a few areas at that time.

The number of samples required for monitoring radioactivity in foods was reduced by about 80 percent from the previous fiscal year. These samples, of both domestic and imported foods, were collected from major growing areas and examined for strontium 90 by FDA

district offices. Radioactivity levels were below the guide levels suggested by the Federal Radiation Council.

The Total Diet Program to measure radiation in the diet of a typical 16- to 19-year-old boy continues in Washington, D.C., and nine field areas. Radioactive contamination trends were similar to those found for unprocessed foods. The levels found remained well within the safe limits established by the Federal Radiation Council.

Natural Disasters

Hurricanes Dora, Isabel, and Hilda caused heavy damage to Florida, Georgia, and Louisiana in September and October. Power failures left perishable foods subject to spoilage and FDA inspectors assisted local food and drug officials in embargoing and destroying unfit foods or drugs in the affected areas.

Heavy rains and melting snow caused serious flooding along coastal regions of California and Oregon in December 1964. Millions of pounds of frozen products, canned foods, dry packaged food products, and fresh foods throughout the entire disaster area were destroyed or salvaged. With FDA assistance, city officials of Portland, Oreg., supervised the salvage of major portions of a million pounds of frozen strawberries which had been partially submerged in polluted waters for 2 days; but other products, such as 40 tons of bananas valued at $8,000, had to be destroyed. One pharmacy suffered a $25,000 loss of its drug stock. All contaminated products were destroyed.

The annual spring floods in the Ohio River Valley and a series of tornadoes in this area caused damage to many food and drug firms. An April hailstorm damaged lettuce and tomatoes growing in greenhouses in the Cincinnati area. Splintered glass became embedded in the vegetables, which were later destroyed by State health officials.

After an earthquake in the Seattle area late in April, FDA inspectors joined State and city forces in checking damage to food manufacturers, drug wholesalers, and retail establishments. Damage estimated at $95,000 was confined mainly to breakage, glass contamination, and flooding caused by broken pipes.

Because of flooding along the Mississippi River in May and June the diversion of more than 57,000 pounds of flood-damaged pork and almost 13,500 pounds of butter were diverted to nonfood uses in Iowa. In Kansas, losses included 47,000 pounds of feed concentrates, 100 tons of finished feed, and almost 59,000 pounds of frozen eggs. Disposition of these products was supervised by Kansas State officials, USDA plant inspectors, and FDA inspectors.

On June 16, Denver, Colo., was struck by the worst flood in its history. Three hundred Denver firms that manufactured, repacked,

or distributed foods, drugs, and cosmetics were partially or completely flooded, with an estimated loss of $20 million. Total losses in Colorado exceeded $200 million. Large losses by individual firms included $300,000 worth of jams, jellies, and associated products; 25 carloads of Commodity Credit Corporation wheat with an estimated value of $600,000; and miscellaneous food products with an estimated value of $5 million. FDA Denver District inspectors assisted Colorado State health officials in salvage operations.

Chemicals in Foods

FDA's objective is to examine a minimum of 25,000 lots of agricultural commodities for pesticide residues, or about 1 percent of the estimated 2½ million shipments of such foods that enter interstate commerce annually. This goal has been exceeded for the past 3 fiscal years.

The samples include lots listed for testing because investigations during the growing season furnish information on pests giving trouble on crops in various areas, what pesticides are being recommended and used, and where violations are most likely to occur. The samples also involve lots selected with no prior knowledge as to whether pesticides were used.

A highly significant trend in the control of excessive pesticide residues on farm crops is preshipment testing by many State and industry laboratories which have acquired gas chromatographic equipment needed for detecting and measuring minute amounts of residue. When excessive residues are found, by either these or FDA laboratories, the growers and packers are notified so they can avoid illegal shipments. An exchange of sample analytical reports between State and Federal agencies has resulted in less duplication and better consumer protection through more complete coverage.

The sampling of approximately 3,000 lots of fluid milk and 1,500 of manufactured dairy products resulted in one seizure of butter and one of cheese containing DDT and its analogs. The high residue fluid milk found was removed from consumer channels by cooperating State and local officials.

Investigation of the source of heptachlor in milk in the New England area showed that it came from dried sugarbeet pulp imported from Canada as dairy feed. The feed was seized and importations were halted at the border until the problem was cleared up.

A similar problem involved aldrin and dieldrin in dried beet pulp from a Minnesota sugar refinery. One shipment was seized in June and after the end of the fiscal year a preliminary injunction was

granted to prevent interstate distribution of large stocks still in possession of the refinery.

Near the end of the fiscal year dieldrin was found in fluid milk delivered by Kansas farmers to the Kansas City milkshed. In most of these instances, aldrin or dieldrin had been used in some phase of the yearly farming activity. State and local officials maintained surveillance over farms with high residues until their milk was found satisfactory and supervised the disposition of violative milk to keep it out of food or feed channels.

Another dairy feed which continued to be a source of pesticide contamination was alfalfa hay. One lot containing endrin was seized. A survey of market fluid milk in December resulted in suspension of the permits of more than 40 grade A milk producers by Maryland and District of Columbia health officials. An extensive educational campaign was conducted by State health officials to reduce the amount of pesticide contamination in the Maryland, Virginia, and West Virginia milksheds. These actions led to a prompt improvement in the milk being distributed in the area and the permits were restored.

Eight seizures involved 410 tons of bulk wheat and oats containing a mercurial added for seed treatment and later shipped for food use. Honeydew melons were seized for endrin, and celery for toxaphene, in unpermitted amounts. One seizure involved DDT residues in flour stored in a warehouse.

Safe residue tolerances are set for raw agricultural products, but the important impact of residues lies in the amount consumers are getting in their daily diets. FDA continued studies started in 1964 of market basket samples collected periodically in the Northeast, Midwest, and West of commodities recommended as a moderate-income diet for 16- to 19-year-old boys, the country's biggest eaters.

A 2-week supply of food is purchased from an 82-item shopping guide. It is prepared in diet kitchens according to accepted home cooking practices. Items are grouped according to 12 major food categories and composite samples are then tested in FDA laboratories for 49 pesticides, representing chlorinated organic compounds, organo-phosphates, herbicides, carbonates, bromides, and arsenicals. Using highly sensitive analytical methods, the chemists found that pesticide levels remained at low levels, and were insignificant from a health standpoint.

The Southeast and North Central geographical areas are being added to the studies and in all areas samples will be collected from population centers ranging from small cities to major metropolitan areas.

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Other Harmful Contaminants

Food poisoning.—Twenty-eight outbreaks of food poisoning affecting 2,506 persons were investigated by FDA during the fiscal year. Investigations also were made of an additional 16 outbreaks of poisoning involving 301 persons, but these were not traced to contaminated food.

Five outbreaks of botulism food poisoning affected 26 individuals, 3 of whom died. Three of the outbreaks were attributed to home-canned foods (beans, pickles, chili peppers from Mexico, and tomato juice), while commercially prepared foods (olives, pork and beans, and a repackaged luncheon meat) were suspected but not proved to be the cause of the other two outbreaks. One death was attributed to home-canned beans, another to home-canned pickles, and the third to home-canned tomato juice which had been mixed with a home-brew concoction.

During the year FDA field laboratories continued to collect and analyze samples of domestic and imported smoked fish as a followup on the smoked fish botulism outbreaks in the fall of 1964. A total of 1,717 samples was collected and examined during three sampling periods extending from October 1963 to September 1964. A small portion of one sample, collected during the third period, was found to be contaminated with the botulinus organism.

Interim research findings by the University of Wisconsin and Oregon State University, under FDA research contracts, have indicated spotty distribution of the type E botulism organism in the Great Lakes and in marine areas of the Pacific Northwest. Some distribution also has been reported in the gulf coastal regions.

In addition to the botulism outbreaks, 15 outbreaks of staphylococcal food poisoning affected 825 persons; salmonella poisoning was implicated in 5 outbreaks involving 1,005 individuals; and *Clostridium perfringens* or *Bacillus cereus* appeared to have been responsible for 3 outbreaks affecting 650 persons.

The staphylococcal poisonings were traced to poultry products, which were responsible for 7 outbreaks involving 790 persons; pastry products, which caused 2 outbreaks involving 20 persons; potato and tuna salads, responsible for 3 outbreaks affecting 7 persons; and to meat products, which caused 3 outbreaks involving 8 persons. Insanitation and mishandling of the foods appeared to be chiefly responsible.

During the fall of 1964, outbreaks of salmonellosis among patients in several State institutions were traced to a dietary food supplement. Two of the ingredients, cottonseed flour and dried brewer's yeast, were found to be contaminated with salmonella. A recall of the product

was instituted, cottonseed flour stocks were withheld from use, and drastic changes in manufacturing were made. An investigation of the producer of dried brewer's yeast also led to a recall of outstanding stock. Meanwhile, other manufacturers of dried brewer's yeast were investigated. One large producer, after his stock was found to be contaminated, withheld all outstanding stocks from shipment and changed processing equipment to provide pasteurization of the product.

Two other outbreaks of salmonellosis affecting 300 persons resulted from contaminated eggs. Another outbreak involving more than 500 persons resulted from inadequate cooking and mishandling of turkeys served at a banquet. Contaminated smoked ham was responsible for the illness of two persons, and an outbreak involving three people was traced to cake which had been contaminated by carriers of the salmonella micro-organism.

As a result of special attention given the salmonella problem, 220,510 pounds of egg products were seized during the last fiscal year. After the end of the fiscal year FDA issued a proposal to amend the official standards for egg products by requiring pasteurization of commercial products shipped in interstate commerce.

Three outbreaks of poisoning affecting 10, 65, and 575 persons, respectively, appeared to have been caused by *Clostridium perfringens* or *Bacillus cereus*. Two poultry products and one beef product were involved. Inadequate sanitation and improper handling appeared to be responsible.

To Keep Food Clean

Food sanitation is becoming an increasingly important concern of both the food industries and FDA. Sanitation in food plants has become a major part of the enforcement program and requires continual surveillance. Industrial management, at the same time, has become aware of the problem and is striving to maintain sanitation requirements through voluntary compliance with the law.

Large sums of money are being spent by industry to improve sanitation facilities and practices. Some firms have constructed entirely new quarters in which facilities for sanitation have been a major factor in the construction plans. In 1965, 501 plant improvements, costing more than $39 million, were reported to FDA inspectors. This compares with reports on 355 plant improvements costing slightly more than $22 million during 1964.

In 1965, the food industry voluntarily destroyed, or diverted to nonfood use, more than 13,000 tons of food in 1,710 actions when

FDA inspectors pointed out that it was unfit for human consumption. During the previous year, more than 30,000 tons of food were destroyed or diverted to nonfood use in 1,380 actions.

A new FDA pamphlet, "A Message for Food Warehousemen," published by the Bureau of Education and Voluntary Compliance in fiscal year 1965, draws attention to the conditions that most frequently lead to contamination and spoilage of stored foods and outlines preventive steps which may be taken. FDA inspectors indicate that the publication has been most helpful to warehousemen. More than a dozen national food and warehousing trade associations have voluntarily assisted in the distribution of this pamphlet to their members.

Of the 53 criminal actions involving unfit food or insanitary operations that might result in its becoming unfit, 26 resulted from insanitary storage of food that had been received from interstate sources. Fines ranged from $100 to $7,000. Three fines of $1,000 or more were levied in such cases. Of eight injunctions granted to prevent the shipment of unfit food, six restrained the shipment of food stored in insanitary warehouses. The other 27 unfit food prosecution cases terminated involved preparation or packing of food under insanitary conditions, or the shipment of decomposed foods. These violations brought fines of $10 to $20,000, with five of $1,000 or more. In one case, the operator of an insanitary candy factory in Texas was sentenced to serve 30 days in jail.

A Pennsylvania pie-baking company received the maximum penalty from the U.S. District Court at Philadelphia when it pleaded "no contest" to a Federal grand jury indictment charging insanitary manufacturing conditions. The company, which had a record of four prior convictions since 1946, was fined $20,000 and two of the company's officers received 1-year suspended jail sentences and a year's probation.

Traffic in unfit egg products, made from incubator rejects, decomposed or low grade eggs, or eggs with broken shells, is becoming an increasingly lucrative business practice, which is increasing the regulatory problem in both interstate and intrastate commerce. Most of the producers have small clandestine operations which are difficult to control, even though the conspiracies of recent years have been broken up.

Throughout the Nation seizures were made because of insect or rodent infestation of such products as dried fruits and vegetables, nuts and nut oils, flour and flour mix products, grains and cereals, chocolate, canned and frozen vegetables and vegetable products, coffee beans and powdered coffee, vegetable oils, wines, bakery and macaroni products, and pickle and pepper products. Dairy products,

seafood, canned meat products, and peanut butter were among the other products seized because of contamination, spoilage, or insanitary handling. In volume, 5,570 tons of filthy or decomposed foods were seized in 348 court actions.

The quality of pepper, cassia bark, and nutmeg imported from Indonesia has deteriorated markedly during the year. Because of political developments there, Europeans with technical experience have been replaced with native laborers not trained to do an adequate job. Between 50 and 100 percent of all nutmeg shipments were rejected because of mold. This has increased prices to the consumer because the supply from Granada, West Indies, is insufficient to meet the nesds of the American market. During the year, more than 1⅓ million pounds of nutmeg from Indonesia were detained in New York.

Filth and contamination were the prime reasons for detaining coffee, spices, nuts and nut products, and macaroni products.

Pocketbook Protection

Seizures to protect consumers from spending the family food dollar for short-weight or misbranded groceries in 1965 totaled 80, in contrast to 62 in 1964.

Twenty-four short-weight or short-volume seizures involved frozen shrimp, sirups, cooking oils, candy, peanut butter, jellies, preserves, spices, coffee, tea, butter, broth, and canned tuna.

Failure to comply with official standards of identity, quality, or fill of container resulted in seizures of canned fruits and vegetables, french and salad dressings, canned shrimp, margarine, butter, cheddar cheese, and egg noodles.

Seven seizures were based on lack of required labeling of name and address of manufacturer, packer, or distributor; identification of product; or declaration of net weight and other information to which consumers are entitled.

Twenty-three seizures were made of products that did not meet the composition claimed on the labels. Included were sorghum sirups containing sugar; frozen bread dough short in a leavening agent, so that the bread did not rise when baked according to directions; cranberry juice cocktail containing undeclared artificial coloring; red currant concentrate with added soluble solids; spices containing substances added to increase bulk or weight; "pure" vanilla containing vanillin (an imitation); an olive oil blend with less olive oil than declared; dried whole milk with only about 7 percent butterfat instead of approximately 26 percent expected of whole milk powder; and inadequately deveined "peeled deveined shrimp, ready for cooking."

The starch gel zone electrophoresis method of identifying the species of filleted fish has reduced substitutions of lower priced types under labels of more desirable ones. A number of seizures were made in 1965, however, of cod labeled as haddock. Also seized was canned jack mackerel substituted for the better quality California mackerel. A Chicago fish distributor and three of the firm's officers were fined a total of $3,500 for substituting pollack for products labeled as haddock, cod, and perch fillets. The firm had a history of fines for distributing misbranded, decomposed, and infested fish. Each of the firm's officers received 15-minute jail sentences in addition to their fines.

Fines totaling $4,050 were levied against a Massachusetts manufacturer and distributor of food products and its president for shipping sirups, fruit toppings, candy decorations, and candied fruits that were short in weight or volume. They had been cited previously for such violative practices, but had failed to make the necessary corrections.

Three officials of a Texas citrus juice firm pleaded guilty on a retried Federal indictment charging misbranding of a sweetened, watered orange juice sold in place of pure orange juice. They each received $2,000 fines, suspended 1-year prison terms, and 5-years' probation. The president of the trucking firm servicing the processor was fined $1,000 and also placed on probation for 5 years. They had previously been convicted on conspiracy charges as reported in the 1961 Annual Report, but as reported in the 1964 Report, the conviction had been reversed by an appellate court because it found the indictment improperly drawn and not sufficiently defining the offense charged. The case terminated in 1965 was a new one brought on the evidence presented in 1961.

Citations have been effective in correcting many practices of both short weight and false labeling. In informal citation hearings there is opportunity for discussing practices FDA finds objectionable.

FOODS FOR SPECIAL DIETARY USE

Food faddism and nutritional quackery continue to rank as one of the Nation's primary "health" frauds. The natural desire for good health is exploited by false claims for special food products, resulting in wasted expenditure by millions of deceived consumers.

There is a growing market for foods to meet the dietary needs of older people. Nutritionally, the needs of senior citizens are much like those of any other age group, yet many of these persons are often swayed by salesmen who falsely represent that older people have

special requirements for vitamins, minerals, proteins, etc., that are not available in everyday food sources.

FDA is the principal Federal agency responsible for curbing nutritional quackery. Falsely labeled products are seized and violators are prosecuted.

FDA also cooperates closely with other Federal agencies that enforce laws pertaining to false advertising, conspiracy, and use of the mails to defraud.

This type of interagency cooperation brought the conviction of the promoters and manufacturers of Regimen diet pills in May. The case marked the first time that defendants were prosecuted under a combined indictment charging violations of laws enforced by the Post Office Department, the Justice Department, and FDA.

In June, a New York district court judge levied fines totaling $153,000 against the Regimen distributing company, the company's president, and an advertising agency which promoted Regimen. In addition to his fine, the company president was sentenced to serve 18 months in jail. Much of the evidence presented by the Government resulted from FDA-initiated seizure actions and investigations of the product dating as far back as 1962.

The advertising agency was found guilty on 27 counts of wire fraud involving television advertising and 13 counts of mail fraud. The company and its president were found guilty of 27 counts of wire fraud, 6 counts of mail fraud, and 1 count involving the shipment of misbranded drugs in interstate commerce with intent to defraud and mislead. Each defendant was also found guilty on one count of conspiracy to defraud the buying public through mail and television advertising.

During the trial, the Government showed that many persons who gave testimonials for magazine and television advertising of Regimen tablets were actually reducing on starvation diets and drugs prescribed by physicians. The evidence also showed that clinical tests, claimed to have been conducted for the promoters of Regimen tablets, were either falsified or never carried out at all.

Another case involving the use of communications media to promote dietary foods culminated in a ruling by a New Jersey district court judge that the products of Foods Plus, Inc. were misbranded because labeling failed to include adequate directions for treating diseases and conditions for which they were recommended in broadcasts by Carlton Fredericks, a self-styled nutrition expert.

Fredericks recommended various vitamins and dietary supplements to his listeners as remedies or preventives for human ailments ranging from respiratory diseases to backache and cramps. The court found

that Foods Plus, Inc. had adopted Fredericks' programs, and his claims for vitamins, to promote their products.

An example of close local and Federal Government and industry cooperation and coordination was shown in a case involving the investigation of a manufacturer of Diet-All, a dry mixture primarily designed as a partial or sole food of the mentally retarded. Evidence of salmonella contamination of raw materials was detected by FDA inspectors. The U.S. Public Health Service Communicable Disease Center, Atlanta, Ga.; the Florida Department of Agriculture; FDA; and the manufacturer cooperated to recall all of the product from consignees, mostly State institutions.

At Kansas City, Kans., a quantity of shredded wheat was seized on charges of false health claims. The product was charged misbranded because package labeling contained statements which suggested that, among other things, eating shredded wheat would lower blood cholesterol levels and prevent and treat serious heart diseases.

A product represented as an infant soy formula and recommended for adults as a treatment of ulcers and metabolic diseases was removed from the market through seizures, recalls, and voluntary destruction because the article, packed in cans, was gradually becoming decomposed during shipment.

During the year, FDA announced that a review of recent studies on certain artificial sweeteners, specifically sodium cyclamates, shows that they are safe as presently used. The review was made because of recent questions regarding the safety of certain sweeteners.

DRUGS AND DEVICES

Recalls—Food and Drug Administration experience has demonstrated that recall of deficient drugs from the market is usually more efficient and better protection for consumers than formal legal action.

When a manufacturer reports that a defective drug is on the market, or FDA discovers it through its own activities, every effort is made to remove the product from consumer channels in the shortest possible time. If adequate coding and distribution records are available, the firm can retrieve all stocks with FDA monitoring to ascertain that the recall is thorough. When the product is capable of endangering consumers, various groups, such as physicians and hospitals, and if necessary the public, are warned.

Three hundred and forty recalls of defective, misbranded, penicillin-contaminated, and other potentially injurious drugs were made during fiscal year 1965. This was by far the greatest number of recalls for any comparable period.

Ninety-two drug products contaminated with penicillin were recalled after an investigation disclosed that penicillin cross-contamination of other drugs was widespread throughout the industry. In most instances, the contamination apparently occurred because air currents in the plants carried penicillin dust to areas where other drugs were made.

This disclosure led to fundamental changes in manufacturing practices to separate penicillin production from other drug operations. In some instances, separate buildings are being constructed for exclusive manufacture of products containing penicillin.

As a first step in a program aimed at complete elimination of cross-contamination during manufacture, FDA established penicillin tolerances for oral and injectable drugs. This followed recommendations of a special medical advisory committee which found that a significant portion of the U.S. population is sensitive to penicillin.

In 99 other drug recalls during the year, label mix-ups had been caused by inadequate packaging controls. In other actions, 44 drugs were recalled because of low potency; 12 because of nonsterility or pyrogens; 12 because they did not have current effective New Drug Applications; 10 because of contaminants other than penicillin; 7 because they failed to disintegrate as labeled; 6 because of terminated investigational drug exemptions; 5 because of substitution of active ingredients; and 5 because of excess potency.

Label printing errors, product discontinuance, and other miscellaneous causes resulted in the recall of 48 additional drugs.

FDA's good manufacturing practice regulations and more frequent drug plant inspections should reverse the trend toward increase in recalls during recent years.

Illegal Sales of Prescription Drugs

Of the 220 drug-prosecution cases initiated by FDA during fiscal year 1965, 201 were brought against 334 firms and individuals charged with illegal sale of prescription drugs. Unlicensed dispensers, including truckstops, drive-in restaurants, and peddlers were involved in 111 cases. Seventy-eight cases were brought against drugstores, their pharmacists, or both, for dispensing drugs without prescriptions or refilling prescriptions without authorization. The remaining 14 prosecutions were brought against physicians, laboratories, and clinics who were selling prescription drugs without a physician-patient relationship or proper authorization.

Of 148 criminal cases terminated during the year on charges of illegal sales, 70 involved unlicensed outlets, 71 drugstores or pharmacists, and 7 physicians or "clinic" operators. Thirty-nine jail sen-

tences were levied against peddlers, self-styled doctors, and other unlicensed operators ranging from 15 minutes to 6 years. Seventeen were within the 6- to 12-month range. Thirteen pharmacists and three physicians received suspended jail sentences, and fines were levied in 66 drugstore or pharmacist cases.

The Drug Abuse Control Amendments to the Federal Food, Drug, and Cosmetic Act, signed into law on July 15, 1965, will greatly aid FDA regulation of stimulant and depressant drugs. Without having to wait for a court order or to prove interstate shipment, as previously required, FDA inspectors will have authority to seize such drugs which are being manufactured or distributed illegally, and to arrest persons who are engaged in these activities. Even under the earlier limited enforcement powers, convictions for violating the illegal drug provisions of the Food, Drug, and Cosmetic Act over the 13-year period ending June 30, 1965, involved over 2,300 firms and individuals.

The FDA program against illegal drug distribution has been conducted primarily by inspectors working out of the 18 district offices throughout the country. Their goal is to identify and eliminate the points where the drugs are diverted from legitimate to illegal channels of distribution.

In New Jersey, in October 1964, a large-scale drug counterfeiting operation was broken up with the arrest of three men and seizure of counterfeiting equipment, drugs, and raw materials. Some 858,500 capsules and tablets, largely counterfeits of widely known amphetamines, were confiscated.

In Denver a truckdriver was arrested when a pharmacist attempted to deliver 150,000 pep pills to him. The driver had attempted to sell 100,000 pills to an undercover FDA agent.

In South Carolina, a truckstop proprietor and two employees pleaded guilty to the illegal sale of amphetamines and were given fines and jail terms. In North Carolina, a large wholesale distributor of amphetamines to peddlers and truckstops was sentenced to a year in prison, with 6 months suspended.

Amphetamine and barbiturate-containing drugs were seized in the possession of two physicians in Indiana and Kentucky, where they were selling these drugs with no doctor-patient relationship. Large quantities had been sold to FDA inspectors posing as truck and taxi drivers.

In May, a Juneau, Alaska, pharmacy was fined $1,000 and one man fined $500 for dispensing prescription drugs without a valid prescription. The pharmacy, three local doctors, and the individual were also permanently enjoined from dispensing prescription drugs without a

prescription. The case involved tranquilizers, amphetamines, and barbiturates.

A Pittsburgh, Pa., youth found drugged led to the discovery of the source, a pharmacy. The store was known to supply amphetamines and barbiturates to teenagers in the area. Local police and FDA inspectors were able to buy drugs at the store. The two operators were fined $1,000.

In Troy, N.Y., a doctor was detected selling amphetamine-type drugs indiscriminately to young people who resold them to school children and others in the area.

An unusual case in Minneapolis, Minn., involved the sale of amphetamines and barbiturates to high school students by a man who distributed drugs to the youths from a wheel chair in his home.

Investigation by inspectors of the Baltimore district resulted in the breakup of a ring engaged in the illegal sale of prescription drugs in western Virginia.

In Missouri a seizure of 425,000 amphetamine tablets in possession of two men culminated an extensive investigation of a major illegal amphetamine peddler in the Midwest. The source was a physician.

Misbranded and Adulterated Drugs

Stepped-up operations under the 1962 Kefauver-Harris Drug Amendments will bring the problem of drug misbranding into an entirely new focus. In the past it was necessary for the Government to establish in court that claims for effectiveness in the treatment or prevention of disease were false and misleading. Now effectiveness must be established by the sponsor before marketing of a new drug is approved, and for the drugs previously permitted to be marketed under the 1938–62 new drug provisions.

Previous reports have outlined the status of Krebiozen, an alleged cancer cure being widely promoted despite the requirement that as an investigational drug it could be distributed only under carefully supervised conditions.

On November 17, 1964, the Federal grand jury indicted Dr. Stevan Durovic, his brother Marko Durovic, Dr. Andrew C. Ivy, and Dr. William F. P. Phillips, all of Chicago, Ill. The indictment was made on 49 counts of conspiracy, mail fraud, mislabeling, and making false statements to the Government about Krebiozen, an alleged cancer cure.

In December 1964, the Federal court dismissed a suit by the defendants aimed at lifting the ban on interstate shipment of Krebiozen. The January starting date for the trial was postponed. In March, Dr. Andrew Ivy filed another suit to have a commission of five physi-

cians conduct a test of Krebiozen, but the motion was denied by the court.

The Internal Revenue Service claimed in April that the Durovic brothers owed the Government $929,157 in back taxes on profits from their medical laboratory in Chicago which produces Krebiozen.

Trial of the FDA case began on April 28, 1965. On January 31, 1966, the four defendants were acquitted on the criminal charges but FDA is determined to keep Krebiozen out of interstate commerce. The scientific data of 1963 establishing that Krebiozen is not a treatment for cancer was not overturned by the jury.

Several other promoters of cancer cures were also brought to trial in 1965. David Aitchison, a self-styled medical missionary, was sentenced to 3 years for dispensing a combination of mail-order cancer-cure drugs and disease detection devices.

Clarence A. Green, an osteopath, was sentenced to 90 days in jail and 5 years' probation for promoting "Glyoxylide" as a cure for cancer, tuberculosis, and leprosy. Green had been hiding out in Mexico until January 1965 when he returned to the United States and surrendered. Also sentenced with Green was Alan F. deVore, an osteopath.

FDA also participated, for the first time, in a cancer-cure trial in Canada. The Canadian Food and Drug Directorate was defending its rights to prohibit distribution of the drug "Laetrile." The Directorate had been temporarily enjoined from interfering with the manufacture, possession, or distribution of Laetrile in the Commonwealth. Court action to set aside the interim injunction was initiated by the Directorate which contended that the product was dangerous and did not meet the requirements of the New-Drug Act which, similar to U.S. law, requires proof of safety and efficacy.

An FDA official testified as an expert witness for the Directorate concerning a criminal action brought against the producers of Laetrile for violating the new-drug provisions of the U.S. law, in which fines and suspended jail sentences were imposed, with conditions for future shipments similar to those of injunction decrees. This was the first occasion an FDA official testified for a foreign government in a legal action.

The Canadian court set aside the temporary injunction, declaring that it would be far more dangerous to suspend a law intended to safeguard the health of the general public than to deprive certain patients of a drug of dubious value that had not been tested for safety and efficacy.

A U.S. seizure of a shipment of Laetrile was made from the baggage of a bus passenger entering the United States from Canada in July 1964. A terminal cancer patient given 4 months to live had ordered

the drug by mail and it had been shipped from Montreal to his cousin in Vancouver, B.C.

In a State case, Floyd F. Horn, 61, Phoenix, Ariz., was sentenced to 4 years in State prison for promoting mineral salt tablets for curing cancer. FDA assisted in the prosecution. Horn was found guilty of practicing medicine without a license. After making appointments at his or the patient's home, Horn would sell his treatment for about $330. Chemical analysis showed the pills contained 99 percent lactose (milk sugar), with minute traces of minerals listed on bottle labels.

Widely-sold remedies for the common cold received attention during the year. A number of "sustained action" cold capsules manufactured by several firms under more than 100 private brand names were seized on charges of false claims. It was alleged that they would provide continuous relief for 12 hours from cold symptoms, such as nasal discharge, running nose, watering eyes, stuffy congested feeling, etc. The capsules did not contain adequate active ingredients to be effective as claimed, the Government alleged.

A few 12-hour sustained action capsules are marketed under the sanction of new drug applications. It was established that these capsules contained adequate dosage for their recommended use and that the manufacturers had the know-how and equipment to insure controlled release of the medication so that it should be safe and effective for the stated period.

Enforcement of regulations under the "Good Manufacturing Practices" requirements of the Kefauver-Harris Amendments, and educational activities to help industry comply with them should greatly improve the quality of the drug supply. Most responsible manufacturers go far beyond the basic requirements of these regulations, but marginal producers have become aware that they must tighten their quality controls. If they cannot acquire proper laboratory facilities and qualified personnel to produce potent drugs they should turn to production of less critical items.

A seminar on control procedures in drug production was held at Madison, Wis., in the summer of 1965 under the sponsorship of the University of Wisconsin Extension Services in Pharmacy and the School of Pharmacy in cooperation with the Pharmaceutical Manufacturers Association and FDA. About 100 control and production supervisors of drug manufacturers participated. The seminar motivated them to make a critical appraisal of their control procedures and to improve them so as to eliminate drug mixups and the need for recalls. Industry self-improvement programs, either on an individual firm basis or as an association activity, are increasing.

An example of enforcement sanctions is a preliminary injunction forbidding a Philadelphia corporation and its affiliated companies to ship drugs that have not been produced under good manufacturing practices or that are otherwise adulterated or misbranded. The court's action was taken as a result of FDA's charges that the firm failed to maintain adequate manufacturing, analytical, and labeling controls.

FDA also charged that the firm shipped products that were subpotent—below USP requirements, and not labeled as required; bore false and misleading claims; and in some cases had no new-drug clearance for interstate distribution.

Medicated Feeds and Veterinary Drugs

The use of small quantities of potent drugs in nutritionally balanced animal feeds to stimulate growth and to prevent, control, or treat disease has become a highly significant aspect of the Nation's agricultural economy. Livestock losses for farmers are reduced when stock develop rapidly in good health. Consumers are provided top-quality meats, poultry, milk, and eggs at considerably lower costs. During the last fiscal year, there were 2,494 New Drug Applications and Supplements approved for medicated feeds and 107 for veterinary medicines, in addition to 932 approvals for marketing medicated feeds containing certifiable antibiotics. There are now approximately 12,000 feed mills in this country, producing more than 50 million tons of animal feeds annually. A large proportion of these feeds contain one or more veterinary drugs. Often only a few spoonfuls of a drug to a ton of feed will produce the desired physiological or therapeutic effect in animals.

While the public health and the Nation's economy alike benefit from their use, medicated feeds must be produced and used within the limits of safety to avoid animal injury and toxic residues in human food. FDA carefully reviews each application to see that manufacturers of drugs use adequate care in preparing, testing, and mixing the products and that feed mills have suitable facilities to produce safe and efficacious feeds.

Increased attention is being given to the adequacy of feed production procedures and controls, particularly when new drugs and antibiotics are used. FDA educational programs to reach medicated feed manufacturers this year included a workshop, geared especially to the informational needs of the smaller or so-called "country" feed mixers. More than 30 industry and trade association leaders were given a comprehensive briefing on the law and FDA regulations affecting medicated feed production. The workshop was planned as a model which can be followed by regional and State feed trade associations in con-

ducting similar seminars or workshops on FDA regulations in their own areas.

FDA maintains constant surveillance of the production and marketing of medicated feeds and takes legal action against feeds that could be damaging to animals and eventually to consumers. For example, 19 seizures were made of medicated feeds during the year. Thirteen were substandard in drug content or contained substitute drugs or unsafe additives; five feeds were seized because of false and misleading label claims, and one because the producer had no approved new drug application.

A program for veterinary medicine, similar to the Adverse Reaction Reporting System in human medicine, has been initiated. Under this plan, veterinary medical colleges and clinics, where much investigative and therapeutic medicine is practiced, will report to FDA adverse reactions and other significant observations relating to drug safety and efficacy as encountered in their studies. Schools to take part in the program include: Auburn University, University of California at Davis, Colorado State University, Cornell University (New York State Veterinary College at Ithaca), University of Georgia, University of Illinois, Iowa State University, Kansas State University, Michigan State University, University of Minnesota, University of Missouri, Ohio State University, Oklahoma State University, University of Pennsylvania, Purdue University, Texas A. & M., Tuskegee Institute, and Washington State University. The next step will be to establish a similar program with veterinarians who practice in large clinics or animal hospitals.

Some significant reports of adverse reactions or lack of efficacy of veterinary drugs were received. Among them were reports on the use of a hormone injected in animals to delay estrus. After reviewing the safety of the drug, FDA imposed revised labeling to add precautionary statements and to further refine the indications for use. The veterinary profession was alerted to this change by the first FDA-industry "Dear Dr." letter pertaining to a veterinary drug.

In another instance, reports of experience with the intravenous injection of a highly efficacious preparation used for the treatment of worm infections of dogs led to relabeling to warn of the possibility of anaphylactoid reaction.

New Drugs

NDA approvals.—Two hundred and three original New Drug Applications for drugs for human use were received during the fiscal year and 173 applications were resubmitted for further consideration. In addition, 605 amendments and other submissions pertaining to pending New Drug Applications were received. During the year, 53 original

New Drug Applications and 307 supplements were approved. Within the same period 2,002 original New Drug Applications and 1,025 supplements were received for drugs for veterinary use; 1,743 original applications and 858 supplements were approved.

Significant new drugs approved for marketing included an oral dosage form for protein tissue building and anabolism and to arrest the catabolic effects of various disease processes (oxandrolone); an agent for repigmentation of idiopathic vitiligo, increasing tolerance to sunlight and enhancing pigmentation (trimethylpsoralen); an oral dosage form for relief of edemas associated with congestive heart failure, cirrhosis, and the nephrotic syndrome and an idiopathic and drug-induced edemas (triamterene); a resin for the relief of intense pruritus associated with cholestasis (cholestyramine); a bone implant used in orthopedic surgery, rhinology and maxillofacial surgery (processed bovine bone); two oral contraceptives for sequential regimen (chlormadinone acetate and mestranol; dimethisterone and ethinyl estradiol), and a new anti-inflammatory and anti-rheumatic drug (indomethacin).

NDA nonapprovals.—Two hundred and forty-five New Drug Applications were regarded as incomplete and inadequate to establish the safety and effectiveness of the drugs for the proposed use, or filing was refused because the applications were submitted in unsatisfactory form. Twenty-two applications were withdrawn without prejudice by the applicants.

Investigational New Drugs.—A total of 762 Notices of Claimed Investigational Exemption for a New Drug were submitted to FDA during the fiscal year, in addition to numerous amendments to and progress reports concerning the 2,727 Notices received during the last 3 years. Such notices are required to be filed when new drugs are first tested on human patients.

Three hundred and forty-six clinical studies were discontinued by the sponsors. FDA terminated clinical investigations on 26 drugs for which there was insufficient evidence that it was safe to proceed with the proposed clinical tests. Investigational exemptions for 2 drugs which had been terminated during the previous year were reinstated after submission and review of data indicating that it was safe to proceed with clinical testing.

New Drug Surveillance.—The experience with a new drug after it is placed on the market, its labeling, promotional material, and advertising are subject to evaluation by FDA.

Surveillance of new drugs during the fiscal year necessitated the inclusion of significant warnings in the labeling of the following products: Oxsoralen, Band-Aid Spray Antiseptic, all thiazides and similar

diuretics, and Mucomyst and Darvon. Discussions with pharmaceutical firms also brought the issuance of four drug warning letters concerning diuretics, including analogs and combinations; the withdrawal from the market of one drug and the withdrawal of a supplemental application for another, challenged on the grounds of safety and efficacy.

Devices

Sixty-seven seizure actions against medical devices promoted by false and misleading claims were instituted by FDA during the year.

In California, Federal authorities seized 560 2-inch glass vials containing pieces of a rocklike mineral imported from South Africa. The promotor claimed that the mineral in the vial, when worn around the neck, gave off radiations with curative powers for healing cancer, nervous breakdowns, and ivy poisoning.

Thirty-four Miracle Klearex Water Refiners were seized in the San Francisco Bay area when salesmen made verbal claims in the homes of prospective buyers that the devices could remove all minerals, detergents, pesticides, insecticides, radiation, and bacteria from the water supply.

In Olympia, Wash., seizure was made of a device consisting of a clear plastic ball attached to a short length of chain which was promoted as a means of revealing the sex of unborn children. Its promoter also claimed that it could, by its swinging action, tell if the user were pregnant as little as 1 minute after conception.

Fourteen Slim-Twist Exerciser devices were seized in Kennewick, Wash., on charges of misbranding for weight reduction, heart trouble, arthritis, and diabetes.

A number of mineral baths, whirlpool baths, "bubble" baths, and sauna baths were seized on charges of false and misleading therapeutic claims. Extensive revisions of labeling claims were made on such devices, and major revisions are still in progress. Numerous shipments of sauna baths utilizing electrically heated stones to produce steam in wooden cabinets were seized on charges of misbranding by claims for reducing body weight, preventing colds, and curing sinus and other conditions.

In Detroit, Mich., 350 electrical gadgets called the Master Violet Ray were seized for claims they were effective in treating baldness and conditions of the throat, vagina, prostate gland, ears, and nose. Claims also were made for spinal and dental treatment.

Federal authorities in Detroit also seized 54 Vapozone devices manufactured by a Swiss firm. The devices are steam and high-frequency generators designed to emit oxygen, ozone, hydrogen peroxide, and

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ions into the atmosphere in a mist to be absorbed by patients as germicidal agents, and purportedly effective in treating gangrene, eye diseases, acne, and dental infections.

In Minneapolis, Minn., 11 Radioclast devices were destroyed by a chiropractor following an order from the Minnesota Board of Chiropractic Examiners. The machines are low-voltage generators which produce a small electrical current. They are housed in elaborate consoles with impressive arrays of dials, lights, switches, and meters.

Seven similar therapeutically useless devices were destroyed by an Ohio wholesale dealer.

In Denver, Colo., a stock of a well-known brand of foot comfort shoes and electric foot massagers was seized following oral misbranding by a salesman who claimed that the shoes and massagers were effective for relieving all common foot troubles, removing calcium deposits in the joints, shortening muscles, and curing broken-down metatarsals.

Seizures were continued on a reduced scale of vibrating or shaking devices, including hand massage units, chairs, mattresses, and others bearing unwarranted claims for weight reduction or disease treatment.

A Takoma Park, Md., "medical missionary and minister" was found guilty on three counts of dispensing misbranded mail-order cancer-cure products and diagnostic devices.

COSMETICS

The only product seized on cosmetic charges was a perfume spray failing to bear required labeling, such as quantity of contents and name and address of manufacturer, packer, or distributor. Other cosmetics such as wrinkle removers, lotions, and shampoos were seized for claims that they would alter the structure or functions of the body, in violation of the drug provisions of the Act. The seizures of "wrinkle removers" mentioned under "Adulterated and Misbranded Drugs" in the 1964 report are still under contest in the courts.

CERTIFICATION SERVICES

Color Additives.—All color additives used in foods, drugs, and cosmetics (except hair dyes) must be listed for such use pursuant to the Color Additive Amendments of 1960. Synthetic organic colors used must be from batches certified by FDA as safe for such use. In 1965, 3,224 batches representing 2,805 tons were certified, and 15 batches representing 8 tons were rejected.

Insulin.—Three hundred twenty-seven batches of insulin were tested and certified. All met the required standards.

Antibiotics.—During the fiscal year 1965, samples representing 22,167 batches of antibiotics and antibiotic-containing preparations were submitted by the industry for testing. Of the samples tested, 241 were found unsatisfactory by the Food and Drug Administration, the manufacturer, or both, because of variations in: potency (82), penicillin contamination (75), objectionable manufacturing practices (31), sterility (16), moisture (8), extinction coefficient (6), metal particles (5), pH (4), uniformity (4), pyrogens (3), absorptivity (2), disintegration time (1), homogeneity (1), "A" content of amphotericin (1), melting point (1), and fill of container (1). Included in the above are 29 batches of antibiotic sensitivity discs which were rejected because of variations in potency, uniformity, or both.

In addition, requests for certification of two batches were withdrawn by manufacturers, one because of faulty packaging, and another because the batch did not require certification since it was to be exported.

Samples of 800 batches of antibiotic preparations were submitted by other Government agencies (Department of Defense, Office of Emergency Planning, Veterans Administration, etc.) and tested to determine their suitability for use and if their expiration dates could be extended. The official and investigational samples of drugs, medicated feeds, and food for human use collected by FDA and examined for antibiotic content are not included in the above certification totals.

Hazardous Substances Labeling Act

The Federal Hazardous Substances Labeling Act of 1960 (HSLA) requires informative labeling of a multitude of household products that may cause illness, injury, or death if improperly used. Education and regulatory action are both being used to bring about compliance with this law. Industries subject to the HSLA now seem well aware of the act and have made efforts to comply. Violations encountered during the year usually represent incomplete compliance. Generally the cause of violation was omission of some of the mandatory warning statements, but in some cases the violations were more serious.

Of 195 seizures of hazardous substances completed in fiscal year 1965 under the provisions of this act, some 63 were brought against X-33 Water Repellant, an extremely flammable, highly explosive, waterproofing paint for masonry.

The latest seizures of X-33 Water Repellant continued a seizure campaign of the previous year when some 30 serious injuries to users

and 3 deaths traceable to this product were reported. Additional injuries and property damage by explosion and fire were reported early in fiscal year 1965. This prompted a third press release warning the public of the extreme hazards of this product. At the same time a warning letter was sent to every known dealer believed to have stocks of the product. The letter suggested that X-33 be destroyed under local fire department supervision to prevent further injuries and deaths. FDA also sent letters to State fire marshals and other State officials requesting their cooperation in removing remaining stocks. FDA has received reports of the voluntary destruction by dealers of some 140 lots and some 300 destructions by State and local officials.

A suit seeking to avoid the use of FDA-suggested stringent warnings on X-33 has been dismissed by a district court in Illinois. After reports of additional explosions, FDA recommended the use of the warnings to which the firm objected.

A new kind of explosive fireworks brought 110 seizure actions. Crackerballs are small and ball-shaped. Because of their size, shape, and attractive colors, they closely resemble candy gum drops and a breakfast food that is popular with children.

The seizures accomplished during June 1965 were prompted by reports of injuries to small children who mistook the explosive fireworks for candy and attempted to chew them. About 20 such injuries were investigated. The damage done to the youngsters included loosened teeth, burns, and cuts of gums, tongue, and cheeks, and particles of crackerball shell driven into these tissues.

Crackerballs are manufactured only in Japan and Formosa. All lots arriving at U.S. ports after the FDA investigation began were denied entry.

A second nationwide survey of the sale of gasoline and kerosene by service stations in customers' containers was made in the spring of 1965. The law requires that household containers of hazardous substances be adequately labeled when filled by the dealer from a bulk source.

The first survey in 1963 showed that only 17 percent of the 1,176 stations visited labeled the customers' containers. The 1965 survey showed some improvement: 34 percent of the 1,262 stations visited labeled the customers' containers. Petroleum products are particularly hazardous when swallowed and are high on the list of products causing injury to small children.

Several seizures of methanol and ethylene glycol antifreezes were made during the year. The antifreezes were being shipped to dealers in barrel lots. The dealers were repacking and selling the antifreezes in unlabeled bottles or in bottles labeled as soft drink concentrate.

Some bottles were labeled as antifreeze, but the labels lacked proper warnings. A Wisconsin retailer rebottled a poisonous permanent antifreeze in second-hand jugs and bottles including wine bottles still bearing the original wine label. An elderly man bought and consumed some with fatal results.

Some 20 seizures were made of other hazardous substances for failure to bear adequate cautionary statements in their labeling. These included water softener, ink, lighter fluid, oven cleaner, window cleaner, paint brush cleaner, gun cleaner, paint thinner, motor fuel additive, and rust remover.

Enforcement of Other Acts

A total of 131,451,463 pounds of tea was examined under the Tea Importation Act. The imports for this fiscal year exceeded those of last year by 3 million pounds. Generally, the sources of supply were the same, except for a small amount of tea imported from Pakistan. Six rejections were appealed to the U.S. Board of Tea Appeals, but the decision of the FDA examiner was upheld in all cases.

No actions were taken under the Filled Milk Act. No new permits were issued or renewed in fiscal year 1965 for continuance of milk shipments under the Import Milk Act.

Emergency Preparedness

Nine emergency preparedness training courses were given for FDA field district personnel, 5 for FDA headquarters personnel, and 12 for State and local food and drug officials. The courses were attended by a total of 805 persons.

Conducted by the FDA Office of Emergency Preparedness, these courses cover the nature of chemical, biological, and nuclear weapons, and methods of decontamination or destruction of foods and drugs contaminated by these potential warfare agents.

The training program was developed 9 years ago to prepare food and drug officials for carrying out their responsibilities in passing on the safety of foods and drugs. Since 1955, the training teams have conducted 214 classes for approximately 7,000 Federal, State, and local food and drug officials and industry food officials.

New Court Interpretations

Drug ingredients received in interstate commerce, even though repackaged and combined into tablet form for intrastate distribution

only, are still subject to the Federal Food, Drug, and Cosmetic Act, the U.S. Supreme Court has held.

The High Court's action came October 21, 1964, in denying without comment a review petition filed by a Detroit, Mich., firm which claimed that its product was locally made and could not be considered as "being held for sale after shipment in interstate commerce." By its action the Supreme Court upheld two lower court rulings against the firm's contention.

In a 1961 decision, the U.S. District Court for the Eastern District of Michigan had condemned approximately 906 packages of the firm's vitamin-mineral capsules, which the Government had seized, as being misbranded with false and misleading representations. A principal point of the company's appeal was that the tablets were distributed only in Michigan, not in interstate commerce, and therefore were not subject to the act.

Subsequently, the Court of Appeals for the Third Circuit upheld condemnation of the capsules for being misbranded and, with minor revisions, also sustained a decree for injunction granted by the lower court. However, the appeals court held that 3,730,000 pieces of promotional literature, which also had been seized and charged to misbrand the product, did not accompany it and could not be defined as labeling subject to seizure within the meaning of the act.

The District Court for the Northern District of Illinois, Eastern Division, dismissed a complaint for injunction against the United States entered by a defendant in a criminal action, declaring there was no question of constitutionality of Government charges. The defendant, promoter of a cancer remedy, had requested the court to enjoin the Government from prohibiting the interstate sale of the drug pending a verdict on an indictment charging the cancer claims to be false. The defendant claimed the injunction was necessary in order to supply certain cancer sufferers with the remedy so as to keep them alive to testify on behalf of the defendants in that case.

In a Sixth Circuit Court of Appeals decision involving seizure of a honey product, the court ruled that a dealer's booklets and newspaper-type mailing pieces constituted "labeling" which misbranded a product, even though the booklet was on sale in the book department of a store, and the mailing pieces were located in a back room of the store.

In a similar case, however, the Second Circuit Court of Appeals reversed a district court order condemning a product composed of vinegar and honey allegedly misbranded by two "best seller" books. The books, written by a doctor who extolled the therapeutic virtues of vinegar and honey, named the manufacturer of the product. The ap-

pellate court decided that while the books referred to the food in question and promoted sales of the product, they did not "accompany" the product or constitute "labeling" as it is defined in the act. In this case, the books and the product were not on public display, but seized in the warehouse of a distributor of health foods.

In another case involving promotional methods used in selling a product, a district court in New Jersey held that the content of "public service" radio broadcasts carried by a number of stations throughout the country was closely enough associated with the promotion of specific products to constitute claims for treatment of certain disease conditions with such products.

The broadcasts consisted of lectures on health and nutrition by a self-styled health expert and nutritionist. Commercial announcements during the broadcasts named products of a similar composition to the nutrients discussed in the lectures. The evidence showed that the programs were sold to the radio stations as a package deal at the same time that commercial time was purchased; that the lecturer was a paid consultant of the firm, and that the lecturer allowed his name to appear on labels of the firm's products. The court ruled the articles misbranded in that their labeling did not include adequate directions for treating the conditions mentioned in the radio lectures.

In two separate decisions the Court of Appeals for the Fourth Circuit found a defendant not guilty of dispensing certain toxic drugs without a prescription because the evidence was insufficient to establish that the drugs had been shipped in interstate commerce.

In a similar case, however, the Court of Appeals for the Third Circuit upheld a lower court's decision that shipment of the active ingredient of a drug is equivalent to shipping the drug. The decision was based on findings that a microanalyst recognized the drug as having been manufactured in another State, and that there was no manufacturer of the drug and no source of basic salt of the drug in the State where it was dispensed illegally.

The Court of Appeals for the Third Circuit rejected a contention by the manufacturer of an appetite depressant that, in a seizure action to forfeit misbranded drugs, the Government must establish its case by clear and satisfactory evidence. The court upheld lower court rulings that, because of the public interest in cases of this kind, the Government's burden of proof requires only a fair preponderance of the evidence. The court also affirmed the district court's opinion that the drug itself was worthless as an appetite depressant for weight reducing.

On January 21, a New York district court judge ruled that a cosmetic manufacturer must answer 23 of 28 interrogatories to which

the firm had objected in a "wrinkle remover" misbranding case. The court rejected the company's contention that in seizure cases, the legal rule of "discovery" should be limited to the promotional materials associated with the goods actually seized. The court directed the claimant to disclose details of its overall, nationwide promotional program. This decision reaffirms the broad interrogation right to narrow down issues in such court cases.

In a memorandum decision, the District Court for the Second Division, District of Minnesota, relying on the legislative history of the Durham-Humphrey Amendment, and primarily the sectional analysis in the Senate Report as presented by the then Senator Humphrey, concluded that veterinary drugs are not exempt from the labeling requirements of the act. The court, however, did observe that veterinary drugs may be exempt if they are delivered to the ultimate purchaser by a licensed practitioner in the course of his professional practice.

The Court of Appeals for the Seventh Circuit, in upholding a decision dismissing a complaint and motion for summary judgment and request for a preliminary injunction against the Government found that section 704 of the Food, Drug, and Cosmestic Act permits the Food and Drug Administration to inspect at reasonable times. The court also held that the inspection upon which this complaint was based, although conducted on a Saturday, was a reasonable one and did not interfere with the plaintiff's constitutional rights, since the firm was conducting ordinary business operations at the time.

Changes in the Law and Regulations

The Drug Abuse Control Amendments of 1965 were signed on July 15, 1965, to become effective February 1, 1966.

The amendments are designated "An act to protect the public health and safety by amending the Federal Food, Drug, and Cosmetic Act to establish special controls for depressant and stimulant drugs and counterfeit drugs, and for other purposes."

Abuse of drugs has become one of the major health and social problems of our times. The nonmedical use of certain drugs is contributing to a rising death toll on the highways, juvenile delinquency violent and bizarre crimes, suicides, and other abnormal and antisocial behavior. Drugs which are a blessing to the sick when properly used are a curse to the individual who becomes habituated to them. Growing abuse of drugs by teenagers is one of the most tragic and disturbing aspects of the entire drug-abuse problem. The 1965 amendments provide special penalties for peddlers and pushers over 18 years of age who sell or give the drugs to anyone under 21 years old.

The amendments provide for stronger regulation of the manufacture, distribution, delivery, and possession of depressant and stimulant drugs, including barbiturates ("sleeping pills") and amphetamines ("pep pills") and other psychotoxic drugs which have a potential for abuse because of their depressant or stimulant effect on the central nervous system or because of their hallucinogenic effect.

They do not apply to narcotic drugs (opium, morphine, heroin, marijuana, etc.) which are regulated by the Treasury Department under another statute.

Because of the criminal nature of the illegal drug traffic, new enforcement powers are provided. Under the law, FDA inspectors assigned to this area of enforcement will have the authority to seize counterfeit drugs when they find them and to seize the equipment used in making them without waiting to get a court order, which previously has been required in all FDA cases. After such seizure the drugs and the equipment must be placed in court custody. They will also have the authority to serve warrants and arrest persons who are apprehended while engaged in drug counterfeiting operations.

In the same way inspectors will have the authority to seize depressant and stimulant drugs which are being manufactured or distributed illegally, and to arrest persons who are engaged in these activities and seize their equipment.

These powers are similar to those of agents of the Narcotics Bureau. The FDA inspectors who are investigating these criminal activities will also have the right to carry firearms for their protection while engaged in dangerous undercover investigations. It is made a Federal crime to assault, resist, impede, or to kill an officer engaged in his official duties under the Food, Drug, and Cosmetic Act.

On signing the amendments, President Johnson said:

"I cannot express too strongly my determination that this good and decent and law-abiding society shall not be corrupted, undermined, or mocked by any criminal elements, whether they are organized or not. I believe that most Americans share this hope and share this determination.

"I think it is noteworthy that this legislation received very widespread support from various citizens groups, from the drug industry, from organized medicine, and from others."

REGULATIONS

Drugs.—Regulations were published which permit the deletion of false, misleading, or unsupported claims and the addition of warning, side-effect, or contraindication information to the labeling of new

drugs without waiting for FDA approval. This avoids delays in effecting changes in the interest of public health protection.

In May 1964 regulations were published which required the submission of records and reports of experiences on all new drugs cleared under the provisions of the act prior to June 20, 1963. This information was required to determine if there is substantial evidence of effectiveness for their use, and whether they are safe under their current labeling. The regulation as it applies to drugs which are no longer considered new drugs by the regulated industry was challenged in the courts. An administrative stay of enforcement was sought, pending final outcome of the litigation, and was granted under conditions which were set out in an agreement published in the Federal Register, September 12, 1964.

A policy statement was published which requires a warning label for phenacetin (acetophenetidin)-containing drugs to the effect that, if the drug is used in large amounts for a long period of time, there may be damage to the kidneys. This policy statement was adopted on the advice of an expert advisory committee after reports of possible toxic effects and renal damage due to misuse of the drug appeared in medical literature.

New evidence of clinical experience with coated tablets of potassium salt preparations associated these drugs with the occurrence of intestinal lesions which have caused serious complications and some fatalities. This new information on the safety of coated potassium salt tablets required a policy statement indicating that such products are regarded as new drugs and require an approved new drug application for marketing. The statement also announced that coated tablets, uncoated tablets, and liquid preparations which supply 100 mg. or more of potassium per tablet or teaspoonful are to be restricted to prescription sale. They must contain labeling with adequate information for use of the drug by physicians, including a warning statement reflecting the new information associated with the use of these preparations.

As a result of the increasing number of reports of fatalities associated with the use of aminopyrine and dipyrone, a statement of policy was published to limit the use of the drugs for their antipyretic effect to serious or possibly fatal situations where salicylates or other similar drugs cannot be used. It is required that the labeling for these products prominently display the statement "Warning:—This drug may cause fatal agranulocytosis." They are regarded as new drugs and must be cleared through the new drug procedures to assure appropriate labeling and the submission of reports needed to closely monitor the marketing experiences.

Additional reports became available regarding the abuse and misuse of methamphetamine inhalers for a stimulant effect. To adequately control these products and in the interest of the public health, the Food and Drug Administration restricted methamphetamine inhalers to prescription sale only.

A revised policy statement was published on permitting the use of thorium dioxide under the provisions of a new-drug application which contains labeling disclosing the hazards and the very limited usefulness of the drug.

The final order of a policy statement was published requiring ophthalmic solutions and dispensers to be sterile. Investigations revealed that liquid preparations for ophthalmic use contaminated with viable micro-organisms have been responsible for serious eye injuries and in some cases loss of vision. For the protection of the public health, it was apparent that these preparations, including products for cleansing the eyes and contact lens solutions, should be sterile.

The Food and Drug Administration revised the required label warning for over-the-counter scopolamine preparations, for use in insomnia, to require a specific statement that the drug is not to be used by persons having glaucoma.

Regulations were published to simplify the procedures for removing FD&C Red No. 4 from formulations of new drugs for oral use. This was necessitated by the delisting of FD&C Red No. 4. Procedures were described whereby the change could be made without waiting for approval by the Food and Drug Administration.

The antibiotic regulations were amended 309 times, and 121 new monographs were added. The following significant new antibiotic drugs have been formally approved during fiscal year 1965, and are listed by their generic names: dactinomycin, sodium cloxacillin monohydrate, lincomycin hydrochloride monohydrate, and sodium cephalothin.

Food Additives.—During the fiscal year, 321 food additive petitions were received; 39 orders were published on new food additives; and 162 orders were published amending existing regulations.

As of June 30, 1965, regulations have been issued permitting specified uses of approximately 2,400 food additives; 575 have been declared generally recognized as safe for certain uses; and prior sanctions have been listed for 115.

Authority was granted by Public Law 88–625 to further extend to December 31, 1965, the effective date of the Food Additives Amendment. Further extensions to that date were granted to approximately 100 direct and indirect additives which met the requirements for extension.

Food additive petitions processed during the year included several involving radiation of food. Two orders for flavors were published which provided for the use of over 100 natural and over 600 synthetic flavoring substances and adjuvants in food. The subject of flavors has occupied FDA attention for several years. Publication of these orders, on the initiative of the Commissioner, culminated the considerable efforts of the FDA Flavoring Substances Task Force in cooperation with the flavoring industry.

An advisory committee has been formed to review the entire concept of the use of antibiotics for the preservation of foods and to promote growth and feed efficiency in food-producing animals. Food additive actions relating to medicated feeds and drugs fed or applied to food-producing animals continued at a high level.

On May 11, 1965, FDA published regulations spelling out "current good manufacturing practices" in medicated feed production. These regulations specify controls and assay procedures to assure the integrity, purity, and efficacy of medicated feeds and set forth general guidelines for buildings, equipment, handling and storage of drug components, packing and labeling operations, and other phases of medicated feed production.

The publication in February 1965 of an order regulating indirect food additives resulting from components of paper and paperboard in contact with aqueous and fatty food, completed final action on 49 pending food additive petitions and considerably reduced the backlog of pending food additive petitions in this area. Other important indirect food additives regulated during this fiscal year included petroleum wax, mineral oil, rosins and rosin derivatives, and a number of packaging materials for use in radiation preservation of prepackaged foods.

An automated inventory control system has been adopted for all food additive and pesticide petitions to provide accurate and current information on the status of approximately 220 petitions in process. It provides information on areas in processing which may be causing delays. It also provides statistical information on the number of petitions handled, regulations issued, and other areas of interest during any time interlude designated.

Color Additives.—The Color Additive Amendments of July 12, 1960, provide for the provisional listing of color additives to permit time to obtain safety data required on October 12, 1960, with subsequent listings published periodically since that time.

During the fiscal year, 9 colors were removed from the provisional list for use in foods, 7 colors for use in drugs, and 17 colors for use in cosmetics. These colors were removed because FDA had no infor-

mation that toxicity studies for these colors were underway which the law requires for provisional listing.

During the year, 13 color additive petitions were received; 8 color additive petitions were filed, and 1 color additive received permanent listing based upon data submitted in a petition for its listing.

On December 11, 1964, color additive mixtures intended for use in foods or in drugs became exempt from certification. On June 8, 1965, an order was published defining the term "Externally Applied Drugs" and "Externally Applied Cosmetics." By an order published in the Federal Register on December 11, 1964, FD&C Red No. 4 was removed from the list of colors certifiable for use in foods, drugs, and cosmetics, and was relisted as Ext. D&C Red No. 24 for use in externally applied drugs and cosmetics.

Pesticides.—During the fiscal year 1964 studies on the effect of pesticide chemicals on reproduction were added to those required for a conclusion of safety. Since these studies take longer than 1 year, though as a rule less than 2 years, the number of pesticide petitions received was less than would normally be expected. Thirty-one pesticide petitions were received during fiscal year 1965. Fifty-nine tolerances were established involving 9 pesticide chemicals: 2 herbicides (33 tolerances), 3 fungicides (15 tolerances), 2 insecticides (2 tolerances), 1 fumigant (8 tolerances), and 1 defoliant (1 tolerance). There was also one change in the tolerance level of a nematocide.

Twenty-seven temporary tolerances were issued or extended, involving eight pesticide chemicals. These temporary tolerances were established to permit the marketing of crops experimentally treated with the pesticide chemicals in accordance with permits granted by the U.S. Department of Agriculture. Six chemicals used as fungicides on hay were added to the list of pesticides generally recognized as safe.

Authority for further extension of Public Law 86–139 with respect to residues of defoliants, desiccants, nematocides, and plant regulators to December 31, 1965, was granted by Public Law 88–625. Further extensions for three items were granted under this authority.

Since the enactment of the Pesticide Chemicals Amendment in 1954, a total of 2,671 tolerances or exemptions and 15 declarations of general recognition of safety have been established, involving 142 pesticide chemicals.

The review and reevaluation of scientific data on pesticides started in 1963 was continued. A committee of scientists nominated by the National Academy of Sciences—National Research Council to review the data available on the insecticides aldrin and dieldrin presented its report. The committee recommended that present 0.1 part per million (p.p.m.) tolerances for these two chemicals be continued

temporarily and that tolerances at higher levels (0.25 p.p.m. and 0.75 p.p.m.) be reduced to 0.1 p.p.m. when such levels could be met by useful applications. The committee recommended studies to provide additional toxicity data needed to support long-term continuation of tolerances for aldrin and dieldrin. It recommended reevaluation of existing and reduced tolerances within 3 years by another committee. The report was silent on transfer of residues to meat and milk.

On the basis of these recommendations, a proposal was published to reduce all tolerances at 0.25 p.p.m. and 0.75 p.p.m. to zero unless data are available supporting tolerances for these crops at the 0.1 p.p.m. level and the Department of Agriculture can certify usefulness under the reduced applications. The Commissioner also proposed decreasing to zero the 0.1 p.p.m. tolerances on small grains and sugar beets which, when fed to cattle, leave residues in meat and milk. Use of citrus pulp for cattle feed was also an additional consideration in the proposed reduction of the aldrin and dieldrin tolerances on citrus fruits to zero.

The advisory committee appointed to consider the proposed repeal of tolerances for residues of chlordane took note that additional toxicity studies on this pesticide are under way and recommended that the tolerances remain at their present level of 0.3 p.p.m., unless the studies now in progress provide evidence of potential hazard. The committee attributed the lower toxicity of chlordane found in recent studies, as compared with that of earlier studies, to the manufacturer's in-plant restriction on the amount of the intermediate chemical hexachlorocyclopentadiene to 1 percent. As a safeguard, the regulations for chlordane were revised to include this restriction.

At the close of the fiscal year, the National Academy of Sciences—National Research Council Pesticide Residue Committee, appointed to study "no residue" and "zero tolerance" concepts, made its report. The report is being reviewed within FDA and USDA.

Representatives of FDA have continued to participate in the work of the Federal Committee on Pest Control and its subcommittees on monitoring, research, and information. Under the interdepartmental agreement of May 1, 1964 (U.S. Department of Health, Education, and Welfare, U.S. Department of Agriculture, and the Department of the Interior), close coordination is continuing in regulation and investigation of pesticide chemicals.

Food Standards.—During the year, the standards for wheat flours were amended to permit slightly coarser grinding and to increase the proportion of malt barley flour added for its enzymatic value. Also, standards for three kinds of self-rising corn meals were amended to permit using sodium aluminum phosphate as an acidifying agent. A

new section, 15.75, was established for the new instant blending flours made by either of two procedures. An amendment was adopted to permit adding up to 2 percent of glyceryl monostearate to improve cooking properties of macaroni and noodle products.

Bread standards were amended to permit the use of carrageenan in bread—based on proportion of nonfat milk solids added—to improve the workability of dough, and were further amended to permit adding bromelain for its enzymatic value.

By an order covering 25 sections in the schedule of cheese standards, the level of permitted sorbic acid, used as a mold inhibitor, was raised from 0.2 percent to 0.3 percent, and provision was included for computing the level of sorbate salt on the basis of sorbic acid equivalent. The five sections permitting the use of hydrogen peroxide-catalase treated milk were amended to cover the optional use of catalase, a harmless oxygen-releasing enzyme, from certain safe fungal and bacterial sources. After a hearing on the subject, the standards for cold-pack cheese foods were amended to permit the use of guar gum to prevent leakage of moisture. A final order, based on the record of a hearing. promulgated standards for four kinds of mozzarella cheese. [*Note.* This order was appealed for circuit court review and the effective date was stayed pending outcome of the appeal.]

Amendments to composition and labeling standards were adopted for ice cream, frozen custard, ice milk, fruit sherbets, and water ices. The standard for french dressing was amended to permit the addition of small amounts of calcium carbonate and sodium hexametaphosphate to improve the effectiveness of the emulsifiers used. The standard for frozen concentrated orange juice was amended by adding a paragraph stating that it was not intended that the Federal standard should impede States from enforcing more strict standards on their own producers.

Following hearings, an order was published establishing standards for frozen raw breaded shrimp and for frozen raw lightly breaded shrimp.

Amendments were adopted to cover the removal of glucose from liquid eggs to be dried. Two methods—an enzyme procedure and a yeast procedure—were provided.

Standards applicable to canned white potatoes were amended to recognize "French Fry Cuts" as a label name for that form. The permitted level of calcium from calcium salts added to improve firmness of the potatoes was increased from 0.05 percent to 0.1 percent. The general standard for canned vegetables was amended to permit the use of corn sirup as a seasoning ingredient on the same basis as sugar and dextrose. Standards were amended to permit the use of disodium

ethylenediaminetetraacetate (EDTA) in canned black-eyed peas to prevent color change. An amendment was adopted to permit adding calcium EDTA to canned potatoes to retard darkening.

Hazardous Substances.—A final order revising the definition and test methods for eye irritants under the Federal Hazardous Substances Labeling Act was published. The order was promulgated after careful consideration of comments received in response to an earlier proposal. The changes simplified the definition of an eye irritant and provided for refinements in the testing methods, including a new part on testing of solids as eye irritants. To assist testing laboratories and interested persons, an "Illustrated Guide for Grading Eye Irritation," was prepared, which may be purchased for $1.50 from the Superintendent of Documents.

In response to an industry request, a statement concerning the labeling of pressurized containers under the act was added to the regulations.

The following exemptions from the the labeling requirements of the act and regulations were granted:

(1) Certain types of fire extinguishers are relieved from the necessity of bearing a warning statement regarding the pressure hazard when the fire extinguishers are built to certain specified safety standards.

(2) Cleaning and spot-removing kits intended for use in cleaning carpets, furniture, etc., and consisting of an outer carton with several bottles or cans of spot-removing chemicals, are exempt if the individual can or bottle of each hazardous substance in the kit is fully labeled in conformance with the act. The outer carton of the kit must state conspicuously: "WARNING—This kit contains the following chemicals that may be harmful if misused (list the chemicals by name). Read cautions on individual containers carefully. Keep out of the reach of children."

(3) Certain single-use spot-removing devices containing methyl alcohol are exempt from bearing the cautionary labeling otherwise required because a small amount of methyl alcohol is present, and the method of packaging presents a minor hazard.

(4) Paste waxes, such as shoe polish and certain floor waxes, are not required to bear a flammability warning if the flammability of the paste is due solely to the solvent itself.

Six requests for exemption were denied because it could not be demonstrated by the petitioners that the exemptions would have been in the public interest.

Scientific Investigations

For effective protection of the consumer, regulatory activity must be supported by continuing scientific research. The metabolic fate of drugs, food additives, and pesticide residues within the living organism; the effect of processing and storage on foods and beverages; and the ways in which drugs, antibiotics, and food can become contaminated all present regulatory problems that can be solved only through the knowledge acquired by research.

In addition to the Bureau of Scientific Research (BSR), whose chief mission is to conduct scientific investigations, three other FDA Bureaus engage in research to some extent: the Bureau of Scientific Standards and Evaluation (BSSE), the Bureau of Medicine (BM), and the Bureau of Regulatory Compliance (BRC) through its 18 district laboratories. Several problems were solved by cooperative efforts among Bureaus in fiscal year 1965.

Aflatoxin, a mixture of compounds, is produced by certain strains of mold during growth on various products. Because it is a potent poison which causes liver cancer in some animals, a reliable method of testing foods and feeds for this toxin is of the highest importance. BSSE has developed an assay in which the chicken embryo technique is used to determine aflatoxin in peanut products collected for the FDA regulatory program. This bioassay is used to check all positive analytical results obtained by the physicochemical method to confirm unequivocally that aflatoxin is present in the sample. The chicken embryo technique has now replaced the original duckling bioassay because of its much higher degree of sensitivity and greater feasibility for routine work.

The bioassay is also being used to test for aflatoxin-like toxicity in commodities derived from foods other than peanuts which contain materials resembling the aflatoxins in their chemical behavior. It is likewise being used in tests of extracts of biological materials from animals in which metabolism of the aflatoxin is being studied, and on samples of aflatoxin that have been detoxified by chemical treatment or other means.

Aspergillus flavus, one of the strains of mold that produce aflatoxin, has been cultured on a variety of foods. Methods developed by BSR for the detection and determination of aflatoxin in peanut products have been extended successfully to several other commodities. These methods, however, must be modified before they can be applied to the analysis of other materials such as cottonseed meal. The substance formed in the confirmatory chemical test for aflatoxin B_1 has been isolated for characterization studies. Experiments with tissue cul-

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tures have led to a new sensitive bioassay procedure for aflatoxins. They have shed light on their pharmacological action at the cellular level.

The problem of the contamination of antibiotics and other drugs with penicillin was referred to an advisory committee. Acting upon the advice of this committee, FDA issued regulations limiting the amount of penicillin that would be tolerated in other drugs. A compilation entitled "Procedures for Detecting and Measuring Penicillin Contamination in Drugs," based on procedures developed in FDA, was printed and mailed to all the domestic manufacturers of penicillin-containing drugs and to each of the foreign manufacturers who use the certification services. As the test procedures are improved or modified, addenda are printed and sent to those on the mailing lists. Thus, under the program of voluntary compliance, the industry has been supplied with the official procedures FDA will use to ascertain whether drugs comply with these regulations.

In studies of decomposition conducted by BSR, iced shrimp maintained at 40° F. for 15 days were sampled at intervals, and portions of these samples were freeze-dried. During storage the trimethylamine nitrogen content of class 3 (advanced decomposed) freeze-dried shrimp diminished by 50 percent. On the basis of its odor, the thawed material was deemed class 1 (acceptable) or class 2 (moderately decomposed). Indole content remained unchanged during freeze-drying, and therefore retained its value as an index of decomposition, although it does not always form when shrimp spoil. A yellow carotenoid pigment develops as shrimp decompose; this phenomenon is being studied further.

Trace amounts of staphylococcus enterotoxin now can be detected in foods by serological tests previously developed in the Division of Microbiology, BSR. Methods for isolating and recovering salmonellae, *Escherichia coli*, and *Clostridium botulinum* type E from foods have been evaluated and improved. Bacteriologists in the district laboratories cooperated in collaborative studies of these microbiological methods, particularly those for isolation and identification of staphylococcus, salmonellae, and other bacteria in frozen foods. They also assisted in ascertaining the levels of bacteria to be expected in precooked frozen foods prepared under good commercial practices.

BSSE completed a feeding study designed to evaluate the safety of food containing a number of added food flavorings plus the residue from a number of pesticides used in the production of such foods. The safety of the pesticides and food flavorings at the use levels selected had been demonstrated by feeding the individual substances singly. However the question was raised whether, as a result of possible interaction or potentiation, the toxicity would be altered when

these flavoring and pesticide substances were present together in the diet.

Rats were fed rations containing eight flavoring substances and six pesticides for 2 years. The test levels incorporated into the rations of the various groups of rats ranged from the calculated use level in the total diet of man to 400 times that level for the flavorings, and from the calculated maximum residue level (tolerance) in the diet of man to 50 times the tolerance for all the pesticides except DDT, which was incorporated at a maximum of 20 times the tolerance level. The study showed that this combination of flavors and pesticides did not significantly alter the toxicity from that of the individual substances.

BSR has developed a new, rapid cleanup procedure called "sweep co-distillation" and has applied it to the difficult problem of analyzing organophosphate pesticide residues. In this procedure the crude sample extract is injected into a heated column packed with glass wool. The crop extractives are retained on the glass wool, while volatile pesticides are swept through the column by flushing with a low-boiling solvent and an inert carrier gas. Recoveries of 85 to 90 percent have been achieved with five organophosphates.

A new chromogenic spray incorporating p-nitrobenzylpyridine, which is sensitive to all types of organophosphate pesticides on paper chromatograms, has been combined with present cleanup and extraction procedures to detect the pesticides at the 0.1 p.p.m. level. The thermionic detector developed last year has been improved by using potassium salts instead of sodium salts to coat the electrode, so that it responds even more specifically to phosphorus. This detector is being tested for application to routine regulatory problems in several of the district laboratories.

BSSE cooperated with the Poultry Branch, Agricultural Research Service, U.S. Department of Agriculture, in a project to determine the likelihood of pesticide residues transfering from poultry feed to the eggs. Five chlorinated insecticides were fed in combination to white leghorn hens at three levels. Analyses showed that at all three levels, residues of these pesticides appeared in eggs within 3 days after the hens were placed on the feed containing the pesticide. The study demonstrated that to avoid illegal pesticide residues in the eggs either the feed of laying hens must be kept free of pesticide residues or safe tolerances must be established.

Specifications have been developed for reference standard grades of 10 pesticide chemicals: aldrin, *p,p'*-DDE, *o,p'*-DDT, *p,p'*-DDT, dieldrin, 2,4-D acid, endrin, heptachlor, lindane, and methoxychlor. BSSE has prepared these standards for the use of FDA district laboratories and cooperating Federal, State, and local Government laboratories.

The 18 district laboratories of BRC took part in several group studies in which a number of analysts collaborated in a single organized investigation. Four of these collaborative studies were based on some phase of pesticide residue analysis. Every pesticide for which there is an established tolerance and many other important pesticides used on a "no residue" basis were tested in an attempt to increase the total number of pesticides that can be detected by FDA's current methodology for multiple residue analysis. Methods used by FDA to analyze regulatory samples of milk and other dairy products were studied collaboratively to establish their validity. The Washington laboratories joined the district laboratories in a similar coordinated evaluation of methods used to detect multiple pesticide residues in nonfatty agricultural products.

In addition to the collaborative studies of pesticide residues, BRC has made several scientific surveys. Many drugs were surveyed for unit-to-unit variation in tablet composition, which is considered to reflect poor pharmaceutical practice. Lack of guidelines and of suitable methodology were hampering factors. Forthcoming U. S. Pharmacopeia and National Formulary tests for uniformity of tablet content are expected to correct this deficiency in future studies.

All of the field districts collected samples of cola beverages manufactured in the United States and examined them for caffeine content. Three districts sampled and analyzed oranges from Florida, Texas, and California to develop authentic data for use in regulatory work on oranges grown in the United States.

The district laboratories performed validation studies of methods submitted as part of 75 new drug applications. Each method was tested independently by two districts. These new medications are often prepared in complex, novel dosage forms that require advanced techniques and instruments for successful analysis.

A specific detector for organophosphate pesticide residues, based on detection of the phosphate as phosphene, was developed last year by the Southwest Research Institute under contract with FDA. A prototype of the system was installed in Dallas District so that a chromatographic column can be developed for use in conjunction with the detector. Similar detectors are being installed in three other districts.

During the year the district laboratories carried out investigations that added more than 200 new methods or modifications of known methods that will be useful in the regulatory program.

New purity tests and assays have been developed by BSR for a number of drugs, including testosterone propionate oil injection, glutethimide, barbiturates, atropine, salicylic acid, methimazole, meprobamate mixtures, and methyprylon mixtures.

Both the brain and the pituitary have been shown to be involved in ovulation. BSR scientists found in 1965 that four drugs known to inhibit brain monamine oxidase also block ovulation in the rat and the golden hamster when injected during a period critical for egg formation in the ovary. Chlorpromazine, reserpine, and pentobarbital, which inhibit ovulation in the rat during the critical period, do not affect the hamster.

Blood clearance studies of animals injected with ultra-low levels of radioactive vanadium salts indicate that the tagged element reenters the blood when the diet is low in trace minerals (torula yeast diet), but not when this diet is supplemented with vanadium. Control animals on a stock diet also show no reentry of radioactive vanadium into the blood stream. About a quarter of the tagged blood vanadium is transferrin-bound after 4 hours; the remainder is not protein-bound.

Division of Color and Cosmetic Chemistry, BSR, devised a system of three successive chromatographic columns that permit the separation and determination of amines, nitroamines, nitrophenols, and aminophenols in hair dyes. Thin layer chromatography has proved useful as a screening procedure to detect the major components. To help identify the substances formed when arylamine oxidation dyes are used, the reaction of *p*-phenylene-diamine with alkaline peroxide has been studied as a model, and 2,5,4, ′-triaminodiphenylamine has been tentatively identified as a product of this reaction.

Methods of analysis have also been developed for commercial sunscreen products, constituents of lipsticks, alkanolamines in cold permanent waves, and formaldehyde in nail hardeners. Perfumes, which contain many components, were analyzed by gas chromatography and infrared spectroscopy.

Noteworthy applications of special techniques and instruments to analytical problems in BSR included X-ray diffraction measurements for identification of drug substances; gas chromatography for separation and determination of cosmetic ingredients, pesticides, nutritional factors, and drugs; gel filtration for the separation of drug compounds; mass spectroscopy for identification of food additives, carbamate pesticides, and other substances; nuclear magnetic resonance for identification of biologically significant compounds; and polarography for determination of drugs and pesticide residues.

The Veterinary Research Laboratory of the Bureau of Medicine in Beltsville, Md., performed a variety of scientific review and research services for the Division of Veterinary Medicine and other FDA units.

Reports were received alleging that some dog foods, injectable vitamins, iron preparations for pigs, an anthelmintic for horses, and feeds for cattle caused severe reactions and sometimes death of the animals.

Follow-up studies were made whenever possible to determine whether the suspect products were the cause of the injury. In the cases investigated, no evidence could be found to show that the food or drug tested caused the injury to the animals.

In studies designed to parallel the agricultural use of the drug and to develop data on any drug residues that may remain in the tissue after such use, a mastitis preparation for cattle was checked for "milk-out" data on mineral oil, a component of the preparation that may remain in the tissues and appear in milk. Another study involved the staining of baby pig tissues by injectable iron preparations, the efficacy of such a product, and the time required for the stain to clear from the tissues. Similar studies in four species of animals were made on injectable vitamin preparations. The staff at Beltsville worked with other scientific units of FDA in the Krebiozen study by injecting horses with *Actinomyces bovis* antigen to prepare plasma from the test animals.

A comprehensive chicken feeding experiment has been conducted during different periods of the year to study weather effects and to compare the efficacy of two poultry tonics.

During investigations of veterinary parasitology, phenothiazine and thiabendazole were compared for efficacy against experimental infections of two species of Trichostrongylid parasites in goats. Another study compared the anthelmintic activity of phenothiazine, thiabendazole, and ruelene against experimental infections of two species of Trichostrongylid parasites in sheep.

The Bureau of Medicine arranged for a number of research studies to be carried out by contract with universities and other institutions. Persons afflicted with contact dermatitis were studied clinically to determine the effects of hazardous substances and to provide data on responses to allergens applied to allergic persons. A study was made of the effect of a product containing benzocaine and methylcellulose upon the appetite of obese humans. Certain potential physiological effects of Neobarine were evaluated, namely, whether it has any effect on the heart and cardiovascular system and on the thyroid gland, whether such physiologic effects are identical with those of thyroxine, and what effect the addition of strophanthin has on the physiologic effects of thyroxine.

A number of long-term studies in support of enforcement activities were continued and new ones undertaken. A study was made to determine whether medicated room sprays alleged to relieve congestion actually produce decongestion or vasoconstriction, as claimed in the literature or labeling of the product. Clinical tests of Krebiozen were continued to provide evidence supporting the court case against

its sponsors. Tests are under way to determine whether the electrical stimulation produced by commercial vibrating equipment actually reduces girth of the abdomen, hips, or thighs, as the manufacturer claims. Pathology tissue specimens were collected and are being studied to support investigators involving medicated feeds, flavors, color additives, pesticides, and toxic molds. An investigation was made of the use of rapid data retrieval methods for determining incidence and other pertinent medical information concerning adverse drug reactions in a special study area.

Scientists and research personnel were moving from other laboratories in the area during the summer of 1965 to the laboratories in FDA's new headquarters building as they reached completion. This is the largest and most modern facility in the world that is devoted to consumer protection through research on foods, drugs, and cosmetics. Since the building was designed, however, FDA's scientific staff and responsibilities have increased beyond the capacity of the structure.

FDA's 1964 budget recognized this need by including a request for planning a 250-man laboratory in Beltsville, Md. These funds were approved, and additional funds for site preparation and construction were appropriated by the Congress that year and in 1965. The building should be ready for occupancy during fiscal year 1968.

Enforcement Statistics

Major work loads are summarized in the tabulation below:

	Inspections made	*Samples collected*
Total	56,372	103,309
Foods	38,425	57,567
Drugs	14,846	41,921
Cosmetics	830	449
Hazardous substances	2,084	2,673
All other	187	699

In the 238 criminal actions terminated (or terminated for some defendants) in the Federal courts during fiscal year 1965, fines assessed totaled $206,711. Forty-eight individuals were required to serve jail sentences ranging from 15 minutes to 6 years, of which 21 were within 6 to 12 months. Records of actions terminated in courts were published in 1,133 notices of judgment.

Table 1.—*Actions on foods during fiscal year 1965*

Code	Projects	Seizures accomplished	Criminal prosecutions instituted	Injunction petitions
	Totals	522	67	11
01	Beverages and beverage materials	7	1	
02	Bakery, ready-to-eat cereal, macaroni products	15	9	
03	Cereals, grain products—human use	78	7	5
14	Feeds, grain products—animal use	5		2
05	Chocolates, sugars, and related products	22	5	
	Dairy products:			
06	Butter and churning cream	15		
07	Cheese and other dairy products	8		
09	Eggs and egg products	37	3	
10	Seafood	42	1	
12	Flavors, spices, and condiments	17	1	
13	Fruits and fruit products	22		
15	Meat, meat products, and poultry	5		
16	Nuts and nut products	62		
17	Oils, fats, and oleomargarine	5		
18	Vegetables, and vegetable products	67	3	3
19	Miscellaneous foods (mixed lots)	3		
20	Warehouse foods	74	37	1
31/32	Foods for specific dietary uses [1]	38		

[1] Includes vitamin products intended as food supplements.

Table 2.—*Number of samples on which criminal prosecutions and seizures were based and number of court actions instituted during fiscal year 1965*

Item	Total		Criminal prosecutions instituted		Seizures accomplished		Injunctions requested
	Violative samples	Actions	Violative samples	Actions	Violative samples	Actions	
Total	3,424	1,266	1,733	290	1,691	957	19
Foods	1,191	600	303	67	888	522	11
Drugs and devices	1,996	528	1,420	222	576	298	8
Cosmetics (counted in drugs)	1	1			1	1	
Hazardous household substances	236	137	10	1	226	136	

NOTE: The number of samples on which the actions are based always exceeds the number of actions; in seizures, a variety of articles may be contained in a single shipment, while in criminal actions, each sample usually represents a single shipment which forms one count of action.

Table 3.—*Import samples collected, examinations made, and lots detained during the fiscal year 1965*

Item	Samples collected	Examinations made	Lots detained
Total	21,859	32,680	8,718
Foods	14,724	29,172	3,560
Drugs and devices	6,307	2,853	4,986
Cosmetics, colors, miscellaneous	828	655	172

Vocational Rehabilitation Administration

TWO NEW MARKS were set by the State-Federal program of vocational rehabilitation in fiscal year 1965.[1] The total of 134,859 mentally or physically disabled persons rehabilitated to useful work was the largest for any year. The increase of this total over 1964 was the largest increment in the program's history. Also, this was the largest percentage increase in nine years.

It was also an intensive and significant period in charting the 45-year-old program's future. Hearings on legislation to expand the program were conducted in the House of Representatives during 1965. Whatever changes were contemplated in the legislation, the aim of the public program remained the same: enhancement of the personal dignity of disabled people through the ability to perform useful work.

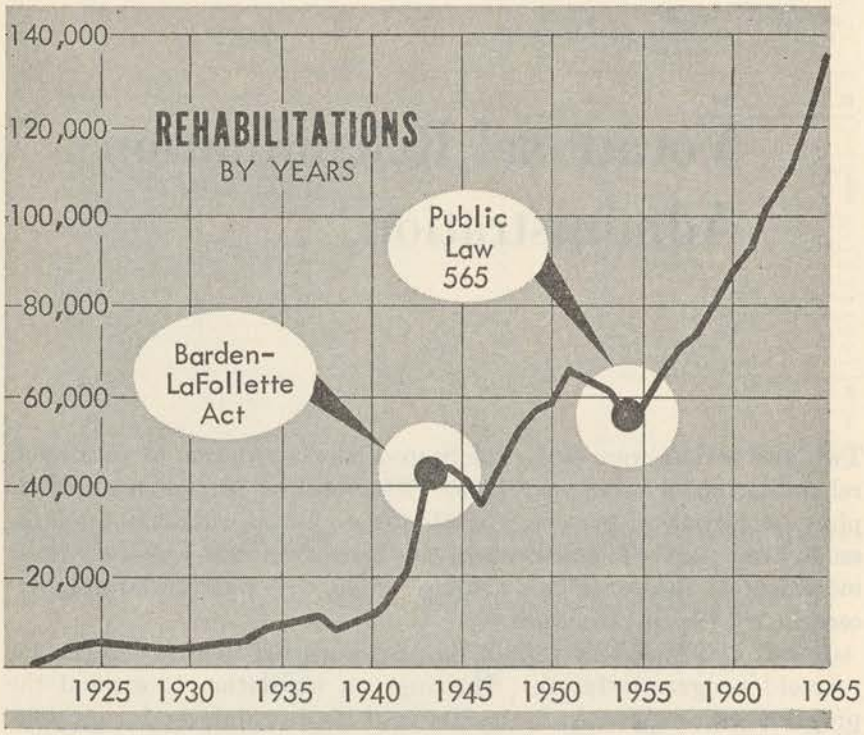
The Program's Value

The vocational rehabilitation program in 1965, as in times past, produced benefits to society as well as to the disabled persons themselves. Over 70 percent of the almost 135,000 disabled persons rehabilitated into jobs in 1965 were unemployed when they began to receive services. Most of the others had comparatively low earnings.

Moreover, some 16,800 of those persons rehabilitated in 1965 were receiving public assistance at the beginning of their rehabilitation, and about 6,500 resided in tax-supported institutions. Public assistance payments to the 16,800 persons were at an estimated $20 million for the year. Conversion of most of these persons receiving public assistance from tax consumers to economic independence through the public program cost about $20 million for only 1 year, thus saving many millions of dollars in Federal and State public assistance funds.

[1] Throughout this report reference to any year indicates fiscal year unless otherwise indicated.

CHART 1.—REHABILITATIONS BY YEARS



There is still another way of looking at the economic worth of rehabilitation for the disabled. Those who entered employment through the public program in 1965 will pay, during the remainder of their working lives, an average of $5 in Federal income taxes for every Federal dollar expended for their rehabilitation.

From Teenagers to 65 Plus

The prevention of dependency through vocational rehabilitation measures is the dominant trend of the program. It extends from the rehabilitation of mentally or physically handicapped youths, through an immense array of services for persons disabled in their prime working years, and finally through the mounting total of older persons beset by chronic illness and infirmities.

School systems throughout the country work with their rehabilitation agencies to identify and evaluate mentally retarded and physically handicapped students and provide special courses to stimulate their interest in furthering their education, thus combating dropouts and possible delinquency.

The growing proportion of older persons in our population has prompted the need and development of services designed to prepare them for full or partial employment, or lessened dependence on family or public funds. Research and demonstration projects have shown that many older persons—some beyond 65—can be rehabilitated into employment compatible with their condition.

A measure of the success of these programs within age groups can be demonstrated with a few figures. Among those disabled persons of less than 20 years, the volume of rehabilitants grew from about 9,800 in 1954 to some 28,900 in 1965; and 875 disabled persons of 65 years or more were rehabilitated in 1954 compared to about 2,300 in 1965. This left, in 1965, around 103,800 disabled persons who were rehabilitated during their prime years—more than 68,600 between the ages of 20 and 45, and some 35,200 between 45 and 65.

Among those groups were many persons disabled since birth, or from accident or disease; some were disadvantaged by lack of educational or economic opportunities, in addition to a vocational handicap; others had natural aptitudes or abilities, and needed counseling and guidance as the top requisites for overcoming their handicap for employment; still others were socially adrift, handicapped by both disability and lack of motivation for employment.

CHART 2.—PRINCIPAL CAUSES OF DISABILITY AMONG 1965 REHABILITANTS

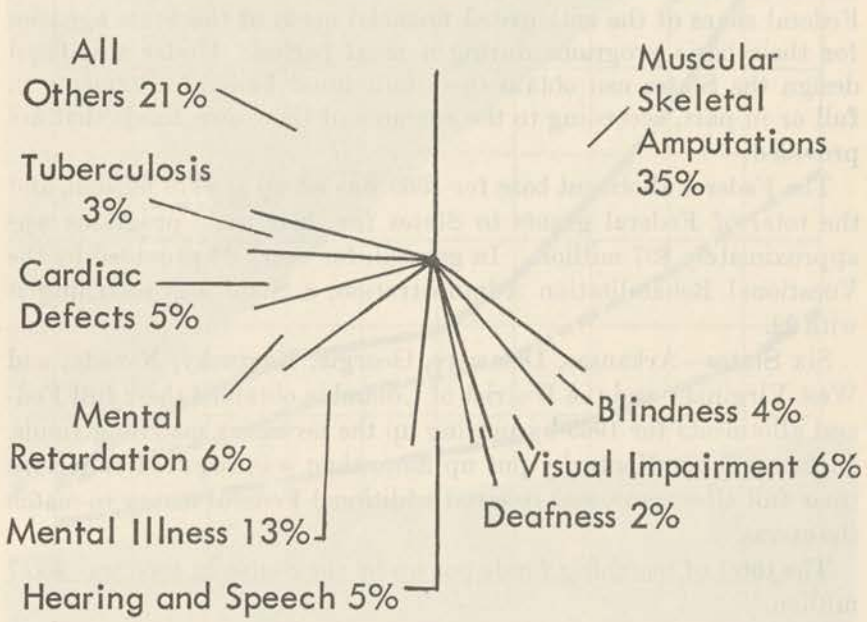
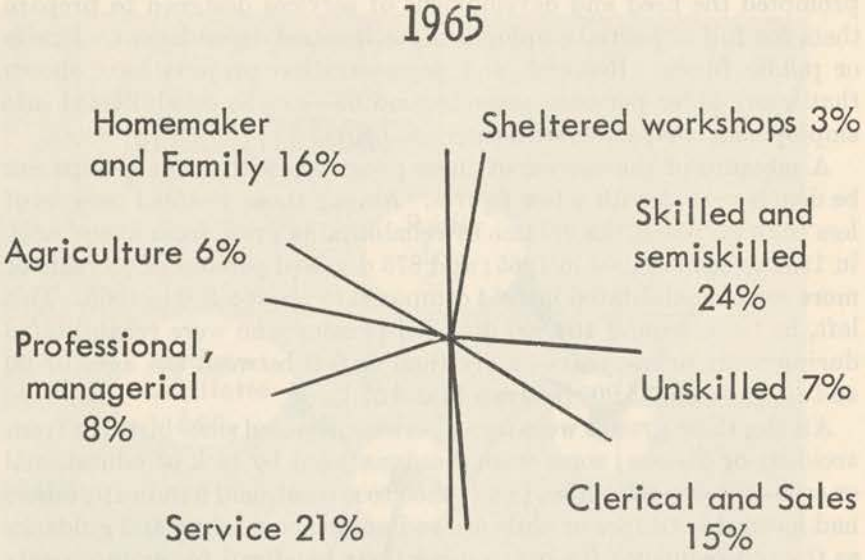


CHART 3.—MAJOR OCCUPATIONS OF PERSONS REHABILITATED IN 1965



Funds for the Program

Basic rehabilitation services are financed by a combination of State and Federal funds. Each annual appropriation of Federal funds for rehabilitation provides for an allotment base sufficient to meet the Federal share of the anticipated financial needs of the State agencies for their basic programs during a fiscal period. Under this fiscal design the States can obtain their individual Federal allotments in full or in part, according to the amounts of their own funds that are provided.

The Federal allotment base for 1965 was set up at $175 million, and the total of Federal grants to States for their basic programs was approximately $97 million. In general, for every $3 provided by the Vocational Rehabilitation Administration, a State was matching it with $2.

Six States—Arkansas, Delaware, Georgia, Kentucky, Nevada, and West Virginia—and the District of Columbia obtained their full Federal allotments for 1965 by putting up the necessary matching funds. In fact, all but Kentucky put up more than was required to receive their full allotments, and received additional Federal money to match the excess.

The total of matching funds put up by the States in 1965 was $60.7 million.

EXTENSION AND IMPROVEMENT GRANTS

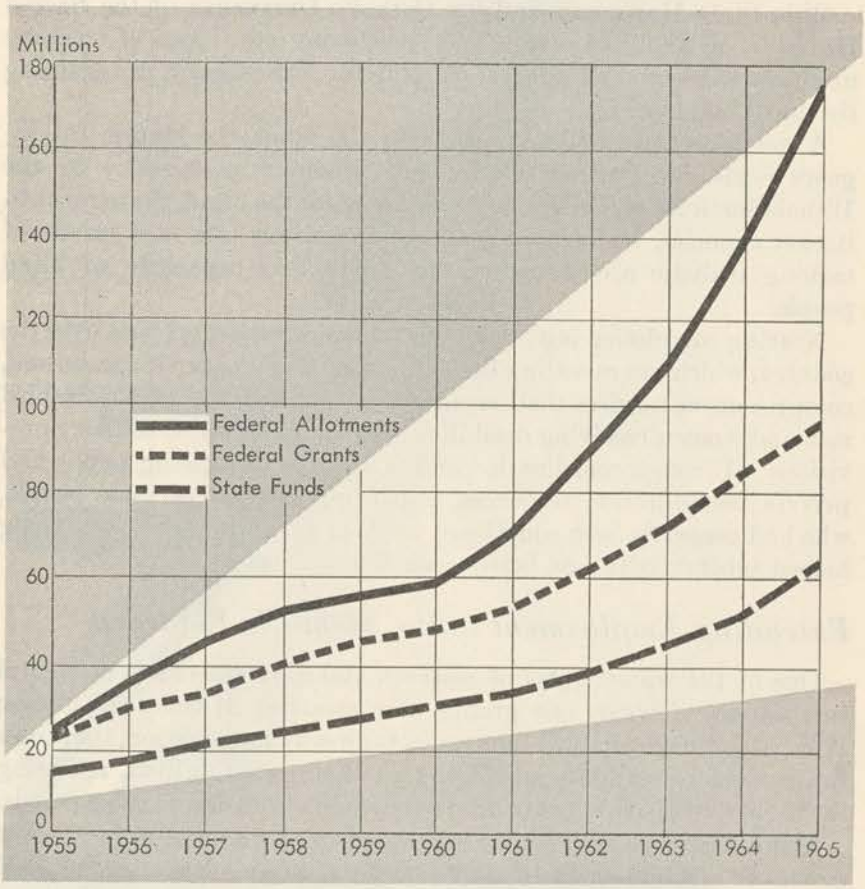
In addition to the basic service grants, a special category—extension and improvement grants—is available to help State agencies to improve their facilities, add staff, or purchase equipment. The Federal Government pays up to 75 percent of the cost of each project.

The extension and improvement grants awarded in 1965 reached a record total of 146 and amounted to $2,235,522, which was matched by State funds of $778,508.

Research Developments

Research into improved rehabilitation techniques and support for demonstration projects to show the validity of rehabilitation concepts continued to expand in 1965.

CHART 4.—FUNDS FOR STATE REHABILITATION PROGRAMS



The appropriation for these activities in 1965 was approximately $17 million, of which $7 million was for new projects and $10 million for ongoing projects.

Applications for Federal support of projects from public and nonprofit private organizations are screened by VRA for suitability and worthiness. Those that meet these tests are sent on to a National Advisory Council on Vocational Rehabilitation. The Council meets three times a year and makes final recommendations on the applications.

The research and demonstration program touches upon virtually every phase of rehabilitation. For example: studies of vocational rehabilitation and school dropouts; the operation of complex machinery by disabled persons; factors that influence acceptance or rejection of rehabilitation services; attitudes of communities, employers, and the public toward disabled people.

There was progress in several interesting areas during 1965.

Ohio State University and the Catholic University of the Sacred Heart, in Milan, Italy, are jointly developing new types of teaching machines to be used by aphasic patients for self-training in regaining the use of language.

A much needed intelligence test for the blind, the Haptic Intelligence Scale, has been developed and produced in quantity by the Illinois Institute of Technology. Schools for the blind, State rehabilitation agencies, and training centers are using this new means of making realistic appraisals of the intellectual capacities of blind people.

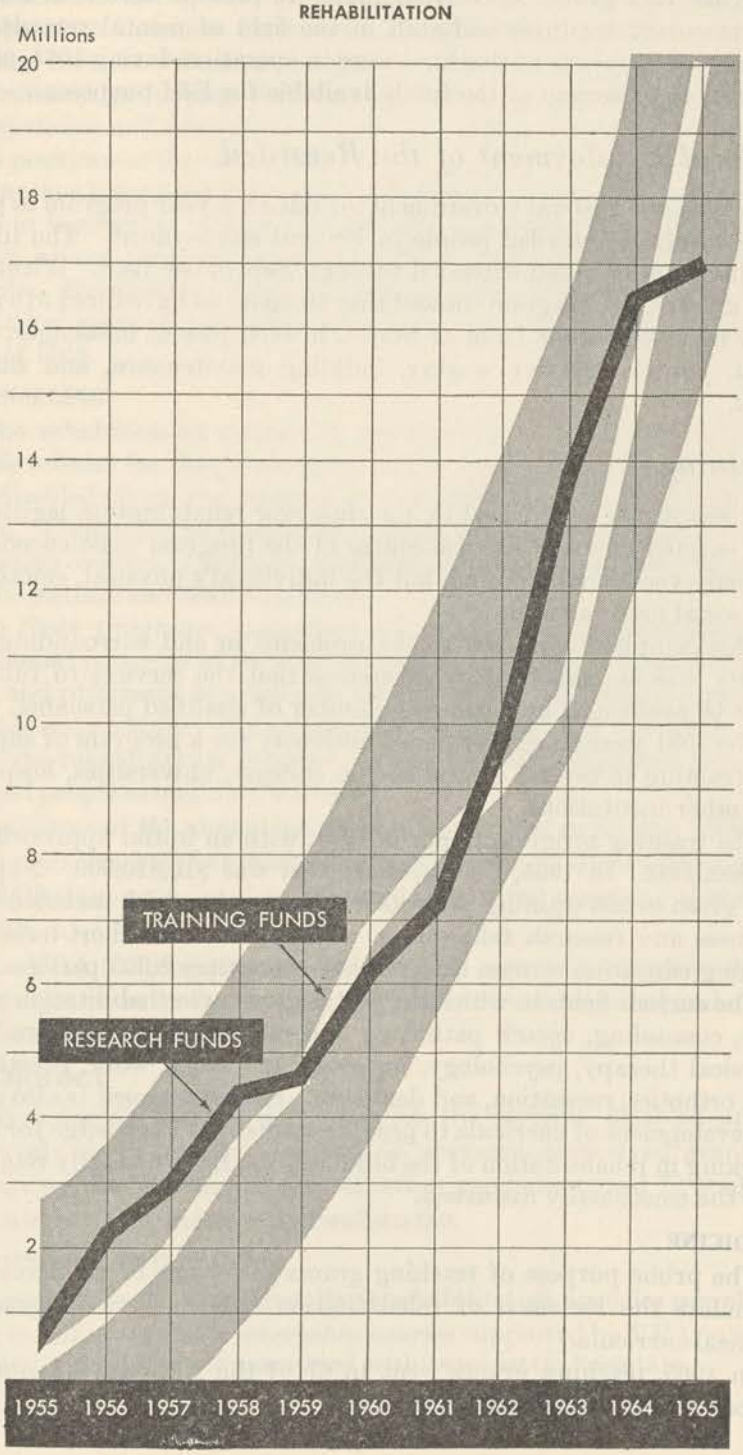
Nearing completion is a group of 11 demonstration projects over the country, which are revealing the value and effectiveness of specialized, comprehensive services that have been developed for severely disabled men and women receiving disability benefits under social security provisions. Through coordination and utilization of existing public and private rehabilitation resources, a growing number of these people, who had generally been considered unlikely for employment, are being helped substantially into better economic and health situations.

Extending Employment to the Mentally Retarded

One of the widest areas of research and development is in mental retardation. Twenty-one grants were awarded in this field during 1965. Combined with 35 other projects already in operation, they have drawn Federal support amounting to almost $2.3 million, reflecting the highly intensive effort to advance the rehabilitation of these people.

Many State agencies have made use of extension and improvement grants to strengthen their activities for the mentally retarded. Of

CHART 5.—FEDERAL FUNDS EXPENDED FOR RESEARCH AND TRAINING IN VOCATIONAL REHABILITATION



some 500 E&I grants since 1954, almost 10 percent have been for improvement of facilities and staff in the field of mental retardation. Twenty-one projects of this kind were in operation during 1965, utilizing almost 40 percent of the funds available for E&I purposes.

Federal Employment of the Retarded

In 1963, the Federal Government initiated a 2-year program to place more mentally retarded people in Federal employment. The life of the program has been extended through September 1968. Within its first 2 years, the program showed that 30 agencies have hired 575 mentally retarded people from 41 States, in such jobs as messenger, mail clerk, janitor, laundry worker, building maintenance, and similar work.

Training

It was firmly established by the time new rehabilitation legislation was enacted in 1954, that the course of the program must encompass not only vocational training, but the individual's physical, emotional, and social needs as well.

This complete approach to the problems in and surrounding disability was accompanied by awareness that the services to fulfill it must be performed by a growing number of qualified personnel.

The 1954 amendments provided authority for a program of support for training in several disciplines, in colleges, universities, hospitals, and other institutions.

The training program began in 1954, with an initial appropriation of $900,000. In 1965, the appropriation was $19,810,000. Support was given to 526 training projects in 171 schools, which included 3,780 trainees and research fellowships. There were also short-term continuing education courses that reached more than 6,300 persons.

The current fields in which support is given are rehabilitation medicine, counseling, speech pathology and audiology, occupational and physical therapy, psychology, sociology and social work, prosthetics and orthotics, recreation, and dentistry. Encouragement is also given to development of curricula to provide specialized knowledge for those working in rehabilitation of the blind, the deaf, the mentally retarded, and the emotionally disturbed.

MEDICINE

The prime purpose of teaching grants to schools of medicine is to stimulate the inclusion of rehabilitation content in undergraduate medical curricula.

In 1965, teaching grants went to 67 of the Nation's 91 approved schools of medicine or osteopathy.

Grants are also given to schools for undergraduate training, with emphasis on intensive experience for students in rehabilitation and clinical services. Some 330 students had this experience in 1965.

Traineeships for physicians in residence training programs in physical medicine and rehabilitation are also supported, and there were 147 such positions at the end of 1965.

Another great need is for medical educators prepared to give leadership in instruction in physical medicine and rehabilitation. An academic career program is supported to meet this need for trained people. Recipients of these traineeships pursue advance study in rehabilitation research and administration. Six were in training at the end of 1965.

COUNSELING

The rehabilitation counselor, regarded as the key person in the whole scheme for the public program, is the principal liaison between the disabled client, the array of services offered, and ultimate employment. Counselors are employed in State rehabilitation agencies, rehabilitation centers, hospitals, sheltered workshops, and a variety of public welfare and health agencies.

In State programs, counselors are responsible for evaluating the vocational potential of the disabled person, arranging for needed services, and placement in a suitable job. In many agencies the counselor carries responsibility for acquainting employers and the community with the rehabilitation program, to gain greater acceptance of handicapped people as qualified workers.

Estimates of the annual shortage of counselors to fill new positions or as replacements have doubled in recent years, to about 1,200. State rehabilitation agencies alone reported almost 900 vacancies at the end of 1965.

The VRA training program supported 41 university counselor training programs in 1965, in which 880 students were enrolled and about 450 completed their training.

PSYCHOLOGY

Psychologists trained to work with the severely disabled are in extremely short supply. In 1965, 13 universities received grants to strengthen the teaching of rehabilitation psychology, and 72 students were awarded stipends for doctoral studies.

PSYCHIATRIC INTERNSHIPS

Twenty-three trainees from State rehabilitation agencies completed the 6-month psychiatric internship courses supported by VRA in three university departments associated with psychiatric hospitals.

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SPEECH PATHOLOGY AND AUDIOLOGY

There are 8 to 9 million persons with impaired speech or hearing in this country, and at least 20,000 clinicians—about twice the number currently in practice—are needed to serve them.

To reach and maintain this number, 1,500 students should complete graduate study in these subjects each year. About 800 completed these studies in 1965.

Teaching grants were made to 61 graduate programs in 1965, and traineeship grants were made to 65 graduate programs, reaching 608 students.

SOCIAL WORK

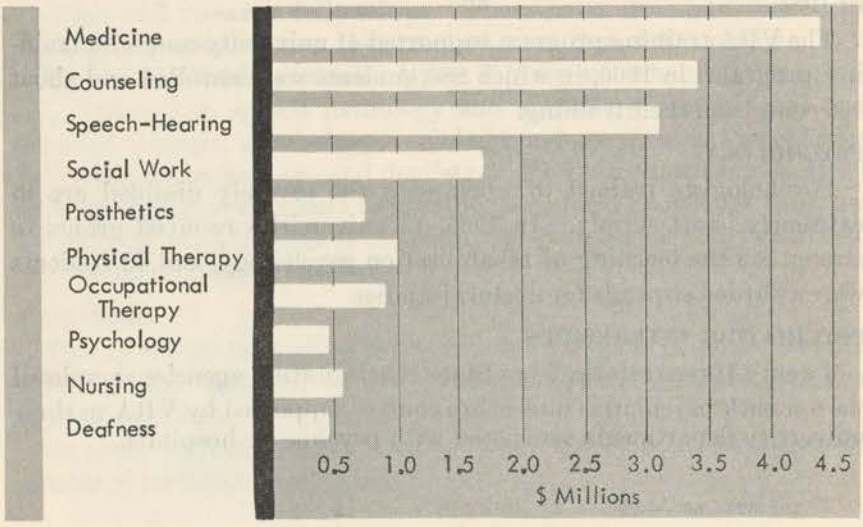
The broad purposes of support for training in social work are to incorporate rehabilitation content in curricula; to enable students to understand the complexities that surround most disabled persons and their families; and to prepare selected students to participate in rehabilitation research, to work with rehabilitation teams, and to provide leadership in community planning of services for the disabled.

Estimates of requirements for social workers are that 15,000 are needed each year, of which at least 2,500 are needed in the health and rehabilitation fields.

Teaching grants were made to 41 of 58 accredited schools of social work in 1965, and 44 schools were awarded traineeship grants that reached 306 students.

A new development in 1965 was inauguration of social work units in correctional institutions, to meet shortages of manpower in this area, and to further the rehabilitation of disabled public offenders, now a growing activity in the public program.

CHART 6.—1965 TRAINING FUNDS IN AREAS OF PERSONNEL SHORTAGES



OCCUPATIONAL THERAPY

Occupational therapy is a resource of growing importance in vocational rehabilitation. Support from the VRA training program went to 28 of the 32 approved schools of occupational therapy in 1965, for teaching or traineeships, but the number of graduates each year still remains inadequate. There are about 7,100 registered therapists available. The estimated total need is about 12,000, with approximately 4,000 new therapists needed annually.

The number of therapists graduated each year averages about 550. The training grants among the 28 schools reached 358 students in 1965. Twenty-three graduate therapists received traineeships for advanced studies at the master's and doctoral levels.

PHYSICAL THERAPY

The serious shortage of physical therapists can best be expressed by the statement that only 957 therapists graduated from approved schools in 1965, against some 1,300 vacancies that were reported. Even though three new schools opened their doors in 1965, and a majority of schools were operating at capacity, it seems certain that the shortage will remain serious until more training courses are developed.

Twenty-five of the 43 approved schools of physical therapy received teaching grants in 1965, and 288 students in 41 schools received traineeships. Thirty-four traineeships were awarded to selected therapists for graduate study leading to master's or doctoral degrees.

PROSTHETICS AND ORTHOTICS

Specialized training at three universities is offered to prosthetists and orthotists, physicians, physical and occupational therapists, and counselors, to give them current knowledge about prosthetics and orthotics.

Teams of medical personnel are brought to classes at these universities, with VRA support. In 1965, about 90 short-term courses, lasting from 3 days to 6 weeks, enrolled 1,800 people closely associated with rehabilitation.

WORKERS FOR THE BLIND

A training course for home teachers of the blind graduated its first class in 1965, the initial product of the training program to meet an increasing demand for these services.

The 2 university courses for orientation and mobility instructors enrolled 28 trainees during 1965, helping to meet a wide need. All of those who have completed this course have met with immediate job offers.

WORKERS FOR THE DEAF

For 4 years the VRA training program has included specialized courses designed to prepare persons who work with the deaf for posi-

tions of leadership in the rehabilitation of that group of handicapped persons.

Through 1965, a total of 35 persons has completed these courses, which include content drawn from a number of disciplines, and are composed of classroom instruction and actual field experience in several settings serving deaf persons.

These courses now have been expanded to provide orientation of professional workers to the problems of the deaf, special counseling considerations for them, and the training of audiologists, speech pathologists, social workers, and counselors to work with the deaf from an interdisciplinary standpoint.

MENTAL RETARDATION

The 4 special training centers in mental retardation that were established in 1964—at the Universities of Wisconsin, Texas, North Carolina, and Columbia—were attended by 950 workers in rehabilitation during 1965. Of these, 891 were rehabilitation counselors.

These centers conduct short-term courses on a year-round basis. They offer academic, clinical, research, vocational, and community residential resources for retarded people, in which competent instructors can operate successfully in fertile settings.

In addition, grants were made to 21 universities and institutions in support of teaching personnel for field instructional units, and to provide traineeships for 178 students in rehabilitation of the mentally retarded. Settings for practical training of these students are in public and private schools, rehabilitation centers and sheltered workshops, State rehabilitation agencies and other locale for serving the mentally retarded.

OTHER COURSES

Support is given to several other courses:

Recreation for the ill and disabled, now in its second year, with 36 students on traineeships enrolled.

Home Economics, to instruct the disabled in homemaking activities, also in its second year, with 10 traineeships awarded at master's and doctoral degree levels.

Nursing, to give spcialized instruction to selected graduates and undergraduates, with traineeships to 67 graduate nurses.

Workshop Administration, with 16 full time students enrolled in 2 universities that have developed graduate curricula in this field.

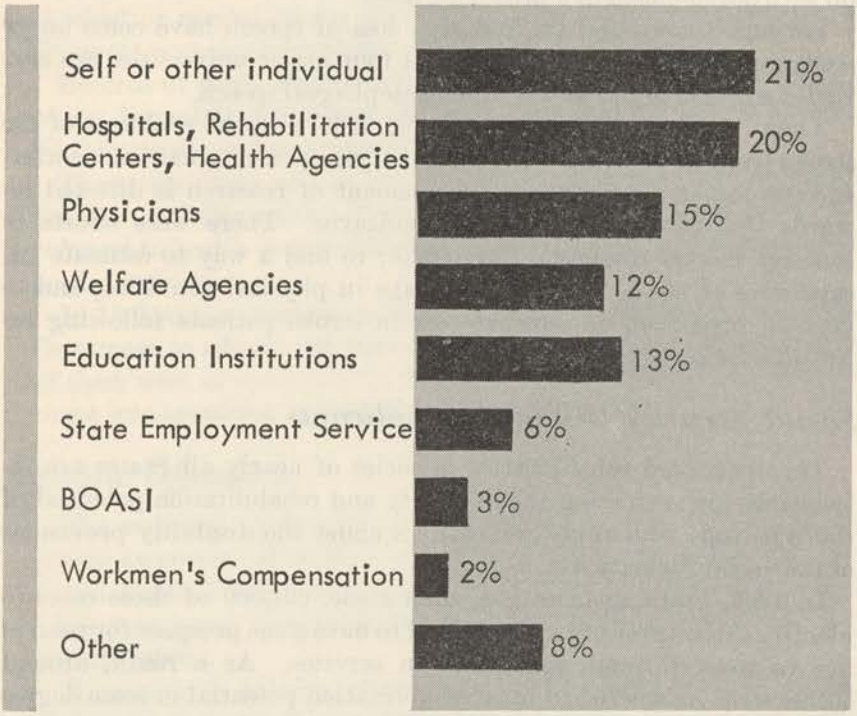
Staff development for State rehabilitation agencies, to assure a continuity of training for staff members. In 1965, grants were made to 2 universities for initiation of a series of short-term courses for directors of State rehabilitation agencies on various aspects of administration.

Civil Rights

During the year, a priority activity in both the central and regional offices was implementation of title VI of the Civil Rights Act of 1964.

Each of the 91 State agencies in the vocational rehabilitation program was required to submit a Statement of Compliance with title VI of the Civil Rights Act and a description of the methods of administration it would follow in assuring that not only the State agencies but all individuals, groups, and facilities used in providing services to clients would do so without discrimination because of race, color, or national origin.

CHART 7.—SOURCES OF REFERRALS AMONG 1965 REHABILITANTS



Heart Disease, Cancer, and Stroke

A report by the President's Commission on Heart Disease, Cancer, and Stroke, in December 1964, inevitably brought new challenges to the public rehabilitation program.

The report recognized the great importance of rehabilitation for those who survive these ailments. For some time the rehabilitation program has been involved with the problems of heart disease and cancer, and to a lesser degree with stroke.

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One of the areas in rehabilitating heart patients is knowledge about the extent to which they can engage in daily living activities and manual work. Three major universities have sponsored research in this field, and New York University and Baylor are now engaged in a variety of VRA-supported studies related to performance of work.

Many victims of cancer who are successfully treated return to work with few handicapping effects. In other cases, amputations are common, requiring the fitting and use of prosthetic appliances. Cancer surgery sometimes leaves facial disfigurement. Studies of rehabilitation aspects of such cases at New York University Medical Center approached the social and psychological factors involved, along with medical problems. A similar study at Duke University had much to do with development of a prosthetic nose.

Laryngectomies and the resultant loss of speech have come under study in rehabilitation research, and four major universities are currently engaged in projects related to esophageal speech.

There was increased involvement in 1965 with the problems of the stroke patient. During 1965, VRA helped sponsor a national conference on stroke. Also, a growing amount of research is directed towards the many aspects of this endeavor. There were efforts to identify factors predicative of stroke; to find a way to estimate the capacities of stroke patients to engage in physical activities; and to develop predictors of improvement in stroke patients following rehabilitation services.

Social Security Disability Applicants

The vocational rehabilitation agencies of nearly all States are responsible for evaluating the disability and rehabilitation potential of those persons who apply for benefits under the disability provisions of the Social Security Act.

In 1965, State agencies evaluated about 631,000 of those cases to identify those applicants who seemed to have some prospect for returning to work through rehabilitation services. As a result, around 50,000 were considered to have rehabilitation potential in some degree and were accepted into the referral loads of State agencies. A total of around 10,900 social security disability applicants were rehabilitated in 1965—more than 7 percent of all rehabilitants for the year.

Perliminary findings of three major research projects suggest that there is a potential among social security disability applicants that has not yet been fully realized by the State vocational rehabilitation agencies. Information from these projects, supported by research contracts to Tulane University, the Ohio Rehabilitation Center at Columbus, and the American Rehabilitation Foundation (formerly

the Elizabeth Kenney Institute) at Minneapolis, is expected to encourage State vocational rehabilitation agencies to undertake restoration of more applicants for disability benefits to productive employment.

The 11 demonstration projects designed to study the extent to which severely disabled social security beneficiaries could be restored to employment through the provision of intensive services have provided valuable data on new techniques for serving increasing numbers of persons not previously considered to be candidates for vocational rehabilitation.

Draftees

Identification of young men rejected for military service because of physical or mental disqualifications, but who have potential for employment, was accelerated during the year.

Records of draft boards were searched for the names of young men whose disqualifications were obvious. Many young men with severe disabilities were offered rehabilitation services.

Those who were sent to any of the 73 Armed Services Examining Stations, and disqualified for reasons of physical or mental health, were referred to health or rehabilitation agencies in their own localities for needed services.

In 13 States, vocational rehabilitation agencies were chosen by their Governors to administer rejectee referral programs. More than half of them were in operation by the end of fiscal 1965. The others were to get into operation in the following months of 1965.

Public Offenders

The national concern over increased crime and delinquency and public awareness of their social and economic costs spurred the Vocational Rehabilitation Administration and other agencies to plan for more vocational rehabilitation content in State and Federal correctional systems.

A meeting in Atlanta, attended by the Commissioner of Vocational Rehabilitation and representatives of the Federal Bureau of Prisons, the Probation Service, and the Board of Parole, as well as State rehabilitation agency personnel, produced a set of guidelines for the rehabilitation of disabled public offenders.

A great deal of impetus was given this new effort during 1965.

The Congress passed legislation amending the Vocational Rehabilitation Act to provide funds for a 3-year study of manpower and other needs in the country's correctional system. The amendment provided that the Vocational Rehabilitation Administration will administer

grants to groups which will study critical shortages of skilled personnel in correctional institutions and agencies.

The measure was signed by the President September 10, 1965.

The studies authorized by this law will involve State as well as Federal correctional institution personnel.

Some progress already has been made in rehabilitating prisoners. Sixteen States have cooperative programs involving State vocational rehabilitation and State correctional agencies. In Rhode Island, Arkansas, and Georgia, for instance, there are programs concerned with rehabilitating youthful offenders. In Washington State a program is having considerable success in rehabilitating probationers and parolees referred from the correctional system.

Since 1961 the VRA has supported 22 research or demonstration projects focused on the public offender, developing and evaluating the effectiveness of a wide range of special techniques that may become useful in this phase of the national rehabilitation program.

Facilities for Rehabilitation

Since 1954 there have been two ways in which States or private organizations could establish rehabilitation facilities. One was authority for State rehabilitation agencies to use funds available for basic program services. Through 1965, the States have spent about $18 million to establish some 360 facilities—ranging all the way from large centers to rehabilitation clinics in hospitals—in 45 States, the District of Columbia, Guam, and Puerto Rico.

The use of facilities by State rehabilitation agencies has increased many times in the last decade. In 1955, the State agencies sent some 2,400 disabled persons to rehabilitation centers for treatment or training, at a total cost of about $850,000. In 1965, more than 36,000 disabled persons went to workshops and other facilities, for which their State rehabilitation agencies paid about $15 million.

The second way that a State or community can get construction aid for a rehabilitation facility came at about the same time as the 1954 amendments. The Hill-Burton hospital construction legislation was amended to extend financial aid for construction of rehabilitation facilities. The projects are approved jointly by the Commissioner of Vocational Rehabilitation and the Surgeon General of the Public Health Service.

In all, 338 rehabilitation projects have been approved under Hill-Burton provisions. Their total cost was $217 million. The Federal share was $72 million, or about 33 percent.

In 1965, a total of 34 projects was approved. Their total cost was $25,908,828. The Federal share of these costs was $7,945,375, leaving $17,963,453 as the costs to the sponsors.

Contributions to Rehabilitation Funds

New authority became effective during 1965 that permits funds contributed to State programs for the establishment of particular workshops and facilities to be matched by the Federal Government. Previously, only State appropriations or other public funds or contributions given with no restrictions as to their use were eligible for Federal matching. An amendment provided this substantial new source of State funds and a new avenue of providing Federal assistance to private, nonprofit facilities and workshops. In 1965, approximately $1.3 million was used to match such expenditures for 20 projects in 15 States. These projects included the expansion, remodeling, and alteration of existing buildings, the purchase of initial equipment and initial staffing.

Research and Training Centers

Four years ago the Vocational Rehabilitation Administration instituted a series of grants to universities with medical schools and other facilities where rehabilitation research and training could be conducted under the favorable conditions that can be offered in such settings.

The first research and training centers of this kind were at New York University, University of Minnesota, University of Washington and Baylor University, followed by Western Reserve University and Emory University in 1964.

Eight new centers were established in 1965. Four were in settings in which people can be trained in virtually every phase of rehabilitation, and where rehabilitation research of a high order can be developed, with emphasis on medicine. They are at Tufts, Temple, and George Washington Universities, and the University of Colorado.

Two mental retardation centers at the universities of Wisconsin and Texas include courses in the behavioral and social sciences as well as biomedical research.

Vocational rehabilitation centers were established at the University of Arkansas and the University of Pittsburgh to look into problems of work adjustment, motivation, industrial psychology, and development of training instruments for more effective rehabilitation.

Special Education

In recent years the Vocational Rehabilitation Administration has emphasized that there should be a sound pattern of cooperative special education and vocational rehabilitation programs. This was in recognition of the need for an effective bridge for handicapped youth from

what is often an isolated school environment into practical and useful work.

Tangible results were observed in 1965. In at least 39 States involving nearly 400 school districts, rehabilitation agencies are working with handicapped students. Substantial numbers of handicapped young people are being placed in employment through these programs. In Texas, for example, some 1,200 youths were helped in 1965 through prevocational evaluation and provision of appropriate restorative services, including counseling, guidance, and job placement.

Rehabilitation and the Disabled Poor

The Nation's awareness and growing concern for the gross problem of widespread poverty in an affluent society brought the public rehabilitation program of 1965 into ever-closer contact with broadscale measures for the building of the Great Society.

The vocational rehabilitation program always has battled the downward spiral among thousands of handicapped persons whose situations are complicated by poverty, deprivation, and deterioration. The advent of the Economic Opportunity Act, the Elementary and Secondary Education Act, and the Civil Rights Act, however, gave much wider opportunity for the rehabilitation program to serve disabled people whose upward struggles are complicated by poverty and lack of education.

Georgia, in particular, was one State that initiated conjunctive and cooperative programs for those disabled persons whose lives are complicated by more than physical or mental disabilities. The Georgia rehabilitation agency during 1965 collaborated with the Community Action aspects of the antipoverty program to establish unique services for low income persons.

In Atlanta and surrounding areas, State and community agencies participated with the above groups and with VRA personnel in planning an evaluation center where such persons could receive concentrated evaluations of their deficiencies and their needs. Such evaluations would be followed by their referral to appropriate agencies for rehabilitation or other services that would improve their health and their economic positions. At the end of the year there was strong expectation that the project would be operative in a matter of months.

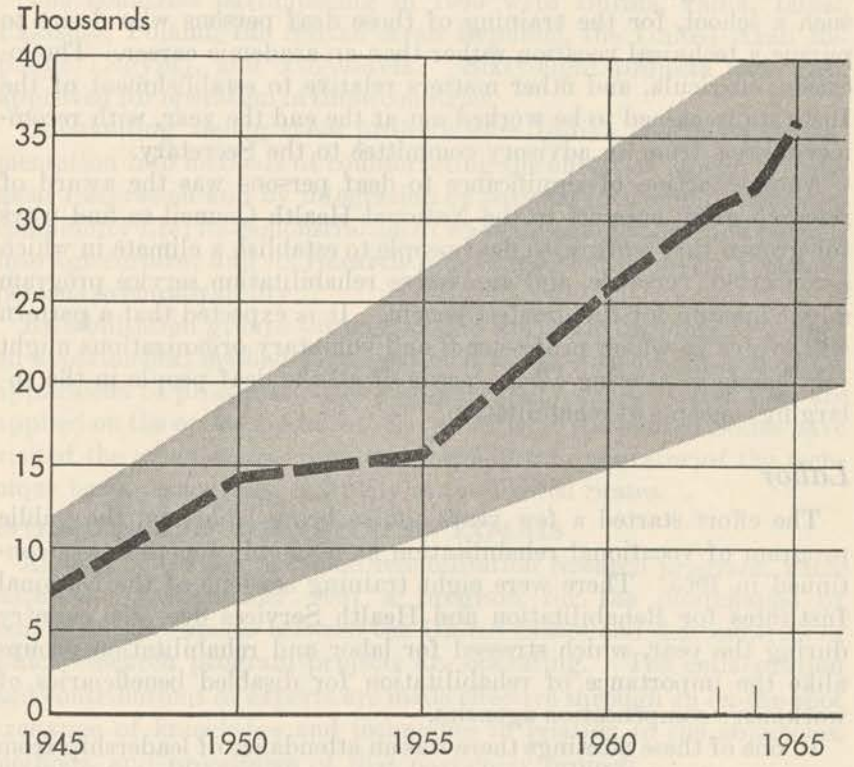
Work for the Blind

The emphasis that State rehabilitation agencies are placing on the findings of new kinds of jobs for the blind had excellent results in 1965. The total of blind persons rehabilitated into employment during the year was 5,450, approximately 10 percent more than in the previous year.

Several State agencies concentrated particularly on employment for blind persons whose intelligence is in a lower range. More intensive training is required, but many blind persons found jobs as dishwashing machine operators and in other service occupations in hospital settings.

A demonstration program at the University of Cincinnati Medical School produced 12 blind graduate computer programmers in May 1965, and a month later 11 of them were placed in jobs with initial annual salaries averaging more than $5,000. The success of this pilot program has led to establishment of similar courses in several other schools.

CHART 8.—DISABLED PERSONS OF AGE 45 OR MORE REHABILITATED 1945–65



Aging

Congress passed the Older Americans Act in fiscal year 1965, and on July 14 the President signed it. The new legislation created a new agency in the Department of Health, Education, and Welfare, the Administration on Aging. This new emphasis on the problems of senior citizens is expected to stimulate rehabilitation of the aging.

The number of persons of 45 years or more rehabilitated into employment through the public program continues to grow. In 1965, this total was 36,656, about five times that for 1945.

Research and demonstration projects in this area of rehabilitation are becoming more numerous. Federal support of the projects has amounted to more than $7 million since 1954, and the support in 1965 will be about $800,000.

Vocational Training for the Deaf

A long-standing dream of people who work for deaf persons took substance in June 1965, when President Johnson signed legislation that makes possible a National Technical Institute for the Deaf.

Careful regional studies had disclosed a need and a demand for such a school, for the training of those deaf persons who desire to pursue a technical vocation rather than an academic career. The location, curricula, and other matters relative to establishment of the Institute remained to be worked out at the end the year, with recommendations from an advisory committee to the Secretary.

Another action of significance to deaf persons was the award of research grant support to the National Health Council to find ways for groups that work with deaf people to establish a climate in which a concerted, versatile, and aggressive rehabilitation service program might operate for the greatest benefit. It is expected that a pattern will evolve in which professional and voluntary organizations might join hands in meeting all the needs of all the deaf people in the enlarging concepts of rehabilitation.

Labor

The effort started a few years ago to bring labor and the public program of vocational rehabilitation more closely together was continued in 1965. There were eight training sessions of the National Institutes for Rehabilitation and Health Services over the country during the year, which stressed for labor and rehabilitation groups alike the importance of rehabilitation for disabled beneficiaries of workmen's compensation agencies.

In one of these meetings there was an attendance of leadership from 24 international labor unions. Another meeting marked the initiation of a series of sessions between labor leadership and sheltered workshop executives to discuss labor's involvement in sheltered workshop operations.

All of these meetings were held with grant support from the Vocational Rehabilitation Administration.

The meetings will continue through 1966, because of the great number of union members who must come to understand the theoretical and

practical complexities inherent in reaching the highest level of aid for the disabled union worker.

Rehabilitation Research Overseas

The Vocational Rehabilitation Administration has participated in international rehabilitation research since 1961, in a program now involving the United States and eight other countries. The basic legislation for these activities is Public Law 480 (the Agricultural Trade Development and Assistance Act) which allows currencies accumulated in certain foreign countries from their purchases of U.S. farm commodities to be used for various purposes within those countries, including rehabilitation research.

The countries participating in 1965 were Burma, India, Israel, Pakistan, Poland, the Syrian Arab Republic, the United Arab Republic (Egypt), and Yugoslavia. Sixty-eight projects have been approved for operation in those countries.

Outstanding among these projects were India's continued experimentation into methods of counteracting the effects of leprosy by surgical restoration and by integration of patients into employment and community life; its demonstration of ways to rehabilitate blind persons into agriculture; and its research into restoration of severely burned persons to employability.

Rehabilitation groups throughout the world are beginning to adopt an experimental method developed by a Polish surgeon for immediate application of prostheses after amputation of a limb. Often they are applied on the operating table. Surgeons from the United States have visited the scene of this development, and the innovator of the technique has demonstrated it widely in the United States.

INTERCHANGE OF REHABILITATION EXPERTS

As part of the international rehabilitation research program, VRA initiated in September 1961 a program for the interchange of rehabilitation experts between the United States and the countries in which research program projects are operating. The collaboration and contributions of experts are made effective through an on-the-spot exchange of knowledge and techniques in relation to the objectives, methods, and procedures of that particular project.

The Vocational Rehabilitation Administration since 1947 has arranged and supervised study programs for approximately 1,600 visitors and rehabilitation trainees from 81 countries. Since 1961, when the VRA interchange of rehabilitation experts was initiated, VRA has planned study programs for 56 U.S. experts collaborating on research projects abroad and for 59 experts from other countries to study in the United States.

Table 1.—*Number of referrals and active cases, by agency, fiscal year 1965*

Agency [1]	Referrals				Active cases				
	During fiscal year			Remaining at end of year [3]	During fiscal year				Remaining at end of year [6]
	Total	Accepted for services	Not accepted for services [2]		Total active load (receiving services)	Closed from active load			
						Rehabilitated	*After* rehabilitation plan initiated [4]	*Before* rehabilitation plan initiated [5]	
United States, total	573,699	196,388	199,097	178,214	441,332	134,859	17,925	24,921	263,627
Alabama	11,001	5,217	2,177	3,607	11,625	3,742	388	641	6,854
Alaska	513	175	210	128	452	101	34	76	241
Arizona:									
General	2,743	943	1,011	789	1,970	625	90	55	1,200
Blind	147	44	41	62	193	28	18	20	127
Arkansas	9,734	4,186	3,014	2,534	7,811	3,153	310	186	4,162
California	45,627	10,039	25,787	9,801	22,417	3,461	1,440	3,896	13,620
Colorado	5,433	2,268	1,546	1,619	5,105	1,585	533	215	2,772
Connecticut:									
General	3,032	1,373	770	889	3,931	1,023	232	384	2,292
Blind	205	87	54	64	239	61	15	8	155
Delaware:									
General	1,566	852	451	263	1,602	596	37	89	880
Blind	59	43	11	5	87	26	4	0	57
District of Columbia	6,288	2,380	2,962	946	4,229	1,441	275	222	2,291
Florida:									
General	30,557	9,160	13,327	8,070	17,995	5,833	1,418	1,097	9,647
Blind	3,057	423	1,205	1,429	1,318	320	105	45	848
Georgia	31,635	9,320	9,109	13,206	17,430	7,221	453	459	9,297
Guam	112	31	36	45	87	20	6	7	54
Hawaii:									
General	1,851	652	550	649	1,565	378	129	48	1,010
Blind [7]	75	50	13	12	126	14	7	1	104
Idaho:									
General	2,268	538	917	813	1,222	390	56	13	763
Blind	25	18	2	5	51	13	7	1	30
Illinois	21,781	10,474	4,814	6,493	19,543	6,011	207	946	12,379
Indiana:									
General	4,860	2,543	1,291	1,026	5,824	1,705	107	200	3,812
Blind	191	65	44	82	191	37	4	13	137
Iowa:									
General	6,358	1,750	1,769	2,839	4,553	1,244	196	193	2,920
Blind	198	87	21	90	255	61	8	6	180
Kansas:									
General	3,028	1,185	1,108	735	2,683	835	189	289	1,370
Blind	414	107	60	247	278	82	6	4	186
Kentucky	17,343	5,592	9,117	2,634	9,574	4,144	465	360	4,605
Louisiana:									
General	5,195	3,161	886	1,148	9,247	2,218	320	342	6,367
Blind	531	145	98	288	811	131	27	17	636
Maine:									
General	2,003	536	622	845	1,234	385	50	84	715
Blind	385	133	151	101	291	77	19	14	181
Maryland	8,791	3,492	2,543	2,756	7,406	2,410	311	558	4,127
Massachusetts:									
General	14,076	3,377	5,932	4,767	7,622	2,372	196	454	4,600
Blind	279	158	31	90	515	103	22	11	379
Michigan:									
General	12,957	5,569	2,310	5,078	12,309	4,300	287	210	7,512
Blind	438	208	116	114	560	112	33	53	362
Minnesota:									
General	8,313	2,391	2,806	3,116	6,297	1,714	325	259	3,999
Blind	1,037	253	319	465	730	128	46	57	499
Mississippi:									
General	4,997	1,790	1,053	2,154	4,174	1,496	130	196	2,352
Blind [7]	1,172	393	570	209	997	342	38	4	613
Missouri:									
General	11,676	4,071	4,342	3,263	7,163	2,844	282	113	3,924
Blind	752	176	355	221	501	171	20	8	302
Montana:									
General	1,932	712	685	535	2,291	550	39	118	1,584
Blind	80	32	36	12	78	26	1	5	46
Nebraska:									
General	2,139	1,100	331	708	2,879	724	102	99	1,954
Blind	418	105	187	126	278	82	26	9	161

See footnotes at end of table.

Table 1.—*Number of referrals and active cases, by agency, fiscal year 1965*—Continued

Agency [1]	Referrals				Active cases				
	During fiscal year			Remaining at end of year [3]	During fiscal year				Remaining at end of year [6]
	Total	Accepted for services	Not accepted for services [2]		Total active load (receiving services)	Closed from active load			
						Rehabilitated	*After* rehabilitation plan initiated [4]	*Before* rehabilitation plan initiated [5]	
Nevada:									
General	1,130	258	694	178	456	98	66	35	257
Blind	61	27	14	20	56	11	2	1	42
New Hampshire:									
General	1,145	270	539	336	765	195	106	39	425
Blind [7]	103	31	18	54	104	4	2	10	88
New Jersey:									
General	12,056	4,466	3,396	4,194	9,679	3,301	268	357	5,753
Blind	927	225	257	445	599	172	28	27	372
New Mexico:									
General	2,184	588	1,001	595	1,174	413	64	54	643
Blind	225	56	80	89	148	50	3	1	94
New York:									
General [7]	32,453	12,451	9,864	10,138	28,680	8,505	1,212	1,694	17,269
Blind	2,227	888	359	980	2,076	562	45	87	1,382
North Carolina:									
General	16,811	9,390	4,824	2,597	19,367	8,011	464	458	10,434
Blind	1,637	662	727	248	1,551	534	43	170	804
North Dakota	2,437	635	628	1,174	1,634	337	56	78	1,163
Ohio:									
General	8,043	3,487	1,847	2,709	8,550	2,704	297	628	4,921
Blind	705	330	165	210	1,140	243	73	86	738
Oklahoma	10,361	3,728	3,400	3,233	10,974	2,404	417	554	7,599
Oregon:									
General	6,679	1,578	2,724	2,377	3,718	952	264	261	2,241
Blind	239	52	95	92	165	41	4	3	117
Pennsylvania:									
General	49,460	17,719	15,750	15,991	39,593	12,266	2,080	1,593	23,654
Blind	4,380	787	1,477	2,116	1,870	528	49	86	1,207
Puerto Rico	13,623	2,422	3,684	7,517	7,621	1,685	120	360	5,456
Rhode Island:									
General	4,595	1,712	875	2,008	4,658	1,511	327	17	2,803
Blind	143	99	12	32	273	68	9	14	182
South Carolina:									
General	16,826	5,254	7,292	4,280	12,520	3,601	513	1,081	7,325
Blind	415	166	173	76	459	124	6	21	308
South Dakota:									
General	1,588	422	262	904	1,165	302	69	25	769
Blind	569	50	197	322	159	41	5	1	112
Tennessee:									
General	10,845	4,078	3,254	3,513	9,084	3,059	299	361	5,365
Blind	1,076	331	322	423	761	311	26	30	394
Texas:									
General	18,705	6,562	7,717	4,426	14,769	4,505	628	519	9,117
Blind	1,329	437	469	423	970	345	21	30	574
Utah	2,030	1,047	439	544	2,839	675	146	37	1,981
Vermont:									K
General	1,652	328	455	869	973	193	89	70	621
Blind	55	24	18	13	49	11	0	1	37
Virginia:									
General	18,684	5,383	8,093	5,208	11,256	3,918	317	658	6,363
Blind	1,130	316	392	422	517	189	10	19	299
Virgin Islands [7]	160	47	9	104	100	36	0	0	64
Washington:									
General	7,440	1,694	2,739	3,007	4,267	1,177	222	156	2,712
Blind	402	154	132	116	371	78	26	15	252
West Virginia	19,503	6,111	5,811	7,581	16,292	3,913	211	2,822	9,346
Wisconsin:									
General	11,000	4,210	3,852	2,938	11,176	3,230	310	360	7,276
Blind	122	68	22	32	242	63	7	11	161
Wyoming [7]	1,272	441	229	602	773	158	8	6	601

[1] In States with 2 agencies, the State division of vocational rehabilitation is designated as "general," and the agency under the State commission or other agency for the blind is designated as "blind."

[2] Services declined, services not needed, individual not eligible, individual needing services other than vocational rehabilitation, referred to other agencies, migratory shifting of the individual, etc.

[3] Eligibility for rehabilitation not yet determined.

[4] Closed after rehabilitation plan was initiated; received rehabilitation service but never reached the point of employment because of personal factors, illness, aggravated disability, etc.

[5] Closed prior to initiation of rehabilitation plan because of indifference of individual, increase in degree of disability, loss of contact, etc.

[6] In process of rehabilitation on June 30, 1965.

[7] Estimated.

Table 2.—*Vocational rehabilitation grants, 1965, State divisions of vocational rehabilitation*

State or territory	Support grants	Extension and improvement grants	Total
Total	$88,748,285	$2,119,017	$90,867,302
Alabama	4,301,262	37,265	4,338,527
Alaska	155,931		155,931
Arizona	1,055,392	18,859	1,074,251
Arkansas	3,317,373	28,102	3,345,475
California	5,148,226	266,055	5,414,281
Colorado	1,470,302	29,661	1,499,963
Connecticut	437,489	32,260	469,749
Delaware	209,000	2,500	211,500
District of Columbia	603,670	12,335	616,005
Florida	2,748,445	64,293	2,812,738
Georgia	6,242,023	47,628	6,289,651
Guam	71,598		71,598
Hawaii	382,767		382,767
Idaho	277,692		277,692
Illinois	3,345,734	154,004	3,499,738
Indiana	885,750	20,253	906,003
Iowa	992,372	42,049	1,034,421
Kansas	593,444	22,500	615,944
Kentucky	1,584,742	46,813	1,631,555
Louisiana	1,862,316		1,862,316
Maine	302,686		302,686
Maryland	1,205,737	18,300	1,224,037
Massachusetts	1,510,294	49,044	1,559,338
Michigan	2,039,976	111,710	2,151,686
Minnesota	1,542,722	38,724	1,581,446
Mississippi	1,247,004	9,120	1,256,124
Missouri	1,447,241	60,355	1,507,596
Montana	396,795	15,000	411,795
Nebraska	396,241	14,722	410,963
Nevada	145,049	15,000	160,049
New Hampshire	114,476		114,476
New Jersey	1,626,598	81,744	1,708,342
New Mexico	314,200	15,398	329,598
New York	5,947,982	224,303	6,172,285
North Carolina	3,408,448	63,819	3,472,267
North Dakota	417,469	2,625	420,094
Ohio	2,127,926	114,743	2,242,669
Oklahoma	2,036,756	37,616	2,074,372
Oregon	891,635		891,635
Pennsylvania	7,236,519	97,793	7,334,312
Puerto Rico	1,665,174	19,440	1,684,614
Rhode Island	481,994	10,500	492,494
South Carolina	2,441,536		2,441,536
South Dakota	457,549	12,000	469,549
Tennessee	1,919,750		1,919,750
Texas	3,076,037	131,021	3,207,058
Utah	460,138		460,138
Vermont	307,014		307,014
Virginia	1,947,567	17,942	1,965,509
Virgin Islands	51,370	6,000	57,370
Washington	1,167,122	35,355	1,202,477
West Virginia	2,591,830	26,266	2,618,096
Wisconsin	1,857,272	50,900	1,908,172
Wyoming	282,650	15,000	297,650

Table 3.—*Vocational rehabilitation grants, 1965, State commissions or agencies for the blind*

State or territory	Support grants	Extension and improvements grants	Total
Total	$8,201,436	$216,507	$8,417,943
Arizona	111,232	4,722	115,954
Connecticut	100,000	8,065	108,065
Delaware	39,574	12,500	52,074
Florida	620,328		620,328
Hawaii	58,580		58,580
Idaho	25,291		25,291
Indiana	54,862	14,019	68,881
Iowa	214,790		214,790
Kansas	135,000		135,000
Louisiana	256,060		256,060
Maine	117,380		117,380
Massachusetts	224,894		224,894
Michigan	137,051	11,024	148,075
Minnesota	220,798		220,798
Mississippi	495,840	8,374	504,214
Missouri	240,498		240,498
Montana	50,164		50,164
Nebraska	96,949	7,361	104,310
Nevada	34,973		34,973
New Hampshire	44,971		44,971
New Jersey	275,000	8,455	283,455
New Mexico	75,853		75,853
New York	823,014	10,899	833,913
North Carolina	803,600		803,600
Ohio	444,005	26,675	470,680
Oregon	85,300		85,300
Pennsylvania	675,864	75,000	750,864
Rhode Island	89,122	3,600	92,722
South Carolina	110,398		110,398
South Dakota	92,939	3,000	95,939
Tennessee	489,350		489,350
Texas	342,980	6,474	349,454
Vermont	43,426		43,426
Virginia	229,000		229,000
Washington	191,997	7,562	199,559
Wisconsin	150,353	8,777	159,130

Saint Elizabeths Hospital

Saint Elizabeths Hospital was founded by act of Congress in 1855 to provide "the most humane and enlightened curative treatment of the insane."

During the 110 years of its existence, the hospital has always provided the "most humane care and enlightened curative treatment" possible with the resources available.

Saint Elizabeths Hospital seeks, with all means available, to provide therapeutic, protective, and rehabilitative programs utilizing professional, scientific, and other resources from many fields. A spirit of freedom in developing new and original approaches to the treatment and rehabilitation of patients is encouraged, while maintaining a respect for the value of accepted techniques. Independence of thought and an intelligent display of initiative are encouraged. Through training and research, advantageously pursued at the site of treatment, the hospital seeks to advance psychiatric knowledge and improve treatment methods.

The development of sound training and research programs in a psychiatric hospital is intimately linked with related programs of clinical treatment and rehabilitation and related fields. Consequently, it is often difficult to distinguish where treatment programs end and training and research begin. To achieve optimal care of patients, recruit sufficient professional staff of high caliber, and provide active leadership in mental health, the hospital must continually develop the areas of clinical service, training, and research in parallel. While patient treatment does assume primary importance among the hospital's three major programs, it is, in a sense, first among equals.

1955–65, A Decade of Change

Fiscal year 1965 marked the end of a decade which has seen dramatic changes in the treatment of the mentally ill at Saint Elizabeths Hospital. No less dramatic has been the decline in the inhospital popu-

lation. From 1950 to 1955 the number of inhospital patients increased by an average of 126 annually. In 1955, with the initiation of new programs, including the large-scale administration of tranquilizing drugs, the hospital population began to decline almost immediately. The patient population has declined at the rate of 100 annually in the last decade. The average number of resident patients decreased by just over 1,000 or 14 percent from the record high of 7,274 in fiscal year 1955, and the number of patients on visit or leave increased sixfold to 1,437. Most patients on leave status return to the hospital periodically for treatment on an outpatient basis until discharged. The number of patients on the rolls has increased slightly even though the resident population has declined.

The following table reflects the changes in the hospital's patient population which have occurred because of changes in treatment techniques. It provides overall comparisons between fiscal years 1955 and 1965 at Saint Elizabeths Hospital:

	Fiscal year 1965	Fiscal year 1955	Change 1955 to 1965
Average number of patients on the rolls	7,585	7,461	+124
Resident patients	6,259	7,274	−1,015
In the hospital	6,148	7,216	−1,068
On temporary visit	111	58	+53
On leave	1,326	187	+1,139
Admissions	1,965	1,349	+616
Percent of admissions still in hospital at end of fiscal year	43	64	−21
Median age of admissions (years)	40	48	−8
Discharges from rolls	1,557	758	+799
Discharges as a percent of admissions	79	56	+23
Net releases (releases minus readmissions)	1,784	758	+1,026
Deaths	423	502	−79
Resident patients 65 years old and over:			
Number	2,209	2,264	−55
Percent of total resident patients	36	21	+5

LENGTH OF STAY

Although the number of admissions increased (chart 1), the length of time patients remained in the hospital was shortened. Of the patients admitted in fiscal year 1955, 36 percent were returned to the community by June 30 of that year; in fiscal year 1965 the comparable figure was 57 percent—a gratifying improvement (chart 2). Although the length of stay for newly admitted patients is shorter, half of the resident patients at the end of fiscal year 1965 had been on the hospital rolls 9.4 years or longer.

There has been an almost 500-percent increase in the number of patients on visit and leave (chart 3). Approximately 50 percent of newly admitted patients are currently being reestablished in the community within 4 months and 80 percent within 12 months of their admission. While about one-third of discharged patients return for

further treatment at some time in their lives, their subsequent periods of hospitalization are, on the average, shorter than their first.

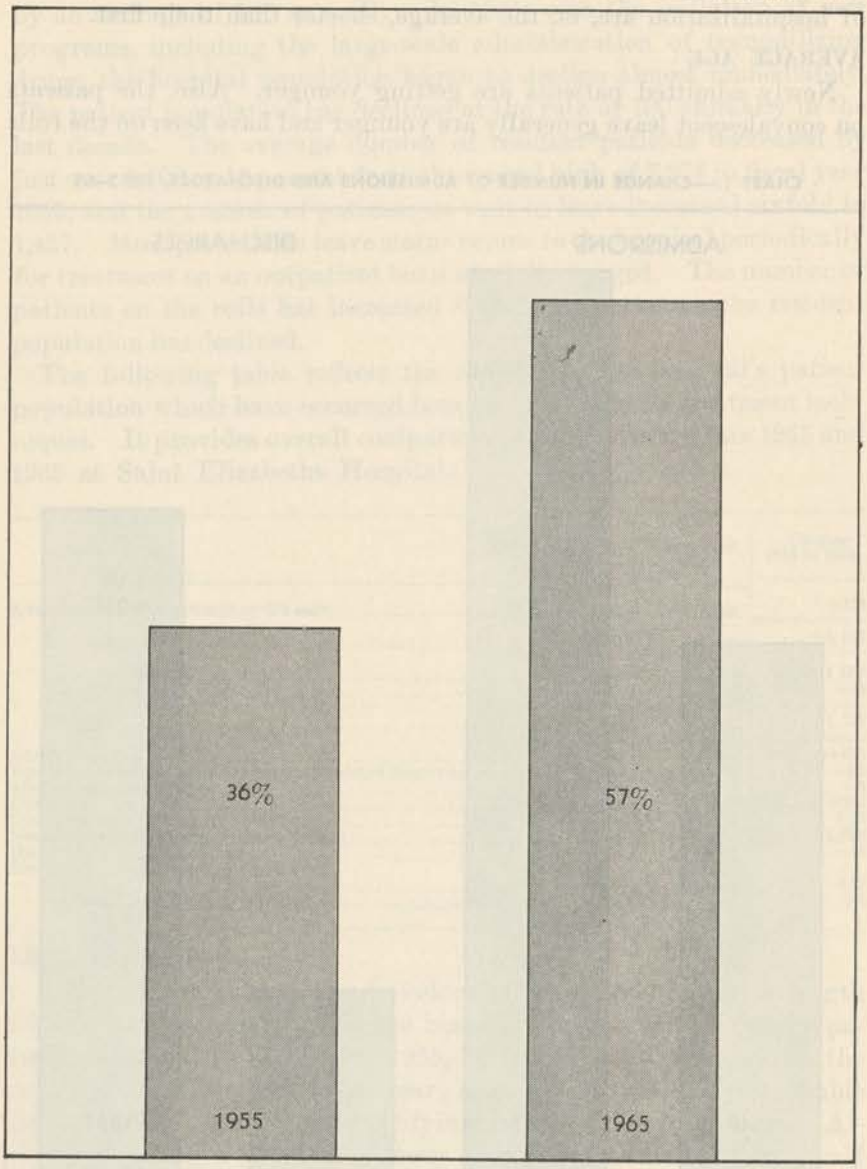
AVERAGE AGE

Newly admitted patients are getting younger. Also, the patients on convalescent leave generally are younger and have been on the rolls

CHART 1.—CHANGE IN NUMBER OF ADMISSIONS AND DISCHARGES, 1955–65

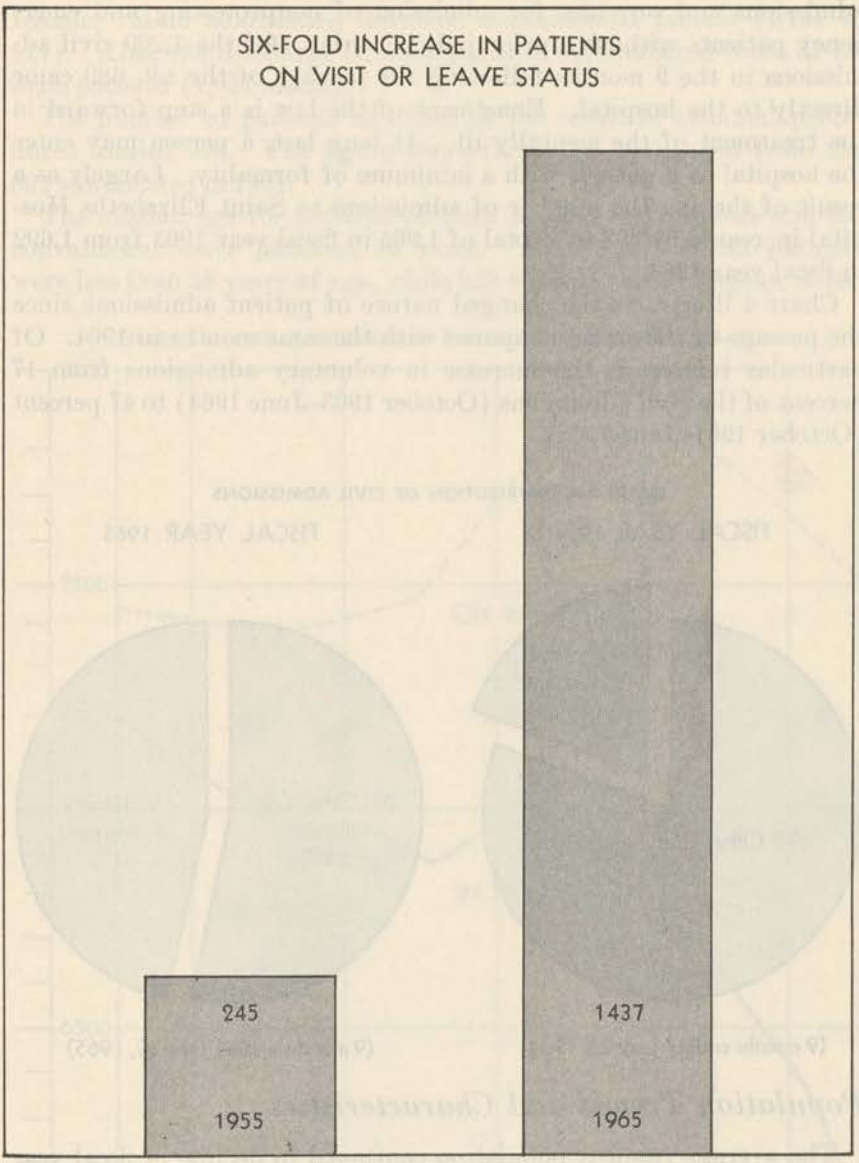


CHART 2.—PERCENTAGE OF ADMISSIONS RELEASED BY END OF FISCAL YEAR, 1955–65



for a shorter period than the average patient. The median age of new admissions in fiscal year 1955 was 48 and in fiscal year 1965 it was 40. While newly admitted patients are getting younger, the average patient population is getting older. The proportion of resident patients 65 years of age and over increased. At the same time, the number of patients who died while on the rolls decreased.

CHART 3.—PATIENTS ON VISIT OR LEAVE



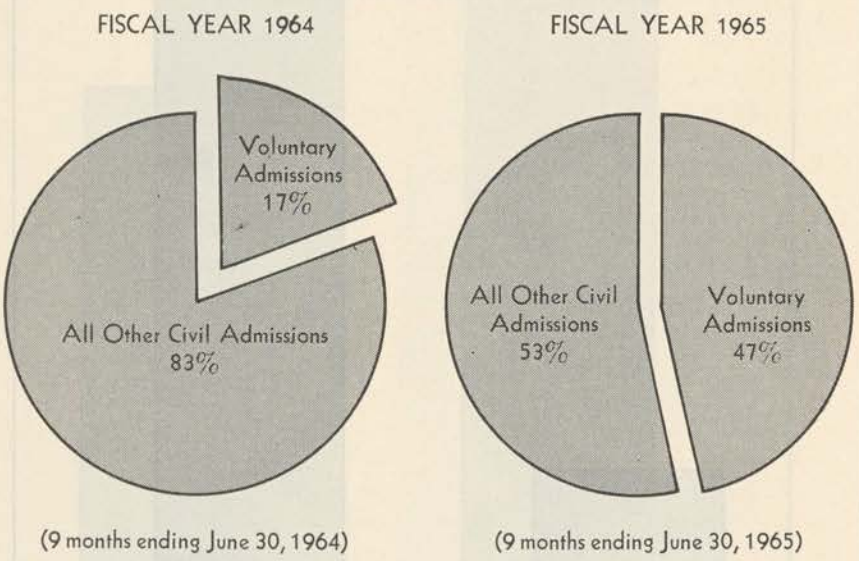
The District of Columbia Hospitalization of the Mentally Ill Act

A significant development during the past year was the passage of the District of Columbia Hospitalization of the Mentally Ill Act (Public Law 88–597) which became effective September 15, 1964. Along with its provisions for separating the issue of legal competency

from that of commitment for treatment, the act facilitates voluntary admissions and provides for admission of nonprotesting and emergency patients without a prior judicial order. Of the 1,209 civil admissions in the 9 months following the passage of the act, 689 came directly to the hospital. Enactment of the law is a step forward in the treatment of the mentally ill. At long last, a person may enter the hospital as a patient with a minimum of formality. Largely as a result of the act, the number of admissions to Saint Elizabeths Hospital increased by 303 to a total of 1,965 in fiscal year 1965 from 1,692 in fiscal year 1964.

Chart 4 illustrates the changed nature of patient admissions since the passage of the act as compared with the same months in 1964. Of particular interest is the increase in voluntary admissions from 17 percent of the civil admissions (October 1963–June 1964) to 47 percent (October 1964–June 1965).

CHART 4.—DISTRIBUTION OF CIVIL ADMISSIONS



Population Trends and Characteristics

The average resident population continued to decline in fiscal year 1965 despite increased admissions.

Year	Average inhospital population	Admissions	Discharges from rolls
1965	6,148	1,965	1,557
1964	6,412	1,692	1,469

Patients on the rolls were almost evenly divided between male and female. Male admissions, however, outnumbered female (1,151 to 814). Also, the discharge of male patients outnumbered those of female patients (1,034 to 523).

The number of patients admitted as the result of criminal procedures totaled 394. The figure was practically unchanged from the 391 so admitted in 1964.

The median age for resident patients in 1965 was 58 years and for convalescent leave patients, 46 years. Thirty-six resident patients were less than 18 years of age, while 252 were 85 years of age or older.

CHART 5.—AVERAGE NUMBER OF PATIENTS, FISCAL YEARS 1955–65

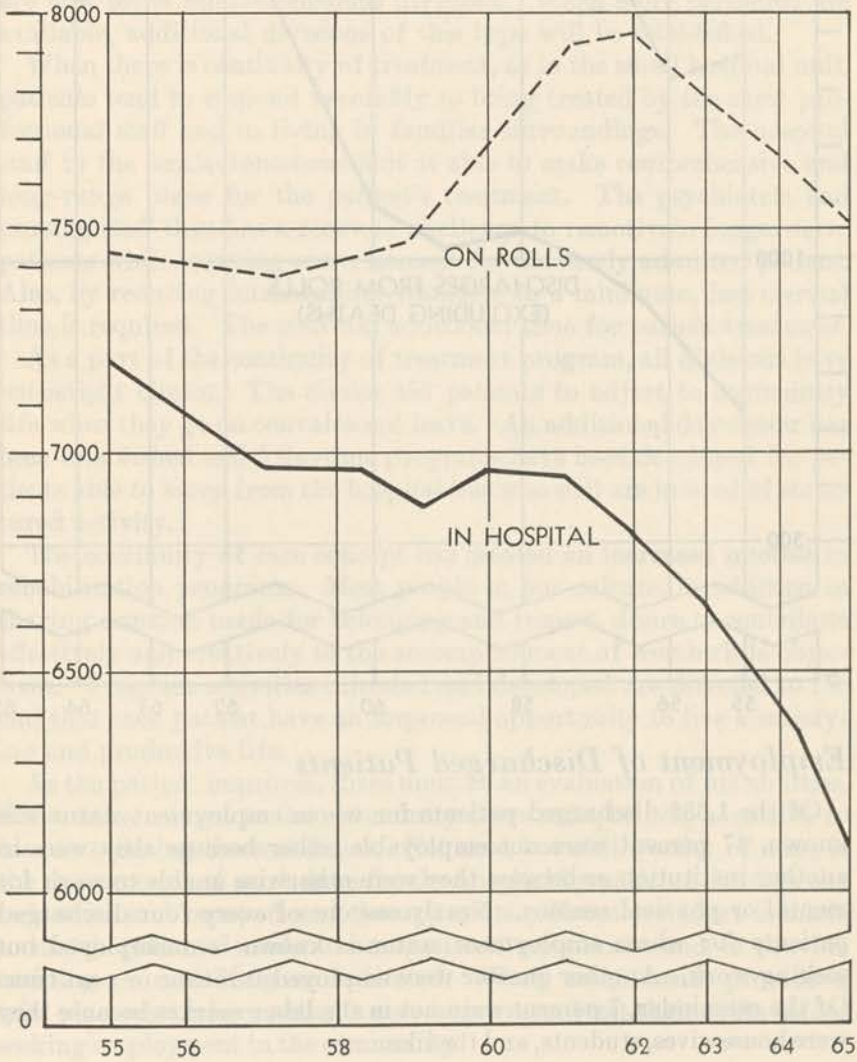
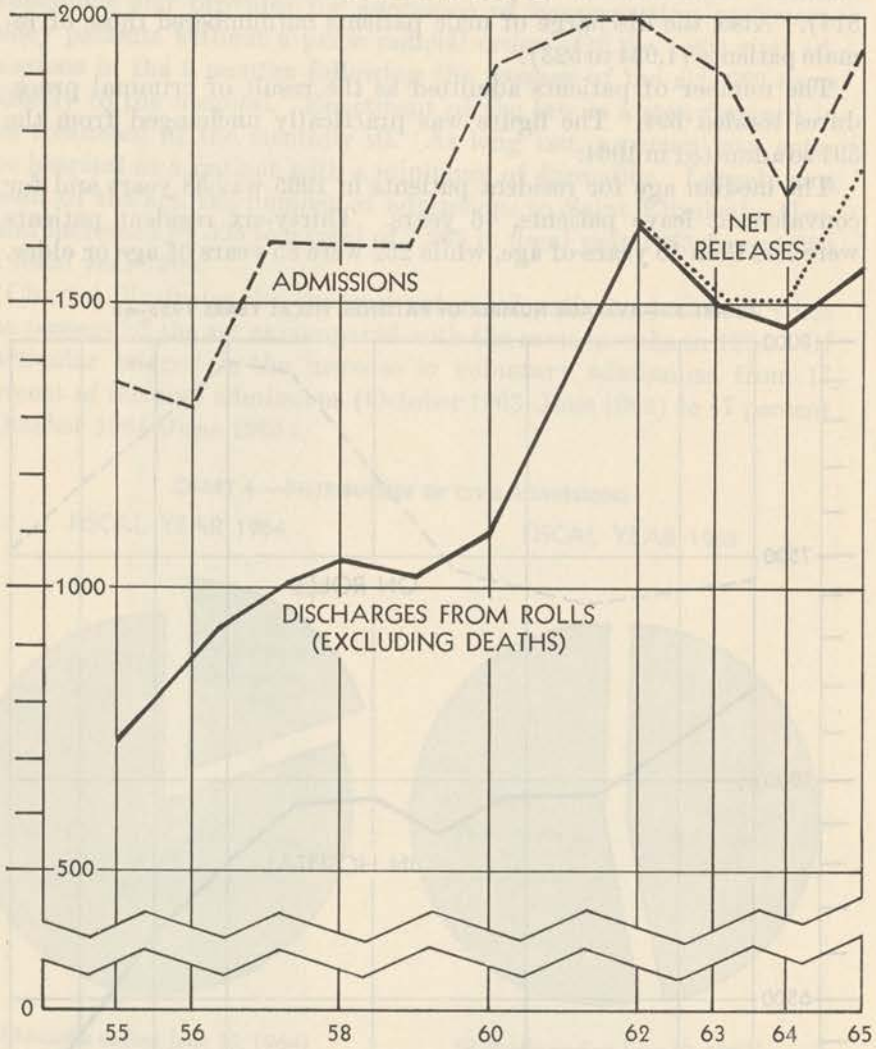


CHART 6.—ADMISSIONS AND DISCHARGES, FISCAL YEARS 1955–65 AND NET RELEASES, FISCAL YEARS 1962–65



Employment of Discharged Patients

Of the 1,352 discharged patients for whom employment status was known, 47 percent were not employable either because they were in another institution or because they were otherwise unable to work for mental or physical reasons. Nearly one out of every four discharged patients for whom employment status is known is unemployed but seeking work. Another quarter were employed full time or part time. Of the remainder, 7 percent were not in the labor market because they were housewives, students, and the like.

Program Developments

Based on the principles outlined in last year's annual report, the gradual reorganization of the hospital into small hospital units has continued. The unit system involves decentralizing patient treatment organizational elements into smaller more workable units which provide comprehensive treatment in semiautonomous hospital units. The admission function is decentralized so that most patients are admitted directly to the hospital division in which they will be treated and cared for from admission to discharge. Patients who require readmission are admitted directly to the unit from which they were released where they are already acquainted with the personnel. There are now seven semiautonomous divisions. When more personnel are available, additional divisions of this type will be established.

When there is continuity of treatment, as in the small hospital unit, patients tend to respond favorably to being treated by the same professional staff and to living in familiar surroundings. The hospital staff in the semiautonomous unit is able to make comprehensive and long-range plans for the patient's treatment. The psychiatric and nursing staff thus has a renewed challenge to remotivate longer-term patients while carrying out treatment for the newly admitted patient. Also, by reducing intrahospital transfers to a minimum, less clerical time is required. The staff has additional time for patient treatment.

As a part of the continuity of treatment program, all divisions have outpatient clinics. The clinics aid patients to adjust to community life when they go on convalescent leave. An additional day center has been established and 5 daytime programs have been developed for patients able to move from the hospital but who still are in need of structured activity.

The continuity of care concept has created an increased interest in rehabilitation programs. Most people in our culture, in addition to sharing common needs for belonging and respect, desire to contribute effectively and creatively to the accomplishment of worthwhile objectives. Program activities initiated and developed are directed to the end that each patient have an improved opportunity to live a satisfying and productive life.

As the patient improves, there must be an evaluation of his abilities. Then as he returns to the community there must be help available to him in utilizing those abilities. Not new, but still worthy of note, is the vast amount of work done for the hospital by patients through the industrial and occupational therapy units. Extensive effort is made to match patients' needs to occupational assignment and to provide training or retraining as indicated. Work assignments provide a trial placement where patients may improve and test their skills before seeking employment in the community.

The success of the hospital's rehabilitation therapy program can be measured by the fact that there was an increase of 16 percent in the number of referrals to the District of Columbia Department of Vocational Rehabilitation Unit and those accepted for service as compared to fiscal year 1964. Almost all referrals were made at rehabilitation conferences in which the psychiatrist, social workers, industrial therapist, nursing personnel, and DVR counselor participated. Most of the patients were referred to private industry and sheltered shops in the community. Others were assisted in preparing themselves for competitive employment by a trial adjustment work situation in Government or private agencies. For example, 17 patients participated in a trial assignment at the Department of Health, Education, and Welfare and were able to move from there to regular jobs.

Placements—Fiscal year 1965

	Number	*Percent*
Private industry	136	80
Government	17	11
Sheltered workshops	15	9

Close collaboration between the hospital, DVR, and various community agencies is maintained to support these patients in their efforts to make the transition from the hospital to independent living in the community.

Through the auspices of the Volunteer Services staff, a volunteer project in one of the hospital units has expanded into a remunerative workshop for patients in that area and has potential for substantial expansion in vocational rehabilitation.

The volunteer program continues to be one of the best and most productive contacts with the community for patients. This year, 943 volunteers gave 46,334 hours of time to the hospital, a slight decline from 1964. For the first time at this hospital, and possibly in any hospital, deaf mutes are working as volunteers. Students from Gallaudet College are working with patients under the supervision of a psychiatrist and a speech pathologist-audiologist.

Still another important contact with the community is accomplished through the work of the hospital chaplains through their ministry to patients, clinical pastoral training, and community relations and education. The chaplain who has had adequate clinical training, including the requisite psychiatric knowledge and understanding, can do much to break down the walls of superstition, misunderstanding, ignorance, and fear, all of which tend to alienate mentally ill patients and the mental hospital from the community. Staff chaplains and chaplain interns and residents have been active in the community by conducting religious services, addressing special interest groups, teaching, consulting with community pastors, and encouraging church

service groups to visit the hospital and participate in its volunteer program.

The constant endeavor to prepare patients to live fuller lives both in the hospital and in the community has led to an attack on the problem of illiteracy. Many of the patients are not capable of reading because of educational deficiencies and not because of mental or physical handicaps. To cope with the problem, 57 hospital employees were trained in reading workshop classes conducted by the Washington Literacy Council. In turn, they taught and are teaching functionally illiterate patients to read. The workshop was held on off-duty hours on a strictly voluntary basis.

RECREATIONAL THERAPY

Recreational therapy has concentrated on patient-community interaction. As soon as medically feasible, patients are introduced to recreation and leisure-time activities in the community either as spectators or users of community facilities. Innovations this year have included offcampus sessions in a public park facility located some distance from the hospital, bowling, and roller skating.

REHABILITATION OF "PRISONER" PATIENTS

The John Howard Annex, established to provide medium and minimum security facilities as an integral part of the John Howard Division (the maximum security service for patients admitted as a result of criminal proceedings), has demonstrated its value for rehabilitation of this patient group. Selected patients from John Howard Division are treated in the annex when maximum security is no longer medically indicated. In this setting, patients are afforded the opportunity to learn and demonstrate an increasing capacity to assume responsibility for their own actions. The results achieved by annex personnel have been gratifying. Approximately 35 percent of the patients moved to this unit during the year recovered sufficiently to be eligible for conditional release.

THE YOUTH CENTER

The Youth Center is an important part of the hospital's therapeutic program for young patients. The center provides a consistent and structured treatment program for patients 17 years of age or younger. Last year 26 patients attended the center.

An environment such as that of the Youth Center's has demonstrated its value by reducing patient anxiety. Also, it facilitates the process of acquiring new and socially acceptable ways of living and behaving.

The young patients who are admitted to the Youth Center are those who have a good potential for social recovery and for whom eventual return to the community is considered likely. Also, young patients

who function fairly well, but whose level of functioning can be improved, are admitted.

Participants are assigned academic subjects commensurate with their ability. Also, manual arts, arts and crafts, home economics, and physical education are a part of each student's curriculum based on his interests and ability.

Patients are assigned to a basic group program at the level of their needs with variations within the group as tolerated. All patients, however, receive group psychotherapy. In addition, over half of the patients receive individual psychotherapy.

The staff of the Youth Center is sufficiently diversified to meet the young patients' needs. A total treatment plan is worked out for each patient according to accepted practices for the treatment of children and adolescents by the entire staff. The staff consists of a child psychiatrist, social workers, activity group workers, teachers, a research psychologist, and a program coordinator.

FOSTER CARE PROGRAM

Foster care is the placement of patients in supervised homes in the community. Such homes provide more personal interest, supervision, and concern than that which would be provided in a boarding house or living alone in a room or apartment. Foster care implies responsibility on the part of both the hospital and the home sponsor in providing care of those patients who are ready to take their first steps into the community and who have the capacity to respond to these resources.

Placements in foster homes in the community increased 100 percent over last year. The real significance of the increased placements lies in the fact that patients placed would otherwise still be hospital residents were foster home not available.

Locating a suitable foster home is of critical importance for the patient who has no responsible relatives or whose family, for whatever reason, is unable to provide suitable full-time care when the patient is able to leave the hospital. As a factor in continuity of care and flexible administration of the program, the hospital's social service staff assigned to work with the patient candidates, also does the homefinding. This permits realistic screening of potential foster homes and improves the appropriateness of ultimate placements. The owner or operator of a prospective foster home is given a preliminary, brief training course before a patient is placed in the home. This is followed, after the patient has been placed, by group discussions under social service staff leadership to review problems of patient adjustment and management. Both the patient and, to some extent, the foster home are the responsibility of the hospital until the patient is

discharged. Even then, if an indigent patient is discharged, he is referred to the District of Columbia Department of Public Health for needed followup and continued certification for public assistance.

Since the program started near the end of fiscal year 1960, placements have risen as follows:

	Fiscal year					
	1960	1961	1962	1963	1964	1965
Number placed during year	5	58	80	90	134	268
First placements	5	56	74	69	110	223
Replacements	0	2	6	21	24	45

Professional Training and Education

The major development in the psychiatric residency program during the year was the appointment of five staff physicians to the newly established positions of psychiatric training officers. These physicians are assigned to the clinical divisions where psychiatric residents receive the major portion of their clinical training. Psychiatric training officers devote about half of their time to clinical services and about half to the supervision of residents and other academic duties. The psychiatric training officer program has worked out quite well by providing a career opportunity for young psychiatrists interested in both teaching and clinical service. Further, it provides the basis of a formal "faculty" to assist in curriculum planning. Also, it establishes a reasonably uniform level of training and provides a higher quality of teaching supervision of residents regardless of their assignment within the hospital. It provides the essential continuity of supervision for orderly professional growth and evaluation of the psychiatric trainee. The program enhances the regular clinical staff's supervision of residents. At the same time it adds a half-time service psychiatrist to the division. Regular staff members, of course, also continue their teaching function with residents.

The new arrangement provides a substantial increase in inhouse teaching capability thus reducing the need for contract services from outside physicians to meet training needs. As a result of the program, standards of patient treatment have been somewhat improved and there have been side benefits to other personnel exposed to the residency program.

The postresidency advanced training program in teaching and research progressed satisfactorily and is an important resource in building staff capability.

The hospital exists for the treatment and care of the patient. Next to this and almost of equal importance are the related duties of teaching and research. Programs of training and teaching, carried on in previous years have been refined and expanded. In addition to the 3-year psychiatric residency program, the hospital provides training and experience for such diverse groups as medical and dental interns and surgical and pathology residents, undergraduate nurses and seminary students, occupational therapy interns, interns and residents in psychology, and students of psychodrama.

Medical students from George Washington University come to Saint Elizabeths for practical training in physical diagnosis, for lectures in general psychiatry and for clinical clerkship, elective experience in psychiatry, and medical research.

Other special trainee groups include community ministers participating in the training program conducted by the Protestant Chaplains Section and various groups of students from local universities taking courses in abnormal psychology.

The program for trainees in the recognition and management of the mentally ill person for the Washington Metropolitan Police Department and the U.S. Secret Service now includes the U.S. Park Police.

The potential of the hospital as a training institution in the mental health field is enormous. All the components for a great and imaginative experiment in professional mental health training are present in the Federal and university facilities in the Washington area.

PROFESSIONAL TRAINEES, FISCAL YEAR 1965

The tabulation below shows the number of trainees in the various disciplines:

	Number enrolled during year
Physicians	35
Psychiatric residents	26
Affiliate psychiatric residents [1]	1
Surgical residents [1]	2
Rotating medical interns	6
Nurses	582
Undergraduate [1]	400
Graduate students [2]	84
Undergraduate collegiate [2]	98

See footnotes at end of table.

	Number enrolled during year
Other	119
Psychology interns and residents	14
Psychodrama interns and residents	10
Chaplain interns and residents	38
Social work students (field work placement)[2]	26
Occupational therapy interns[2]	22
Recreational therapy interns[2]	4
Dental interns	5
Total	736

[1] On affiliation from other hospitals.
[2] On affiliation from other schools.

BEHAVIORAL STUDIES

There were no major changes in program structure or operation of the behavioral studies activities. Fairly extensive facility improvements were begun in the newly designated Behavioral Studies Building.

The program for experimental psychiatry continued. The patient group thus far studied is made up of chronic schizophrenic males with a fluctuating clinical course. Pilot studies are underway for collecting more refined data, the ultimate plan being a long-range study including patients with organic brain damage, convulsive disorder, mental deficiency, affective disorders, and schizophrenia.

The development of a subprogram in clinical psychophysiology required extensive and intensive review of experimental work already done in the field of verbal behavior and assessment, and the integration of research contributions from a wide range of disciplines. The completed review served not only the needs of the program but constitutes a valuable reference resource for other research workers.

Work is proceeding on development of techniques for assessing attitudinal and conceptual changes in professional trainees associated with specific kinds of training curricula in a mental health training program. While the work was initiated with chaplaincy programs, the principles can very likely be extended to other programs.

The research work continued in operant conditioning and psychophysics, investigations of criminal behavior, and personality assessment.

Final work was completed on "A Multidisciplinary Study of a Representative Sample of Psycho-Geriatric Patients." A 25-percent sample of geriatric admissions to the hospital was studied. Each patient was followed through his experiences over a 2-year period in such matters as his attitude toward hospitalization and his nursing, social service, and rehabilitation needs.

The survey findings indicate that the psychosis of most of the patients studied was complicated by age and physical condition. Geriatric patients need more intensive physical care and rehabilitative services than younger patients.

This project was a combined effort by members of the Behavioral Studies staff, Nursing Branch, Psychology Branch, and Social Service Branch. It is an example of the type of research activity which should be strongly encouraged as it utilizes the skills of the research staff in the service of hospital clinical needs and fosters the role of research as a dynamic component of hospital activities generally.

Staffing, Financing, and Facilities

Employment at the end of the fiscal year, exclusive of trainees and temporary employees, was 3,640 compared with 3,750 at the end of 1964. The decline is attributable principally to the necessity to absorb the costs of higher average salaries, much of the increase resulting from the success of the hospital in attracting professional staff in the higher salary brackets and to a small reduction in the availability of funds.

Staffing shortages in areas directly concerned with patient treatment and rehabilitation continue. Particularly heavy losses occurred among nurses and social workers during the period of virtual "freeze" on employment as many applicants accepted employment elsewhere when the hospital could not make employment commitments.

The employee-patient ratio increased slightly during the year from 60–100 in 1964 to 62–100 in 1965 resulting only from the decline in patient population. The need for at least a 100–100 ratio has been previously demonstrated by detailed staffing surveys. Although the reduced inpatient population trend continues, the increased activity in admission and rehabilitation programs, outpatient clinic and day centers makes greater demands on personnel available.

With the increased response to active therapy there is less requirement for custodial-type care and much more demand for therapeutic activities—psychotherapy; group therapy; and recreational, occupational, and industrial therapy. The provision of activity therapy programs, however, demands substantially more staff. The lack of sufficient medical officers, psychologists, social workers, therapists, nursing personnel, and technicians results in the unwanted denial of the "most enlightened" treatment to patients.

FACILITY IMPROVEMENT

The hospital was successful in obtaining the funding necessary for a number of facility improvement projects totaling $2,242,000. Principal among these are the extension and modernization of plumbing

and electrical facilities in a number of patient areas and the air-conditioning of Geriatric Building which houses 500 elderly patients.

Despite the fact that funds were available, the construction contract for the 450-bed Psychiatric Rehabilitation Center continued to be held up. This very badly needed facility should be made available not only to provide rehabilitation services but also to replace extremely unsatisfactory and obsolete patient buildings which were erected between 1856 and 1898. Until replacement is effected, hundreds of patients must continue to live in hopelessly substandard facilities.

DISCONTINUANCE OF FARMING

The hospital farm ceased operation June 30, 1965. This acreage, purchased in 1891–94, for many years supplied a portion of the fruits and vegetables used by the hospital. The land will be used for patients' recreation and related purposes.

Toward the Future

Saint Elizabeths Hospital as the largest Federal mental hospital is in a unique position to meet a national mental health need. The Federal Government, by full utilization of the hospital's potential, can lead the way in improving the national standards of treatment, care, and rehabilitation, which are deplorably low in many areas. Saint Elizabeths, whose large patient population is not dissimilar from that in State hospitals, can, with a comparatively small investment of Federal funds, create a national demonstration treatment, training, and research center which would in a very real sense serve as a model for public mental hospitals to emulate. Through an enlarged program of training and education it could add to the Nation's resources of professional personnel available for the treatment of mental illness. As a national demonstration center, Saint Elizabeths would serve as a central laboratory enabling representatives of other Federal agencies, by observation and experimentation, better to fulfill their leadership responsibilities in the national mental health program.

Table 1.—*Patients, admissions, discharges, and deaths, fiscal years 1955–65*

Fiscal year	Average number of patients		Admissions [1]	Discharges [1]	Discharges as percent of admissions	Deaths [1]
	On rolls	In hospital				
1955	7,461	7,216	1,349	748	55	502
1956	7,438	7,120	1,327	884	67	600
1957	7,413	6,994	1,615	1,014	63	507
1958	7,466	6,965	1,605	1,076	67	532
1959	7,512	6,900	1,607	1,034	64	479
1960	7,691	6,983	1,894	1,101	58	504
1961	7,933	6,976	[1] 1,981	[1] 1,395	70	440
1962	7,942	6,838	2,024	1,641	81	484
1963	7,799	6,668	1,930	1,546	80	513
1964	7,672	6,412	1,692	1,446	85	444
1965	7,585	6,148	1,965	1,557	79	423

[1] Figures for 1961 and earlier years differ slightly from those for later years in that the earlier figures include "paper" discharges and readmissions made in order to change legal categories.

Table 2.—*Patients on the rolls, by status and by sex, time since admission, ethnic group, and age, June 30, 1965*

Sex, time since admission, ethnic group, and age	Patients on rolls, total	Resident patients [1]			On limited leave	On convalescent leave	On unauthorized leave
		Total	In hospital	On temporary visit			
Total	7,549	6,131	6,097	34	71	1,271	76
Males	3,661	3,131	3,118	13	36	445	49
Females	3,888	3,000	2,979	21	35	826	27
Time since admission							
Less than 6 months	701	578	573	5	3	114	6
6 to 11 months	461	280	280	0	7	169	5
1 year	603	396	393	3	10	188	9
2 years	540	356	354	2	8	166	10
3 to 4 years	819	607	603	4	16	173	23
5 to 9 years	1,110	873	864	9	12	209	16
10 to 19 years	1,324	1,134	1,128	6	13	170	7
20 years and over	1,991	1,907	1,902	5	2	82	0
Median time since admission (years)	7.4	9.4	9.4	6.2	3.4	2.5	3.2
Ethnic Group							
White	3,857	3,241	3,223	18	42	543	31
Nonwhite	3,692	2,890	2,874	16	29	728	45
Age (years)							
Less than 15	12	11	11	0	0	1	0
15 to 17	29	25	24	1	0	3	1
18 to 24	269	190	188	2	2	69	8
25 to 34	808	561	557	4	2	228	17
35 to 44	1,148	810	803	7	11	297	30
45 to 54	1,404	1,068	1,060	8	16	307	13
55 to 64	1,506	1,257	1,250	7	12	232	5
65 to 74	1,225	1,112	1,109	3	20	92	1
75 to 84	886	845	843	2	8	32	1
85 and over	262	252	252	0	0	10	0
Median age	55	58	58	48	58	46	39

[1] Resident patient status should not be confused with the District of Columbia resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

Table 3.—*Movement of patients on the rolls, by sex, time since admission, ethnic group, and age, fiscal year 1965*

Sex, time since admission, ethnic group, and age	Patients on rolls, June 30, 1964	Admissions	Discharges	Deaths	Patients on rolls, June 30, 1965	Change during year
Total	7,564	1,965	1,557	423	7,549	−15
Males	3,773	1,151	1,034	229	3,661	−112
Females	3,791	814	523	194	3,888	+97
Time from admission to June 30, 1965 [1]						
Less than 6 months	615	1,060	331	29	701	+86
6 to 11 months	405	905	468	29	461	+56
1 year	723	----------	346	57	603	−120
2 years	521	----------	131	38	540	+19
3 to 4 years	832	----------	83	61	819	−13
5 to 9 years	1,044	----------	85	69	1,110	+66
10 to 19 years	1,423	----------	67	50	1,324	−99
20 years and over	2,001	----------	46	90	1,991	−10
Ethnic group						
White	3,901	958	767	235	3,857	−44
Nonwhite	3,663	1,007	790	188	3,692	+29
Age (years)						
Less than 15	9	8	3	0	12	+3
15 to 17	34	29	15	0	29	−5
18 to 24	254	224	181	0	269	+15
25 to 34	792	458	377	3	808	+16
35 to 44	1,184	432	416	13	1,148	−36
45 to 54	1,460	293	295	31	1,404	−56
55 to 64	1,553	203	165	76	1,506	−47
65 to 74	1,176	148	76	92	1,225	+49
75 to 84	852	131	26	132	886	+34
85 and over	250	39	3	76	262	+12
Median age	55	40	39	74	55	----------

[1] Data for patients on rolls June 30, 1964, represent time from admission to June 30, 1964.

NOTE.—Ordinarily the number of patients on the rolls at the beginning of the year plus admissions minus discharges and deaths equal the number of patients at the end of the year. However, this is not true for characteristics which change during the year, such as age or time since admission.

Table 4.—*Patients on the rolls by status and legal category, June 30, 1965*

Legal category	Patients on rolls, total	Resident patients [1]			On limited leave	On convalescent leave	On unauthorized leave
		Total	In hospital	On temporary visit			
Total	7,549	6,131	6,097	34	71	1,271	76
Reimbursable	6,721	5,397	5,365	32	67	1,186	71
Residents of District of Columbia	5,564	4,434	4,403	31	59	1,048	23
District of Columbia resident (civil judicial order)	4,955	4,113	4,088	25	46	777	19
Voluntary resident	542	260	256	4	12	266	4
Nonprotesting resident [2]	51	46	45	1	0	5	0
Emergency resident [2]	16	15	14	1	1	0	0
District of Columbia jury trial [3]	95	87	87	0	1	6	1
District of Columbia criminal proceedings	625	508	508	0	1	71	45
For examination	33	33	33	0	0	0	0
Mentally incompetent	93	89	89	0	0	0	4
Not guilty, insanity	389	297	297	0	0	59	33
Under sentence	67	65	65	0	0	1	1
Sex psychopath	43	24	24	0	1	11	7
Veterans Administration	352	297	296	1	3	51	1
U.S. nationals from abroad	52	48	48	0	1	2	1
U.S. Soldiers Home	26	16	16	0	2	8	0
Indians (PHS)	5	5	5	0	0	0	0
Foreign Service	2	2	2	0	0	0	0
Nonreimbursable	828	734	732	2	4	85	5
Nonresidents of District of Columbia	383	313	312	1	4	63	3
District of Columbia nonresident (civil judicial order)	303	262	261	1	4	34	3
Voluntary nonresident [2]	67	40	40	0	0	27	0
Nonprotesting nonresident [1]	6	4	4	0	0	2	0
Emergency nonresident [2]	7	7	7	0	0	0	0
Emergency voluntary [4]	0	0	0	0	0	0	0
Military and Coast Guard	227	218	218	0	0	9	0
Virgin Islands	121	118	117	1	0	2	1
Federal reservation	33	24	24	0	0	8	1
Public Health Service	13	13	13	0	0	0	0
Canal Zone	13	13	13	0	0	0	0
U.S. criminal proceedings	28	27	27	0	0	1	0
Other	10	8	8	0	0	2	0

[1] Resident patient status should not be confused with District of Columbia resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

[2] Category established Sept. 15, 1964, under provisions of the District of Columbia Hospitalization of the Mentally Ill Act, Public Law 88-597.

[3] New category effective Apr. 10, 1965. Consists of patients admitted as incompetent to stand trial in criminal proceedings prior to Aug. 9, 1955, and whose criminal charges are no longer pending.

[4] Category discontinued Sept. 15, 1964.

Table 5.—*Movement of patients on the rolls by legal category, fiscal year 1965*

Legal category	Patients on rolls, June 30, 1964	Additions		Removals			Patients on rolls, June 30, 1965	Change during year
		Admissions	From other legal category[1]	Discharges	Deaths	To other legal category[1]		
Total	7,564	1,965	691	1,557	423	691	7,549	−15
Reimbursable	6,771	1,704	38	1,144	389	259	6,721	−50
Residents of District of Columbia	5,530	1,290	70	677	343	306	5,564	+34
District of Columbia resident (civil judicial order)	5,181	718	69	394	319	300	4,955	−226
Voluntary resident	349	383	115	231	15	59	542	+193
Nonprotesting resident [2]	0	73	2	12	8	4	51	+51
Emergency resident [3]	0	116	3	40	1	62	16	+16
District of Columbia jury trial [3]	0	0	102	6	1	0	95	+95
District of Columbia criminal proceedings	737	394	12	345	9	164	625	−112
For examination	40	201	1	190	0	19	33	−7
Mentally incompetent	224	81	26	64	7	167	93	−131
Not guilty, insanity	350	59	22	39	2	1	389	+39
Under sentence	73	49	2	43	0	14	67	−6
Sex psychopath	50	4	0	9	0	2	43	−7
Veterans Administration	408	7	66	103	25	1	352	−56
U.S. nationals from abroad	54	8	0	7	3	0	52	−2
U.S. Soldiers Home	33	5	0	5	7	0	26	−7
Indians (PHS)	7	0	0	1	1	0	5	−2
Foreign Service	2	0	0	0	0	0	2	0
Nonreimbursable	793	261	259	413	34	38	828	+35
Nonresidents of District of Columbia	314	145	262	311	14	13	383	+69
District of Columbia nonresident (civil judicial order)	314	7	213	217	10	4	303	−11
Voluntary nonresident [4]	0	92	61	74	2	10	67	+67
Nonprotesting nonresident [4]	0	11	2	4	2	1	6	+6
Emergency nonresident [4]	0	35	0	16	0	12	7	+7
Emergency voluntary [4]	11	26	0	16	0	21	0	−11
Military and Coast Guard	249	0	0	6	16	0	227	−22
Virgin Islands	120	4	0	0	3	0	121	+1
Federal reservation	35	46	0	37	0	11	33	−2
Public Health Service	14	0	0	0	0	1	13	−1
Canal Zone	14	0	0	0	1	0	13	−1
U.S. criminal proceedings	26	40	7	43	0	2	28	+2
Other	10	0	0	0	0	0	10	0

[1] Subtotal lines exclude legal category changes within the respective groups (e.g., the 12 changes to the total District of Columbia Criminal Proceedings exclude changes from one District of Columbia Criminal Proceedings category to another).

[3] Category established Sept. 15, 1964, under provisions of the District of Columbia Hospitalization of the Mentally Ill Act, Public Law 88-597.

[3] New category effective Apr. 10, 1965. Consists of patients admitted as incompetent to stand trial in criminal proceedings prior to Aug. 9, 1955, and whose criminal charges are no longer pending.

[4] Category discontinued Sept. 15, 1964.

Table 6.—*Discharges by status from which discharged and by condition, environment, and employment, fiscal year 1965*

Condition or type, environment, and employment	Total	Resident patient status [1]			Limited leave	Convalescent leave	Unauthorized leave
		Total	Direct from hospital	Temporary visit			
Total	1,557	985	950	35	15	456	101
Condition or type							
Medical discharges	612	164	146	18	13	403	32
Condition on discharge:							
Recovered	23	4	3	1	1	18	0
Socially recovered	399	72	64	8	12	303	12
Improved	173	80	71	9	0	79	14
Unimproved	17	8	8	0	0	3	6
Administrative discharges	945	821	804	17	2	53	69
Type of discharge:							
To legal or police authorities	310	308	302	6	0	1	1
Without mental disorder	162	162	162	0	0	0	0
With mental disorder	145	143	137	6	0	1	1
Examination not completed	3	3	3	0	0	0	0
To home State or country	123	116	115	1	0	3	4
Against medical advice	199	158	153	5	1	7	33
Court order	143	117	114	3	0	22	4
To VA hospital	74	69	69	0	1	2	2
Expiration of limited stay, for admission to private hospital, etc	96	53	51	2	0	18	25
Environment							
Alone	197	91	85	6	1	96	9
With spouse	225	117	110	7	5	93	10
With relatives (not spouse)	394	199	191	8	6	171	18
With others	78	41	36	5	1	31	5
In foster care home	36	2	2	0	0	34	0
In District of Columbia Village	5	3	3	0	0	2	0
In other home for aged, nursing, or convalescent home	9	4	4	0	0	5	0
In inpatient psychiatric institution	187	175	174	1	1	5	6
In penal institution	295	292	290	2	0	1	2
In other institution	31	26	25	1	0	3	2
Unknown	100	35	30	5	1	15	49
Employment							
Full time	275	90	81	9	1	176	8
Part time or intermittent	45	14	13	1	0	26	5
Seeking work	301	204	191	13	3	73	21
Housewife, student, retired, etc	97	44	42	2	5	47	1
Not employable:							
In institution	508	483	480	3	1	14	10
Other, too ill mentally or physically	126	59	57	2	1	62	4
Unknown	205	91	86	5	4	58	52

[1] Resident patient status should not be confused with District of Columbia resident legal category. The former is defined as patients in the hospital plus those on temporary visit.

Surplus Property Utilization [1]

THE SURPLUS property utilization program continued in 1965 to play a significant role in implementing funds available to public and nonprofit health and educational institutions for carrying out their program activities. Hundreds of thousands of dollars which would have been spent for manpower development training appropriations for the purchase of training equipment were saved through the utilization of surplus personal property by schools having manpower development training contracts. A significant number of vocational technical schools was established on real properties secured through the surplus property program during the fiscal year. In addition, the program rendered valuable and expeditious assistance in the disaster areas on the west coast and in the Midwest by making available properties needed and used by civil defense units in providing disaster relief.

The program has also played a major role in alleviating the economic impact on communities surrounding major military installations which are being phased out. Program representatives are members of the Task Force of the Secretary of Defense, which coordinates with local groups in developing ways and means for Federal aid programs to assist in relieving the impact of closure of military bases. For example, in Salina, Kans., the Shilling AFB was closed. Under the disposal program developed, there has been located on a portion of the base a new area vocational technical school, sponsored by the local public school system; a new technical institute created by the Kansas Legislature in 1965; and the former base hospital complex will be used by the State of Kansas as a vocational rehabilitation center. Many of the facilities conveyed include personal property which enabled the immediate commencement of operations and resulted in major savings of tax funds of the State and local community.

Also, as a result of the phasing out of military bases and missile sites, tremendous quantities of electronic and scientific property continue to be generated. Through cooperative research efforts between Federal employees, staffs of the State agencies for surplus property,

[1] This activity, administered by the Office of Administration, Office of the Secretary, was administered by the Office of Field Administration, Office of the Secretary, during the period covered by this Report.

specialists employed by several State departments of education, and members of the technical staffs of a number of universities and colleges, new and unique uses of these types of property in the teaching processes of the school systems of our country have been developed. Many of these uses are for components of pieces of electronic and scientific equipment that would have no use whatsoever in their original form, and the residual sales value on the market would be insignificant in relation to the component use value in education. Information regarding these uses has been disseminated to donees throughout the country.

In fiscal year 1965 personal properties representing an acquisition cost to the Government of $433,718,687 were allocated to State agencies for distribution to health and educational institutions. Real properties surplus to any further Federal needs and representing an acquisition cost of $40,163,369 were conveyed for health and educational programs. The fair market value of these real properties was $19,882,249; 197 individual conveyances were made. Frequently facilities conveyed under the real property portion of the program are significantly equipped by personal properties secured by the transferees under the donation program. The following tabulation illustrates the diversification of purposes for which real properties were conveyed during fiscal year 1965.

College campus sites and facilities	29
College and high school agricultural, teaching, experimental, and vocational training	17
Elementary and secondary educational programs	67
Central administrative and service facilities for schools and school systems	6
Housing for school or hospital staffs	39
Hospital or clinic programs	4
Treatment, rehabilitation, and training centers for mentally retarded and physically handicapped	5
Diagnostic evaluation and rehabilitation centers for juvenile delinquents	3
Public libraries	8
Water and sewer production treatment and service facilities	13
Land fill refuse disposal programs	1
Medical research	5
Total	197

In the early spring, the closing of many Atlas and Titan missile sites was announced by the Department of Defense. The nature of these facilities is such that they have very little attraction in the sales market. However, through the surplus property program, 12 to 14 complete sites will be placed into utilization primarily in the fields of higher education. In addition, plans are being made to salvage from other missile sites tremendous quantities of equipment which is needed and usable for health and educational purposes.

American Printing House for the Blind

As the official schoolbook printery for the blind in the United States, one of the principal functions of the American Printing House for the Blind, in Louisville, Ky., is the provision of special educational books and supplies for the blind schoolchildren throughout the country through the Federal act "To Promote the Education of the Blind." This act, originally passed in 1879, authorizes an annual appropriation to the Printing House for this purpose. Allocations of books and materials are made on a per capita basis. Only those pupils may be registered whose vision comes within the accepted definition of blindness as follows: "Central visual acuity of 20/200 or less in the better eye with correcting glasses, or a peripheral field so contracted that the widest diameter of such field subtends an angular distance no greater than 20 degrees."

The Printing House maintains large catalogs of Braille books, Talking Books, recorded tapes, Braille music publications, large-type texts, and tangible apparatus. A rich collection of educational material is thereby provided for the kindergarten through the high school grades. A total of 8,000 blind pupils was enrolled through public educational institutions for the blind and 10,093 through State departments of education—a total of 18,093 blind pupils being served by the Printing House—for the fiscal year ending June 30, 1965.

During the 1965 fiscal year, Braille books, educational periodicals, and music made up approximately 42.8 percent of the materials required by the schools; Braille slates, Braillewriters, maps, and other mechanical devices about 19.5 percent; Talking Books about 2.4 percent; recorded educational tapes about 0.3 percent; and large-type books about 32.9 percent. Approximately 2.1 percent was used for miscellaneous items.

Gallaudet College

GALLAUDET COLLEGE, a private corporation, established in 1857, is the only institution of higher learning in the world devoted exclusively to the education of the deaf. It is accredited by the Middle States Association of Colleges and Secondary Schools. Public Law 420, 83d Congress, approved June 18, 1954, clearly defines its status as a college, its relationship with the Federal Government, and its responsibility to provide education and training to deaf persons and otherwise to further the education of the deaf.

The college's principal activity is a 4-year undergraduate course of studies leading to the B.A. and B.S. degrees. In addition, Gallaudet offers a 1-year college preparatory course. Deaf children of nursery ages receive training in the Hearing and Speech Center. Elementary and secondary education for deaf children of the District of Columbia and adjacent States is provided by the Kendall School, a laboratory school serving the college's Department of Education. This department, established in 1891, trains graduate students, both deaf and hearing, for positions as teachers in schools for the deaf. The fifth-year teacher training program is accredited by the National Council for Accreditation of Teacher Education. Graduate studies were expanded in 1964 and brought into a newly established graduate school, offering majors in audiology, speech pathology, nursery education, elementary education, secondary teaching fields, and special fields. The 1964–65 enrollment in the college was 768; in the Kendall School, 132; and in the nursery school, 46.

The editorial offices of "dsh Abstracts," the "American Annals of the Deaf," and the central office of the Convention of the American Instructors of the Deaf are on the Gallaudet campus.

Howard University

HOWARD UNIVERSITY, located in the District of Columbia, was chartered by an act of Congress, dated March 2, 1867. The university consists of 10 schools and colleges, offering programs of higher education on the undergraduate, graduate, and professional levels. Undergraduate students are registered in the college of liberal arts; graduate students seeking the master's and doctor of philosophy degrees are registered in the graduate school; professional students are registered in the colleges of medicine, dentistry, pharmacy, fine arts (including the school of music and the departments of art and drama), and the schools of engineering and architecture, social work, law, and religion. (The school of religion receives no support from Federal funds.)

The educational program of the university is conducted in keeping with the democratic purposes of land-grant colleges and State universities, with the low tuition fees and living costs which characterize these institutions, and with an educational program resting upon and permeated by the content and spirit of a general or liberal education. The university admits students of both sexes, from every race, creed, and national origin, but it accepts and undertakes to discharge a special responsibility for the admission and training of Negro students.

ENROLLMENT OF STUDENTS

During the school year 1964–65, the university served a total of 11,203 students as follows: 8,077 during the regular academic year and 3,126 in the summer session of 1964. The total net enrollment, excluding all duplicates, was 9,401 distributed as follows: liberal arts, 5,151; graduate school, 1,143; engineering and architecture, 719; fine arts, 583; social work, 308; medicine, 388; dentistry, 659; pharmacy, 200; law, 199; and religion, 51.

GEOGRAPHICAL DISTRIBUTION OF STUDENTS

The enrollment of foreign students continues to be significant. During the second semester of the 1964–65 school year, there were

1,431 foreign students constituting 15 percent of the enrollment. These 1,431 foreign students came from 77 countries, including Canada, 3 countries in Central America; 6 countries in South America, 17 islands in the West Indies; 24 countries in Africa; 19 countries in Asia and the Pacific Islands; and 7 countries in Europe. In addition, there were students from Puerto Rico and the Virgin Islands.

During the course of the school year, there were 7,970 degree-seeking students from the United States. These students were distributed as follows: New England States, 335; Mideastern States, 3,720; Great Lakes States, 498; Plains States, 92; Southeastern States, 2,961; Southwestern States, 188; Rocky Mountain States, 29; Far Western States, 136; Alaska, 1; and Hawaii, 10.

VETERANS

The total enrollment of veterans and dependents of deceased veterans was 86. Four of these students were graduated. Of this total enrollment of veterans, 28 were Korean veterans, 6 disabled veterans, and 52 dependents of deceased veterans. The educational benefits program for veterans ended January 31, 1965.

ARMY AND AIR FORCE ROTC

Army ROTC.—There were 531 students enrolled in Army ROTC during the 1964–65 school year. Of this number, 304 were in the first year course, 169 in the second year, 25 in the third year, and 33 in the fourth year. There were 24 students commissioned as reserve officers in the Army during the year.

Air Force ROTC.—A total of 656 students was enrolled in Air Force ROTC. Of this number, 322 were in the first year course, 215 in the second year, 50 in the third year, and 69 in the fourth year. During the year, 22 students were commissioned as reserve officers in the Air Force.

THE FACULTY

There were 942 teachers serving the university during the school year. Of this number, there were 514 full-time teachers and 428 part-time teachers. The full-time equivalent of the teaching staff was 610.88. Of this full-time equivalent, 546.23 were teaching at the rank of instructor or above.

The university continues, as always, to seek for its faculty the most able persons who are selected on the basis of their competence and character, without regard to race, sex, color, creed, or national origin. It is to be noted, however, that the Howard University faculty has always included the largest group of Negro teachers and scholars at the university level found anywhere in the United States. Many of the most outstanding Negroes in public life have served at Howard

University at some time during the course of their careers. Among such persons were the Ambassador to Senegal, the founder and operator of the first blood plasma bank, a Governor of an American possession, an under secretary of the United Nations, two judges of the U.S. Courts of Appeals, and many others.

The faculty continues to remain active in making a valuable contribution to education and the advancement of knowledge through significant research and scholarly publications. Funds allocated in the university's budget for support of research in the social sciences and humanities have been especially helpful in the encouragement of research in those areas.

VARIED ACTIVITIES OF THE FACULTY AND STAFF

Numerous members of the faculty and staff were engaged in a variety of useful activities both in the United States and abroad. Development of a program in architectural education at the University of Nigeria, conduct of an athletic training project in Cairo under the sponsorship of Operations Crossroads Africa, service as an exchange scientist to the Soviet Union for research in brain behavior relationships at the Soviet Academy of Science, consultant to the Peace Corps, consultant to the U.S. Commission on Civil Rights, and consultant to the medical division of the Department of State represent types of service rendered by these employees of Howard University. Several members of the staff, including the president of the university, represented the United States in various possessions and foreign countries.

GRADUATES

During the 1964–65 school year, there were 933 graduates from the 10 schools and colleges. These graduates came from 33 States, the District of Columbia, Puerto Rico, the Virgin Islands, 10 foreign countries, and 9 island possessions of the British, French, and Dutch West Indies.

The 933 graduates were distributed among the 10 schools and colleges as follows: liberal arts, 443; engineering and architecture, 81; fine arts, 37; the graduate school, 107; social work, 66; medicine, 87; dentistry, 48; dental hygiene, 15; pharmacy, 13; law, 29; and religion, 7. In addition, honorary degrees were conferred upon four persons.

From the date of its establishment in 1867, Howard has graduated 24,255 persons. The great majority of these graduates have been Negroes. Throughout its 98-year history, Howard has been a pioneer in providing Negroes with educational opportunities which were either not available or offered in only limited amount elsewhere. Among institutions in which Negro students are in a majority, the university

still stands as the only one affording a complex system of undergraduate, graduate, and professional training.

The largest number of graduates has entered the field of teaching, especially in the Southern States. In the field of medicine, there have been 3,557 graduates; 2,078 have gone into dentistry and dental hygiene; 1,814 have entered the field of law; 447 have entered the ministry; 1,271 have gone into the fields of engineering and architecture; and 765 have gone into social work. Numerous graduates of the university have engaged in government service not only in the United States but also in many countries abroad.

SIGNIFICANT PROGRAM DEVELOPMENTS

The following significant developments took place during the year 1964–65:

A part of the new curriculum for the College of Medicine was placed in effect in September 1964. This program included review sessions for students who received unsatisfactory grades for the previous year and preadmission review sessions for entering students;

The Department of Education initiated a sixth-year program leading to the Certificate of Advanced Graduate Study;

The School of Law was given authorization to grant the degree of Master of Comparative Jurisprudence;

A computer laboratory was established in the School of Engineering and Architecture as an adjunct to the universitywide computer and data processing facility;

The Foreign Affairs Scholars Program, which is sponsored by the Ford Foundation and is designed to prepare Negroes and members of other minority groups for careers in foreign affairs, enrolled 38 students from 28 colleges during the second year of the program; and

The university has cooperated with the Federal Planning Organization of Washington and several agencies of the Federal Government in the implementation of the economic opportunity program.

THE BUILDING PROGRAM

The program for improvement of physical facilities moved forward with these developments: a new classroom building for the social sciences and humanities was completed; plans and specifications are being prepared for a social work building and a new dormitory for men; a women's dormitory, which is now under construction, is scheduled for completion in the spring of 1966; and a contract for plans and specifications for the new university hospital has been awarded.

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